GAMAGARA LOCAL MUNICIPALITY
GM2022/39
REQUEST FOR PROPOSAL FOR SUPPLY, INSTALLATION AND MAINTENANCE OF AN INTEGRATED FINANCIAL MANAGEMENT FOR A PERIOD OF 60 MONTHS

NAME OF BIDDER	
TOTAL BID PRICINCE (VAT INCL.)	
CSD SUPPLIER NO:	

PREPARED AND ISSUED BY:
Directorate: Budget & Treasury
Supply Chain Management Unit
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SECTION 1: TENDER ADVERT

GAMAGARA MUNICIPALITY

BID: GM2022/39
REQUEST FOR PROPOSAL FOR SUPPLY, INSTALLATION AND MAINTENANCE OF AN INTEGRATED FINANCIAL MANAGEMENT FOR A PERIOD OF 60 MONTHS

The municipality invites prospective bidders to submit detailed proposals for supply and installation of an integrated financial management system with support and maintenance for a period of 60 months.

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The bid document will be available on the municipal website at www.gamagara.co.za and on the e-tender portal at www.etenders.gov.za

Bid documents in a sealed envelope *and **a soft copy**, on a read-only/write protected media*, clearly marked" **BID: GM2022/39 REQUEST FOR PROPOSAL FOR SUPPLY, INSTALLATION AND MAINTENANCE OF AN INTEGRATED FINANCIAL MANAGEMENT FOR A PERIOD OF 60 MONTHS"** must be deposited in the bid box, Cnr Hendrik van Eck & Frikkie Meyer Road, Kathu, not later than 10:00, **20 September 2022**

A compulsory briefing session will be held on 30 August 2022 at 10:00 in the council chambers. Only bidders attending the briefing session will be illegible to submit bids

Bids will be evaluated according to Gamagara Municipality's Supply Chain Management Policy and the Preferential Procurement Policy Framework Act.

All administrative enquiries must be directed to Mrs. J. Nampa @ 053 722 6000 and technical enquiries must be directed to Mr. Aobakwe Makoku @ 053 723 6000 during office hours.

Important notice
No faxed, e-mailed or late tenders will be considered. The municipality is not obliged to accept the lowest bid, or any bid.

P. Leserwane
Municipal Manager
P.O.Box 1001
KATHU, 8446

SECTION 2: BACKGROUND OF GAMAGARA MUNICIPALITY

1.1 INFORMATION TECHNOLOGY

The municipality has several satellite offices which connect to the head office to access all applications. The site information is as follows:

Site Name	Number of Users
GLM Head Office	400
GLM Olifantshoek	20
GLM Deben	20
GLM Siyathemba	20
GLM Sesheng	5

Interface to (ACB, Bank Statement, Meter Readers, MailTronics, Easy Pay, Assets, Payroll System, Electricity Prepaid Vending, Valuation roll).

1.1.1 DEPLOYED MODULES

1.1.1.1 Supply Chain Management (procurement and logistics)
1.1.1.2 Budget Planning and Financial modelling
1.1.1.3 Treasury and Cash Management
1.1.1.4 Creditors and Expenditure
1.1.1.5 Credit Control and Debt Collection
1.1.1.6 Valuation Roll Management
1.1.1.7 Asset Management
1.1.1.8 Revenue Management and Receipting
1.1.1.9 Meter reading, billing and debtors management
1.1.1.10 Payroll
1.1.1.11 Pre-paid management
1.1.1.12 Fleet management

1.1.2 LIST OF CURRENT SERVICE PROVIDERS

1.1.2.1 Vesta Technical Solutions (Phoenix Financial System)
1.1.2.2 Pay-Day Software Pty Ltd (Payroll management)
1.1.2.3 FNB (Payment of accounts and Banking)
1.1.2.4 Standard Bank(Banking)
1.1.2.5 Ntlangani Group of companies (Pre-paid vending)
1.1.2.6 Collaborator(SCM)

1.1.2.7 Market Demand (Asset Management)
1.1.2.8 Mosekate (Meter reading and credit Control)
1.1.2.9 Adapt IT(CaseWare)

1.2 CUSTOMER OVERVIEW

Gamagara Local Municipality has approximately 90 000 customers with registered properties. The breakdown is as follows:

- Number of Properties +/- 90 000,
- Prepaid meters +/- 60 000,
- conventional electricity +/- 20 000
- water meters +/- 77 000

SECTION 3: GENERAL CONCEPT OF TENDER

Gamagara Local Municipality invites prospective bidders to submit detailed proposals for an integrated financial system with support and maintenance for a period of sixty (60) Months.

The municipality is looking for well experienced bidder who can demonstrate the understanding of financial management systems which is designed with effective and efficient interrelationships between software, hardware, personnel, procedures, controls, and data contained within the systems.

a. The system should conform to Municipal Regulations on Standard Chart of Accounts, and provided for the following key objectives: a. improved data quality and credibility
b. The achievement of a greater level of standardization;
c. The development of uniform data sets critical for government reporting;
d. The standardization and alignment of the local government accounting cycle by the regulation of not only the budget in – year reporting formats but also the annual report and annual financial statement formats;
e. The creation of the opportunity to standardize key business processes with the consequential introduction of further consistency in the management of municipal finance:
f. Improved transparency, accountability and governance through uniform recording of transactions at posting account level detail:
g. Enabling deeper data analysis and sector comparisons to improve financial performance: and
h. The standardization of the account classification to facilitate mobility in financial skills within local government, other spheres of government to attract and retain skilled personnel

The prospective bidders are required to ensure that they provide for the following in their bid documents:

NUMBER	DESCRIPTION
1	System provision and licenses(detailed breakdown per available module)
2	Project planning and implementation (detailed in phases)
3	Data cleansing and migration
4	Data integration with the pre-paid system
5	Customization
6	Testing
7	Specialized hardware (e.g. scanners, fingerprint readers, printers etc)
8	Intention for partnership with 3rd parties (list of all third parties)

SECTION 4: HARDWARE REQUIREMENTS

The municipality has sufficient hardware to cater for the proposed software which will be hosted onsite at the head office. The prospective bidder can proposed a hosted solution which can be used as a secondary disaster recovery site. Bidders are required to supply specialised equipment should there be such a requirement.

Bidders are advised that the municipality will offer three servers i.e. live environment, testing environment and the disaster recovery site. **Specialized hardware should form part of the bid proposal. If the system will require e.g. scanners, fingerprint readers, printers etc. the quotation should be provided with returnable documents.**

SECTION 5: SOFTWARE REQUIREMENTS

The municipality requires an all-inclusive and integrated financial management system and acknowledges that not all bidders will have an all-inclusive solution and therefore advise that the offering should be presented to the municipality as a one-stop system. It is the responsibility of every bidder to contact other vendors for collaboration and negotiate the fees. The municipality will enter into an agreement with one bidder and all licenses and costs will be paid to the successful bidder and not the 3rd party.

SECTION 6: SPECIFICATIONS / SCOPE OF WORK

The system must, as a minimum, comply with the main components of municipal financial management and control. The seven components must integrate seamlessly with the mSCOA general ledger and comply at a posting level to mSCOA Regulations and GRAP.

The main components are defined as follows:

- General Ledger as per mSCOA regulation

- Billing for municipalities
- Supply chain management that complies with regulation
- Assets management and tracking
- Inventory stores
- Budget module aligned to IDP as regulated
- HR and Payroll module with leave management

The core system should also be able to cater for the following :

- Host all NT charts.
- User friendly validation on all segments if the chart should change.
- User friendly balance sheet budgeting where the system should guide on Cash flow budgeting
- Budget reports per segment.
- Remote access of the system (cloud hosted).
- All required NT uploads must be done directly from the system, Monthly, Quarterly and Annually.
- The fixed assets purchased must interface to the asset module upon receiving the asset in the procurement module.
- Capitalisation of WIP projects to the respective asset components
- Asset module should be able to cater for all asset related transactions i.e.
    - Depreciation
    - Disposal
    - Revaluation on classes required by policy and Fair value on Investment properties
    - Correction of prior period errors
    - Period 13 and Period 14
    - Insurance register and an insurance claim register
    - Produce report on the health of the assets, linking to the insuranace and reparations logs.
    - A notification of asset nearing end of useful life.
    - Asset control (physical verification and door sheets)
    - Calculations (Depreciated Replacement Cost, Current Replacement Cost, impairment)
- Project Payments – system generated retention postings which updates retention register when payments are done per completion certificates
- General ledger reporting at any required level of the prescribed chart
- All known validation rules needs to be built into the system in order to ensure valid uploads,including IDP.
- User friendly Cash book and Petty Cash modules with reconciliation.
- The cash book must cater for multiple bank accounts.
- Investment register
- Grant register with validation on grant funded transactions – producing a dashboard report on the movements of the grant balances and the recon to the call account grant fund ring-fencing.

- The system should be able to cater for multiple stores, transfer between stores and stock take per store.
- Must have a report for VAT output and input to be used to submit VAT 201.
- Tracking of fuel usage per vehicle by allowing for vehicle related issues.
- The system should host all contracts and with required milestones
- Financial system's billing module should cater for the rates billing of multiple use properties.
- The system should allow for the valuation to be split and linked to individual property rates tariff charges to levy accordingly
- Cater for tariff charges to be scaled, and allow for indigent rebates to be levied as a separate credit against the proper FBS project segment.
- Cater for the setup of departmental charges to affect the proper costing segment
- Allow for seamless integration with the prepaid vending system in use.
- The iFMS should be main source of maintaining prepaid meter data and blocking information
- Pending receipts or changes in the debtor's arrears value, blocking code or indigent status needs to seamlessly update the prepaid vending module in a timely fashion as to not negatively impact the client vending ability.
- The arrears receipts as well as the prepaid sales need to affect the iFMS in a seamless fashion
- Prepaid sales per debtor need to be accessible from the iFMS
- Have a full credit control module that will not only cater for warning and cut off procedures but also the reconnection process as per the municipality's policy.
- Produce the debtor account payment arrangement tracking.
- The various disconnection and reconnection charges need to be automated at any point of the credit control process.
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- Disconnections and reconnections tracking function to track impact of credit control.
- Geographical Information System for properties tracking per the Valuation Roll and the accounts management and billing.
- Have a hand over module that can be customized according to the municipal policy.
- Automated impairment calculation customized to the municipality's policy
- Be able to provide detailed prescribed debt report.
- Have a budgeting module that will estimate the budget based on the debtor's scaled billing per tariff
- Be more specific on Budget reports (all schedules to be populated on the system) and on the budget module.
- Ensure that capturing of budgets to be user friendly (allow for bulk upload of budget figures).
- Have an indigent and Pensioner Register that will automatically ensure that the proper rebate and exclusion charges apply to valid indigent and pensioners.
- The system should by design not allow debtors not on the indigent register to receive free basic rebates.

- Should cater for a July meter billing that will split and levy the June consumption against the prior year's charges.
- Other revenue not from sundry or consumer debtors should also for part of the system's revenue sub module and interface to the GL.
- Detailed registers and ageing report need for these types of ad revenue
- Creditors Management linked to CSD
- Assets management and tracking
- Inventory/stores
- Customer care module
- Accounts health dashboard
- Integration with the prepaid vending system.
- Intergration with the accounts distribution system.
- Credit control and debt collection module
- Budget module aligned to IDP as regulated
- Import of SDBIP targets, tracking, monitoring and reports thereon.
- Assessment of the SDBIP targets and performance management plans.
- Payroll module with leave management

Fifteen business processes have been defined within Local Government. These business processes are defined in the technical specification. Each business process has been fragmented into sub-processes to enable alignment to practical work streams common to the municipality.

The business processes are:

- Corporate Governance;
- Municipal Budgeting, Planning and Modelling;
- Financial Accounting;
- Costing and reporting;
- Project Accounting;
- Treasury and Cash Management;
- Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable;
- Grant Management;
- Full Asset Life Cycle Management including Maintenance Management;
- Real Estate and Resources Management;
- Human Resource and Payroll Management;
- Customer Care, Credit Control and Debt Collection;
- Valuation Roll Management;
- Land Use Building Control; and
- Revenue Cycle Billing.

Functionality within systems, acting as enablers of the business processes, have been added and describes how systems must assist the municipality in maintaining proper execution and achievement of business process milestones and deliverables. Although the required system functionality is accepted to be driven by either legislation or mSCOA regulation, some functionality has been identified through evaluation, to be for best practice activities within local government.

For each of the detailed system requirements within the pricing schedule the following breakdown of pricing will be required:

License Fees:

- Once-off license, where the system solution requires an initial once-off fee;
- Annual maintenance fee, where software maintenance fees are payable annually
- Support/service level agreement fee, where fees are payable monthly.

After implementation system support, where support is offered to the municipality other than the six week go-live support.

Implementation:

- Assessment of current status: On or offsite investigation of the current financial data.
- Organisational change management: Cost to ensure that organisational change management is addressed during implementation.
- Assessment of requirement: During assessment for current status, requirements must be identified.
- Customisation and setup of parameters: Operating system and server (setup of cloud server with related software); Database setup (cost of setting up required database); Security and roles definition (the cost of configuring users' access and security features), and Software solution (customising software solution to fit client requirement).
- Data encryption – The database allow for data encryption.
- User acceptance testing: Test environment setup and testing to an accepted level for users.
- Implementation training: Training for the size of municipality as indicated.
- Refresher training: Training plan for the next five years.
- Handholding: Cost to have support staff onsite for six weeks to ensure all processes have been tested. First billing cycle completed, salary run done, assets, financial transactions integrated, general ledger month-end done, and statutory reporting submitted.

SECTION 6.1: TECHNICAL SPECIFICATIONS

DETAILED BREAKDOWN OF THE REQUIRED MODULES ACCORDING TO MUNICIPAL NEEDS

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
	System Configurations	Access control of all systems and modules should as a minimum adhere to the following: Minimum Information Security Standards.	Authentication, authorisation and cryptographic security technologies and digital certificates must be given high emphasis throughout the entire system including but not limited to the application, data processing, data storage, data communications and user access.	Required	
			Must integrate secondary authentication systems such as biometric devices for users that provides access to critical modules, processes and digital signatures or similar technologies to prevent document tampering.	Required	
			Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organisational structure, payroll, cost centre, project, source of funding, other segmented transactions or other system objects needed to ensure confidentially of	Legislation	

			information and transactional integrity.		
			Online approval and authorisation with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units.	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customise this for enhanced analysis and reporting.	Legislation	
			Additionally the audit trail on all activities on the system, date, time and responsible user stamped. This must be done to the extent that an activity log can be drawn from the system, outlining a particular user's activities on the system for the entire workday.	Legislation	

		Period Control	Monthly period closure and certification within the statutory reporting dates. No back-dating of transactions is allowed.	mSCOA Regulation	
			Balancing of the sub-system with control accounts must be a condition of any period closure.	mSCOA Regulation	
			Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year.	mSCOA Regulation	
			Finalisation and submission of annual financial statements (AFS) period 13 results in *opening balance transactional transfer* of only the transactions of period 13.	mSCOA Regulation	
			Audit periods with allowed audit approved journals occur in period 14 and result in *opening balance transactional transfer* of only the transactions of period 14.	mSCOA Regulation	
			Accommodate a period 15 for prior period errors (GRAP 3).	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.	mSCOA Regulation	
			Period closing, finalisation and audit period corrections are *opening balance transactions* in the current open period as well as normal transactions in the audit periods.	mSCOA Regulation	

		Integration	Document management must occur at the capturing point of all transactions.	Required	
			Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system.	mSCOA Regulation	
			Create workflow and exception reporting mechanisms.	mSCOA Regulation	
			Enable drill down from the general ledger (GL) to subsystem source transactions to transactional level.	mSCOA Regulation	
			Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).	mSCOA Regulation	
		Help function user manual	The System must include an online procedural manual facility that allows for the recording and updating of all relevant processes to aid the users of the system.	Required	
			The manual must be context specific and accessible from any input screen in the system.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2. In Development 3. not Available
			Functionality is required to permit a duly authorised user to maintain the user manual.	Required	

		Document and transaction control	The solution must include the online recording of all transactions with a unique transactional identifier and a date/ time stamp format which records transactions in all systems.	Required	
			It is important to note that no records are physically deleted. Deleting a record in the context of the Solution means to 'flagging as deleted', the record so that it is no longer visible or active and does not present 'clutter' to Normal users.	Required	
			However, duly authorised users may view or report on logically deleted records.	Required	
			Logically deleted records MAY NOT be reactivated. (If a Record was 'flagged for deletion' in error, it will require recapturing).	Required	
		Training and Skills transfer	End User Training which includes both theoretical as well as practical training.	Required	
			Complete Solution Hand Over to Municipal Project Team including full documentation.	Required	
			Deployment of an IT strategy for maintenance and future developments.	Required	
		Back up and data recovery	Data backup procedures must be continuous and roll back. Recovery should be at the maximum extent possible and not cause system down time "RAID configuration".	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment

					2.In Development 3. not Available
			Disaster recovery sites are either off site at the municipality or cloud based solutions that are to be tested regularly.	Required	
			Daily, weekly, monthly and yearly backups must be documented and signed-off.	Required	
	Performance Management System	Performance Management System that gives effect to chapter 6 of the Municipal Systems Act, 2000	Due to the nature of local government the performance management system of a municipality originates from its integrated development plan (IDP) and as such the key performance indicators are created in the IDP. This module therefore formally start with and should assist in the compilation of the IDP.	Required	
			The performance management system must therefore include the following components:	Required	
			Seamless integration with the budgeting module;	Required	
			The compilation and solution to capture the service delivery- and budget implementation plan (SDBIP) measurable performance indicators and the assignment of tasks to specific managers;	Required	
			Ensuring that policies and Municipal By-laws are aligned to the developmental nature of the municipality and give effect to the measurable performance objectives and service delivery- and budget implementation plan (SDBIP) of the municipality (for staff and political office bearers);	Required	

			Ensure that internal municipality delegations are updated and assigned and formally accepted by individuals;	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Manage and control external service mechanisms/ providers via a contract management component that ensures delivery, sign-off and minutes are contained in a single point of entry;	Required	
			The contract management module should monitor key deliveries and also invoke penalty clauses, retentions and consequences in cases of persistent breach of contract. This include listing of transgressors on the National Treasury website under the appropriate listing for transgressors;	Required	
			A performance management module that manages the contracts of senior management and allows for electronic submissions and 'portfolio of evidence' management;	Required	
			The performance management module should assist in consequence management and record any such actions; and	Required	
			The performance management system should as a minimum produce the following documents:		
			The integrated development plan (IDP) for publication;	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			The service delivery- and budget implementation plan (SDBIP);	Required	
			The service level agreements (SLA's) and performance contracts;	Required	
			Reporting on service delivery- and budget implementation plan (SDBIP) indicators (inclusive of financial performance indicators); and	Required	
			The municipality's annual report.	Required	
			Billing module in addition to integrate: The A&B valuation roll publication as required by the Municipal Property rates Act, 2004; and The customer portal; and should as a minimum (if not hosted on the municipality's web site) be accessible or redirected from the website of the municipality.	Required	

	Document Management	Document Management to ensure that all municipal documents are secured and if possible electronically received to achieve the lowest possible foot print. National Archives of South Africa Act, 1996.	***Support secure and reliable document management including, but not limited to:*** Document sharing; Dedicated registry for document filling; Document tracking; Secure access to documents.	Required	
			Document management should originate at the lowest level of transaction. (i.e. invoices should originate from creditors module)	Required	
			Scanned documents and images to be linked to the each enquiry of the system (e.g. Assistance-to-the-Poor application scanned forms to be linked to the customer identification number on the system)	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment 2.In Development** **3. not Available**
	Reporting mechanisms	Business intelligence reporting solutions	The report writer should have a user configurable application utility like Sequel server reporting server (SSRS). This must include sample reports configured as well as standard reports. This will allow for consistency in reporting and best of client base reports that can be shared in the whole-of-municipal environments;	Required	

			Alternatively an effective, flexible report-writing facility with access to the database dictionary is required;	mSCOA Regulation	
			Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments;	mSCOA Regulation	
			In addition, there should be a management dashboard that displays at the Municipal Manager's (accounting officer) and senior managers' offices, the key performance areas information in a continues real time update. This should as a minimum:		
			Assist the municipal manager to adhere to MFMA section 70 by providing early warning of impeding financial distress;	Required	
			Monitor the financial progress of grants, programs and capital projects (as per the annual service delivery-and budget implementation plan (SDBIP));	Required	
			Monitor performance of debt recovery and creditor payments;	Required	
			Reflect budget versus actual performance of the votes / functions of the municipality.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.	mSCOA Regulation	

		National Treasury Portal and other statutory submissions	Statutory submission to the National Treasury local coernment Database (LG Database);	mSCOA Regulation	
			mSCOA data extraction and upload to portal submissions with a dashboard configuration to allow the Municipal Manager (accounting officer) to verify the mSCOA data extracts before submitting them:		
			The annual procurement plan - actual versus budget;	mSCOA Regulation	
			The asset maintenance plan - actual versus budget;	mSCOA Regulation	
			Annual Financial Statements (AFS);	mSCOA Regulation	
			Annual report;	mSCOA Regulation	
			National Energy Regulator SA (Nersa) and Department of Water Affairs and Sanitation (DWS) reports;	mSCOA Regulation	
			VAT returns 201 reconciliations;	Legislation	
			PAYE and 501 reconciliations;	Legislation	
			IRP 5; and	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Unemployment Insurance Fund (UIF) forms.	Legislation	

unicipal Budgeting, Planning and Financial Modelling: (IDP driven, project based main budget module that adhere to MFMA section 53 that as a minimum)					
Municipal budgeting and planning business processes are primarily derived from two sets of legislation, namely the Municipal Systems Act, 2000 (MSA) and the Municipal Finance Management Act, 2003 (MFMA). The MSA provides for the setting of the strategic objective whilst the MFMA and Municipal Budget and Reporting Regulations, 2009 (MBRR) provide for the output associated with this business process. This needs to incorporate key processes and procedures such as strategy formulation, integrated development planning (IDP), prioritisation, revenue generation, resource allocation, as well as long term forecasting and modelling of key financial dimensions such as the statement of financial position, cash flow forecasting, funding compliance, asset management and basic service delivery.					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available

	Main Budget	In terms of Section 25 of the Municipal Systems Act, 2000 each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan (the integrated development plan (IDP)) for the development of the municipality which must inform the municipal budget to be mutually credible and reliable and should include the following functionality:	Must have budgeting capabilities in that the budget are informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations, 2014.	mSCOA Regulation	
			System must support budgeting cycles across the medium term revenue and expenditure framework (MTREF) (3-year budget) of the municipality.	mSCOA Regulation	
			The system should be able to link budgeting to final integrated development plan (IDP) priorities.	mSCOA Regulation	
			Budgeting on the factual elements of typical work streams.	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Budgeting on the factual elements of municipal operational and running cost.	mSCOA Regulation	
			Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).	Legislation	
			Incorporation of the sub module's elements.	Required	
			Tracking of the budget process plan and timetable.	Required	
			Automated workflow for departments' submissions as per budget guideline documents.	Required	
			Comparison capabilities for department budget submissions, scenarios & recommendations.	Required	
			Planning of secondary costing i.e. Departmental charges, internal recoveries and activity based charges.	mSCOA Regulation	
			The system should be able to link Expenditure and Revenue to All segments of mSCOA.	mSCOA Regulation	
			Track, compare and report on budget versus actual amounts for year 1 of the medium term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement.	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Enable what-if inter-operability and modelling between the municipality's main budget module and the sub-budget modules.	Required	
			Ensure that the policies referred to in MFMA section 17 and the Municipal Budget and Reporting Regulation 7 are, via formal work flow, reviewed by the relevant municipality departments/ sections. Any amendments must be incorporated into the budget submission. These reviews, as a minimum, must include:		
			The tariff policy referred to in section 74 of the Municipal Systems Act, 2000;	Legislation	
			The rates policy as required in terms of the Municipal Property Rates Act, 2004;	Legislation	
			The credit control and debt collection policy referred to in section 96 of the Municipal Systems Act, 2000;	Legislation	
			The supply chain management policy referred to in Chapter 11 of the MFMA, 2003;	Legislation	
			The statutory budget submission to the National Treasury local coernment Database (LG Database);	Legislation	
			The annual procurement plan;	Legislation	

			The asset maintenance plan;	Legislation	
			Any amendments made/ proposed to the municipality's policies or By-laws;	Legislation	
			The rates and tariffs promulgation;	Legislation	
			The general tariff advertisement;	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local coernment Database (LG Database) portal.	mSCOA Regulation	
	Revenue	A revenue sub-ledger budget module that as a minimum:	Calculate and spread budgets based on current consumption and database history.	Required	
			Measure and flag anomalies of the current database history against alternative information sources such as the Surveyor General (SG), Deeds Office and valuation rolls to ensure completeness of budgeting and actual billing.	Required	
			Provide functionality for town ship development and populate amounts and consumption on average per type of connection in this development.	Required	

			Provide for the adjustment of distribution losses based on anticipated remedial actions on the sales loss as identified by the water and electricity distribution loss templates. Zero consumption account based on average and type of use tariffs.	Required	
			Create projected growth and tariff calculations taking into account the provision for bad debt and material losses. (In this regard transacting on the "Regional" segment is crucial for GRAP 104 type calculations).	Required	
			Planning of secondary costing i.e.. Departmental charges, internal recoveries and activity based charges informing cost reflective tariffs.	Required	
			Ensure the Geographical System billing tracking and dashboard for accounts payments update.	Required	
			Review of sundry tariffs.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Supply the general ledger's "main budget module"-budgets with the full mSCOA segments as a budget line. It should be able to provide this for revenue, expenditure and balance	Required	

			sheet items.		
	Human Resources (HR)	A Human Resource (HR) budget/ payroll module that as a minimum:	Allow the municipality to budget for its full organogram (organisational structure).	mSCOA Regulation	
			Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.	mSCOA Regulation	
			Provision to calculate new notch values within grades either as a percentage increase or by minimum value. These notch values are to be held on a temporary file and the user must be able to perform Various "what if" scenarios without affecting the live data.	Required	
			Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done.	mSCOA Regulation	
			Utilising historical trends, calculate the likely provision for leave and bonus provisions. This function should also be able to anticipate (if applicable) any long service allocations.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available

			Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.	mSCOA Regulation	
	Assets	An Asset management sub-ledger budget module that as a minimum:	Allows budgeting for "new capital" projects requested in the integrated development plan (IDP).	Required	
			Anticipates completion and subsequent operational costs of these "new capital" projects.	Required	
			Calculates existing and anticipates new planned assets' maintenance, insurance and a percentage of "un-planned" maintenance.	Required	
			Calculates depreciation, taking into account the impact of major repairs.	Required	
			Calculates profit or loss on planned disposals.	Required	
			Provides for a (contract) retention payment schedule.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Provides for grant and work-in-progress (WIP) or contract management payment schedules to assist the main budget module with its forecasting and cash flow management.	Required	
			Supplies the general ledger's main budget module planned budgets with the full mSCOA segments as a budget line. This functionality should be able to provide this for both expenditure and balance sheet items.	Required	
			Provide the asset maintenance plan.	Required	
	Budget Management	Budget Management and Monitoring	Allow the public to provide comments on the budget electronically via the municipality's website. These comments together with the comments received from public sessions to be populated/consolidated onto a tool that can be accessed by the public and councillors.	Required	
			Automate the virement process as per the virement policy.	Required	
			Link the service delivery- and budget implementation plan (SDBIP) and workflow to show progress on projects and include links to service delivery scorecards and municipal procurement plans.	Required	

			Provide the annual procurement plan.	Required	
Financial Accounting					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
Financial accou nting incorporates a host of policies, processes and procedures in order to op erationalise the effective and efficient recording and accounting of dail y financial transactions as well as mont h and year end closure pro cedures and transactions. The MFMA provides a platform for the prescription of norms and standards such as the Stand ards of Generally Recognised Acc ounting Practices (GRAP) w hich have been designed and formulated based on unique South African circumstances (such as the VAT requirements w hich must be accommodated by the financial system) an d leading international practices. Municipalities and municipal entities are therefore required to operationalise daily business processes and procedures tha t incorporate at the very least regular reconciliations, correct and accurate al location and classification of transactions based on the SCOA classificat ion framework. These processes and procedures must give rise to monthly performance represented by among others, the Statement of Financial Performance, Capital and Grant Perfor mance, Statement of Financial Positi on, movement in net assets and cash flow in the Section 71 in-year reporting formats. It is important to keep in mind that outputs needs to be repor ted and must at all times be meas urable so that progressive achievements can benefit communities. Processes should be focussed at clean and accountable operations and the outco me must be reported in terms of by all r oll players.					
	General Ledger (Core Financials)	General Ledger (GL) that as a minimum	Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments.	mSCOA Regulation	
			Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc.	mSCOA Regulation	

			Reflect transactions posted in the sub-ledgers immediately in the main ledger thereby ensuring the financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers.	mSCOA Regulation	
			Non withstanding the above and due to probable packet loss a routine, is required to ensure that the general ledger and sub-ledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed.	mSCOA Regulation	
			Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems for an audit trail.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Reporting functionality for all financial reports in the full mSCOA segmented transactions.	mSCOA Regulation	
	Accounts Receivable	Transactions in debtors must reflect in the AR in mSCOA segmentation	Provide a debtor master record containing at least but not limited to:		

			Debtor classes and discount categories to ensure correct billing and rebates;	mSCOA Regulation	
			Trade, sundry and other debtor types to comply with mSCOA requirements;	mSCOA Regulation	
			Debtor levies in mSCOA segmentation to the Accounts Receivable;	mSCOA Regulation	
			Receipt allocation to AR in the correct mSCOA segmentation;	mSCOA Regulation	
			Daily balancing between sub-system and AR; and	Required	
			Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis.	Legislation	
			Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
		Integration of sundry systems	Cemeteries system.	Required	
			Fire and emergency services systems.	Required	
			Library system.	Required	
			Traffic fines systems.	Required	

	Accounts Payable	Supplier maintenance	Transport services systems.	Required	
			Creating a supplier database.	Legislation	
			New and changes of bank details for suppliers should be approved by at least two senior officials	Required	
			Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates.	Legislation	
			Make payments and part payments. Allow for future and scheduled payments.	Legislation	
			Align suppliers with debtors and HR modules.	Required	
		Accounts Payable (AP)	AP must include, at a bare minimum but not limited to:		
			Goods received notes for full or partial deliveries aligned to authorised issued purchase orders. Goods return notes with debit and credit orders;	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2. In Development 3. not Available
			Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers;	Legislation	

			Selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution;	Legislation	
			Direct invoice payment such as Eskom;	Legislation	
			Sundry payments generated from payroll, billing or manual S&T transactions;	Legislation	
			Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments;	Legislation	
			Retention register with auto mated update, pay-out and balancing;	Required	
			A cession register linked to the PMU with automated allocations;	Required	
			Age analysis of creditors with supporting reports;	Legislation	
			Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts);	Legislation	
			Must be able to perform project management from award of tender with all payments made, variation orders as well as retention provisions and payments	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment

S					2.In Development 3. not Available
			Must be able to provider a report of all payments made within a specified period, i.e daily, monthly annually, etc	Required	
			Must have a module for creditors statement reconciliation	Required	
			Should be able to provide a report indicating the number of days it took to make a payment for each invoice	Required	
			Should be able to detect and prevent duplicate payment of the same invoice number for the same service provider even if it is processed in different financial years.	Required	
			Should be able to enquire on outstanding orders using supplier name	Required	
			The option to scan and store invoices and other documents on the supplier;	to be integrated with existing system	
			A web portal for suppliers to enquire on payment status and uploading/submitting of invoices.	to be integrated with existing system	
		Cash Management	Automated receipting of bank deposits received and allocations to related accounts.	Required	
			Tracking and reporting on the cashflow movements and presentation of a dashboard view.	Required	

			Automated passing of journals for interest and other bank charges.	Required	
			Electronic payment of creditors and salaries.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
		Investments	An investment register with notifications/responses for the end of fixed investment periods (date of maturity) incorporated within the workflow. Updates from cashbook and payments must be seamless.	Required	
			Produce a reconciliation of the investment register with all required documentation.	Required	
		Loan Register	A loan register capable of calculating repayments and schedule payments within the workflow.	Required	
			Produce a reconciliation of the loan register with all required documentation.	Required	
		Tax & VAT	Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation.	Legislation	
			Must have a report for VAT output and input to be used to submit VAT 201.	Required	
			Interface to SARS eFiling for automated reconciliations and submissions of disclosures.	Legislation	

		Automated Work flow	Where authorisations are across line functions, the process must be automated. Examples are deviations (section 36), Subsistence and Travel claims, Personnel Requisitions, Transfer of funds(virement Policy), Asset Transfer, Clearance forms, Works orders, Leave applications, etc.	Required	
		Fixed Asset Management	Trace all financial asset transactions to the asset level.	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Ensure that all asset transactions are aligned with mSCOA Regulations.	mSCOA Regulation	
		Insurance Claims	Provide an insurance claims register with direct linking to the assets module.	Required	
			Derive valuation of assets to calculate insurance premiums from the asset register.	Required	
			Write-off of assets from the insurance module must update and transact on the asset register as well as the gl.	Required	
			Workflow with document management and reporting must be available.	Required	
Costing and Reporting					
Costing or management accounting is concerned with financial and management information internal to the municipality and municipal entity which provides the basis for sound and informed business decision making. In contrast to financial accounting, management accounting is primarily forward looking instead of historically focused and informs planning and budget processes by applying forecasting and prediction models. Determining the full cost of tariff services including primary and secondary costing to inform tariffs and pricing of services in order to achieve cost reflective tariffs, reporting thereon and measuring performance of services based on financial and non-financial information.					

	Cost Planning	Incorporate a costing module	A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore it will be necessary to ensure direct link to Provisioning and payroll modules exist etc. through the application of internal billing departmental charges or activity based recoveries.	mSCOA Regulation	
			Management reporting on all charges should be available for reports as well as dashboard information.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2. In Development 3. not Available
Project Accounting					
Project Accounting refers to the capability to account for individual project costs and ensure that these settle as assets under construction (AUC's) where applicable. The project accounting functionality should be extendable to provide project management capabilities in order to track physical project progress against predetermined milestones in addition to tracking the financial performance of the project or portfolio of projects.					
	Project Creation & Planning	Y	A comprehensive project module that allows for integrated development plan (IDP) objectives to be transferred into the project module for planning, budgeting and ultimately reporting purposes.	Required	
			The municipal budget module must be aligned to the project module.	Required	
			Projects registered in the project module must be aligned to the mSCOA Project segment.	Required	

			All segmentation of mSCOA must be incorporated into the project module, whereby a project based budget is produced, informed by the integrated development plan (IDP) and giving input to the annual service delivery- and budget implementation plan (SDBIP).	Required	
			Capital acquisition, maintenance and replacements must be driven from the project module.	Required	
			Operating budget items such as operating expenditure on repairs and maintenance, operational costs and typical work streams must originate from the project module.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
	Project Management	Project Management Unit (PMU)	Project management and stakeholder inputs must be controlled by clear business processes and user access controls.	Required	
			Projects net completed within a financial year must be carried over and work-in-progress (WIP) items registered.	Required	
			Project managers should have full access to their projects within the limitations of the budget and internal policies.	Required	
			Workflow processes must assist in project maintenance.	Required	
			Strict budget control as per the approved integrated development plan (IDP) must be maintained.	Required	

			A Safety, Health and Environmental (SHE) module to comply with general Health and Safety Regulations should be incorporated within the system. (For example the Construction Regulations, the Occupational Health and Safety (OHS) Act, 1993, General Administrative Regulations, General Safety Regulations and the National Environmental Management Act, 1998)	Required	
			Regulatory Safety, Health and Environmental (SHE) documentation must be available in a document management tool with defined check lists and milestones.	Required	
			Health and safety incidents must be recorded and managed on the system and reported as per legislation.	Required	
Treasury and Cash Management					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available

Treasury and c ash management refers to investing, financing activities and operational cash management. The following processes must be considered relevant t o this cycle – *(a) Investing ac tivities comprises the acquisition, disposal and management of tangible assets, including land, buildings, plant and machinery, motor vehicles, furni ture and equipment, computer hard ware, software and communication networks. Also included are acquisition, disposal and management of intangible assets such as research and development expenditure, patents and tra demarks, scientific and tec hnical know-how, intellectual property rights such as copyrights and licences. Municipalities and municipal entities must introduce accounting policies for dep reciation, impairment, revaluation, asset retirement, etc.;* *(b) Financing a ctivities are the means by which the municipality or municipal entity obtains its funding. This may be in the form of funds obtained from borrowing (external loans) or transfers and s ubsidies to the municipality or municipal entity. Financing activities also include finance and operating leases entered into by the municipality or mu nicipal entity. Included are related tra nsactions such as security and guarantees granted to a lender, accounts receivables pledged to a discount house, interest charges, finance charges o n leases, foreign exchange gains and losses, hedging gains and losses and commitments for capital expenditure;* *(c) Investment may take the form of fixed interest, long-term or short-term debt, investment s or loans; secured or un-secured. Procedures must be implemented to control the purchase and sale of inve stments, the movement of scrip or recording of dematerialised securities an d the resulting cash received and paid including income from investments, and* *(d) Cash and ba nk refers to transactions oc curring daily in all municipalities and municipal e ntities represented by a high volume of transactions in payments and re ceipts. Procedures must provide fo r expenses and reimburse ments of "suspense accounts and floats" including regular surprise counts; cash handling procedures for unbanked receipt s and money in transit; control over th e opening of bank accounts and obtaining access to electronic banking signatures, regular reconciliations of bank accounts and timely follow-up of r econciling items by management.*					
	Cash Management	Bank Reconciliation	***A fully integrated and automated cashbook module that links to the banking sector and allows for at least:***		
			Allow for multiple bank accounts and sweeping between accounts;	Required	
			Bank reconciliation for all bank accounts of the municipality separately	Required	
			Automated receipting of debtor payments and other monies received, where valid reference is used;	mSCOA Regulation	
			Reconciliation of all funds received by various cashiers i.e. doorsafe, credit and debit cardsd;	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Automated passing of journals for interest and other bank charges;	mSCOA Regulation	
			Automated clearing of system generated transactions such as payments and payments break down	mSCOA Regulation	
			Automated clearing of cash received in the general ledger (GL) to the bank account;	mSCOA Regulation	
			Automated reconciliation of bank statements to the ledger and supplying supporting documentation for management.	Required	
			Forecasting of cash must be available on a dashboard.	Required	
			Report all unreconciled items and an indication of whether those unreconciled items are in the cash book or bank statement	Required	
			Sequential Statement download controls to without duplicates	Required	
			Function for RD cheques issued by municipal clients for the payment of accounts	Required	
			Reconciliation of daily receipts against what has been banked	Required	
			Allocation of debit orders (against the municipal bank account) to relevant vote numbers and claim VAT where applicable	Required	

			Support mSCOA segmentation in the cashbook module.	mSCOA Regulation	
		Petty cash	A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2. In Development 3. not Available
			Internal cash receipt with drawdown of petty cash.	mSCOA Regulation	
			Automated payment requests with user authorisation and access control.	Required	
		Ad hoc: The Cash Management System must at least accommodate, but not be limited to:	Loan liability register.	Required	
			Investment Management and Register (parameter driven).	Required	
			Interest Received and interest expense reconciliation.	mSCOA Regulation	
			Cash Flow Management which includes forecasting and analysis and full integration with the budget and financial accounting modules.	Required	
			Funds management and budget availability control.	Required	

Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable					
Supply Chain Management, Expenditure Management and Accounts Payable (Creditors) needs to incorporate as a minimum the following – *(a) Supply chain management is the management of a network of interconnected business processes involved in the provision of goods and services required by the municipality. It integrates the management of supply, demand, acquisition, logistics and disposal by implementing a supply chain management policy in compliance with the MFMA and Municipal Supply* *Chain Management Regulations in a fair, equitable, transparent, competitive and cost effective way;*					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
(b) Expenditure management follows the SCM processes that should ensure an effective system of expenditure control, including procedures for the approval, auth orisation, withdrawal and payment o f funds. These expenditures should be monitored against the approved budg et, and reasons for variances must be explained and corrective action must be implemented to keep expenditu re in line with budget estimates; *(c) Accounts pa yable results from any mon ies owed in respect of goods and services purchased and must be settled within thirty days of date of invoice or stateme nt unless it is prescribed otherwise. The payment of creditors or accounts payable must be reconciled monthly accor ding to the statements received from service providers;* *(d) Material an d inventory management deals with the maintenance of inventory catalogues classified according to the high-level categories provided for in the St andard Chart of Accounts. Busi ness processes need to inco rporate at a minimum, ordering; issuing and management of inventory levels; preferred suppliers linked to inventory cat egories; flagging of stock levels wit h limited movements for substantial periods; regular physical counts and reconciliation to system stock records; exception reporting and enhanced controls on stock items susceptible to misuse such as illegal stockpilling; and all sub stores to be activated on the system;* *(e) Contract ma nagement entails the man agement of contracts through the entire Contract Life Cycle so as to maximise value for money that includes procedures f or planning; contract creation; collab oration; execution; adminis tration; and close-out. Contracts should be listed in a contract register embedded into the financial application that aut omates all the activities necessary to m anage the contract as informed and dependant on the nature of the work, the type of contract, the legal aspects and delivery timeframes. It also en tails the activities carried out to d etermine whether the servi ce provider and the municipality are performing adequately to meet the requirements in listed contracts that had been a warded through the procurement pr ocess and the prescriptions in the MFMA; and* *(f) Vendor man agement entails managing a supplier database in support of various strategic procurement objectives.*					

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2. In Development 3. not Available
	Supply Chain Management (SCM)	A Supply chain management system that give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy	***The supply chain module should as a minimum have the following functionality:***		
			Allow for requisition from the annual procurement plan;	Required	
			Align requisition to be project based;	mSCOA Regulation	
			Supplier rotation management (parameter driven);	Legislation	
			Supply Chain Deviation Management Facility in terms of legislation;	Legislation	
			Allow for the online requisition of quotations and receipt thereof.	Required	
			Adhere to the municipality's delegation of duties and authority levels;	Legislation	
			Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;	Legislation	

			Electronically manage the invitation, bid closure and adjudication process with a full document management server unpinning the cycle;	Required	
			Record and electronically store the bid adjudication committee's meeting minutes and store the minutes on the document management server;	Required	
			Ensure the service level agreement (SLA) and allocation letters are electronically archived prior to any payment being made;	Required	
			Enforce where applicable retention enforcement and manage retention registers;	Required	
			Ensure tax clearance management for the duration of the contract;	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Integrate with the asset management system;	Legislation	
			Ensure that all payments are made within 30 days of receipt of an invoice therefore; and	Legislation	
			Ensure that full accrual is done at month-end and yearend cut-off periods.	Legislation	

		Contract Management that gives effect to MFMA section 116.	Contract management through workflow and audit trail.	Legislation	
		Requisitions	Different requisition origination such as online, manual, stores and other modules.	Required	
			Project based requisition forms.	mSCOA Regulation	
			mSCOA segmented capturing.	mSCOA Regulation	
			Ability to attach documents to online requisitions such as drawings or specifications.	Required	
			Must support full work flow and electronic signatures.	Required	
		Projects	Must be able to support the generation of mandatory budget pricing at the beginning of the project and the maintenance thereof.	Required	
			Follow accepted project management methodology through work flow and document management.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2. In Development 3. not Available
			Allow for incentives, penalties and returns.	Required	

		Supplier Evaluation	Evaluate supplier performance in accordance with contract deliverables.	Required	
			Update incentives and penalties to supplier database.	Required	
			Automate notification alerting relevant system users when a supplier's BEE certificate and tax certification reach expiry dates.	Required	
		Request for quote, quotations and Request for proposals	Maintain a Request for quote, quotations and proposals database linked to suppliers.	Required	
			Automated notification of price differences outside of approved variance.	Required	
			Automated evaluating of quotations with parameters.	Required	
			Comparative tables for allocation of bids.	Required	
			Automated notification and ordering system.	Required	
			Workflow and document management in quotation process.	Required	
		Purchase Order Processing(PO)	Allow for automated purchase orders from approved requisitions.	Required	
			Electronic authorising and signing of purchase orders (PO's) through workflow process.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment

S					2.In Development 3. not Available
			Automated sending of purchase orders (PO's) to supplier through email and/or fax.	Required	
			Processing of partial order deliveries with automated reminders of outstanding items.	Required	
			Automated transfers of outstanding orders to future periods with budget controls.	Required	
			Align purchase order (PO) deliverables to the annual service delivery- and budget implementation plan (SDBIP).	Required	
	Inventory	Inventory / Stores sub system	All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc.	mSCOA Regulation	
			In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner.	mSCOA Regulation	
			The stores module must seamlessly integrate and balance with the core financial system.	mSCOA Regulation	
			Where a full stores module is operational, high value items should annually be measured to establish whether any of these items should be capitalised as 'assets'.	Legislation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Normal functions should be included as required and should include but not be limited to: Warehouse management; Acquisitions; Stock Level Management; Disposals; Automated consumable stores stock count sheets (departmental stores).	mSCOA Regulation	
Grant Management					
Grant management includes all the activities, processes and procedures to register and reconcile all the grants allocated, received and spent according to the conditions in the Annual Division of Revenue Act.					
	Subsidies	Maintain a grant register that as a minimum:	Provide for a grant register linked to ledger accounts.	mSCOA Regulation	
			Automate receipt allocation of grants.	Required	
			Automate payment allocations.	Required	
			Link to mSCOA funding source with budget control.	mSCOA Regulation	
			Provide for reporting in accordance with the mSCOA Regulation and internal control.	mSCOA Regulation	
Full Asset Life Cycle Management including Maintenance Management					
In terms of Section 152 of the Constitution, local coernment's primary mandate is to ensure services are provided in a sustainable and developmental manner; this notion and spirit is supported by the MFMA. Good asset management facilitates the provision of services in a financially sustainable manner and requires adequate automation					

of critical process within the asset management cycle. Typical to an effective and efficient system at least the following functions need to be addressed as part of the minimum business process requirements –					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
(a) Safeguarding of assets, e.g. asset tracking, numbering and locations; *(b) Maintaining assets, planned and unplanned maintenance which needs to also incorporate capital asset renewal;* *(c) Maintenance costing as an input into asset replacement plans;* *(d) Establishing and maintaining a management, accounting and information system that accounts for the assets of the municipality;* *(e) Asset valuation principles in accordance with Generally Recognised Accounting Practice (GRAP);* *(f) Establishing and maintaining systems of internal control over assets;* *(g) Establishing and maintaining an asset register;* *(h) Clarifying responsibilities and accountabilities for the asset management process, and (i) Insurance of assets.*					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available

	Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:	***An asset and liabilities subsystem that gives effect to MFMA section 63:*** Assets classes with its associated asset types to manage the accounting policy statements in the financial statements as well as give overall control of all assets within asset classes with its associated useful lives and its associated SCOA reporting framework. It should also include the NERSA Regulatory Reporting Manual (RAM) classification as well as the Department of Water Affairs (DWA) in order for the municipality to comply with NERSA and DWA requirements. All asset transaction types must be accommodated in a flexible manner to accommodate future expansion within the SCOA framework. An audit Trail, with an enquiry facility into the audit trail, of all movement within these files is a requirement. ***The 'asset management system' module should:***		
			Manage the full asset life cycle;	Legislation	
			Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP);	Legislation	
			Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components;	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Enable *table-to-floor* inspection sheets (electronic devises are preferred) as well as *floor-to-table* look-up methodologies;	Legislation	
			Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);	Legislation	
			Compile and monitor expenditure against the asset maintenance plans;	Required	
			Integration to billing systems to monitor investment properties and valuation inconsistencies;	Required	
			Utilise the billing system functionality to ensure ownership of land and buildings to the deeds register;	Required	
			Integration of the electronic scanning and verification device. The purpose is to ensure annual verification and conditional assessment with GPS co-ordinate capturing to the nearest extent possible; and	Required	
			Seamless integration with a Geographical Information System (GIS) or alternative mapping enabled graphical user interphase.	Required	
		Identification of Assets	Ability to identify and track assets in a hierarchy structure of departments, locations, components and	Required	

			subcomponents.		
			Define Cost Centres, Work Centres, assigning of re-servicing the equipment to an individual.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Allow for criticality rating to be assignable to each asset via the risk assessment model.	Required	
			Ability to link movable assets to third party asset tracking systems.	Required	
		Maintenance Strategies	Must be able to configure different strategies.	Required	
			Ability to attach and insert links to Technical Documentation throughout the maintenance module.	Required	
			Must cater for a master maintenance schedule with reporting of 'maintenance done'.	Required	
			Must be able to indicate the lifespan of equipment for replacement budgeting purposes.	Required	
			Must be able to track warranty periods by components.	Required	
			Support call centre notifications and maintenance of assets with integrated workflow.	Required	

		Fleet Management	Fleet Management system.	Required	
		Fleet Tracking	Fleet Tracking system.	Required	
Real Estate **Business Process**	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
Real estate ma nagement includes the management of land plus anything permanently fixed to it, including buildings, sheds and other items attached to the struct ure that are both leasein and lease-ou t. It can be grouped into three broad categories based on its use - residential , commercial and industrial. Examples of real estate include undevelop ed land, houses, condominiums, town homes, office buildings, retail store buildings and factories. Specific attention needs to be given to the property register inclusive of owned an d leasehold properties, tenant and occ upant information, lease contract administration and management, occupational health and safety requirements, insurance, etc. Other resources management among others include f leet (vehicle) management, plant and equipment, etc. including the hiring th ereof.					
	Rental	Rent out	Maintain a rent register for rental properties.	Required	
			Holiday resort systems.	Required	
			Automated rent renewals with workflow and document management.	Required	
			Link to debtors system for collection of rent.	Required	
			Link to valuation system.	Required	
			Link to asset register.	Required	
		Facilities	Facilities rental module updated from receipting with workflow refunds.	Required	
		Rent in	Lease register with work flow and document management.	Required	

			Automated payment scheduling.	Required	
	General Processes	Maintenance	Maintenance module for properties and facilities.	Required	
			Facilities Management (Maintenance).	Required	
Human Resource and Payroll Management					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
Human resourc es and payroll management is the organisational function that deals with issues related to employees such as compensation, hiring, performance m anagement, organisational development, safety, wellness, leave management, benefits, employee motivation, communication, administration, and training in line with the pre scriptions of the Labour Relations Act. S taff establishment, human resources development and expenditures on staff benefits should be done according to the processes and procedures set out in the MSA and MFMA. Pay rol l management entails the a dministration of the financial record of employee s' salaries, wages, bonuses, net pay, and deductions and should be don e within the limits of the approved b udget and the prescriptions of the South African Revenue Services (SARS). Budgeted remuneration and benefits needs to be directly aligned to the a pproved staff establishment with provision for vacancies shown separately and all staff payments must be reconciled monthly. The issue of productivity or performance manage ment needs to be addressed by u sing the latest available technologies such as bio metrics devices.					
	Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Organisation Management.	Legislation	
			Employee Records Management.	Legislation	
			Job profile	Required	
			Leave Records Management.	Legislation	

			Leave Pay Accrual to be automated also to be retrieved on an ad hoc basis.	Required	
			E-Leave functionality.	Required	
			Training and Development Management.	Legislation	
			Recruitment and Selection Management.	Legislation	
			Performance Management.	Legislation	
			Travel claims Management.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2. In Development 3. not Available
			Human Resource Self Service.	Required	
			Ability to capture and update personnel qualification, upload certificates.	Required	
			Talent Management.	Required	
			Career Path Management.	Required	
			Payroll and Benefits Management.	Required	
			Automated reconciliation at predetermined intervals.	Legislation	
			Overtime claims Management/ Time off in lieu.	Legislation	

			Special Allowance Management (e.g. acting, secondments, etc.).	Legislation	
			Refunds to staff in respect of over-deductions and ad hoc payments.	Legislation	
			Allow for the application of the subsistence and travel online for approvals.	Required	
			Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.).	Legislation	
			Ad hoc payroll runs must reflect in the Financial Management System.	mSCOA Regulation	
			Must cater for pensioners' benefits.	mSCOA Regulation	
			Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.).	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Employee Relations.	Legislation	
			The system must cater for all requirements of the South African Revenue Services (SARS).	mSCOA Regulation	
			Must provide a facility to automate the update of tax tables whenever changes occur.	Legislation	

			History of previous tax tables must be retained on the system for an indefinite period.	Legislation	
			The system must be flexible so as to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc..	Legislation	
			The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.).	mSCOA Regulation	
			Narrative type pay slips must be provided (Hard copy and electronically).	Legislation	
			Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.).	Legislation	
			Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT).	Legislation	
			Provide a payment hold facility.	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Third Party deduction and payments in terms of schedules or ad hoc basis.	Required	
			Variance reporting.	Required	

			The ability to calculate back pay across tax periods and increment periods must be provided for.	Required	
			The system must allow for dummy validation pay runs to be carried out prior to running the final run.	Required	
			All temporary staff (e.g. seasonal workers, learner ship programs, contract workers, etc.) to be controlled via Budget availability.	Required	
			Provision to maintain (add, amend, delete) conditions of service pertaining to specific posts.	Required	
			The Payroll System must be able to accommodate or account for all vacancies (i.e. funded and or unfunded vacancies) based on a Council approved Organogram in terms of. Section 66A of the Municipal Systems Act Amendment Act (MSAA).	Required	
			Budget control and management of virement requirements.	mSCOA Regulation	
			Ensure that all employees' and councillors' declaration of interest and related parties are captured on the master files.	Required	
			Bank account monitoring against supplier and/ or contract payment AND against own and related parties bank accounts.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Test against the central database for contracts with any 'organs of state'/ "persons in the service of state" and supply the central database with employees' and related parties' details.	Required	
			Supply the central database with the identification (ID) numbers of employees, councillors and related parties.	Required	
			Report and create the workflow for collection of all employees and councillors with arrear accounts.	Legislation	
			Provide the financial statements with regulated reporting requirements regarding the municipal councillors' outstanding debtor account details.	Legislation	
			Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control.	mSCOA Regulation	
			Create the clearing transactions that clear the integration control, these transactions include:		
			Electronic funds transfer (EFT) to employee's bank accounts into the core financial systems cashbook awaiting approval;	mSCOA Regulation	

			Creation of "invoices" for 3rd parties, SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds;	mSCOA Regulation	
			Provide for an employee portal to update personal information and re-produce documents.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2. In Development 3. not Available
			The system must support a disciplinary module which should allow for (not complete list): - Grievances created (bottom up workflow) - System should recommend action to be performed based on type of grievance - Allow for exception reporting (when a grievance is not being addressed in correct time frame)	Required	
	Time Management		Work schedule and shift planning.	Required	
			Time data recording and administration.	Required	
			Align with Safety Health and Environmental (SHE) module.	Required	
	Payroll		Must be able to easily integrate with banks. Seamless upload of payroll information.	Legislation	
			Support multiple payrolls with different pay structures.	Legislation	

			Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation.	mSCOA Regulation	
			Integrate with the time management system.	Required	
			Ability to submit statutory reporting to SARS for all taxes.	Legislation	
Customer Care, Credit Control and Debt Collection					
Each municipality must within its financial and administrative capacity establish a sound customer management system as prescribed in the MSA. Credit control and debt collection is the responsibility of the municipality and processes, procedures and mechanisms must be implemented in line with the policy as adopted by the Council as prescribed in the MSA.					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment 2.In Development 3. not Available**
	Credit Control	A credit control and debt collection system that integrate with the revenue management system and that gives effect to Chapter 9 of the Municipal Systems Act, 2000	***The system should enable the municipality to manage an end-to-end debt collection process and must:***	Required	
			Provide for SMS, email and hand delivered late payment notifications;	Required	
			Provide for parameter (area, aging, debtor type, specified amount or number of disconnections required, selection of more than one area at a time) based disconnection list generation;	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Manage re-connection process (capturing and recording of information if reconnection is done versus income received) classification of debtors on the reconnection list. Manage arrangements with immediate capturing of arrangements including variable arrangements(automatic printing of arrangement documents to sign per customer category. Integrated notes on the debtor master file and workflow with technical services. Generate reports on all arrangements, defaulted arrangements, arrangements hounred, arrangement below a certain percentage or arrangements longer than a specified period;	Required	
			Integrated clearance applications and calculations;	Required	
			To generate letter of demand to defaulted arrangements. Final notice, summons and judgement issuing;	Required	
			Summons and judgement issuing	Required	
			Ability to capture court orders for accounts under Administration and Debt review.	Required	
			Management of attorney actions on an integrated level.	Required	

			Ability to generate reports on income generated on accounts under Administration and Debt review	Required	

			Ability to job schedule reports to run automatically	Required	
			If thee is a 3rd party solution – it must as cu modul minim e fees as well as the actior m integrate history to the bill This integration mus in th sub-be seamless. g ledger.	mSCOA Regulation	
			Option to bulk journals debits and credits do user available t a programmer. not via	Required	
			System mus t have option to calculate write offs per category d required specifications – import file rt of an the be pa options not involving c am write off to programmer. Progr reports generate On: - ccessful write off per service and ward s u	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			-Indigents with active clearances – excluded from write offs Be able to produce report on approved indigent at any given time showing subsidies already granted	Required	
		Arrear Arrangements	*Arrear arrangement functionality must be accommodated in a work flow of various administration processes including, but not limited to:*		
			Online Application;	Required	
			Authorisation of application;	Required	
			Automated arrangement financials;	Required	
			Automated Default process;	Required	
			Irrecoverable Debt Write Off process;	mSCOA Regulation	
			Restriction and Reinstatement of Credit and prepaid meters daily import and export files to manage process;	Required	
			Meter Tampering Management;	Required	
			Debtor (individual/group) dashboard;	Required	

(Options

			Management facility to monitor Debtors that are also Service Providers (creditors) set off Management;	Required	
			Management of staff arrear set off – (portion of bonus Generate monthly reports of arrears staff members.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			- Error report on indigents not uploaded - Report on Indigents with conventional meters – to install prepaid meters - To move arrears to abeyance to be written off - Automatic change of tariffs with upload to indigent tariffs including subsidy		

			Automated Subsidy, Write Off and reversals thereof. Option to upload arrangements for new indigents in bulk where applicable for arrears not written off Option to cancel indigent arrangements in bulk before the write off of the arrears Programs must be available to calculate the write offs of indigents as per the indigent criteria (type of indigent) as well as to perform the physical write off per service Program must have control measures not to write off indigents where: - an active clearance is in place and - no account must go into credit with the write off **Reports must be available on:** - Successful indigent write offs per service for "all" and per ward - Error report (write offs rejected)	mSCOA Regulation	
			House visit;	Required	
			Capturing of details including type of indigents;	Required	
			Verification of details, Test against Central Supplier Database;		

Required

			Authorisation of application;	Required	
			Program to remove old indigents from system and automatic reset of tariffs to normal tariff structure An option must be available to upload indigents in bulk with reports: - All indigents uploaded successfully per indigent category	required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
		Legal Process	Up to the Default Judgement.	Required	
			Programs in place to manage Debit Order Payments and reversals.	Required	
			Councillor Arrear Management- generate monthly report.	Legislation	
			Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid meter blocking/set offs, etc.)	Legislation	
	Customers	Customer portals to give effect to Section 95 of the Municipal Systems Act, 2000 which (amongst other) requires the following:	***A sound customer management system that:***		

			Aims to create a positive and reciprocal (give-and-take) relationship between persons liable for payments and the municipality;	Required	

			Establishes mechanisms for users of services and ratepayers to provide feedback to the municipality or other service providers/ mechanisms (of the municipality) regarding the quality of the services and the performance of the municipality or its service providers/ mechanisms;	Required	
			Provides accessible mechanisms to any person to query or verify municipal accounts and metered consumption;	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Enables electronic query and appeal procedures which allow persons to receive prompt response/ action to 'inaccurate accounts' queries;	Required	
			Enables structured workflow mechanisms to deal with complaints from such persons, together with prompt replies and corrective action by the municipality;	Required	
			Mechanisms to monitor the municipality's response time and efficiency in complying with the above; and	Required	
			Provides for accessible, secure and electronic payment channels.	Required	

		Customer Relations Management & Community Liaison	Able to automate customer registration.	Required	
			Automate the registration of services (water, electricity & prepaid electricity).	Required	
			Automate the allocation of funds to the customer to trigger instruction to unblock/ reconnect suspended service.	Required	
			Automated customer correspondence capabilities which includes, but is not limited to, automated responses to customer enquiries, linking a reference number to the customers account.	Required	
			Updates on statements which will reflect latest adjustments.	Required	
			Integrate community liaison (e.g. service interruptions).	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment 2.In Development** **3. not Available**
			Account payments and cashier balancing on one system.	Required	
			Must have real time reflection of payments.	Required	
Valuation Roll Management					
The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are coerned by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorder and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA. Municipalities are also required to undertake interim valuations to ensure the property valuation roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.					

		Valuations Module to give effect to the Municipal Property Rates Act, 2004, and as a minimum:	Seamlessly integrate with the revenue management module.	Legislation	
			Integrate information for spatial analysis in a Geographical Information System (GIS).	Required	
			Integrate with the building control system used in the municipality to ensure completion of additions and new buildings get immediately updated on the billing subsystem.	Required	
			Integrate with the land use system to ensure appropriate tariffs is timeously applied.	Required	
			Integrate with the Surveyor General (SG) database and town planning systems in use at the municipality.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Integrate with the deeds registry and monitor actual sales with current valuations as well as ownership against the billing system.	Required	
			Validate and report anomalies in the asset register on municipal owned properties.	Required	
			Provide the municipal website with the Municipal Propert Rates Act, 2004 required A&B valuation rolls.	Legislation	

		Managing and calculation of property rates, special rating areas and service charges on a property subject to a number of requirements including but not limited to:	The valuation of property will be performed in the separate (Computer Assisted Mass Appraisal) system and the individual property values and relevant property attributes passed to the Solution via an interface with valuation module. Data to be validated and managed within the Solution in compliance with legislation policies and business rules to enable calculation of property rates.	Legislation	
			Property Rates and service charges are calculated at different tariffs depending on various criteria such as the category of the property.	mSCOA Regulation	
			Functionality is required to exempt certain categories of property and/ or certain categories of property owners from rates.	Legislation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Functionality is required to calculate a rebate or a reduction in rates in compliance with the requirements of legislation and/ or business rules.	Legislation	
			Functionality is required for the phasing in of rates in compliance with legislation.	Legislation	
			Clearance Certificate Management to be online and comply with Section 118 of the Municipal Systems Act, 2000.	Legislation	

			Integrated clearance applications and automatic calculations on the total debt outstanding including all linked debt. Where applicable figures in terms of Section 118 (debt within 2 years) is payable for the issuing of clearance certificate be calculated automatically. Audit trail and history of all applications must be available The administration and certificate charges must be an automated levy with issuing clearance figures. **The system to provide a monthly reports:** - all clearance monies received - All new stands created in a specified period - All transfer of ownerships in a specified period - All clearances issued in terms of Sec. 118(3) where only the 2 year period were considered for the issue of the certificate	required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2. In Development 3. not Available
Land Use B uilding Control					

Land use mana gement is a process of managing the use and development of land. Aspects need to include spatial, urban policy usage, and economic consideratio ns. A land use management s ystem need to include all pr ocesses, methods and tools used for organising, operating and supervising the urban environment including the factors i nfluencing it. A management s ystem needs to cover all phases from the vision behind the preparation of plans and decisions to their implementation and the monitoring of impact s. Planning practices, decision makin g processes, procedures, implementation, monitoring mechanisms, methods and tools used in the above-mentioned phases are all elements of an in tegrated system. In general, land u se management is driven by various decisions taken at different levels of ad ministration (local, regional, national). Building management incorporat es all activities relating to township ma nagement such as building plan approvals, rezoning applications, illegal lan d usage and Municipal By-laws management. Importantly, the land an d building management needs to be int egrated with the revenue value chain of the municipality.					
	Land use	Property maintenance	Property register providing for all land in the municipal area.	Legislation	
			Town, township, suburb, street, erf, subdivision and sectional title detail must be aligned to the deeds office and Demarcation Board specifications.	Legislation	
			Integration with billing and valuation systems.	Legislation	
			Alignment of ownership must be verifiable with the deeds office.	Legislation	
			Property transfers, subdivisions, consolidations and zoning changes must be system process with work flow and document management driven.	Legislation	
	Special	Integration with external stakeholders	Must be able to align property register with the Surveyor General register.	Required	
			Where a 3rd party GIS system is used integration should be seamless.	Required	
			Integration with the asset register for municipal properties.	Required	
Business	**Sub-Process**	**Legislative or Business**	**System / Applications minimum**	**Minimum**	**Module**

Process	Requirement	functionality	Requirements	availability 1. Available for deployment 2.In Development 3. not Available
Building Control	Integration to the Town Planning function	Building plan submission and approval.	Required	
		Document management for building plans and zoning certificates.	Required	
Revenue Cycle Billing				
The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are coerned by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorded and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA. Municipalities are also required to undertake interim valuations to ensure the roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.				
Billing	Revenue management module that give effect to MFMA section 64 that also incorporate:	***Additionally to the standard minimum functionality in the MFMA the billing system must:***		
		Measure and flag anomalies of the current database transaction (all services) against alternative information sources such as Surveyor General (SG), Deeds and valuation rolls to ensure completeness of actual billing;	Required	
		Calculate and account monthly for the provision of bad debt;	mSCOA Regulation	
		Integration of Prepaid at a minimum of a 'debtor per tariff '-code per region, monthly bill the consolidation sales amount and daily receipt the sales;	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services;	Required	
			Provide adequate information for spatial analysis in a GEOGRAPHICAL INFORMATION SYSTEM (GIS) system for billing and accounts overview and also at detail level.	Required	
			Create and Maintain Regional Structure;	mSCOA Regulation	
			Integrate with valuation and property systems;	Required	
			Allow for multiple billing cycles;	Required	
			Create and maintain a tariff structure to comply with mSCOA Regulations;	mSCOA Regulation	
			Produce monthly invoices to debtors and group accounts;	Legislation	
			Allow for rebates and penalty levies.	mSCOA Regulation	
		Specific but not limited requirements	Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual).	mSCOA Regulation	
			Maintenance of tariffs as per the tariffing section.	Legislation	
			Integrate with debt collection for disconnections and reconnections.	Required	

			Integration into 3rd party software for receive readings taken.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Must be able to store infrastructure (metering) diagrams which will show the physical location of meter in order to be able to drill down to all of the relevant information concerning the meter in question.	Required	
			Must have a full process and document flow for terminations and re-connections of services and the relevant documentation.	Required	
			Must integrate with the Geographical Information System (GIS) to the extent that reticulation of services can be viewed as a layer at any point in time within the context of the current property being worked on.	Required	
			On-site billing	Required	
		Billing Reporting and Tariff Maintenance	Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that.	Legislation	

			Generate statements at any point in time and consolidate at customer level.	Required	
			Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Must allow for the maintenance of tariffs as per the tariffing section.	mSCOA Regulation	
			Customer must be able to nominate between mailing, MMS or e-mailing of monthly statement.	Required	
		Revenue receipting	Must adhere to applicable legislation and by-laws.	Legislation	
			Allow for all accepted payment methods at cashiers, including automated payment and clearing of card payments.	Required	
			To accommodate fully automated processing of multiple receipting streams including but not limited to:	Required	

			Payroll;	Required	
			Third Party vendors (e.g. Absa, Easy Pay, Prepaid Vendor, etc.);	Required	
			Cash Offices;	Required	
			Traffic;	Required	
			Other Municipal Directorates (e.g. Fresh Produce Market, Libraries, etc.).	Required	
			To cater for multiple bank accounts.	Required	
			Processing of payments at supervisor controlled cash offices to accommodate cashier opening, balancing and closing.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Multiple daily and monthly online and automated reconciliations.	Required	
			Receipting to be online.	Required	
			Cash payments must be able to be processed during database server and network downtime.	Required	
			All pay points and receipting streams to be uniquely identifiable in the sub ledger and general ledger.	Required	

			Receipting to also accommodate specialised payment types e.g. Rates Clearance, Arrear Debt arrangements, Assistance- to-the-Poor, Service Deposits, etc.	Required	
			To accommodate the correction of erroneous and/or rejected receipts.	Required	
			Facility to reverse "refer to drawer"(R/D) for Cheques, debit orders and IVR payments.	Required	
			To facilitate debit orders.	Required	
			Printing and re-printing (marked as "Copy Receipt") of receipts.	Legislation	
			Interface with barcode scanner to scan account numbers from the statements.	Required	
			Recording of cheque details.	Required	
			Reversal of receipt and associated interest where applicable.	Required	
Busines s Proces s	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requiremen ts**	**Module availabili ty** 1. Available for deployment 2.In Development 3. not Available

			While the billing process itself follows standard accounting practices for raising debit and credit transactions, the tariffs of charges and the business rules that coern the selection of the Appropriate tariff are complex. The Solution will provide functionality to calculate the amounts due for services and levies in accordance with the determined tariffs and business rules.	Required	
			Calculate the income due to the municipality for services and/ or products or property, on a regular, user defined and maintainable basis.	Required	
			Generate invoices and/or statements for the amounts payable to the municipality on a regular, user defined and maintainable basis.	Required	
			Group accounts into one or more 'billing cycles' based on user defined criteria.	Required	
			Provides the facility to charge interest on arrears amount subject to certain user defined provisions and according to user maintainable rates.	mSCOA Regulation	
			Functionality is required to raise debit and credit transactions which are updated to a Debtor account. The functionality must provide for the following transaction sources:		
			Calculated transactions - these transactions will be the result of a calculation that is subject to user defined business rules to determine the tariff to be used, special conditions that may apply to be used, discounts or rebates to be applied etc.;	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Manually Input transactions - these transactions are captured by a user and will reflect all the details of the transaction;	mSCOA Regulation	
			Electronic transactions - these transactions are received electronically, which then must be identified and raised to the relevant Debtor account.	mSCOA Regulation	
			Transactions will be classified by type e.g. billing transaction, receipt transaction, journal transaction etc. The definition of a transaction type must be user maintainable.	mSCOA Regulation	
			All transactions, regardless of type and origin, must be date/time stamped and have the user/origin included in the record. A narration / description field must be available whereby a short description of the transaction can be recorded.	mSCOA Regulation	
			Functionality is required to correct and recalculate incorrect accounts with full audit trail of actions taken to rectify the error. This could include the recalculation of interest over different financial periods at different rates. *(MSA section 95f)*.	mSCOA Regulation	
			Account maintenance functionality is required to generate the necessary transactions to correct accounts which are in error by an authorised user with a full audit trail and maintenance report of actions taken to rectify the error. *(MSA section 95f)*.	mSCOA Regulation	

			Account maintenance functionality must produce 'hard copy' of all transactions generated to rectify the account to enable the user to verify and 'sign off' the action taken.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirement s	Module availability 1. Available for deployment 2.In Development 3. not Available
			Functionality is required to categorise Debtors and Properties by a set of user defined parameters. The categories are used to create subsets of the Debtor Master for reporting, to establish appropriate tariffs and to determine billing cycles (MPRA section 3(3)c(i)).	mSCOA Regulation	
			Functionality is required to process different Debtor and property categories according to different business rule or time frames.	Required	
			Tariffs are stored by effective date from inception and all history is retained to enable recalculation of accounts even over different tariff periods.	Required	
			Functionality is required for the system to automatically apply new tariffs from the effective date specified in the tariff record. At this time the 'current ' tariff will receive a status of 'expired' and the 'new' tariff becomes 'current'.	Required	
			It is important to note that in all areas of revenue calculation, rebates and/ or exemptions may be applied based on a single or on multiple criteria which may be applied to the Debtor account in an 'and/ or' context. The Solution must provide the required level of flexibility to	Legislation	

			cater for these variations.		
			Miscellaneous Charges: Certain miscellaneous charges may be raised at regular intervals (monthly, quarterly, annually) and fixed periods whilst others are raised on an ad hoc basis with automated escalation dates and percentages.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
		Meter Management (credit and prepaid)	Functionality is required to link the numbered meter that is used to measure the consumption of services to the erf/ property on which the meter is installed. It is important to note that there may well be more than one meter per erf/ property.	Required	
			Functionality is required to categorise meters.	Required	
			The Solution must be able to record the relationship of each meter to the property and track meter readings and relevant history of each meter individually.	Required	
			Functionality is required to link the Debtor to the numbered meter that is used to measure the Debtor consumption of services. It is important to note that a Debtor may well be linked to a number of meters. (E.g. a landlord with a number of leased properties). (MSA section 95d).	Required	

			Functionality is required to create and maintain practical and efficient meter reading routes.	Required	
			Functionality is required to capture and record the meter reading and the date on which the meter was read. At least the following methods of capture must be provided, namely:	Required	
			Capture via standard keyboard entry;	Required	
			Receiving meter readings electronically from a third party interface. Automated uploading and validation will be required.	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Meter readings must be retained at a transaction level and may not be overwritten, deleted or adjusted. Errors must be rectified by entering a cancelling entry and entering the correct reading.	Required	
			Functionality is required to calculate charges for services consumed according to user defined algorithm which may contain a number of variable factors in order to determine the correct tariffs to apply.	Required	
			Functionality is required to raise the charges against a debtor's account according to a user defined billing cycle (which may coincide with the meter reading cycle for an area).	Required	

			In the event of a meter being read 'out of cycle' the charges may be raised to the debtors account on an 'ad hoc' basis. These charges raised must be visible on the debtor's account immediately, but will not generate an invoice immediately as it will be included on the standard invoice/ statement generated during the next billing cycle.	Required	
			In the event that a meter reading is not received, functionality is required to calculate an estimated consumption, according to a user maintained algorithm.	Required	
			Functionality is required to recalculate an account from all meter transaction history, taking into account any tariff changes, or from a specific starting point in the history on an ad hoc basis with the option to accept or discard the result. (i.e. the recalculation will be regarded as a 'what if' with the option to make it 'live').	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Meter management system must be integrated/ interfaced with the Billing Component.	Required	
			Prepaid electricity meters:		
			Functionality that is an integral part of the Billing interface to its prepaid vendor;	mSCOA Regulation	
			Automated blocking and arrear set off functionality is required.	Required	
			Water inventory managing.	mSCOA Regulation	

			Functionality is required to manage an Inventory of Water Meters. This to be work flowed as certain steps are dependent on others.	Required	
			Reports/ extracts including but not limited to:		
			Water Meter maintenance management;	Required	
			Various statistical extracts and reports.	Required	

	CRITERIA	GUIDELINE	SCORING		WEIGHT
1	Company Profile	Systems Project team leader experience. Software developer Software engineer Implementation/Integration specialist **Attach CV and certified copies of Certificates as Proof**	5+ Years < 5 Years 5+ Years < 5 Years 5+ Years < 5 Years 5+ Years < 5 Years All cv's and certified copies attached No CV attached	1 0 1 0 1 0 1 0 1 0	5
2	Experience of the Bidder in Supply and Maintenance of Local Government integrated Financial Management	Number of clients using bidder's integrated Financial Management and internal control system which were implemented during 2018 or after. **Insert reference letter not older than 3 months also include contactable references <u>AND</u> corresponding appointment letter from each Municipality**.	15 + Clients 10 - 14 Clients 5 - 9 Clients 1 – 4 0	25 15 10 5 0	25
3	Company Experience in local government integrated financial management	How many years' experience does the company have operating in the space of integrated financial management within local government in South Africa (Old appointment letters as proof of years of company experience, where there has been name change provide CIPC log for name changes).	15 + years 10 – 15 Years 5 – 10 years < 5 years	25 10 5 0	25
5	iFMS development	Proudly South African, local ownership of iFMS software for agility of Development decision making that benefits the RSA Local Government sector. **(Provide an affidavit that shows/states that the integrated Financial & internal control System software is locally owned)**	Meets all requirements. Meets none of the requirements	5 0	5
6	Live Demo (Cloud hosted) &	System Demonstration a) System Landscape b) Governance & Maintenance	Municipality will request live demo from bidders who respond to test the		35

	MFMA Circular 80 functionality checklist	c) System Functionality: • Budgeting & Planning • General Ledger • Billing • Supply Chain Management • Assets Management • Inventory & Stores • Human Resources & Payroll • Performance Management System	guideline items for scoring. Please also complete the Circular 80 excel document		

SECTION 7: EVALUATION CRITERIA

7.1 ADMINISTRATIVE REQUIREMENTS

Bidders' must submit all required documents indicated on the bid document and all forms must be fully completed and duly signed at the closing date and time of the bid. Bidders who fail to comply with the entire administrative requirements may be disqualified.

7.2 FUNCTIONALITY

Only bidders who have complied with the administrative requirements will be evaluated further for functionality. During this phase, bidders' responses will be evaluated on functionality based on achieving a minimum score of **80 Points**. The scores will be based on the submission of documents that supports the points claimed. E.g reference letters for similar work carried out.

FUNCTIONALITY CRITERIA

7.3 PRICE & PREFERENCE

Only bidders who have scored a minimum of 70 points under functionality will be evaluated for price and preference. The bid will be evaluated in terms of the 80/20 preference system, were 80 points will be for price and 20 points will be BBBEE

SECTION 8: MUNICIPAL STANDARD BIDDING DOCUMENTS

MBD 1 – INVITATION TO BID

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE GAMAGARA LOCAL MUNICIPALITY					
BID NUMBER:	**GM2022/39**	CLOSING DATE:	**19 September 2022**	CLOSING TIME:	**10:00**
DESCRIPTION	**APPOINTMENT OF AN AUCTIONEERFOR A PERIOD OF THREE (3) YEARS**				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX
SITUATED AT *(STREET ADDRESS*

GAMAGARA LOCAL MUNICIALITY
CNR HENDRICK VAN ECK AND FRIKKIE MEYER ROAD
KATHU
8446

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE			NUMBER	
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE			NUMBER	
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		**OR**	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	Yes No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		Yes No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

ARE YOU THE ACCREDITED REPRESENTATIVE **IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?**	Yes No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	Yes No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		**TOTAL BID PRICE**	**R**
SIGNATURE OF BIDDER	……………………………….	**DATE**	
CAPACITY UNDER WHICH THIS BID IS SIGNED			

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		**TECHNICAL INFORMATION MAY BE DIRECTED TO:**	
DIRECTORATE	BUDGET AND TREASURY	CONTACT PERSON	Aobakwe Makoku
CONTACT PERSON	Josephine Nampa	TELEPHONE NUMBER	053 723 6000
TELEPHONE NUMBER	053 723 6000	FACSIMILE NUMBER	053 723 2021
FACSIMILE NUMBER	053 723 2021	E-MAIL ADDRESS	makokua@gamagara.co.za
E-MAIL ADDRESS	josephine@gamagara.co.za		

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE**
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER: ……………………………………………………………………………………………

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

DATE: …………………………………………………………………..

MBD 4: DECLARATION OF INTEREST

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state[1].

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.

2 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name of bidder or his or her representative:…………………………………………..

3.2 Identity Number: ………………………………………………………………………………

3.3 Position occupied in the Company (director, trustee, hareholder[2]):………………………..

3.4 Company Registration Number: ………………………………………………………………

3.5 Tax Reference Number:……………………………………………………………………

3.6 VAT Registration Number: …………………………………………………………………

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

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars. ….……………………………………………………………

……………………………………………………………………………………………..

[1]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.

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

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

3.9.1 If yes, furnish particulars

Section 3.9.1: Record of service of the state

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of the National Assembly or the National Council of Province
- a member of the board of directors of any municipal entity
- an official of any municipality or municipal entity
- an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature

If any of the above boxes are marked, disclose the following: (insert separate page if necessary)

Name of sole proprietor, partner, director, manager, principal shareholder or stakeholder	**Name of institution, public office, board or organ of state and position held**	**Status of service (tick appropriate column)**	
		current	**Within last 12 months**

* Insert separate page if necessary

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

3.10.1 If yes, furnish particulars.

………………………………………………………………………………

………………………………………………………………………………

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

3.11.1 If yes, furnish particulars

…………………………………………………………………………………

…………………………………………………………………………………

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.

………………………………………………………………………………

………………………………………………………………………………

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

3.13.1 If yes, furnish particulars.

Section 3.13.1: Record of spouses, children and parents in the service of the state

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of a sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months been in the service of any of the following:

- ☐ a member of any municipal council
- ☐ a member of any provincial legislature
- ☐ a member of the National Assembly or the National Council of Province
- ☐ a member of the board of directors of any municipal entity
- ☐ an official of any municipality or municipal entity
- ☐ an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- ☐ a member of an accounting authority of any national or provincial public entity
- ☐ an employee of Parliament or a provincial legislature

Name of spouse, child or parent	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		current	Within last 12 months

* Insert separate page if necessary

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars:

………………………………………………………………………

………………………………………………………………………

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

Full Name	Identity Number	State Employee Number

…………………………………….. **Signature**

……………………………………….. **Date**

…………………………………… **Capacity**

……………………………………… **Name of Bidder**

MBD 6.1: PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

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1. GENERAL CONDITIONS

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

- 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 The value of this bid is estimated to ~~exceed~~/not exceed R50 000 000 (all applicable taxes included) and therefore the **80/20** preference point system shall be applicable.

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	**80**
B-BBEE STATUS LEVEL OF CONTRIBUTOR	**20**
Total points for Price and B-BBEE must not exceed	**100**

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

(a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

(b) "**B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

(d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(f) **“Functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.

(g) **“prices”** includes all applicable taxes less all unconditional discounts;

(h) **“proof of B-BBEE status level of contributor”** means:

1) B-BBEE Status level certificate issued by an authorized body or person;

2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;

3) Any other requirement prescribed in terms of the B-BBEE Act;

(i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where

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

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution **must** complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contribution as reflected on the B-BBEE Certificate	
6.2 Points claimed in respect of Level of Contribution (maximum of 20 points)	

(Points claimed in respect of paragraph 6.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

YES		NO	

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted............……………………………%
ii) The name of the sub-contractor…………………………………………………………..
iii) The B-BBEE status level of the sub-contractor......................................……………..
iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES		NO	

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	**EME** √	**QSE** √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:………………………………………………………………………… 8.2

VAT registration number:……………………………………….…………………………… 8.3

Company registration number:…………….……………………….…………………………….

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
……………………………………………………………………………………………..

8.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[*TICK APPLICABLE BOX*]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated: ….……………………………………………….

Registered Account Number: ………………………….

Stand Number: …………………………………………….

8.8 Total number of years the company/firm has been in business: …………………………

8.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

WITNESSES 1. …………………………………….. 2. ……………………………………..	………………………………………. SIGNATURE(S) OF BIDDERS(S) DATE: ………………………………….. ADDRESS ………………………………….. ………………………………….. …………………………………..

MBD 7.2 CONTRACT FORM - RENDERING OF SERVICES

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

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to render services described in the attached bidding documents to **Gamagara Local Municipality** in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number **GM2022/39** at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.

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

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

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

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

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

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

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

NAME (PRINT) ……………………………

CAPACITY ……………………………

SIGNATURE ……………………………

NAME OF FIRM ……………………………

DATE ……………………………

WITNESSES

1 ……………………………

2 …………………………… DATE:

……………………………

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE MUNICIPALITY)

1. I **KP LESERWANE** in my capacity as **MUNICIPAL MANAGER** accept your bid under reference number **GM2022/39** dated **19 September 2022** for the rendering of services indicated hereunder and/or further specified in the annexure(s).

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

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

DESCRIPTION OF SERVICE	Commission	COMPLETION DATE	B-BBEE STATUS LEVEL	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)
APPOINTMENT OF AN AUCTIONEER FOR A PERIOD OF THREE (3) YEARS	___________**%**			N/A

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

SIGNED AT ……………………………………… ON ………………………………..

NAME (PRINT) ………………………………………….

SIGNATURE …………………………………………

OFFICIAL STAMP

WITNESSES

1 ……………………………..

2 ……………………………..

DATE:……………………………..

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

1 This Municipal Bidding Document must form part of all bids invited.

2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3 The bid of any bidder may be rejected if that bidder, or any of its directors have:

a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
b. been convicted for fraud or corruption during the past five years;
c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? **(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied).** The Database of Restricted Suppliers now resides on the National Treasury's website(**www.treasury.gov.za**) and can be accessed by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		

Item	Question	Yes	No
4.4	**the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?**	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) …………..…………………………..…… CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.

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

………………………………………...
Signature

…………………………..
Date

……………………………………….
Position

………………………………………..
Name of Bidder

MBD 9 CERTIFICATE OF INDEPENDENT BID DETERMINATION

This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

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).[2] 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.

3 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.

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

GM2022/39 APPOINTMENT OF AN AUCTIONEER FOR A PERIOD OF THREE (3) YEARS

in response to the invitation for the bid made by:

GAMAGARA 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[3] 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.

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

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

………………………………………………… ………………………………

Signature Date

………………………………………………… ………………………………

Position Name of Bidder

SECTION 9 RETURNABLE DOCUMENTS

PAYMENT OF MUNICIPAL ACCOUNTS

The tenderer **must attach to this page**,

a. The municipal account of the company AND all the directors must be submitted
b. In the event of leasing, a lease agreement **Must** be attached to the tender document.
c. All partners of the joint venture must submit their municipal accounts
d. Where the business or the directors operate / reside in a tribal authority, a proof of residence from the authority must be attached

DECLARATION IN TERMS OF CLAUSE 112(1) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (NO.56 OF 2003) - (To be signed in the presence of a Commissioner of Oaths)

I,____,______________________(full name and ID no.), hereby acknowledge that according to SCM Regulation 38(1)(d)(i), the Municipality may reject the tender of the tenderer if any municipal rates and taxes or municipal service charges owed by the Tenderer or any of its directors/members/partners to the GAMAGARA LOCAL Municipality, or to any other municipality or municipal entity, are in arrears for more than 3 (three) months.

I declare that I am duly authorised to act on behalf of____(name of the firm) and hereby declare, that to the best of my personal knowledge, neither the firm nor any director/member/partner of said firm is in arrears on any of its municipal accounts with any municipality in the Republic of South Africa, for a period longer than 3 (three) months.

I further hereby certify that the information set out in this schedule and/or attachment(s) hereto is true and correct. The Tenderer acknowledges that failure to properly and truthfully complete this schedule may result in the tender being disqualified, and/or in the event that the tenderer is successful, the cancellation of the contract.

PHYSICAL BUSINESS ADDRESS(ES) OF THE TENDERER	MUNICIPAL ACCOUNT NUMBER

FURTHER DETAILS OF THE BIDDER'S Director / Shareholder Partners, ect.:

Director /Shareholder / partner	Physical address of the Business	Municipal Account number(s)	Physical residential address of the Director / shareholder / partner	Municipal Account number(s)

Signed ……………………………………………….. Date …………………………………………

Name ……………………………………………… Position …………………………………………

AUTHORITY OF SIGNATORY / BOARD RESOLUTION

AUTHORITY OF SIGNATORY

Indicate the status of the tenderer by ticking the appropriate box hereunder. The tenderer must complete the certificate set out below for the relevant category. Bidders may attach a board resolution to this effect.

A Company	B Partnership	C Joint Venture	D Sole Proprietor	E Close Corporation

A. Certificate for company

I,……………………………………………., chairperson of the board of directors of ………………………………………………, hereby confirm that by resolution of the board (copy attached) taken on ……………….20…., Mr/Mrs………………………acting in the capacity of……………………………………………,was authorised to sign all documents in connection with this tender and any contract resulting from it on behalf of the company.

As witness

1………………………………. ………………………………………

. Chairman

2………………………………. ……………………………………..

Date

B. Certificate of partnership

We, the undersigned, being the key partners in the business trading as

………………………………

hereby authorise Mr/Mrs……………………………………………………, acting in the capacity of………………………………………to sign all documents in connection with the tender for Contract………………………………………………………and any contract resulting from it on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

NOTE: This certificate is to be completed and signed by all of the key partners upon who rests the direction of the affairs of the Partnership as a whole.

C. Certificate for Joint Venture

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise

Mr/Mrs………………………….., authorised signatory of the company

…………………………,acting in the capacity of lead partner, to sign all documents in connection with

the tender offer for Contract………………………………………and any other contract resulting

from it on our behalf.

This authorisation is evidenced by the attached power of attorney signed by legally authorised

signatories of all the partners to the Joint Venture.

NAME OF FIRM	ADDRESS	AUTHORISING SIGNATURE, NAME & CAPACITY
Lead partner		

D. Certificate for sole proprietor

I, ……………………………………………., hereby confirm that I am the sole owner of the business trading as…………………………………………………………………………………...

As Witness:

1………………………………………………….. ………………………………

Signature: Sole owner

2…………………………………………………. ……………………………….

Date

E. Certificate for Close Corporation

We, the undersigned, being the key members in the business trading as……………………………………hereby authorise Mr/Mrs…………………………………… Acting in the capacity of…………………………………………………, to sign all documents in connection with the tender for Contract…………………………………………and any contract resulting from it on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

NOTE: This certificate is to be complete and signed by all the key members upon whom rests the direction of the affairs of the Close Corporation as a whole

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B- BBEE) STATUS LEVEL CERTIFICATES

A bidder who qualifies as an EME in terms of the B-BBEE Act **must** submit a sworn affidavit confirming Annual Total Revenue and Level of Black Ownership.

A Bidder other than EME or QSE **must submit their original and valid B-BBEE status level verification certificate or a certified copy** thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

MINIMUM REQUIREMENTS FOR VALID B-BBEE STATUS LEVEL VERIFICATION CERTIFICATES (The following information must be on the face of the certificate)	Indicate with (x)	
	yes	**no**
The name and the physical location of the measured entity		
The registration number and, where applicable, the VAT number of the measured entity		
The date of issue and date of expiry		
The certificate number for identification and reference		
The scorecard that was used (for example EME, QSE or Generic)		
The name and / or logo of the verification Agency		
The SANAS logo		
The certificate must be signed by the authorized person from the Verification Agency		
The B-BBEE Status level of Contribution obtained by the measured entity.		

Failure on the part of a bidder **to claim, fill in and/or to sign MBD 6.1 and submit** a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION SUMMARY

Please attach the CSD registration summary report to this page. The report will be used to confirm the tax compliance of the bidder

RETURNABLE DOCUMENTS FOR FUNCTIONALITY

a) Curriculum Vitae & certified copies of qualifications for the key personnel
b) Appointment AND reference letters from current and past clients using the bidder's integrated financial management system
c) CIPC log for name changes (where applicable)
d) Affidavit that the system is locally owned
e) MFMA Circular 80 functionality checklist