

# Ramotshere Moiloa Local Municipality “NW385”



## INVITATION TO BID

(In terms of the Supply Chain Management Regulations (Government Gazette 27636 of 30 May 2005))

**BID NO: RMLMSCM: 2023/2024 – 020B**

**Tender for the provision of short-term insurance contract for  
a period of three (3) years**

**Closing Date and Time:  
MONDAY 8<sup>th</sup> JULY 2024 @ 11h00**

|                                                               |  |                                                               |
|---------------------------------------------------------------|--|---------------------------------------------------------------|
| NAME OF BIDDER:                                               |  | Bidder VAT<br>registered?                                     |
| TOTAL BID PRICE (INCL VAT):<br>(Brought forward from MBD 3.1) |  | Yes: <input type="checkbox"/><br>No: <input type="checkbox"/> |

Please note that it is compulsory for all service providers to complete the above required information

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## BID CHECKLIST

Bidders are to use this checklist to ensure that the bid documentation is complete for administrative compliance. The bidder is to indicate that the documentation is complete and included in the bid document by completing the table below.

Tick to indicate that the information is included

| Item | Description                                                                                                                                                                                                         | Yes                      | No                       | n/a                      |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 1.   | Is your business registered as accredited prospective supplier with Ramotshere Moiloa Local Municipality?                                                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.   | Is the bid document administration fee paid and a copy of the receipt attached to the bid document?                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.   | Did you read and understand all pages of the bid document?                                                                                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.   | Did you complete the bid documents in black ink?                                                                                                                                                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.   | Did you provide a certified copy of your <a href="#">company registration</a> and <a href="#">VAT registration certificates</a> ?                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.   | Did you provide a <a href="#">certified copy of your identity document</a> in case of sole proprietorship, Shareholders, Directors or Partners                                                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7.   | Did you provide registration certificate pertaining to the relevant industry e.g. (Electrical Contractors Board), if applicable?                                                                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8.   | Did you provide a covering letter?                                                                                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9.   | Did you provide an <a href="#">original and valid tax clearance certificate</a> ? (MBD2)                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10.  | Did you complete and <a href="#">sign the Bid Declaration Form</a> ? (section 3)                                                                                                                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11.  | Where applicable, is there a resolution taken by the Board of Directors/Members/Partners completed and signed? (section 4)                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12.  | Where applicable, is there resolution taken by the Board of Directors of a Consortium or Joint Venture completed and signed? (section 5)                                                                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13.  | Is invitation to bid completed and signed?(MBD 1)                                                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14.  | Is the Declaration of Interest completed and signed? (MBD 4)                                                                                                                                                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15.  | Is the Declaration of Bidder's Past Supply Management Practices completed and signed? (MBD 8)                                                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.  | Is the Certificate of Independent Bid Determination completed and signed? (MBD 9)                                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17.  | Did you complete and sign the Previous Work Experience of a <a href="#">Similar Nature</a> section? (section 9)                                                                                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18.  | Is the Preference Points Claim Form in Terms of the Preferential Procurement Regulation 2022 completed and signed? (MBD 6.1)                                                                                        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19.  | Did you provide an <a href="#">original and valid B-BBEE status level verification certificate or a certified copy thereof or, if you qualify as an EME, did you provide a verification certificate</a> ? (MBD 6.1) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20.  | Does the product/service offered conform to the Bid Specifications?                                                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21.  | Is Pricing Schedule completed?(MBD 3.1)                                                                                                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22.  | Where applicable, is the Declaration for Procurement Above R10 million (all applicable taxes included) completed and signed? (MBD 5)                                                                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 23.  | Did you attach the <a href="#">annual financial statements</a> as required in MBD 5? (For Procurements above R10 million)                                                                                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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|---------------------------|
| SPECIAL CONDITIONS OF BID |
|---------------------------|

1. The Municipality's document must be kept as supplied and submitted with all schedules / forms fully completed.
2. Any other documents, certificates etc. must be attached as an annexure to the official Municipal document.
3. Where the Municipality's official document is taken apart and not submitted as supplied, the bid might be rejected.
4. Schedules / forms not duly completed and signed by the bidder will result in a bid not being considered.
5. All Forms of Special Conditions in Specifications should be included.
6. The bid document must be completed in black ink, and prices must be VAT inclusive, unless otherwise specified.
7. The lowest or any Bid will not be necessarily be accepted, and the Ramotshere Moiloa Local Municipality reserves the right to accept the whole or any portion of a Bid.
8. All prices and details must be legible to ensure the bid will be considered for adjudication.
9. Corrections may not be made by means of correction fluid such as Tip – Ex, or any other similar product. In the event of a mistake being made, it should be crossed out in ink and be accompanied by a full signature at each and every alteration. The Municipality reserves the right to reject the bid if corrections are not made in accordance with the above.
10. **A. RETURNABLE DOCUMENTS**  
  
**NB: FAILURE TO ATTACH THE BELOW DOCUMENTS WILL LEAD TO DISQUALIFICATION OF BIDS**
  - **Copies of Company registration certificate,**
  - **Certified ID copy(s) of Director(s)/Shareholder(s) not older than three months,**
  - **Valid tax clearance certificate with pin,**
  - **Company Profile**
  - **Proof of VAT registration if applicable,**
  - **Central suppliers database (CSD)report(Latest Report) not older than three months,**
  - **A letter confirming bank details of the company not older than 3 months,**
  - **Proof of Municipal rates/letter from Tribal Authority / Copy of a valid lease agreement for the company**
  - **In case of a joint venture a joint venture agreement should be attached (sworn affidavit is not acceptable)**
  - **Authority of signatories.**
  - **The bidder must be a South African based insurer or Broker Organisation (attach proof)**
  - **The bidder must have Professional Indemnity Cover (attach proof).**
  - **Bidder Proposals with a detailed summary of the salient features of the recommended insurance and risk mitigation structure (attach proof)**
11. The bidder may submit a comprehensive company profile, for example the founding company statements, as well as a detailed exposition of previous work done.
12. No bid forwarded by e – mail, telegram, telex, facsimile or similar apparatus will be considered.
13. Late bids shall not be admitted for consideration.
14. Bids must be properly received and deposited in the bid box of the Ramotshere Moiloa Local Municipality on or before **11:00 on Monday, 08<sup>th</sup> July 2024**. Bid offers must be submitted in a sealed envelope properly marked in terms of the bid number and bid description, at the offices of the Municipality situated at Ground floor **Ramotshere Moiloa Local Municipality; Cnr. Coetzee and President Streets Zeerust.**
15. Copyright / Patent Rights – Copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Ramotshere Moiloa Local Municipality.

BID DECLARATION

1. I/we Mr/Mrs/Messrs \_\_\_\_\_ duly assigned to represent the bidder for the purpose of this bid, hereby bid to supply the goods and/or render services described in the attached documents to the Ramotshere Moiloa Local Municipality on terms and conditions stipulated in this bid and in accordance with the specifications stipulated in the bid documents (which shall be taken as part of, and incorporated into this bid) at the prices reflected in the Pricing Schedule.
2. I/we agree that this offer shall remain valid for a period of **90 days** commencing from the closing date and time of this bid.
3. I/We further agree that:
  - 3.1 This bid and its acceptance shall be subject to the terms and conditions contained in the in the Ramotshere Moiloa Local Municipality Supply Chain Management Policy;
  - 3.2 if I/we withdraw my/our bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, the Ramotshere Moiloa Local Municipality may, without prejudice to its other rights, agree to the withdrawal of my/our bid or cancel the contract that may have been entered into between me/us and the Ramotshere Moiloa Local Municipality and I/we will then pay to the Ramotshere Moiloa Local Municipality any additional expense incurred by the Ramotshere Moiloa Local Municipality having either to 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; the Ramotshere Moiloa Local Municipality shall also have the right to recover such additional expenditure by set-off against moneys which may be due or become due to me/us under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfilment of this or any other bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such moneys, guarantee or deposit as security for any loss the Ramotshere Moiloa Local Municipality may sustain by reason of my/our default;
  - 3.3 If my/our bid is accepted the acceptance may be communicated to me/us by letter or order by certified mail or registered mail. Such posting shall be deemed to be proper service of such notice with effect from the date of posting/dispatch of such notice;
  - 3.4 The law of the Republic of South Africa shall govern the contract created by the acceptance of my/our bid and that I/we choose *domicilium citandi et executandi* in the Republic of South Africa, where any and all legal notices may be served at (full street address of this place):  
  
\_\_\_\_\_
4. I/we furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our bid; that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid documents and that the price(s) and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our risk.
5. I/we hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me/us under this agreement as the Principal(s) liable for the due fulfilment of this contract.
6. I/we agree that any action arising from this contract may in all respects be instituted against me/us and I/we hereby undertake to satisfy fully any sentence or judgment which may be pronounced against me/us as a result of such action.
7. I/we declare that I/we have participation/no participation\* in the submission of any other offer for the supplies/services described in the attached documents. \*If in the affirmative, state name(s) of bid(s) involved.  
  
\_\_\_\_\_  
  
\_\_\_\_\_

Name of Bidder: \_\_\_\_\_

Signature \_\_\_\_\_

RESOLUTION TAKEN BY THE BOARD OF DIRECTORS / MEMBERS / PARTNERS

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

(Name of Bidder)

Held at (Place) On (Date)

RESOLVED THAT:

1. The enterprise submits a Bid to the Ramotshere Moiloa Local Municipality in respect of the following project:  
**RMLM SCM: 2023/2024-:020B Tender for the provision of short-term insurance contract for a period of three (3) years.**
2. Mr/Mrs/Ms  
In his/her capacity as and who will sign as follows:

(Specimen Signature)

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

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

|   | Name | Capacity | Signature |
|---|------|----------|-----------|
| 1 |      |          |           |
| 2 |      |          |           |
| 3 |      |          |           |
| 4 |      |          |           |
| 5 |      |          |           |
| 6 |      |          |           |

Enterprise Stamp

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

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

(Name of Bidder)

Held at \_\_\_\_\_ On \_\_\_\_\_  
(Place) (Date)

RESOLVED THAT:

1. The enterprise submits a Bid to the Ramotshere Moiloa Local Municipality in respect of the following project:

**RMLM SCM2023/2024-020B: Tender for the provision of short-term insurance contract for a period of three (3) years.**

**As a Consortium/Joint Venture comprising** (list all the legally correct full names and registration numbers, if applicable, of the Enterprises forming the Consortium/Joint Venture)

(Enterprise full Name and Registration Number)

(Enterprise full Name and Registration Number)

2. Mr/Mrs/Ms \_\_\_\_\_

In his/her capacity as \_\_\_\_\_ and who will sign as follows:

(Specimen Signature)

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

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

(Physical Address)

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

|   | Name | Capacity | Signature |
|---|------|----------|-----------|
| 1 |      |          |           |
| 2 |      |          |           |
| 3 |      |          |           |
| 4 |      |          |           |
| 5 |      |          |           |
| 6 |      |          |           |

Enterprise Stamp

INVITATION TO BID (MBD 1)

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE Ramotshere Moiloa Local Municipality

BID NUMBER: : RMLM SCM 2023/2024-020B  
CLOSING DATE AND TIME: : 11:00 on Monday, 08<sup>th</sup> July 2024  
BID DESCRIPTION: : **Tender for the provision of short-term insurance contract for a period of three (3) years.**

The Successful bidder will be required to fill in and sign a written Contract Form (MDB 7)

NB: Bids must be properly received and deposited in the bid box of the Ramotshere Moiloa Local Municipality on or before the closing date and before the closing time. Bid offers must be submitted in a sealed envelope properly marked in terms of the bid number and bid description as indicated above. No bid offers will be accepted via e-mail, facsimile (fax) or telegram.

BID DOCUMENTS MAY BE

DEPOSITED IN THE BID BOX SITUATED AT:  
GROUND FLOOR RAMOTSHERE MOILOA LOCAL MUNICIPALITY OFFICES  
CNR. COETZEE AND PRESIDENT STREETS  
ZEEERUST

**NOT LATER THAN 11H00**

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

The bid box is available during office hours (Monday to Friday, 07H30 to 16H00).

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

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

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

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

NAME OF BIDDER .....

POSTAL ADDRESS .....

STREET ADDRESS .....

TELEPHONE NUMBER CODE.....NUMBER.....

CELLPHONE NUMBER .....

FACSIMILE NUMBER CODE.....NUMBER.....

E-MAIL ADDRESS .....

VAT REGISTRATION NUMBER.....

HAS AN ORIGINAL AND VALID TAX COMPLIANCE PIN ..... \*YES / NO  
applicable \* Delete if not

SIGNATURE OF BIDDER .....

DATE .....

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

TOTAL BID PRICE R.....

TOTAL NUMBER OF ITEMS OFFERED .....

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

**Municipality:** Ramotshere Moiloa Local Municipality

**Department:** Budget and Treasury Department

**Contact Person:** Mr O Tofile

**Email:** tofileonele@gmail.com

**TAX CLEARANCE REQUIREMENTS (MBD 2)**

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

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).



TAX CLEARANCE

TCC 001

## Application for a Tax Clearance Certificate

### Purpose

Select the applicable option .....Tenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application

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### Particulars of applicant

|                                                               |         |  |             |  |           |                                      |   |             |  |  |  |
|---------------------------------------------------------------|---------|--|-------------|--|-----------|--------------------------------------|---|-------------|--|--|--|
| Name/Legal name<br>(Initials & Surname<br>or registered name) |         |  |             |  |           |                                      |   |             |  |  |  |
| Trading name<br>(if applicable)                               |         |  |             |  |           |                                      |   |             |  |  |  |
| ID/Passport no                                                |         |  |             |  |           | Company/Close Corp.<br>registered no |   |             |  |  |  |
| Income Tax ref no                                             |         |  |             |  |           | PAYE ref no                          | 7 |             |  |  |  |
| VAT registration no                                           | 4       |  |             |  |           | SDL ref no                           | L |             |  |  |  |
| Customs code                                                  |         |  |             |  |           | UIF ref no                           | U |             |  |  |  |
| Telephone no                                                  | C O D E |  | N U M B E R |  | Fax<br>no | C O D E                              |   | N U M B E R |  |  |  |
| E-mail address                                                |         |  |             |  |           |                                      |   |             |  |  |  |
| Physical address                                              |         |  |             |  |           |                                      |   |             |  |  |  |
|                                                               |         |  |             |  |           |                                      |   |             |  |  |  |
|                                                               |         |  |             |  |           |                                      |   |             |  |  |  |
| Postal address                                                |         |  |             |  |           |                                      |   |             |  |  |  |
|                                                               |         |  |             |  |           |                                      |   |             |  |  |  |
|                                                               |         |  |             |  |           |                                      |   |             |  |  |  |

### Particulars of representative (Public Officer/Trustee/Partner)

|                  |         |  |             |  |           |                   |  |             |  |  |  |
|------------------|---------|--|-------------|--|-----------|-------------------|--|-------------|--|--|--|
| Surname          |         |  |             |  |           |                   |  |             |  |  |  |
| First names      |         |  |             |  |           |                   |  |             |  |  |  |
| ID/Passport no   |         |  |             |  |           | Income Tax ref no |  |             |  |  |  |
| Telephone no     | C O D E |  | N U M B E R |  | Fax<br>no | C O D E           |  | N U M B E R |  |  |  |
| E-mail address   |         |  |             |  |           |                   |  |             |  |  |  |
| Physical address |         |  |             |  |           |                   |  |             |  |  |  |
|                  |         |  |             |  |           |                   |  |             |  |  |  |
|                  |         |  |             |  |           |                   |  |             |  |  |  |

**Particulars of tender** (If applicable)

Tender number

Estimated Tender amount R           ,

Expected duration of the tender    year(s)

## Particulars of the 3 largest contracts previously awarded

| Date started | Date finalised | Principal | Contact person | Telephone number | Amount |
|--------------|----------------|-----------|----------------|------------------|--------|
|              |                |           |                |                  |        |
|              |                |           |                |                  |        |
|              |                |           |                |                  |        |

## Audit

Are you currently aware of any Audit investigation against you/the company?.....

| YES                      | NO |
|--------------------------|----|
| If "YES" provide details |    |

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**Appointment of representative/agent (Power of Attorney)**

I the undersigned confirm that I require a Tax Clearance Certificate in respect of  or .

I hereby authorise and instruct \_\_\_\_\_ to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent \_\_\_\_\_ Date 

|   |   |   |   |
|---|---|---|---|
| C | C | Y | Y |
| — |   |   |   |
| M | M | — |   |
| D |   | D | D |

Name of representative/  
agent

## Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer \_\_\_\_\_ Date 

|   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|
| C | C | Y | Y | — | M | M | — | D | D |
|---|---|---|---|---|---|---|---|---|---|

[illegible]

**Notes:**

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
  - (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
  - (b) without just cause shown by him, refuses or neglects to-
    - (i) furnish, produce or make available any information, documents or things;
    - (ii) reply to or answer truly and fully, any questions put to him ...As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

**PRICING SCHEDULE – FIRM PRICES (MBD 3.1)**

**(PURCHASES)**

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

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

Name of Bidder: .....

Bid number: **RMLM SCM2023/2024-020B**

Closing day and time: **11:00 on Monday, 08<sup>th</sup> July 2024**

Bid description: **Tender for the provision of short-term insurance contract for a period of three (3) years**

**OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.**

**1. EXECUTIVE SUMMARY**

**DESCRIPTION: TENDER FOR THE PROVISION OF SHORT-TERM INSURANCE BROKING SERVICES FOR A PERIOD OF THREE (3) YEARS**

**2. PURPOSE**

The purpose is to appoint a Broker with vast experience in the municipal short term insurance field to provide broking services in terms of Short-Term Insurance and Risk Services to council for the period of THREE YEARS with an annual performance review based on deliverables.

**3. BACKGROUND**

Ramotshere Moiloa Local Municipality's risk management philosophy remains unchanged expressing that the RMLM is not in the business of proprietary risk taking and will therefore, to the extent possible, avoid undue risks.

The purpose of risk financing is to ensure that all risks emanating from RMLM's operational activities are identified and all potential insurable risks are mitigated in the most appropriate risk financing structures, providing optimal indemnity at the most favourable terms and conditions.

An effective risk management practice does not eliminate all risks. There is no risk-free business. However, risk can be managed, minimized, shared, transferred or accepted.

The appointed insurance broker/s play a critical role in engaging with the market, securing the best possible terms for Ramotshere Moiloa Local Municipality and managing the relationship with underwriters.

It is, therefore, critical that Ramotshere Moiloa Local Municipality appoints capable insurance brokers with suitable experience to ensure that the insurable risks are mitigated in the best possible manner Council must minimize its risks by ensuring the allocation of risk to the party best suited to manage dual risk, and that all its assets are insured under the following asset classes:

- Buildings combined
- Office contents
- Business all risks
- Theft
- Money
- Electronic equipment
- Motor Fleet
- Glass
- Accidental Damage
- Goods in Transit
- Contractors All Risk
- Business Interruption
- Machinery Breakdown
- Group Personal Accident
- Cyber
- Commercial Crime

- Stated Benefits
- Marine
- Public Liability
- Employees Liability
- Events Liability
- Directors and Officers Liability
- HIV
- SASRIA for Councilors
- SASRIA

#### **4. CONTRACT OBJECTIVES, ASSUMPTIONS AND RISKS**

Tenders may only be submitted in the official tender format.

- 4.1. Bidders may approach all service providers who comply with the relevant statutory solvency and related requirements.
- 4.2. Bidders' proposals should be accompanied by a detailed summary of the salient features of their recommended insurance and risk mitigation structures.
- 4.3. Support for the bidders' proposals should be evidenced by a signed participation confirmation from Insurers/Reinsurers/Service Providers who will support their recommended structure at the terms, conditions and exceptions proposed by the tenderer.
- 4.4. All fees are to be rounded off to the next full rand. All fees quoted are to INCLUDE VAT.
- 4.5. The bidder (whether intermediary or insurer or service provider) **MUST** submit their BEE rating done by an external independent rating agency which is accredited by SANAS.
- 4.6. The bidder must be a South African based Insurer or Broking Organization (attach proof).
- 4.7. The bidder must have Professional Indemnity Cover (attach proof).
- 4.8. The bidder must have Fidelity Guarantee Cover (attach proof).
- 4.9. The bidder must have Commercial Crime Cover (attach proof).
- 4.10. Name the local authorities where the bidder is applying risk management, risk control and risk financing solutions to (attach proof).
- 4.11. Has the bidder been appointed in the past (3) three years as an Intermediary for short term insurance on a portfolio in excess of R5 billion assets. (if yes, must provide the names of these clients as well as appointment letters- **Compulsory**)
- 4.12. Has the bidder been appointed as an Intermediary for short term insurance on a municipal portfolio in the past 3 (three) years? If yes, reference letter(s) to such project(s) must be included.
- 4.13. Has the bidder dealt with individual claims in excess of R250 000 in the past 3 (three) years? (if yes, must provide the names of these clients).
- 4.14. Does the bidder have an electronic insurance claims handling system? (If yes, the necessary specifications must be provided).
- 4.15. Failure to comply with the above requirements may render the Tender invalid at the option of the Council.
- 4.16. This contract will be valid for a period of three years from date of appointment of a successful bidder.

#### **5. SCOPE OF REQUIREMENTS**

The Insurance Broking services includes (but is not limited to) the renewing and placement of insurance policies, managing of old, current and new claims, supplying a claims management system, presenting relevant training.

#### **6. SERVICE DESCRIPTION:**

##### **6.1. Understanding the \_\_\_\_\_**

- i. Study the key risks of each division and \_\_\_\_\_ as a whole
- ii. Meet with the different insurance teams within each division, to understand their role in the business and in insurance including their risks and challenges.
- iii. Understand the key business and the key insurance risks.
- iv. Meetings with divisional insurance teams is a continuous process throughout the period.

## **6.2. ANNUAL INSURANCE RENEWAL & PLACEMENT**

- I. Ramotshere Moiloa Local Municipality insurance policies must be renewed annually by Ramotshere Moiloa Local Municipality. Renewal information must be finalised by Ramotshere Moiloa Local Municipality of each year to allow Ramotshere Moiloa Local Municipality to follow the approval process before issuing the broker the mandate to place cover before Ramotshere Moiloa Local Municipality.
- II. Design appropriate renewal strategies for Ramotshere Moiloa Local Municipality insurance programme.
- III. Discuss and agree on those strategies and requirements with Ramotshere Moiloa Local Municipality.  
Alternative renewal strategies must be investigated and presented to Ramotshere Moiloa Local Municipality.
- IV. The renewal and placement strategy to be agreed by all relevant stakeholders.

## **6.3. PROPOSAL FORMS AND QUESTIONNAIRES**

With certain classes of insurance Ramotshere Moiloa Local Municipality will be required to complete proposal forms or questionnaires. The Service Provider will provide any advice and assistance that Ramotshere Moiloa Local Municipality may require in the completion thereof. The Service Provider cannot complete or sign the forms on Ramotshere Moiloa Local Municipality behalf.

## **6.4. RISK INFORMATION**

- I. Ramotshere Moiloa Local Municipality will annually provide updated risk information with regard to the subject matter that is insured.
- II. Claims information will be used for the purposes of obtaining renewal terms from insurers and reinsurers as well as compiling the insurance and renewal strategy. The Service Provider will provide advice on the nature of the information required.
- III. The Service Provider will prepare and present the information to Ramotshere Moiloa Local Municipality to review and vet all information before it is presented to the insurers.

## **6.5. FINANCIAL SECURITY (INSURERS/REINSURERS)**

- I. The Service Provider will place Ramotshere Moiloa Local Municipality business only with reputable A rated and credit-worthy local and international insurers and re-insurers.
- II. If Ramotshere Moiloa Local Municipality requires information about any of the insurers or has specific instructions in this respect, the Service Provider will be required to respond accordingly.

## **6.6. PROVISION OF INSURANCE PREMIUM COSTING**

- I. . The Service Provider will negotiate with the insurance market the most competitive terms, conditions and advantageous design and scope of cover consistent with Ramotshere Moiloa Local Municipality strategies and requirements.
- II. The Service Provider will forward all communication between the Service Provider, Insurers and Re-insurers and all quotations received, to Ramotshere Moiloa Local Municipality regularly and timeously and in an unedited format.
- III. The Service Provider will provide a report detailing the results of negotiations with insurers and the Service Provider's recommendations.

- IV. . The Service Provider will provide a quotation for the placement of Ramotshere Moiloa Local Municipality business and will ensure its accuracy and confirm to Ramotshere Moiloa Local Municipality in writing that the quotation is accurate.

#### **6.7. BINDING OF COVER**

- i. Cover will only be placed upon specific instruction from Ramotshere Moiloa Local Municipality.
- ii. Service Provider will inform Ramotshere Moiloa Local Municipality of the premium required by insurers and when payment is due.

#### **6.8. CONFIRMATION OF COVER**

- I. Within 24 hours of inception of cover, the Service Provider will confirm in writing the scope of cover, explain specific terms, conditions and exclusions which may apply and give Ramotshere Moiloa Local Municipality the names of the insurers with whom the insurance has been placed.
- II. The Service Provider will send Ramotshere Moiloa Local Municipality signed Policy wording within 30 days of the inception of cover.
- III. The Service Provider has the responsibility to check the accuracy of the policy wording issued by insurers.
- IV. The Service Provider has to ensure that the policy wording reflects that the Insurer will manage claims as per the South African Insurance Association (SAIA) code of conduct.
- V. The Service Provider will compile Claims Procedure Guidelines which are in line with the Policy Wordings, within 30 days of Ramotshere Moiloa Local Municipality receiving the Policy Wordings.
- VI. Service Provider will send Ramotshere Moiloa Local Municipality signed placing slips within 30 days of the inception of cover.
- VII. The Service Provider will issue Tax Invoices for payment of premiums to Ramotshere Moiloa Local Municipality. The payment process of Ramotshere Moiloa Local Municipality takes 30 days. Invoices must be issued timeously by the Broker to take this payment process into consideration.
- VIII. The Service Provider will receive payment of premiums and pay premiums to insurers on behalf of Ramotshere Moiloa Local Municipality. Proof of the overpayment of premiums to be supplied once off for all policies.

## **6.9. CLAIMS MANAGEMENT SERVICES**

- I. The Service Provider will provide a comprehensive outline of the claims management services for all Ramotshere Moiloa Local Municipality outstanding claims as well as new claims.
- II. This includes the receipt of claims from Ramotshere Moiloa Local Municipality and manage these claims in terms of the agreed procedures from the reporting stage to finalization of the claims.
- III. The claims management service includes the reporting of incidents to insurers, liaising with loss adjusters/assessor and attorneys.
- IV. Claims, losses or any circumstances that could give rise to a claim, will be notified by Ramotshere Moiloa Local Municipality to the Service Provider as soon as possible.
- V. The Service Provider will thereafter and within 24 Hours acknowledge receipt of the notification.
- VI. The Service Provider will keep Ramotshere Moiloa Local Municipality apprised of the progress on the claim on a weekly basis and immediately of any special circumstances relating to that claim.
- VII. With respect to claims that are subject to review by a loss adjuster, the Service Provider will ensure that the report of the loss adjuster is finalised within 30 days of completing their site visit.
- VIII. The Service Provider will monitor all claims being handled by the insurer and furnish feedback on such claims on a monthly basis.
- IX. The monthly reports from the Service Provider to Ramotshere Moiloa Local Municipality will include notification of follow up with the insurers in respect of monies that are owing to Ramotshere Moiloa Local Municipality. It is noted that the collection of payments from overseas insurers may take longer particularly if cover has been placed in non-registered markets, however this process should be completed within one month of the local process.
- X. The Service Provider must conduct claim negotiations and secure interim payment settlements from insurers during the process of settling the claim. Where interim settlements have been negotiated with the insurers, the Service Provider will ensure that these interim settlements are paid to Ramotshere Moiloa Local Municipality within 30 days of receiving the documentation supporting the interim settlement.
- XI. An Agreement of Loss must be timeously submitted to the relevant division as soon as the claim and the payment thereof has been accepted and approved by the underwriter within 48 hours of confirmation thereof.
- XII. Ramotshere Moiloa Local Municipality must be advised of all claims in which payment is due from Insurers. Payment by Insurers must be made to Ramotshere Moiloa Local Municipality.
- XIII. Appoint a panel of assessors to assist the relevant division with assessment of claims that may not necessarily fall within the Ramotshere Moiloa Local Municipality insurance portfolio.

## **6.10. MANAGEMENT OF RECOVERIES**

- I. The Service Provider will manage 3rd Party claims recovery on behalf of Ramotshere Moiloa Local Municipality
- II. Recoveries include motor and other assets claims.
- III. This also includes the timeous collection of payments from third parties and repayment to Ramotshere Moiloa Local Municipality

**6.11. ELECTRONIC CLAIMS MANAGEMENT SYSTEM**

- I. Ramotshere Moiloa Local Municipality does not have an electronic claims management system. (The service provider must provide a claims management system for the duration of the contract)
- II. The Service Provider is responsible of providing Ramotshere Moiloa Local Municipality with a user friendly electronic/web-based Claims Management System which will be utilised by the Ramotshere Moiloa Local Municipality claim administrators.
- III. This system must be provided within 1 month of the inception date of the contract.
- IV. The Service Provider would be expected to provide a presentation of the claims management system during the tender stage.
- V. The System should have claims management functions for all the Insurance Policies with Ramotshere Moiloa Local Municipality Insurance Portfolios.

**6.12. The System should have the following functions, features and capabilities:**

- I. Maintaining accurate statistics of all losses and provision of such statistics as and when required.
- II. Draw ad hoc reports.
- III. Export of data to excel.
- IV. Access financials
- V. Provide claims reports (weekly, monthly quarterly etc.)
- VI. Capability to send notifications once a claim is lodged, changes made to claim, update of claim status and closure of claim.

**6.13. ADDITIONAL SERVICES TO BE SUPPLIED BY THE SERVICE PROVIDER:****6.13.1. IN RESPECT OF INSURANCE AND RISK MANAGEMENT ISSUES:**

- I. Advise on pure risk related standards and processes.
- II. Review and advise on risk finance for generally uninsurable risks.
- III. Analysis of claims data and trends identifications.
- IV. Providing advice and innovative solutions on insurance structures and programs.
- V. Provision of advice on insurance indemnity clauses of contracts/agreements with suppliers/customers/service providers etc.
- VI. Provide the relevant division with advice regarding assessment of all their claims.

**6.14 IN RESPECT OF INSURANCE POLICIES, THE SERVICE PROVIDER WILL:**

- I. At the conclusion of each renewal, meet with each division and present a summary of cover.
- II. Provide on-going and specific advice as to the extent of policy coverage, highlighting the potential impact of, in particular, policy exclusions, coverage gaps, and claims triggers.

- III. Act upon notifications of amendments required by Ramotshere Moiloa Local Municipality
- IV. Assist Ramotshere Moiloa Local Municipality \_ to make the appropriate policy declarations to insurers.
- V. Ensure legal compliance with local insurance regulations and legislation.

#### **6.15. THE SERVICE PROVIDER WILL PROVIDE TO Ramotshere Moiloa Local Municipality**

- I. General insurance market advice including insurance market developments and topics of interest.
- II. Upon Ramotshere Moiloa Local Municipality request, the service provider's view of the financial security and service standards of insurers underwriting Ramotshere Moiloa Local Municipality insurance policies.
- III. Draft minutes of all meetings attended with Ramotshere Moiloa Local Municipality and circulate the minutes within 3 [three] working days of the relevant meeting.
- IV. Provide a schedule of insured, uninsured and uninsurable risks.

#### **6.16. RISK UNDERWRITING SERVICES**

- I. The service provider will collaborate with Ramotshere Moiloa Local Municipality in developing and managing the risk management services.
- II. The Service Provider will engage with the risk officer to conduct the assessment and the underwriting surveys on the selected sites in line with Ramotshere Moiloa Local Municipality timelines.

6.16.3. The risk underwriting/risk service outline must include, inter alia, the following services:

- I. Property loss and Property loss fire risk surveys.
- II. Annual evaluations of physical risk and risk control conditions at Ramotshere Moiloa Local Municipality key locations.
- III. . Assess the fire and associated peril risks against international standards and make recommendations for improvement.

#### **7. TERMS OF APPOINTMENT**

The appointment of an Intermediary shall be for a period of three (3) years. It will be expected from the Intermediary to enter into a performance agreement for the period of appointment with the municipality to achieve this goal. Should the service provider or intermediary not perform according to the agreement, the municipality reserves its right to terminate the contract.

#### **8. CONTRACT OBJECTIVES, ASSUMPTIONS AND RISKS**

- Tenders may only be submitted in the official tender format.
- Tenderers may approach all service providers complying with the relevant statutory solvency and other requirements.
- Tenderers proposals should be accompanied by a detailed summary of their recommended insurance and risk mitigation structure(s).
- The tenderer must disclose the Service Provider(s)/Insurer or consortium of service providers on each policy wording as indicated in tender documents.
- Failure to comply with the above requirements may render the Tender invalid at the option of the council.

This contract will be valid for the period of three (3) years from the date of appointment.

**Non adherence to these minimum requirements will result in disqualification of the bidder.**

## **9. REPORTING, MONITORING, EVALUATION**

The successful bidder needs to report on a monthly basis on the progress on all claims, risk services matters, and other general matters raised. A monthly meeting needs to be scheduled with the relevant officials directly dealing with the insurance portfolio of the municipality (insurance clerk) as well as the risk officer to discuss matters of emphasis.

## **10. EXPECTED OUTPUTS AND OUTCOMES**

The successful bidder must provide the council with full coverage on all asset classes as per risk management strategy, deductibles, policy wording and insurers as mentioned in the schedules provided for a period of three (3) years.

## **11. QUALIFICATIONS AND EXPERTISE REQUIRED**

All tenderers need to be registered with the following institutions:

- Financial Services Conduct Authority (FSCA) (Attach Proof)
- Financial Intermediaries Association (FIA) (Attach Proof)
- IISA Membership (Attach Proof)
- The Institute of Risk Management - South Africa (IRMSA) (Attach Proof)
- BBBEE SANAS accredited certification body. (Attach Proof)

**Non adherence to these minimum requirements will result in disqualification of the bidder.**

## **12. EXPERIENCE**

### **12.1. Staff assisting with underwriting must have:**

- Minimum qualification in Short Term Insurance NQF 5
- Experience 10 years' experience in Municipal or Commercial Underwriting.

### **12.2. Staff assisting with claims must have:**

- Minimum qualification in Short Term Insurance NQF 5
- Experience 10 years' experience in Municipal or Commercial Underwriting.

## **13. INTELLECTUAL PROPERTY**

The information of the tenderer will be treated as confidential and remain the property of the bidder.

#### 14. EVALUATION CRITERIA

Acceptable bids will be evaluated by using a two-phased bidding system that awards points on the basis of 80 points for bid functionality and 20 points for specific goals.

| CRITERIA                                                                                                                    | DESCRIPTION                                                                                                                                            | SUB-SCORE | SCORE      |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|
| 1. Management and experience of the key team members ( <b>Curriculum Vitae of at least two key members to be attached</b> ) | <u>Relevant years' experience</u><br>3 = 6<br>4 = 8<br>5 = 10<br>6 = 12<br>7 = 14<br>8 = 16<br>9 = 18<br>10 = 20                                       |           | 20         |
| 2. Claims administration system ( <b>Claims procedures to be clearly documented and relevant forms to be attached</b> )     | Effective and efficient administration of claims: <ul style="list-style-type: none"> <li>• Turnaround times</li> <li>• Claims Authorization</li> </ul> |           | 20         |
| 3. Binding Authority ( <b>Confirmation from Insurer</b> )                                                                   |                                                                                                                                                        |           | 20         |
| 4. PROPOSALS                                                                                                                |                                                                                                                                                        |           | 10         |
| 5. Risk Management ( <b>Bidders should submit completion of services to other Municipalities</b> )                          |                                                                                                                                                        |           | 20         |
| 5. Management and experience of key Risk Services Team ( <b>Bidders should submit proof of relevant experience</b> )        |                                                                                                                                                        |           | 10         |
| <b>TOTAL POINTS</b>                                                                                                         |                                                                                                                                                        |           | <b>100</b> |

**Bidders must gain a minimum of 70 POINTS for functionality before they will be further evaluated. It is important to note that due to the critical nature of the functionality aspect of this tender, award of points under functionality will not be done proportionate to the degree of compliance or non-compliance with the required specification or requirement. Points will be allocated for full compliance and no points will be allocated for partial or non-compliance.**

#### CONTRACT NEGOTIATIONS

Negotiations to reach agreement on the contract will be held at the following address:

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Negotiations may include discussion on the proposed approach, work plan, staffing, consortium compositions, deliverables and pricing and any other matters of concern to the Institution. The outcome of these negotiations will form part of the contract.

In the event the negotiations fail, the Institution will invite the bidder with the second highest score to contract negotiations.

**Approach and Methodology (1,2,3):** The criteria assess aspects such as method in managing portfolio, approach to performing tasks set out in Terms of Reference (TOR) proposed improvements, project implementation plan and project organizational structure.

**Proven Track record (1,2,3,4,5):** The criterion assesses aspects such as history of bidder's experience and binding authority in similar projects i.e. Municipal Insurance & Risk Solutions, including reference projects and level of success outcome.

**Quality of Bid Proposal (1, 2, 3, 4, 5):**

- i. PPPFA and associated regulations: The criteria assess aspects relating to the extent of understanding the TOR/ specifications, completeness of proposal and level of details provided, policy wording and innovation.
- ii. Level of professional supervision

**Value for Money (discounts and/or concessions which may apply).**

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Required by: .....

At: .....

Does offer comply with the specifications?

\*YES / NO  
\* Delete if not applicable

If not to specification, indicate deviation(s): .....

.....

Period required for delivery: ..... \*Delivery: Firm/not firm  
\* Delete if not applicable

Delivery basis: .....

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

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

PREVIOUS WORK EXPERIENCE OF A SIMILAR NATURE

List and attach certified copies of main work experience of a **similar nature to this bid** successfully executed and completed (or on-going) in the last five (5) years:

| No | Institution / client / employer | Project description | Date started | Date completed (indicate projected completion if on-going) | Project value in Rand | Name and contact details of contact person / reference at institution |
|----|---------------------------------|---------------------|--------------|------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------|
| 1  |                                 |                     |              |                                                            |                       |                                                                       |
| 2  |                                 |                     |              |                                                            |                       |                                                                       |
| 3  |                                 |                     |              |                                                            |                       |                                                                       |
| 4  |                                 |                     |              |                                                            |                       |                                                                       |
| 5  |                                 |                     |              |                                                            |                       |                                                                       |
| 6  |                                 |                     |              |                                                            |                       |                                                                       |
| 7  |                                 |                     |              |                                                            |                       |                                                                       |
| 8  |                                 |                     |              |                                                            |                       |                                                                       |
| 9  |                                 |                     |              |                                                            |                       |                                                                       |
| 10 |                                 |                     |              |                                                            |                       |                                                                       |

Representatives of the Ramotshere Moiloa Local Municipality are hereby authorized to contact the above contact persons / references of the various institutions to verify the correctness of the information as supplied.

|                                                           |                                                                |
|-----------------------------------------------------------|----------------------------------------------------------------|
| <p>.....</p> <p style="text-align: center;">Signature</p> | <p>.....</p> <p style="text-align: center;">Date</p>           |
| <p>.....</p> <p style="text-align: center;">Position</p>  | <p>.....</p> <p style="text-align: center;">Name of Bidder</p> |

## DECLARATION OF INTEREST

(MBD 4)

1. **No bid will be accepted from persons in the service of the state\*.**
  2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.
  3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid:
    - 3.1 Full Name: .....
    - 3.2 Identity Number: .....
    - 3.3 Company Registration Number: .....
    - 3.4 Tax Reference Number: .....
    - 3.5 VAT Registration Number: .....
    - 3.6 Are you presently in the service of the state \*YES / NO  
\* Delete if not applicable
    - 3.6.1 If so, furnish particulars.  
 .....  
 .....
    - 3.7 Have you been in the service of the state for the past twelve months \*YES / NO  
\* Delete if not applicable
    - 3.7.1 If so, furnish particulars.  
 .....  
 .....
    - 3.8 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? \*YES / NO  
\* Delete if not applicable
    - 3.8.1 If so, furnish particulars.  
 .....  
 .....
- <sup>1</sup>MSCM Regulations: "in the service of the state" means to be –
- (a) a member of –
    - (i) any municipal council;
    - (ii) any provincial legislature; or
    - (iii) the national Assembly or the national Council of provinces;
  - (b) a member of the board of directors of any municipal entity;
  - (c) an official of any municipality or municipal entity;
  - (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
  - (e) a member of the accounting authority of any national or provincial public entity; or
  - (f) an employee of Parliament or a provincial legislature.
- <sup>2</sup> 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 Are you aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid \*YES / NO  
\* Delete if not applicable
  - 3.9.1 If so, furnish particulars  
 .....
  - 3.10 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state? \*YES / NO  
\* Delete if not applicable
  - 3.10.1 If so, furnish particulars.

.....

.....

3.11      Are any spouse, child or parent of the company’s directors, managers, principal shareholders or stakeholders in service of the state?  
\*YES / NO  
\* Delete if not applicable

3.11.1    If so, 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.

|                    |                         |
|--------------------|-------------------------|
| .....<br>Signature | .....<br>Date           |
| .....<br>Position  | .....<br>Name of Bidder |

## DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED) (MBD 5)

**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  
\* Delete if not applicable

- 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  
\* Delete if not applicable

- 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.

If yes, provide particulars.

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

- 3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? \*YES / NO  
\* Delete if not applicable

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  
\* Delete if not applicable

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.

|                    |                         |
|--------------------|-------------------------|
| .....<br>Signature | .....<br>Date           |
| .....<br>Position  | .....<br>Name of Bidder |

## 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 be completed by the organ of state

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

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

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

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

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

The maximum points for this tender are allocated as follows:

|                                           | POINTS |
|-------------------------------------------|--------|
| FUNCTIONALITY                             | 80     |
| SPECIFIC GOALS                            | 20     |
| Total points for Price and SPECIFIC GOALS | 100    |

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

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

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### 2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

### 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

#### 3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

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

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

##### 3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

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

### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

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.)

| CRITERIA       | SUB-CRITERIA                              | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|----------------|-------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| SPECIFIC GOALS | Locality                                  | 4                                                                                 |                                                                           |
|                | Gender                                    | 4                                                                                 |                                                                           |
|                | Disability                                | 4                                                                                 |                                                                           |
|                | Youth                                     | 4                                                                                 |                                                                           |
|                | Nationality                               | 4                                                                                 |                                                                           |
|                | <b>SUB-CRITERIA</b>                       | <b>POINT</b>                                                                      |                                                                           |
| LOCALITY       | Ramotshere Moiloa Local Municipality      | 4                                                                                 |                                                                           |
|                | Ngaka Modiri Molema District Municipality | 3                                                                                 |                                                                           |
|                | North West Province                       | 2                                                                                 |                                                                           |
|                | Republic of South Africa                  | 1                                                                                 |                                                                           |
|                | <b>SUB-CRITERIA</b>                       | <b>POINT</b>                                                                      |                                                                           |
| GENDER         | Male                                      | 2                                                                                 |                                                                           |
|                | Female                                    | 4                                                                                 |                                                                           |
|                | <b>SUB-CRITERIA</b>                       | <b>POINT</b>                                                                      |                                                                           |
| YOUTH          | <35                                       | 4                                                                                 |                                                                           |
|                | <b>SUB-CRITERIA</b>                       | <b>POINT</b>                                                                      |                                                                           |
| NATIONALITY    | South African                             | 4                                                                                 |                                                                           |
|                | Non-South African                         | 0                                                                                 |                                                                           |
|                | <b>SUB-CRITERIA</b>                       | <b>POINT</b>                                                                      |                                                                           |
| DISABILITY     | Subject to proof of Disability            | 4                                                                                 |                                                                           |
|                | <b>TOTAL</b>                              | <b>20</b>                                                                         |                                                                           |

# **EVALUATION CRITERIA: FUNCTIONALITY**

**NB: Only Bidders with 70 or more points on functionality will qualify for the panel**

| CRITERIA                                                                                                                 | DESCRIPTION                                                                                                                                               | SUB-SCORE | SCORE      |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|
| 1.Management and experience of the key team members <b>(Curriculum Vitae of at least two key members to be attached)</b> | Relevant years' experience<br>3 = 6<br>4 = 8<br>5 = 10<br>6 = 12<br>7 = 14<br>8 = 16<br>9 = 18<br>10 = 20                                                 |           | 20         |
| 2.Claims administration system<br><b>(Claims procedures to be clearly documented and relevant forms to be attached)</b>  | Effective and efficient administration of claims:<br><ul style="list-style-type: none"> <li>• Turnaround times</li> <li>• Claims Authorization</li> </ul> |           | 20         |
| 3. Binding Authority <b>(Confirmation from Insurer)</b>                                                                  |                                                                                                                                                           |           | 30         |
| 4.Risk Management<br><b>(Bidders should submit completion of services to other Municipalities)</b>                       |                                                                                                                                                           |           | 20         |
| 5.Management and experience of key Risk Services Team<br><b>(Bidders should submit proof of relevant experience)</b>     |                                                                                                                                                           |           | 10         |
| <b>TOTAL POINTS</b>                                                                                                      |                                                                                                                                                           |           | <b>100</b> |

## **DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on

the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be **restricted from obtaining** business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

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

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

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

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES (MBD 8)

1. This serves as a declaration 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.
2. The bid of any bidder may be rejected if that bidder or any of its directors have:
  - a. abused the municipality'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. wilfully 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).
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

| Item  | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Yes                             | No                             |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 3.1   | Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?<br><br><div style="border: 1px solid black; padding: 5px; margin: 10px 0;">           (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).<br/><br/> <b>The Database of Restricted Suppliers now resides on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b> </div> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 3.1.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |                                |
| 3.2   | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?<br><br><div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b> </div>                                                                                                                                                                                                                                                                | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 3.2.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |                                |
| 3.3   | Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 3.3.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |                                |
| 3.4   | Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 3.4.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |                                |
| 3.5   | Was any contract between the bidder and the municipality or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 3.5.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                 |                                |

**CERTIFICATION**

I, THE UNDERSIGNED (FULL NAME) .....  
 CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TO BE 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.

|                    |                         |
|--------------------|-------------------------|
| .....<br>Signature | .....<br>Date           |
| .....<br>Position  | .....<br>Name of Bidder |

|                                                      |
|------------------------------------------------------|
| CERTIFICATE OF INDEPENDENT BID DETERMINATION (MBD 9) |
|------------------------------------------------------|

- 1 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).<sup>\*</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 2 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.

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.

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

<sup>\*</sup> 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 BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

**RMLM SCM 2023/2024-020B: Tender for the provision of short-term insurance contract for a period of three (3) years**

in response to the invitation for the bid made by:

**Ramotshere Moiloa Local Municipality**

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

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Bidder)

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

|                    |                         |
|--------------------|-------------------------|
| .....<br>Signature | .....<br>Date           |
| .....<br>Position  | .....<br>Name of Bidder |

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

**THE NATIONAL TREASURY  
Republic of South Africa**

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**GOVERNMENT PROCUREMENT:  
GENERAL CONDITIONS OF CONTRACT  
July 2010**

**TABLE OF CLAUSES**

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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 anything of value to influence the action of a public official in the procurement process or in contract execution.

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

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

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

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

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

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

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

1.14 "GCC" means the General Conditions of Contract.

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

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.

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

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

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

1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

## **Annexure A: Government Procurement: General Conditions of Contract (July 2010)**

1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

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

### **2. Application**

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

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

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

### **3. General**

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

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

### **4. Standards**

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.

6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

### **7. Performance security**

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
- (b) a cashier's or certified cheque.

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

### **8. Inspections, tests and analyses**

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

## **Annexure A: Government Procurement: General Conditions of Contract (July 2010)**

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

### **9. Packing**

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

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

### **10. Delivery and documents**

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

### **11. Insurance**

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

### **12. Transportation and Offloading**

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

12.2 All material should be delivered and offloaded by supplier at stores

### **13. Incidental Services**

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:

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

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

### **14. Spare parts**

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
  - (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

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

### **15. Warranty**

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

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

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

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

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

### **16. Payment**

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

### **17. Prices**

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

### **18. Variation orders**

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

### **19. Assignment**

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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

### **21. Delays in the supplier's performance**

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

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

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21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

### **22. Penalties**

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

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

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

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

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

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

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

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

23.7 . If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for 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. Antidumping 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 supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

### **25. Force Majeure**

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

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as

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far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

### **26. Termination for insolvency**

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

### **27. Settlement of Disputes**

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

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

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

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

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

### **28. Limitation of Liability**

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

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

### **29. Governing language**

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

### **30. Applicable law**

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

### **31. Notices**

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

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

### **32. Taxes and duties**

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

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

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

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

### **33. Transfer of contracts**

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

### **34. Amendment of contracts**

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

**35. Prohibition of restrictive practices**

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

35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 Of 1998.

35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.