



TENDER 35/2024

NAMAKWA DISTRICT MUNICIPALITY

**APPOINTMENT OF A FINANCIAL SERVICES PANEL FOR THE NAMAKWA DISTRICT
MUNICIPALITY FOR THE PERIOD OF 36 MONTHS**

.....
NAME OF SERVICE PROVIDER

ADDRESS:.....
.....

TEL:

FAX:

**Mr. SC Adams
Municipal Manager
Private Bag X20
Van Riebeeck Street
SPRINGBOK, 8240**

**TEL: 027 712 8000
FAX: 027 712 8040**

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Namakwa

District Municipality

Private Bag X20
SPRINGBOK
8240

www.namakwa-dm.gov.za
info@namakwa-dm.gov.za
027 712 8000
027 712 8040

Verwysing/Reference 8.1.3.
Navrae/Enquiries Mr Q Cloete

Tender 35/2024

Tenders are hereby invited to apply to serve on the **A FINANCIAL SERVICES PANEL FOR THE NAMAKWA DISTRICT MUNICIPALITY.**

Tender documents are available during business hours as of **Monday, 28 October 2024** from the Supply Chain office (Mr. C Osborne) Namakwa District Municipality, Van Riebeeck Street, Springbok or it can be downloaded from the Municipal website www.namakwa-dm.gov.za or it can be downloaded from e-tender portal.

The sealed tenders clearly marked: **TENDER 35/2024: FINANCIAL SERVICES PANEL** be placed in the tender box at the Namakwa District Municipal office, Van Riebeeck Street, Springbok on or before **02 December 2024 at 12:00**. No formal opening session will be held after the closing time.

THE FOLLOWING CONDITIONS WILL APPLY:

- Price(s) quoted must be valid for at least ninety (90) days from the quotation closing date.
 - Price(s) quoted must be firm and must be inclusive of VAT.
 - This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in The Preferential Procurement Policy of the Namakwa District Municipality.
 - The original MBD1, MBD3.3, MBD 4, MBD 6.1, MBD7.2, MBD 8 & MBD 9 forms must be completed and submitted together with your tender if it is in excess of R 10 000.
 - An original or originally certified B-BBEE certificate, or originally certified Sworn Affidavit must be submitted with your offer. If it's not original or originally certified it will not be taken into account for preference points. The municipality may request the audited annual financial statements of potential service providers to verify information submitted.
 - A valid tax compliance pin number on an official document of SARS in order for the municipality to verify tax compliance, must accompany all quotations.
 - The lowest or only quotation will not necessarily be accepted.
 - Potential service providers must be registered on the Central Supplier Database.
-

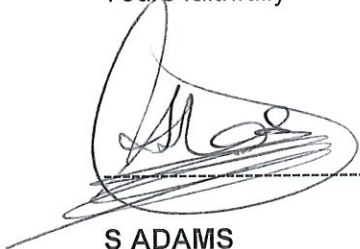
- Potential service providers who were found guilty of fraud or corruption or who willfully neglected reneged on or failed to comply with any government, municipal or other public sector contract during the past five years, will be excluded from this process.
- Potential service providers (or any of the directors) whose municipal rates and taxes or municipal services charges are in arrears for three months, at the municipality or any other municipality or entity, might be excluded from this process. **Please submit a municipal account (not older than 3 (three) months) as proof of payment with your tender. If the bidder is not responsible for municipal rates, a Sworn Affidavit must be submitted which indicate the reasons why a municipal account cannot be submitted and or a Lease Agreement.**
- No late, faxed or e-mailed tenders will be accepted.
- Potential service providers may be subject to security screening.

NB: No tenders will be considered from persons in the service of the state.

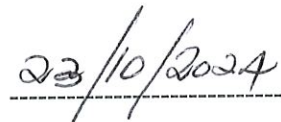
Failure to comply with these conditions may invalidate your offer.

The Municipality reserves the right to cancel or withdraw the request for tenders at anytime without prior notice.

Yours faithfully

A handwritten signature in black ink, appearing to be 'S Adams', is written over a horizontal dashed line.

S ADAMS
MUNICIPAL MANAGER

A handwritten date '23/10/2024' is written in black ink over a horizontal dashed line.

DATE



T1.1 TENDER DATA

This table provides generic tender data which shall be used in all procurement conducted in accordance with the provisions of this standard.

Table E.1

Sub Clause	Description
	The tender data are standard conditions of tender as contained in Annex F of SANS 294:2004 The standard conditions of tender for procurements make several references to the tender data. The tender data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the standard condition of tender. Each item of data given below is cross-referenced to the sub clause in the standard conditions of tender to which it mainly applies.
F.1.1	The employer is Namakwa District Municipality
F.1.2	The tender documents issued by the employer comprise: TENDER PROCEDURES Part T1: Tender Procedures T1.1 Tender Notice and Invitation to Quotation T1.2 Tender Data Part T2: Returnable Documents T2.1 List of Returnable Documents T2.2 Returnable Schedules CONTRACT Part C1: Agreement and Contract Data C1.2 Contract Data MBD 7.2 Formal Contract (If and when the municipality makes use of the services offered by the service providers) Part C2: Pricing data C2.1 Pricing Instructions C2.2 Activity Schedule Part C3: Scope of Works C3.1 Description of works
F 1.4	THE EMPLOYER'S AGENT IS: Name: NAMAKWA DISTRICT MUNICIPALITY Address: VAN RIEBEECK STREET, PRIVATE BAG X 20, SPRINGBOK,8240 Tel: (027) 712 8000 Fax: (027) 712 8040..... E-mail: chaldono@namakwa-dm.gov.za
	The employer's address for delivery of tenders is: Location of tender box: NAMAKWA DISTRICT MUNICIPALITY..... Physical address:VAN RIEBEECK STREET..... SPRINGBOK..... Identification details: TENDER09/2021: APPOINTMENT OF A FINANCIAL SERVICES PANEL FOR THE NAMAKWA DISTRICT MUNICIPALITY FOR THE PERIOD OF 36 MONTHS
F2.1	Only those service providers who satisfy the following eligibility criteria are eligible to submit quotations: • Directors of the service provider must not be in service of the state. • Service provider must not have been found guilty of fraud or corruption during the past 5 years. • Service provider must not have willfully neglected, reneged on or failed to comply with any government contract during the past 5 years. • Must be registered on the CSD database. • The service provider's tax matters must be in order with SARS.

	The service provider's municipal bill must be paid up or payment arrangement must be in place with the local municipality															
F.2.15	The closing time for submission of tenders are: 02 December 2024 at 12H00															
F.2.15	Telephonic, telegraphic, telex, facsimile or e-mailed quotations will not be accepted. Electronic signatures will not be accepted on any returnable document, any document signed electronically will be regarded by the employer as non-responsive															
F.2.16	The quotation validity period is 90 days .															
F.2.23	The following certificates are to be provided: - SARS tax compliance pin number [In the event that a bidder submit a hard copy of the tax clearance certificate , the CSD verification as well as SARS e-filing verification outcome will take precedence. At award the , the successful bidder must be tax compliant on CSD and/ or SARS e-filing] - B-BBEE Status Level Verification Certificate Or Sworn Affidavit (To Be Eligible For Preference Points) - Municipal Bill (not older than three months) - CSD Registration Form															
	All bids will be evaluated to determine compliance with requirements and conditions of the bid documents and terms of reference. Bidders not complying with the requirements/conditions of the bid documents and terms of reference will be eliminated from the evaluation process and therefore will not be short listed.															
	Evaluation Criteria Bids will be evaluated in terms of the The Preferential Procurement Policy of the Namakwa District Municipality. Firstly, the assessment of administrative requirements will be tested (Completeness of document e.g. MBD documents completed and signed, tax clearance submitted, municipal bill submitted etc.) Secondly, the assessment of functionality will be done in terms of the evaluation criteria and the minimum threshold. A bid will be disqualified if it fails to meet the minimum threshold for functionality as per the bid invitation. The preference point system (80/20 or 90/10) will not apply to this bid as the purpose of the bid document is to find suitable service providers to create a Financial Services Panel for the municipality.															
	The minimum of functionality points is 80 out of 100. Only bidders who score the minimum score will be eligible for further evaluation.															
	The functionality criteria and maximum score in respect of each criteria are as follows: <table><tr><th>Criteria</th><th>Supporting evidence</th><th>Points</th></tr><tr><td>Position, Qualification and Experience</td><td>Qualifications and CV of staff</td><td>40</td></tr><tr><td>Company experience of similar tasks</td><td>Written proof not older than 3 years: 4 Municipalities (10) 8 Municipalities (20) More than 8 Municipalities (30)</td><td>30</td></tr><tr><td>Compilation of Financial Statements</td><td>Unqualified Audit outcome (2) per municipality Clean Audit Outcomes ((5) per municipality</td><td>30</td></tr><tr><td>Total</td><td></td><td>100 points</td></tr></table>	Criteria	Supporting evidence	Points	Position, Qualification and Experience	Qualifications and CV of staff	40	Company experience of similar tasks	Written proof not older than 3 years: 4 Municipalities (10) 8 Municipalities (20) More than 8 Municipalities (30)	30	Compilation of Financial Statements	Unqualified Audit outcome (2) per municipality Clean Audit Outcomes ((5) per municipality	30	Total		100 points
Criteria	Supporting evidence	Points														
Position, Qualification and Experience	Qualifications and CV of staff	40														
Company experience of similar tasks	Written proof not older than 3 years: 4 Municipalities (10) 8 Municipalities (20) More than 8 Municipalities (30)	30														
Compilation of Financial Statements	Unqualified Audit outcome (2) per municipality Clean Audit Outcomes ((5) per municipality	30														
Total		100 points														

T2: RETURNABLE DOCUMENTS

The following documents are to be completed and returned as they constitute the quotation. Whilst many of the returnable's are required for the purpose of evaluating the quote, some will form part of the subsequent contract, as they form the basis of the offer. For this reason, it is very important that service providers return all information requested. **All documents must be completed and signed by the duly authorised representative of the prospective bidder.** A bidder's response will be evaluated based on compliance with the listed administration and mandatory bid requirements. **A bidder's proposal will be disqualified for non-submission of any of the documents as indicated below**

T2.1 LIST OF RETURNABLE DOCUMENTS

1. RETURNABLE DOCUMENTS REQUIRED FOR TENDER EVALUATION PURPOSES *(Included hereafter for completion)*

MBD1	: Invitation to bid and standard and conditions of bidding
MBD 3.3	: Pricing Schedule – Professional Services
MBD 4	: Declaration of Interest
MBD 6. 1	: Preference Points Claim Form - in terms of The Preferential Procurement Policy of the Namakwa District Municipality.
MBD 7.2.	: Contract Form- Rendering of Services
MBD 8	: Declaration of Bidders past Supply Chain Management Practices
MBD 9	: Certificate of Independent Bid Determination

T2.2 LIST OF RETURNABLE SCHEDULES

2. RETURNABLE SCHEDULES FOR TENDER EVALUATION PURPOSES *(to be attached with submission)*

Schedule 1A:	Tax Compliance pin number
Schedule 1B:	Municipal Bill (copy) (not older than 3 months)
Schedule 1C:	B – BBEE status level verification certificate
Schedule 1D:	Proof of CSD Registration

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SCHEDULE 1A

TAX COMPLAINEE PIN NUMBER AND TAX CLEARANCE CERTIFICATE

PLEASE ATTACH HERE

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SCHEDULE 1B
MUNICIPAL BILL

PLEASE ATTACH HERE

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SCHEDULE 1C
B-BBEE STATUS VERIFICATION CERTIFICATE OR SWORN AFFIDAVIT

PLEASE ATTACH HERE

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SCHEDULE 1D
CSD REGISTRATION REPORT
PLEASE ATTACH HERE

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NAMAKWA DISTRICT MUNICIPALITY APPOINTMENT OF A FINANCIAL SERVICES PANEL FOR THE NAMAKWA DISTRICT MUNICIPALITY FOR THE PERIOD OF 36 MONTHS

C1.2 CONTRACT DATA

PART 1: DATA PROVIDED BY THE EMPLOYER

CONDITIONS OF CONTRACT

The General Conditions of Contract for Government Procurement shall apply. Copies are available on the National Treasury website at www.treasury.gov.za and are also available from the office of the Employer.

CONTRACT SPECIFIC DATA

The following contract specific data are applicable to this Contract:

Compulsory Data

Ref Clause	DESCRIPTION
Clause 1	The name of the Employer is NAMAKWA DISTRICT MUNICIPALITY
Clause 1	The address of the Employer is: Name: NAMAKWA DISTRICT MUNICIPALITY Address: ... VAN RIEBEECK STREET, SPRINGBOK, PRIVATE BAG X20 Tel: 027 712 8000 Fax: 027 712 8040 E-mail: chaldono@namakwa-dm.gov.za
Clause 1	The Project is: APPOINTMENT OF A FINANCIAL SERVICES PANEL FOR THE NAMAKWA DISTRICT MUNICIPALITY FOR THE PERIOD OF 36 MONTHS
Clause 3.4 & 4.3.2	The authorized & designated representative of the employer is Mr. Quinton Cloete
Clause 3.5	The location of Performance of the project is in Namakwa District Municipality
Clause 3.6	The service provider may not release public or media statements or publish material relating to the services or project under any circumstances
Clause 8.2.1	The Contract is concluded when both parties have signed the agreement.
5	Copyright of documents prepared for the project shall be vested with the employer.
Clause 12.1	Interim settlement of disputes to be by mediation / adjudication
Clause 12.2/12.3	Final settlement is by litigation / arbitration
Clause 12.2.1	In the event that the parties fail to agree on a mediator, the mediator is nominated by employer.

PART 2: DATA PROVIDED BY THE SERVICE PROVIDER

Ref Clause	DESCRIPTION
Clause (1)	The name of the Service Provider is
Clause (1)	The address of the Service Provider is: Name: Address: Tel: Fax: E-mail:
Clause 1	The period of performance is:
Clause 5.3	The authorized and designated representative of the service provider is: Name:.....

TENDER 35/2024

NAMAKWA DISTRICT MUNICIPALITY APPOINTMENT OF A FINANCIAL SERVICES PANEL FOR THE NAMAKWA DISTRICT MUNICIPALITY FOR THE PERIOD OF 36 MONTHS

3: SCOPE OF WORK

TERMS OF REFERENCE AND SPECIAL CONDITIONS OF CONTRACT

Namakwa District Municipality is committed to adhere to the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) Municipal Cost Containment Regulations, 2019.

Tenders must be structured in terms of Section 5(5), 5(6), 5(8) & 5(9) of the mentioned Municipal Cost Containment Regulations, 2019.

The Namakwa District Municipality will appoint a Financial Services Panel to give effect to the required service as highlighted under "services required" below. Potential service providers must clearly provide the following tender information (tender) for every line item highlighted under "services required":

- Tender amount;
- Experience of the service provider in the particular field; and
- Human Resources that will be utilised for the required service.

It is not the Namakwa District Municipality's intention to replace any existing internal processes, procedures and/or resources with a service provider (consultant), but merely to establish a Financial Services Panel that can be utilised as and when required and/or needed.

Potential Service Providers must be willingly to perform the tendered service(s) in the District Area, including the relevant B-municipalities. Namakwa District Municipality has established a Municipal Support Unit to contribute to the improvement of financial management performance in local municipalities within the Namakwa District Municipality jurisdiction. The tendered service(s) to relevant B-municipalities will be provided by service provider(s) through the Office of the Municipal Support Unit within the Namakwa District Municipality. The Namakwa District Municipality remains responsible for all contractual- and payment related issues.

Services required:

	CATEGORY	ACTIVITY
A	Accounting and Audit Support	
A1	GRAP Implementation and AFS Preparation	• Provide technical support and guidance to municipalities on the implementation of GRAP Standards; • Assist municipalities in developing and implementing their accounting policies; • Assist municipalities in developing, implementing, and reviewing the AFS preparation plans; • Measurement of costs to rehabilitate landfill-sites; • Actuarial valuations of Employee Benefits;

	CATEGORY	ACTIVITY
		• Provide support, advice, and technical guidance to municipalities on the compilation and finalisation of AFS; • Assist municipalities to timely submit the draft AFS to Internal Audit and Audit Committee for review; • Assist municipalities in reviewing the draft AFS; • Assist with review of the annual and oversight reports; • Monitor that municipalities comply with the provisions in Chapter 12 of the MFMA relating to the preparation, timeously submission of the AFS and annual report and consequences for non-compliance; and • Conduct on-going capacity building with municipal officials relating to GRAP and financial statement support.
A2	Internal Controls and Accounting	• Assist municipalities in developing and revising their SOPs; • Provide guidance and insight to municipalities in designing, implementing, and effectively monitoring internal controls as they relate to all areas of municipal accounting; • Assist municipalities in performing their monthly reconciliations, controls, and verifications; • Assist municipalities with the implementation of a proper document management system that will ensure complete and proper records of municipal finances are kept in accordance with applicable norms and standards; • Assist and support municipalities in complying with the stipulations and time frames in the MFMA and supporting regulations; • Assist municipalities in performing a reassessment of the FMCMM and assisting in the development and implementation of the action plans; and • Conduct on-going capacity building with municipal officials relating to internal control and accounting matters.
A3	Audit Action Plan	• Assist with planning of audit support at municipalities. • Provide technical support, assistance, and guidance to municipalities in developing, implementing, and reviewing municipal audit action plans. • Provide support and make recommendations at monthly management and other related meetings to implement municipal audit action plans. • Provide technical support to municipal Audit Steering Committee meetings. • During the annual audit process, assist municipalities in responding to RFI's and COMAF's issued by the Auditor-General – including sourcing of Legal-, Supply Chain Management- and/or other opinions. • Conduct on-going capacity building with municipal officials relating to audit support.

	CATEGORY	ACTIVITY
A4	UIFW and Consequence Management	• Assist municipalities in processing UIF&W through Councils and MPAC's. • Assist with the implementation of council resolutions based on the recommendations from MPAC's, including the accounting treatment and actual recovery process through the municipalities' debt collection policy. • Assist with establishing functional municipal disciplinary boards, including developing a DB policy and terms of reference and monitoring the implementation of the board's recommendations to the council. • Assist municipalities in providing a regular report back to NT on progress on implementing the board's recommendations or lack thereof. • Conduct on-going capacity building with municipal officials on matters relating to UIF&W and consequence management. • Assist municipalities with the development and implementation of UIFW and Consequence Management policies and SOPs.
A5	mSCOA	• Assisting municipalities with the alignment between IDP, Budget, and SDBIP; • Assisting municipalities with the implementation of mSCOA business processes (MFMA Circular 80); • Assisting municipalities with data cleansing; • Conduct on-going capacity building with municipal officials on matters relating to mSCOA; and • Provide technical support to municipal mSCOA Project Steering Committee meetings.
B. Asset Management		
B1	Asset management and Standard Operating Procedures (SOPs)	Assist the Municipality with designing workable asset management models for their specific environment by: • Reviewing and aligning the municipal asset management policies and SOPs to applicable legislation, frameworks, and guidelines; • Providing technical guidance and support to municipalities in reviewing and updating their asset management policies and SOPs; • Building awareness through workshops of the asset management policy, regulations, and SOPs to municipal staff and councillors as agreed; • Reviewing and updating the Asset Management Plans; and • Reviewing and updating Asset Maintenance Plans.
B2	Asset Accounting	Assist the Municipality with all municipal asset accounting related matters: • To ensure compliance with laws and regulations when accounting for municipal assets; • To ensure compliance with applicable GRAP accounting standards and directives when accounting and disclosing assets, including physical review and

	CATEGORY	ACTIVITY
		verification of assets, valuation of assets, unbundling of assets and updating of GIS information on system(s) implemented by municipality; • Performing asset verification by using soft tools (electronic equipment); • GIS hosting of assets; • To ensure compliance with recommended asset management guidelines when accounting for assets; • To compile an asset register by using the asset hierarchy of the municipality that addresses the following: Existence, Completeness, Valuation, Ownership, Classification, Accuracy, and • To ensure full integration of the asset register with the general ledger and compliance with mSCOA requirements.
B3	Internal Controls	Assist the municipalities with all municipal asset internal control related matters: • To ensure internal controls are established for proper asset management practices during the assets life cycle that is in line with rules and regulations, recommended guidelines, and GRAP compliance; • To implement internal controls to safeguard assets against improper use, loss, theft, malicious damage, or accidental damage; • To institute internal controls that ensure alignment of the service level needs as per the IDP with the capital budget and asset acquisition plan; • To implement internal controls that ensure evaluation of the various assets acquisition methods; • To establish controls that ensure that assets are disposed in line with the provisions of the MFMA and other applicable guidelines; and • To institute controls that will ensure effective collaboration of Technical, Engineering, Finance, Town Planning Departments, etc., in the management and accounting of assets.
C	Budget and Revenue Management	
C1	Budgeting	Assist municipalities with the preparation of credible, funded, and compliant medium-term budgets by: • Assisting municipalities to adhere to the applicable legal prescripts, i.e., MFMA, MBRR, etc. regarding budget time frames and submissions; • Assisting municipalities to compile and approve credible and funded budgets; • Providing support to municipalities with the MBRR schedules and the funding assessment methodology; • Assisting municipalities with the setting of cost-reflective tariffs for all billable municipal services; • Assisting municipalities to apply realistic and credible assumptions when compiling their medium-term budgets. • Providing support to municipalities with the review and drafting of budget-related policies;

	CATEGORY	ACTIVITY
		- Assisting municipalities with the effective implementation of adopted budgets and related statutory reporting requirements; and - Assist municipalities with the preparation of long-term financial plans and turnaround strategies.
C2	Revenue management policies and SOPs	Assist municipalities with devising customised revenue management policies by: - Reviewing and aligning the revenue management policies and SOPs to applicable legislation, frameworks, and guidelines; - Reviewing of all management-related policies to ensure the effective formulation and implementation across revenue value chain, i.e., customer data and accounts, meter reading, billing, payments, credit control and debt collection, indigent management, customer care, etc. - Providing technical guidance and support to municipalities with the implementation of their revenue management policies and SOPs; - Building awareness through workshops of the revenue management policies, regulations, and SOPs to municipal staff and councillors as agreed; and - Assisting municipalities to address common audit findings and qualifications on, for example: completeness, impairment, and accounting of revenue-related transactions and disclosures.
C3	Revenue value chain	- Assist municipalities in developing workable strategies and plans that will ensure the measurable improvement in revenue performance and efficiencies in the revenue value chain management; - Providing technical support and guidance to municipalities across the key elements of the revenue value chain, i.e., customer data and accounts, meter reading, billing, payments and collections, credit control and debt collection, indigent management, customer care, etc.
D	OTHER SUPPORT	
	Appointment of Key Financial Staff	Assisting with advertising, sourcing and evaluation of the appointment of Key Financial Staff
	Project and Strategic Management	- Development and review of Policies, Strategies, Benchmarking & Turnaround exercises as necessary. - Assistance with Financial Project Management as necessary.
	Forensic Investigations	Facilitating independent Forensic Investigations and where needed, attending Disciplinary Board meetings and investigations.
	VAT	Assist municipalities with the completeness of VAT by: - Performing VAT apportionment ratio's; - Performing VAT Reconciliations; - Provide technical assistance on VAT treatments;
	Software	Assistance with the development, updating and implementation of soft tools. (Asset verification, Disaster Management, etc.);

	CATEGORY	ACTIVITY
		• Providing soft tools and programmes for Asset verification, AFS preparation, Audit Files, etc.
	Financial Turn-around Strategies / Financial Recovery Plans	Assistance with preparation, implementation and monitoring of Financial Turn-around Strategies and Financial Recovery Plans.
	Long-term Financial Planning / Plans	Assistance with preparation, implementation and monitoring of Long-term Financial Planning and Implementation Plans.
	Tariff Modelling	• Assistance with the calculation of cost-effective tariffs; • Assistance with the development and implementation of tariff models.

Evaluation:

In accordance with procurement guidelines, your tender **shall** therefore comprise the following documents/components:

(a) Functionality Component

Functionality – 100 points

Please note that a bidder has to score a minimum number of points of 80 for functionality to qualify for further adjudication (i.e., Price and preferential points)

(b) Price (Cost) Component

To be considered on achieving a minimum score of 80 for the technical submission (functionality).

TENDER EVALUATION

The description of the functionality criteria and the maximum number of tender evaluation points allocated to each is shown in the table below. The score for functionality will be the sum of the scores for the individual criteria. A clear reference (section and page) for supporting documentation for the evaluation of functionality must be included in the proposal. No points will be awarded for functionality if the reference is not included in the proposal.

1.	Functionality			Max 100	Ref to proposal (section and page)
1.1	Qualifications of the Representatives/Team members from the Services Provider (CV and proof of qualifications to be submitted)				
1.1.1	Project Director			13	
	CA (SA) with minimum 15 years' experience	More than 20 years' experience	4 points	4	
		15-20 years' experience	2 points		
	Experience in implementing GRAP/mSCOA – attached contactable references to verify experience in the past 3 years (2022, 2023 & 2024)	5 contactable references	4 points	4	
		3-4 contactable references	2 points		
		1-2 contactable references	1 point		
	Experience in the development of Financial Recovery Plans/ Long-term Financial Plans – attached contactable references to verify experience in the past 3 years (2022, 2023 & 2024)	5 contactable references	4 points	4	
		3-4 contactable references	2 points		
		1-2 contactable references	1 point		
	Registration with SAICA	Proof of registration	1 point	1	
1.1.2	Senior Manager			13	
	Qualification in financial management/ asset management/ forensics	Higher Degree (NQF Level 8 or higher)	4 points	4	
		Degree or Advanced Diploma (NQF Level 7)	2 points		
	Experience in Local Government	More than 20 years' experience	4 points	4	
		15-20 years' experience	2 points		
		10-15 years' experience	1 point		
	Experience in implementing GRAP/mSCOA and preparation of Financial Statements – attached contactable references to verify experience in the past 3 years (2022, 2023 & 2024)	5 contactable references	4 points	4	
		3-4 contactable references	2 points		
		1-2 contactable references	1 point		
	Registration at a Professional Body in financial management/ asset management/ forensics	Proof of registration	1 point	1	

1.1.3	Manager			14	
	Qualification in financial management/ asset management	Higher Degree (NQF Level 8 or higher)	4 points	4	
		Degree or Advanced Diploma (NQF Level 7)	2 points		
	Experience in implementing and managing GRAP Standards/ mSCOA – attached contactable references to verify experience in the past 3 years (2022, 2023 & 2024)	5 contactable references	4 points	4	
		3-4 contactable references	2 points		
		1-2 contactable references	1 point		
	Experience and implementing in tariff modelling/ long-term financial plans	5 contactable references	4 points	4	
		3-4 contactable references	2 points		
		1-2 contactable references	1 point		
	Registration at a Professional Body in financial management/ asset management	Proof of registration	1 point	1	
	Experience in updating GIS Information	Contactable reference	1 point	1	
1.2	Company Experience (Letter from Municipality as proof stating/stipulating the type of accounting and asset-related work experience – Reference Letters must indicate the year in which services were rendered and not older than 3 years)				
	Municipal accounting experience • With at least 4 Municipalities (10 points) • With at least 8 Municipalities (20 points) • More than 8 Municipalities (30 points)			30	
1.3	Compilation of financial statements at Municipalities that obtained unqualified/clean audits (Letter from Municipality on the audit outcomes of the last 3 years (2020/21, 2021/22 and 2022/23))				
	Unqualified Audit Outcomes (2 points per municipality) Clean Audits Outcomes (5 points per municipality)			30	
Only if points scored is equal to or greater than 80 then proceed to the 80/20-point system.					

Failure on the part of the Bidder to attach the evidence as required in the functionality points that may be claimed, will disqualify the Bidder.

The Municipality reserves the right to require of a Bidder, either before a Bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preference, in any manner required by the Municipality.

Qualifying Service Providers will be included as part of the Financial Services Panel.

Please Note:

- The services from panel shall be used as and when a need arises, during the entire duration of the tender.
- The Municipality reserves the right to terminate the services, should satisfaction not be received from the selected service provider.
- The Municipality reserves the right to request the appointment of a team composition in order to address a specific need, or circumstances change during the execution of the project or task.

- d) The Municipality reserves the right to appoint different service providers from the panel for different projects or tasks.
- e) The Municipality reserves the right to accept the whole tender or part of a tender or any item or part of any item or accept more than one tender (in the event of a number of items being offered) and the Municipality is not obliged to accept the lowest or any tender.

PRICING SCHEDULE

- a) Bidders must complete the original provided schedule (price on all items) in full. Failure to do so will result in disqualification of the bid.
- b) If the bidder makes amendments to the pricing schedule, the bidder will be disqualified.
- c) Where quantities are given in the pricing schedule, these are provisional and do not necessarily represent the actual amount of work to be done. The quantities of work accepted and certified for payment will be used for determining payment due and not the quantities given in the pricing schedule. In respect of time-based services, the allocation of staff and number of hours must be agreed with the municipality before such services are rendered.
- d) The rates, sums, percentage fees and prices in the pricing schedule are to be fully inclusive prices for the work described under the several items. Such prices and rates are to cover all costs and expenses that may be required in and for the execution of the work.
- e) All rates, sum, percentage fees or prices (as applicable) tendered in the pricing schedule shall be final and binding and shall not be subject to any variation throughout the period of the contract.
- f) The annual increase for all components of the tender in the outer years of the projects will be limited to the annual growth indicator for the outer year's rate as indicated in the annual National Treasury Budget Circular.
- g) All prices in the pricing schedule must be inclusive of VAT, where applicable. The current VAT rate of 15% must be used to complete the pricing schedule.
- h) For the purpose of completing the pricing schedule and the mix of staff during the various instructions, the titles are classified by the Namakwa District Municipality as listed below:
 - Project Director – CA with more than 15 years' experience
 - Senior Manager – At least 10 years' experience in the applicable field
 - Manager – At least 5 years' experience in the applicable field
 - Senior Consultant – At least 7 years' experience in the applicable field
 - Junior Consultant – At least 4 years' experience in the applicable field
- i) As the municipality may decide to appoint a single service provider (if only a single provider meets the functionality criteria) for the functions listed below, it is important that all proposals must, as a minimum provide for the performance of **all the functions listed below. Failure to do so will lead to the tender being non-responsive.**

Item	Criteria
Review of GRAP annual financial statements and implementation of GRAP and other relevant new accounting standards and reforms such as mSCOA, relevant to the AFS presentation for the municipality and possible entities under its control & assistance with External Audit & AG Queries as needed.	Review of Annual Financial Statements – Fixed Price (It is estimated that no more than 100 hours will be required at a senior level for the review of the AFS). Reviewing of Annual Financial Statements must include, but not be limited to the following: ○ Review calculations on current and non-current provisions as may be required and preparing journals and workings for adjustments. ○ Review of calculations and reconciliations for payables from exchange transactions ○ Review and confirm tax calculations, i.e., liability/receivables from source documents provided, perform tax reasonability test, calculate apportionment ratio for the year, calculate theoretical VAT balance. ○ Review PPE annexures and ensure reconciliation to the GL. Test Asset register for accuracy of calculations and ensure that it complies with accounting policy and relevant ○ accounting standards. ○ Review inventory calculation and water stock calculation to confirm disclosure amounts. ○ Review calculations for the provision for impairment of receivables for exchange and non-exchange transactions. Provisions are to be calculated on an individual debtor basis, ○ Review calculated provision for impairment for traffic offences in accordance with I-Grap1. Use current and previous payment history in methodology. Advise management on possible impairing of traffic fine receivables. ○ Ensure correct cash and cash equivalents disclosure in accordance with the accounting policy and accounting framework. Review bank reconciliation and advise on clearing of material amounts where appropriate. ○ Review investment register for accuracy and calculate accrued interest where necessary. ○ Ensure completeness of property rates note with regard to the valuation information, review and advise on completeness and appropriateness of property rates reconciliation. ○ Ensure accurate appropriate disclosure of all grant receipts, verify information in grants reconciliation for inclusion in AFS and prepare correction journals if relevant. ○ Ensure accurate disclosure of employee related cost by scrutinizing relevant reconciliations and advising if corrections are to be made for staff, management and councilors. ○ Analyze finance charges to ensure accurate disclosure of respective components in accordance with accounting standard. ○ Review Bulk purchases amount to ensure completeness, and that adequate consideration for cut -off dates have been accounted for.

	- o Analyze and review expenditure by nature including general expenditure categories for appropriate disclosure of expenditure - o Analyze and review suspense accounts and provide advice with the clearing of suspense accounts where necessary - o Review all correction of error restatements where necessary, provide adequate narrative disclosure and advise management on accounting treatment of matters to be restated. - o Ensure completeness of capital commitments by reviewing information supplied. Perform financial risk management calculations including liquidity risks. - o Ensure that adequate disclosure of material variances is done. - o Must be able to submit AFS 24 hours before final submission date and time The following must be included in the fixed amount tendered: - o Cost to advise to changes in the AFS after internal audit review as well as external audit technical review. - o Cost to analyze and respond to all audit findings relating to the AFS presentation inclusive of negotiating with and explaining point of view to the auditors - o Cost to obtain external expert opinion on accounting standards interpretation if a difference of opinion is evident between the AGSA and the municipality / consultant - o Cost of printing and stationary. - o Cost of time spent corresponding with and responding to auditors, whether in writing, email, or verbal discussions - o Annual revision of the accounting policy of the municipality to accompany the AFS - o Providing advice with regards to the adoption and/or early adoption of relevant accounting standards.
Other GRAP or relevant accounting standards implementation issues excluding matters required for the preparation and presentation of the Annual Financial Statements (as and when needed).	Hourly tariffs
Actuarial Valuations	Fixed price per annum per type of valuation
Measurement of the costs to rehabilitate landfill sites	Fixed price per annum Cost of expertise for the calculation of landfill site rehabilitation provision in accordance with relevant legislative requirements. Cost of Site visit and Surveyor must be included.

	The following must be included in the fixed amount tendered: ○ Assess the current state of the various waste management facilities and management practices; ○ Review of any new legislative requirements which may have an impact on the rehabilitation cost of the facility; ○ Identify facilities or management practices that do not comply with the prevailing legislation; ○ Propose priority actions to redress these in compliances and bring operations back in line with the legislation; ○ The fixed price must include all landfill sites per municipality. Familiarise yourself with the number of landfill-sites per municipality by analysing AFS of the municipality; ○ All original supporting documentation (quotations from suitable service providers, unit costs and quantities) to support rates used in the calculation must be provided and be available for audit purposes.
Assistance with responding to COMAF's and Audit Reports	Hourly rates For the purpose of completing the pricing schedule, the following <u>estimated hours</u> will be used, but the actual hours may differ significantly according to the needs of the municipalities. ○ Partner/Director > 15 years' experience – 40 hours ○ Senior Manager > 10 years' experience – 40 hours ○ Manager > 5 years' experience – 40 hours ○ Senior Consultant > 7 years' experience – 80 hours The total price on the pricing schedule must be based on the above estimated hours.
Unbundling of Infrastructure Assets additions according to GRAP 17 for the 3year period and capturing it onto the asset register and GIS system -	Fixed price per annum. The following must be included in the fixed amount tendered: ○ Identify assets that were created in the current financial year and unbundle the completed capital projects each year according to the municipality's adopted asset hierarchy, asset management policy, and unbundling methodology; ○ Identify capital budget invested in assets that have not yet been commissioned and list these amounts as work in progress (WIP); ○ Unbundle completed WIP capital projects from previous years; ○ Support the Municipality to identify any possible impairment losses on assets and review the remaining useful lives of assets unbundled and WIP projects of the current financial year; and ○ Update the Municipality's Geographical Information System (GIS) data and hierarchy with the unbundled project information where required.

Asset Management (physical verification)	Fixed price per annum per asset class. The following minimum services must be included in the fixed price per class of infrastructure assets: ○ Reconciliation between individual infrastructure asset items and infrastructure items on the GIS system of the municipality; ○ Perform a GAP analysis on the infrastructure asset register, GIS data, masterplans, RRAMS data, and other datasets the municipality has access to; ○ Physical verification of all infrastructure assets, including condition assessments by using soft tools; ○ Perform quality assurance on the verification data; ○ Reconcile the verification information to the asset register; ○ Perform remaining useful life adjustments where required; ○ Perform impairment indicator tests and impairment calculations where required; ○ Compile a working paper containing all the information required to update the asset register with supporting documentation; ○ Provide supporting documentation for all accounting corrections to be performed. The following minimum services must be included in the fixed price per class of municipal properties: ○ Compile a list of all properties from the asset register that belongs to the municipality and link the assets to SG codes and coordinates; ○ Perform an iGRAP 18 assessment to determine all the properties the municipality owns and controls; ○ Perform physical verification of all properties, including condition assessment by using soft tools; ○ Perform quality assurance on the verification data; ○ Reconcile the verification information to the asset register; ○ Perform remaining useful life assessments where required; ○ Perform impairment indicator tests and impairment calculations where required; ○ Compile a working paper containing all the information required to update the asset register with supporting documentation; ○ Provide supporting documentation for all accounting corrections to be performed. The following minimum services must be included in the fixed price for movable assets: ○ Prepare the asset, custodian, and room information for verification; ○ Perform physical verification of all movable assets, including condition assessment by using soft tools; ○ Perform quality assurance on the verification data; ○ Reconcile the verified assets to the asset register; ○ Performing useful life adjustments where required;
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	- o Preform impairment indicator tests and impairment calculations where required; - o Perform residual value adjustment according to the municipality's accounting policy; - o Compile a working paper, with supporting documentation, that contains all the information required to update the asset register - o Provide supporting documentation for all accounting corrections to be performed. - o Populate asset lists for the custodians to acknowledge their assets by signing off; - o If the cost of the above scope of services is not included, please provide the additional cost for such services.
Asset Management (any other services)	Hourly rate
Assistance with budget preparation	Hourly rate For the purpose of completing the pricing schedule, the following <u>estimated hours</u> will be used, but the actual hours may differ significantly according to the needs of the municipalities. o Manager > 5 years' experience – 80 hours
Soft Tools	Fixed Rates The annual license fee (minimum 3 users) of soft tools to perform: - o Asset verification - o GIS Hosting
Accounting Support and assisting municipal staff with implementation of internal control measures	Hourly rates
On the job training with the specific aim of transferring skills to officials & to empower municipal staff to execute their duties unassisted	Hourly rates
Any other assistance as needed, including new financial reforms such as MSCOA implementation	Hourly rates
Development and implementation of business processes and standard operating procedures aligned with the Municipality's systems	Hourly rates
Technical assistance with completion and balancing of the budget schedules to ensure alignment between the financial system and the National Treasury database	Hourly rates
Drafting of policies for the municipality	Hourly rates
Audit Action Plan	Hourly rates
UIFW and Consequence Management	Hourly rates

Appointment of Key Financial Staff	Hourly rates	
Project and Strategic Management	Hourly rates	
Forensic Investigations	Hourly rates	
VAT	Hourly rates	
Financial Turn-around Strategies / Financial Recovery Plans	Hourly rates	
Long-term Financial Planning / Plans	Hourly rates	
Tariff Modelling	Hourly rates	
For the purpose of completing the pricing schedule, the following estimated hours will be used, but the actual hours may differ significantly according to the needs of the municipalities.		
Level	Minimum relevant experience in a South African Municipal Environment	Hours
Partner/Director	> 15 years' experience	100 hours per annum
Senior Manager	> 10 years' experience	100 hours per annum
Manager	> 5 years' experience	100 hours per annum
Senior Consultant	> 7 years' experience	100 hours per annum
Junior Consultant	> 4 years' experience	100 hours per annum
Travelling rates should be quoted per kilometre and must be in line with the SARS guidelines. Calculation for the purpose of evaluation will be based on a total of 10 000 kilometres per annum		
Travelling time must be quoted as an hourly rate and the calculation for the purpose of evaluation will be based on 200 hours per annum		
Subsistence cost must be quoted as an allowance per day and the calculation for the purpose of evaluation will be based on 120 days per annum		
Accommodation cost will be reimbursed at the actual cost incurred to overnight at a 3star accommodation establishment on a bed and breakfast basis and will not form part of the calculation for comparative purposes.		
Sundry cost such as printing, stationary, parking, toll fees and other incidental expenditure will not be reimbursed separately and must therefore be included in the hourly rates quoted		

- j) A clear program to transfer skills to the municipal incumbent staff to enable them to compile the annual financial statements in-house must be submitted together with the tender, the program must clearly set out time frames, hours and resources committed to the empowerment and transfer of skills.
- k) Social responsibility – Tenderers are to provide details of plough back/social responsibility programs to be engaged with or which will be executed for each year of the duration of the contract. (This will not be used in the evaluation but is compulsory to submit).

YEAR 1

Description	Unit rate	Namakwa District Municipality	Hantam Local Municipality	Kamiesberg Local Municipality	Karoo Hoogland Local Municipality	Khai-Ma Local Municipality	Nama Khoi Local Municipality	Richtersveld Local Municipality	TOTAL
Review of Annual Financial Statements	Fixed price per annum								
Actuarial Valuations of Employee Benefits – separate for each type of valuation									
<i>Health Care Benefits</i>	Fixed price per annum								
<i>Long-service Awards</i>									
<i>Ex-Gratia Pension</i>									
Measurement of cost to rehabilitate landfill-sites – site visit and surveyor	Fixed price per annum								
Assistance with responding to COMAF's and Audit Reports	Hourly rates (based on estimates)								
<i>Partner/Director > 15 years' experience</i>	Estimate 40 hours								
<i>Senior Manager > 10 years' experience</i>	Estimate 40 hours								
<i>Manager > 5 years' experience</i>	Estimate 40 hours								
<i>Senior Consultant > 7 years' experience</i>	Estimate 80 hours								
Unbundling of Infrastructure Assets per GRAP 17 and capturing of it onto asset register and updating GIS system of the municipality	Fixed price per annum								
Physical verification of existing Infrastructure Assets									
<i>Roads</i>									
<i>Storm Water</i>	Fixed price per annum								
<i>Electrical</i>	per asset								
<i>Water Supply</i>	class								
<i>Sanitation</i>									
<i>Solid Waste</i>									
Physical verification of all municipal properties	Fixed price per annum								

[illegible]

Year 2

Description	Unit rate	Namakwa District Municipality	Hantam Local Municipality	Kamiesberg Local Municipality	Karoo Hoogland Local Municipality	Khai-Ma Local Municipality	Nama Khoi Local Municipality	Richtersveld Local Municipality	TOTAL
Review of Annual Financial Statements	Fixed price per annum								
Actuarial Valuations of Employee Benefits – separate for each type of valuation									
Health Care Benefits	Fixed price per annum								
Long-service Awards									
Ex-Gratia Pension									
Measurement of cost to rehabilitate landfill-sites – site visit and surveyor	Fixed price per annum								
Assistance with responding to COMAF's and Audit Reports	Hourly rates (based on estimates)								
Partner/Director > 15 years' experience	Estimate 40 hours								
Senior Manager > 10 years' experience	Estimate 40 hours								
Manager > 5 years' experience	Estimate 40 hours								
Senior Consultant > 7 years' experience	Estimate 80 hours								
Unbundling of Infrastructure Assets per GRAP 17 and capturing of it onto asset register and updating GIS system of the municipality	Fixed price per annum								
Physical verification of existing Infrastructure Assets									
Roads									
Storm Water	Fixed price per annum								
Electrical									
Water Supply	per asset								
Sanitation	class								
Solid Waste									
Physical verification of all municipal properties	Fixed price per annum								

Year 3

Description	Unit rate	Namakwa District Municipality	Hantam Local Municipality	Kamiesberg Local Municipality	Karoo Hoogland Local Municipality	Khai-Ma Local Municipality	Nama Khoi Local Municipality	Richtersveld Local Municipality	TOTAL
Review of Annual Financial Statements	Fixed price per annum								
Actuarial Valuations of Employee Benefits – separate for each type of valuation									
<i>Health Care Benefits</i>	Fixed price per annum								
<i>Long-service Awards</i>									
<i>Ex-Gratia Pension</i>									
Measurement of cost to rehabilitate landfill-sites – site visit and surveyor	Fixed price per annum								
Assistance with responding to COMAF's and Audit Reports	Hourly rates (based on estimates)								
<i>Partner/Director > 15 years' experience</i>	Estimate 40 hours								
<i>Senior Manager > 10 years' experience</i>	Estimate 40 hours								
<i>Manager > 5 years' experience</i>	Estimate 40 hours								
<i>Senior Consultant > 7 years' experience</i>	Estimate 80 hours								
Unbundling of Infrastructure Assets per GRAP 17 and capturing of it onto asset register and updating GIS system of the municipality	Fixed price per annum								
Physical verification of existing Infrastructure Assets									
<i>Roads</i>									
<i>Storm Water</i>	Fixed price per annum								
<i>Electrical</i>	per asset class								
<i>Water Supply</i>									
<i>Sanitation</i>									
<i>Solid Waste</i>									
Physical verification of all municipal properties	Fixed price per annum								

[illegible]

SUMMARY	TOTAL (VAT incl.)
Year 1: Provision of Services	
Year 2: Provision of Services	
Year 3: Provision of Services	
GRAND TOTAL (VAT incl.)	



INSTRUCTION TO POTENTIAL SERVICE PROVIDERS

ALL TENDER CONDITIONS MUST BE STRICTLY ADHERED TO, FAILING WHICH THIS TENDER SUBMISSION WILL BE DECLARED NON-RESPONSIVE

1.1 Any portion of the TENDER Document not completed will be interpreted as "not applicable".

1.2 The Namakwa District Municipality reserves the right to accept:

- the whole quotation or part of a quotation or any item or part of any item or accept more than one quotation (in the event of a number of items being offered) and the Namakwa District Municipality is not obliged to accept the lowest or any tender.

1.3 The Namakwa District Municipality will not be held responsible for any expenses incurred by potential service providers in preparing and submitting quotations.

1.4 The Namakwa District Municipality may, after the closing date, request additional information or clarification of quotations in writing.

1.5 The Namakwa District Municipality's representative for the purpose of this quote shall be:

Name: Mr. Quinton Cloete

Tel. No: (027) 712 8000

Email: quintonc@namakwa-dm.gov.za

2. VALIDITY PERIOD

2.1 Any quotation submitted shall remain valid, irrevocable and open for written acceptance by the Namakwa District Municipality for a period of ninety (90) days from the closing date. By submitting a quotation, the potential service provider undertakes not to withdraw his quote or to amend it during the aforesaid period of ninety (90) days.

3. SPECIAL CONDITIONS OF CONTRACT

THESE SPECIAL CONDITIONS CONTRACT (SCC) SUPPLEMENT MUST BE READ WITH THE CORRESPONDING PROVISIONS OF THE GENERAL CONDITIONS OF CONTRACT (GCC) ISSUED BY NATIONAL TREASURY.

WHENEVER THERE IS A CONFLICT BETWEEN THE SCC AND THE GCC, THE PROVISIONS OF THE SCC SHALL PREVAIL.

3.1 Standards

Failure to comply with the standards and Specification as set out in the tender document shall constitute a material breach and the Namakwa District Municipality reserves the right to cancel the Contract in terms of Clause 23 of the GCC.

3.2 Payment - Clause 16 of GCC

All invoices must be forwarded to the following address:

Namakwa District Municipality, Private Bag X 20, Springbok, 8240.

4. SETTLEMENT OF DISPUTES – CLAUSE 27 OF GCC

4.1 The Namakwa District Municipality and the supplier agree that mediation as referred to in Regulations 49 and 50 of the Local Government: Municipal Finance Management Act, 2003 – Municipal Supply Chain Management Regulations (Notice 868 of 2005):

- a) Persons aggrieved by decisions or actions taken by the Namakwa District Municipality in the implementation of its supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint or query or dispute against the decision or action.



GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

1. Definitions

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

- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
 - 1.14 "GCC" means the General Conditions of Contract.
 - 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
 - 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
 - 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
 - 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
 - 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
 - 1.20 "Project site," where applicable, means the place indicated in bidding documents.
 - 1.21 "Purchaser" means the organization purchasing the goods.
 - 1.22 "Republic" means the Republic of South Africa.
 - 1.23 "SCC" means the Special Conditions of Contract.
 - 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
 - 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.
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- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 3. General**
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
- 4. Standards**
- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
- 5. Use of contract documents and information; inspection.**
- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 7. Performance security**
- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
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- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

**8. Inspections,
tests and
analyses**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with
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supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

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

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this 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 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
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21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard

the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,



damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

26.Termination for insolvency

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

27.Settlement of Disputes

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

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

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

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

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

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

28.Limitation of liability

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

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and



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

29. Governing language

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

30. Applicable law

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

31. Notices

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

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

32. Taxes and duties

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

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

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.