

# PHOKWANE LOCAL MUNICIPALITY



**BID: AFS01/2020**

## **FINANCIAL SERVICES – APPOINTMENT OF A SERVICE PROVIDER FOR THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS FOR A PERIOD OF THREE (3) YEARS 2019/20 – 2021/22.**

**Closing Date: 23 JULY 2020 AT 12:00pm**

<b>Company</b>	
<b>Contact Person</b>	
<b>Telephone Number</b>	
<b>Facsimile</b>	
<b>Tender amount (VAT inclusive)</b>	
<b>Delivery Date</b>	



## PHOKWANE LOCAL MUNICIPALITY

### INVITATION TO BID

**BID: AFS01/2020: FINANCIAL SERVICES – APPOINTMENT OF A SERVICE PROVIDER FOR THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS FOR A PERIOD OF THREE (3) YEARS 2019/20 – 2021/22.**

Phokwane Local Municipality hereby invites qualified service providers to submit tenders for the above-mentioned service.

This BID will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Regulations, 2017 pertaining to the PPPF Act (No 5 of 2000) and the Supply Chain Management Policy of Phokwane Local Municipality. Phokwane Local Municipality is not bound to accept the lowest bid or award a contract to the bidder scoring the highest points. The Municipality reserves the right to partial acceptance of one or more bids, to withdraw any invitation to tender and/or to re-advertise or to reject any tender.

The closing date for submissions is **23 JULY 2020 at 12h00.**

Tenders should be clearly marked: **BID: AFS01/2020: FINANCIAL SERVICES – APPOINTMENT OF A SERVICE PROVIDER FOR THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS FOR A PERIOD OF THREE (3) YEARS 2019/20 – 2021/22** and must be emailed to Mrs Ina De Kock (head of registry) at [dekock@phokwane.gov.za](mailto:dekock@phokwane.gov.za) and cc to Mrs M Viljoen at [marinda@phokwane.gov.za](mailto:marinda@phokwane.gov.za).

BID documents are obtainable on the website of Phokwane Local Municipality or downloadable on the e-tender website for free. Enquiries on technicalities may be directed to Ms L. Jasson at tel. (053) 474 9700 and for supply chain matters to Mrs M Viljoen at tel. (053) 474 9700 during office hours.

**Please note that faxed or late quotations will not be accepted.**

If no response is received in Ninety (90) days after the closing date, consider your BID unsuccessful.

**Mr. Bamba Ndwandwe**  
**Administrator**  
**Phokwane Local Municipality**



**PHOKWANE LOCAL MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT  
BID: AFS01/2020**

**FINANCIAL SERVICES – APPOINTMENT OF A SERVICE PROVIDER FOR THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS FOR A PERIOD OF THREE (3) YEARS 2019/20 – 2021/22.**

**1. BACKGROUND**

PHOKWANE Local Municipality hereby invites tenders from suitably experienced service providers for the Budget and Treasury Directorate – Preparation of the annual financial statements for a period of three years to ensure business continuity and the building of institutional knowledge / capacity.

Bid documents containing specifications will be available on the e-tender portal: <http://www.etenders.gov.za/content/advertised-tenders> or available from Phokwane Local Municipality Website.

Technical enquiries relating to this tender should be addressed to: Ms Lesego Jasson at Tel: 053 4749700 e-mail: [jasson@phokwane.gov.za](mailto:jasson@phokwane.gov.za) and administrative enquiries should be forward to Marinda Viljoen at Tel: 053 474 9700 email: [marinda@phokwane.gov.za](mailto:marinda@phokwane.gov.za)

## Terms of reference:

- **Financial processes and General ledger review of policy/procedure Manuals**
  - Review the financial system modules to control accounts on Evenus/FINANCIAL SYSTEM, including and not limited to Consumer Debtors, Sundry Debtors, Creditors, Stores, Bank, Income, and Expenditure and accumulated surplus/deficit.
  - Review all control accounts and suspense votes
  - Review the general ledger in its entirety, thereby also making recommendations to restructure if necessary
  - Review deposits and control accounts
  - Review and rectify the retentions register
  - Direct expenditure – correct allocations, budgetary control
  
- **Reconciliations of General Ledger and Annual Financial Statements**
  - Agree the general ledger to the AFS and accumulated surplus
  - Align the Annual Financial Statements to the asset register
  - Determine the vote classification and default settings and rectify anomalies
  - Identify and remove old and unused vote masters using CAATS
  - Setup the general ledger that facilitates management overview in terms of National Treasury circular 12
  - Creditors as reflected in the Financial Statements
  - Determine the accrual transactions
  - Analyse and clear suspense accounts
  - All control reports to be balanced
  - Extensive knowledge in Generally Recognised Accounting Practices
  - Reconcile all transactions to audit evidence for the year.
  - Use of Caseware for Annual Financial Statements preparation
  - Present the completed interim and Annual Financial Statements on Case Ware working papers
  - Prepare a programme to transfer skills to Finance staff that are critical in the General Ledger/Annual Financial Statements processes
  - Provide support during the audit period
  - Be based at the municipal offices for the duration of the project
  - Compliance with GRAP three (3)
  
- **Analysis and correction of all significant financial statement areas**
  - Presentation of prior year error note for all significant Annual Financial Statements areas above
  - Preparation of working papers
  - Reconciliation of working papers for corrections
  - Development of Distribution losses disclosure note
  - Compilation of audit file
  - Address prior year audit findings
  
- **Assist with municipal Standard Chart of Accounts (mSCOA) setup**
  - Reviewing of the municipalities compliance in terms of mSCOA implementation
  - Unbundling of the TB of the municipality for integration into the mSCOA financial system
  - Budgeting in terms of mSCOA
  - Site visits for data verification and obtaining detailed information
  - Reporting on issues and risks identified
  
- **Training and Transfer of skills to the municipal staff**
  - Provide hands on training throughout the duration of the project
  - Organise group training on specific financial reporting topics

**PRICING SCHEDULE**

**PLEASE NOTE**

- Document MUST be completed in non-erasable black ink
- The Bidder MUST indicate whether he/she/the entity is a registered VAT Vendor or not.

	INDICATE WITH AN „X“										
<b>Are you/is the firm a registered VAT Vendor</b>	<b>YES</b>						<b>NO</b>				
<b>If “YES”, please provide VAT number</b>											

I / We \_\_\_\_\_

(Full name of Bidder) the undersigned in my capacity as \_\_\_\_\_ of the firm \_\_\_\_\_ hereby offer to PHOKWANE Local Municipality to render the services as described, in accordance with the specification and conditions of contract to the entire satisfaction of the PHOKWANE Local Municipality and subject to the conditions of tender, for the amounts indicated hereunder:

**PRICING:**

- 1.1. Tender prices must be in ZAR Currency (Rand);
- 1.2. Tender rates must be submitted exclusive of VAT, but the final bid price submitted must include VAT;
- 1.3. The premium tendered must remain firm for the initial period of 12 months, thereafter the annual escalation in the Rand value of the premium for year 2 and 3 must not exceed the reasonably anticipated industry-related CPI as at 30 April of each year;
- 1.4 Following please find a pricing schedule to be completed. You may attach a separate schedule if there are any deviations. The quantity are for comparability purpose during evaluation and are not necessarily firm. The actual hours will be discussed with the successful bidder upon the inception of the project.

<b>NO</b>	<b>DESCRIPTION</b>	<b>QUANTITY ESTIMATED</b>	<b>RATE PER HOUR</b>	<b>PRICE</b>	
			<b>R</b>	<b>R</b>	
Pricing Schedule	Partner / Director				
	Senior Manager (Accounting)				
	Manager (Accounting)				
	Optional: Other Consultant (Junior)				
	<b>Subtotal A Excluding VAT:</b>				
				<b>RATE ONLY</b>	
	Estimated Travelling Time	Rate per hour			
	Estimated Travelling Cost	Cost per kilometre			
	Estimated Subsistence Allowance	Daily allowance rate			
	<b>SUB TOTAL A</b>				
	<b>VAT @ 15%</b>				
<b>TOTAL</b>					
<b>(carried over to cover page and form offer and acceptance)</b>					

Signed ..... Date .....

Name ..... Position .....

**Any tender submitted that do not meet ALL of the requirements in this document will automatically be discarded from the evaluation process.**

**SCHEDULE 1A: 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.

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

**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

**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

**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.



**SCHEDULE 1B: COMPULSORY ENTERPRISE QUESTIONNAIRE**

The following particulars **must** be furnished. In the case of a joint venture, separate enterprise questionnaires in respect of each partner must be completed and submitted.

**Section 1: Enterprise details**

<b>Name of enterprise</b>	
<b>Contact Person</b>	
<b>Email</b>	
<b>Telephone</b>	
<b>Cell phone</b>	
<b>Fax</b>	
<b>Physical Address</b>	
<b>Postal Address</b>	
<b>Central supplier database registration nr</b>	MAAA

**Section 2: Particulars of companies and close corporations**

<b>Company / Close Corporation registration number:</b>	
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**Section 3: SARS information:**

<b>Tax reference number:</b>	
<b>VAT registration number, if any:</b>	

<b>Section 4: CIDB registration number:</b>	n/a
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**Section 5: Particulars of principles**

**Principle:** means a natural person who is a partner in partnership, a sole proprietor, a director of a company established in terms of the Companies Act of 2008 (Act. No. 71 of 2008) a member of a close corporation registered in terms of the Close Corporation Act, 1984 (Act No.69 of 1984)

<b>Full name of principal</b>	<b>Identity number*</b>	<b>Personal income tax number*</b>

\* Please complete and attach copies of Identity documents.

**Section 6: Banking Details of companies and close corporations**

Bank name and branch: ..... Bank  
 account number: .....  
 Name of account holder: .....

Signed ..... Date .....  
 Name ..... Position .....

**SCHEDULE 1 C: CONSULTANTS PRACTICE**

1. Tenderer must attach to this page sufficient information in order to qualify for pre-qualification points in respect of Functionality/Quality, regarding the Consultant's Practice, addressing the following:

- (a) Physical address / Background / Organization / Management
- (b) Fields of activity / expertise
- (c) Staffing / Human Resources

2. Tenderer shall also provide the following information regarding the Consultant's Practice. Where a bidder has more than one local office, information provided shall be the aggregate for all of the local offices.

2.1 Number of Project Manager (s)/leader(s) having Professional Status (tick applicable):

>3	2	1	0

2.2 Staff (state number):

2.2.1 Total no. of Project Manager(s) \_\_\_\_\_

2.2.2 No. of Project Leaders with Professional registration number \_\_\_\_\_

2.2.3 No of Skilled technical staff, e.g. Professional Accountants \_\_\_\_\_

>3	2	1	0

2.3 Staff (state number): \_\_\_\_\_

2.3.1 Total no. of Accountant(s) \_\_\_\_\_

2.3.2 No. of Accountants with Professional registration number \_\_\_\_\_

Consultant's Practice will score a maximum of 40 points.

Signed .....

Date .....

Name .....

Position .....

## SCHEDULE 1 D: EVALUATION CRITERIA

### Functionality Criteria

This tender will be evaluated based on method 2 – functionality, price and preference

Pre-qualification for Functionality:

Tenders will be subjected to a pre-qualification evaluation process for functionality, based on specific quality criteria. Only tenderers who attain a minimum score of 70% (70 points) will be considered for further evaluation. Tenders that score less than 50% in more than three categories will be rejected as they will be non-responsive.

Tenderers must complete and submit sufficient and all relevant information for each of the Categories they are tendering for.

The description of the functionality criteria and the maximum possible score for each is shown in the table below. The score achieved for functionality will be the sum of the scores achieved for the individual criteria.

Description	Maximum Possible Score	Score ( <i>Tenderers need not to score themselves</i> )
Consultants Practice	40	
Relevant Projects (Experience and Track Record)	30	
Key Personnel	30	
<b>Maximum possible score for functionality</b>	<b>100</b>	

NB: A minimum of 70 points will be needed for the service provider to proceed to the next stage of evaluation.

#### 1) Consultants Practice (40 points)

Tenderers must provide sufficient information addressing the following:

- a) Physical address / Background / Organization / Management
- b) Fields of activity / expertise
- c) Staffing / Human Resources

In order to qualify for pre-qualification points in respect of functionality/quality regarding the Consultant's Practice

No of Project Manager(s) having Professional Status.

The points awarded in this category will be as follows:

- |       |                              |   |    |
|-------|------------------------------|---|----|
| (i)   | 3 or more Professional staff | = | 15 |
| (ii)  | 2 or more Professional staff | = | 10 |
| (iii) | 1 Professional staff         | = | 5  |

No of Accounting registered with professional bodies, e.g. CA (SA), SAIPA etc.

The points awarded in this category will be as follows:

- |       |                                   |   |    |
|-------|-----------------------------------|---|----|
| (i)   | 3 or more skilled technical staff | = | 25 |
| (ii)  | 2 skilled technical staff         | = | 15 |
| (iii) | 1 skilled technical staff         | = | 10 |

## 2) Relevant Projects (Experience and Track Record) (30)

The experience and track record of the Bidder in relation to the scope of work over the last five years will be evaluated and must be indicated

### (a) Technical Experience (20)

The points awarded in this category will be for the successful preparation and/or review of the financial statements as follows:

(i)	5 projects successfully completed	=	20
(ii)	4 projects successfully completed	=	15
(iii)	3 projects successfully completed	=	10
(iv)	2 projects completed	=	5
(v)	1 project	=	0

### (b) Track Record (10)

The points awarded in this category will be as follows:

(i)	References confirmed excellent track record related to full scope of work	=	10
(ii)	References confirmed good track record related to full scope of work	=	7
(iii)	References confirmed average track record related to full scope of work	=	5
(iv)	References confirmed poor track record related to scope of work	=	0

## 3) Key personnel (30 points)

The experience of key personnel will be evaluated in terms of the following criteria:

The following personnel must be in the full time permanent employment of the bidder and available for the envisaged appointments: (The Tenderer must take note that the persons listed as Key Personnel shall be the same persons to physically manage the projects under this contract, and will not be allowed to be changed without written approval by the client and then only if the Tenderer can successfully demonstrate that the replacement personnel do at least have the same experience, education and qualifications than the Persons listed in the tender. No deviation on this will be allowed)

**A Project Leader** who is a registered Professional/Chartered Accountant with SAICA/SAIPA with at least seven years verifiable post graduate experience in the preparation of financial statements and project management with regards to Municipality and/or government, relevant to the disciplines tendered for. The person must demonstrate competence with regards to experience and post graduate qualification and/or completion of relevant projects. The Project Leader's professional registration number must be indicated.

**An Accountant** who is a Chartered Accountant / Professional Accountant with at least five years verifiable post graduate experience in municipal financial statements preparation projects.

The Curriculum Vitae of all key personnel must be submitted with the bid.

Key personnel will be expected to operate from the "local office", as and when the demands of the anticipated projects require.

**(a) Project Leader (20)**

The points awarded in this category will be as follows:

More than 7 years relevant experience	20
More than 5 to less than 7 years. Relevant experience	15
More than 3 to less than 5 years relevant experience	10
0 to 3 years relevant experience	5

**(b) Accountant (10)**

The points awarded in this category will be as follows:

More than 7 years relevant experience	10
More than 5 to less than 7 years. Relevant experience	7
More than 3 to less than 5 years relevant experience	5
0 to 3 years relevant experience	0

Signed ..... Date .....

Name ..... Position .....

**PHOKWANE LOCAL MUNICIPALITY LIST OF RETURNABLE DOCUMENTS**

	<b>DOCUMENTS / DESCRIPTION</b>	<b>SIGNED and / or ATTACHED</b>
1	Proof of CSD Registration	
2	Tax Clearance Certificate or Tax Compliance status pin	
3	Proof of current municipal rates, taxes and charges	
4	Certified copies of Identity documents of members/ shareholders / directors of the company (original stamp not older than 3 months)	
5	Valid CIPC documents / copies of company registration documents	
6	Returnable MBD documents duly signed and completed:	
	MBD 1	
	MBD 3.1	
	MBD 4	
	MBD 6.1	
	MBD 6.2	
	MBD 8	
	MBD 9	
7	General conditions of contract must be properly signed.	
8	Local content documents to be completed (if applicable).	
9	Quotation must be original and must be on the company's letterhead.	
10	BBBEE certificate – only the following original BBBEE certificates and / or certified copy of BBBEE certificates will be accepted and must be attached. IRBA, SANAS or sworn affidavit. (No points will be claimed without BBBEE certificate).	
11	Letter of good standing from the commissioner of compensation. (When compulsory)	
12	Service provider's Accreditation documents.	
13	Proof of banking details.	

**FAILURE TO COMPLETE OR SUBMIT ABOVE MENTIONED LIST OF RETURNABLE DOCUMENTS WILL LEAD TO YOUR TENDER BEING DISQUALIFIED.**

## PHOKWANE LOCAL MUNICIPALITY TENDER CONDITIONS AND INFORMATION

### 1. General and special conditions of contract

The general conditions of contract (GCC) as well as special conditions of contract (SCC) forming part of this set of tender documents will be applicable to this tender in addition to the conditions of tender. Where the GCC and SCC are in conflict with one another, the stipulations of the SCC will prevail.

### 2. Acceptance or Rejection of a tender

The municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept part of it. The municipality does not bind itself to accepting the lowest tender or the tender scoring the highest points. The municipality reserves the right to waive any requirements as contained in the bid conditions and or specifications.

### 3. Validity Period

Bids shall remain valid for ninety (90) days after the tender closure date.

### 4. VAT

Price(s) quoted must be firm and must be inclusive of VAT.

### 5. Registration on central supplier database

It is expected of all prospective service providers who are not yet registered on the central supplier database to register without delay on the prescribed form. The municipality reserves the right not to award tenders to prospective suppliers who are not registered on the database.

### 6. Completion of Tender Documents

- a) The original tender document must be completed fully in black ink and signed by the authorised signatory to validate the tender. Failure to do so will result in the disqualification of the tender.
- b) Tender documents may not be retyped. Retyped documents will result in the disqualification of the tender.
- c) The complete original tender document must be returned. Missing pages will result in the disqualification of the tender.
- d) No unauthorised alteration of this set of tender documents will be allowed. Any unauthorised alteration will disqualify the tender automatically. Any ambiguity has to be cleared with contact person for the tender before the tender closure.

### 7. Compulsory Documentation

#### 7.1 Tax Clearance Certificate

- a) A copy of a Tax Compliance Status Pin or a Tax Compliance Certificate, printed from the South African Revenue Service (SARS) website, must accompany the bid documents. The onus is on the bidder to ensure that their tax matters with SARS are in order.
- b) In the case of a Consortium/Joint Venture every member must submit a separate Tax Compliance Status Pin and a Tax Compliance Certificate, printed from the SARS website, with the bid documents.
- c) If a bid is not supported by a Tax Compliance Status Pin and a Tax Compliance Certificate as an attachment to the bid documents, the Municipality reserves the right to obtain such documents after the closing date to verify that the bidder's tax matters are in order. If no such document can be obtained within a period as specified by the Municipality, the bid will be disqualified.
- d) The Tax Compliance Status Pin will be verified by the Municipality on the SARS website.

#### 7.2 Municipal Rates, Taxes and Charges

- a) A copy of the bidder's (in the name of the company and/or lease agreement) and / or those of its directors municipal accounts (for the Municipality where the bidder pays his account) for the month preceding the tender closure date must accompany the tender documents. If such a copy does not accompany the bid document of the successful bidder, the Municipality reserves the right to obtain such documents after the closing date to verify that their municipal accounts are in order.
- b) Any bidder which is or whose directors are in arrears with their municipal rates and taxes or municipal charges due to any Municipality or any of its entities for more than three months and have not made an arrangement for settlement of same before the bid closure date will be unsuccessful.

- c) If a bidder rents their premises, proof must be submitted that the rental includes their municipal rates and taxes or municipal charges and that their rent is not in arrears.
- d) In the event of residing at the rural area where services are not rendered a letter from the tribal authority with affidavit must be submitted.
- e) Must be current municipal account.

**8. Compulsory statutory supporting documents**

- a) Certified copies of Identity Documents of members / shareholders / directors of the company (original stamp not older than 3 months).
- b) Valid CIPC documents / copies of company registration documents.
- c) Declaration of interest forms duly completed (MBD documents).
- d) General conditions of contract must be properly signed.
- e) Local content documents to be complete (when applicable)

**9. Conditions**

Comply with conditions as specified in the Bid documents and / or specification documents.

**10. Quotation**

- a) Specifications must be disclosed on the quotation.
- b) Quotation must be original and must be on the company's letterhead.

**11. Site / Information Meetings**

- a) Site or information meetings, if specified, are compulsory. Bids will not be accepted from bidders who have not attended compulsory site or information meetings.

**12. Samples**

Samples, if requested, are to be provided to the Municipality with the tender document or as stipulated.

**13. Quantities of Specific Items**

If tenders are called for a specific number of items, the Municipality reserves the right to change the number of such items to be higher or lower. The successful bidder will then be given an opportunity to evaluate the new scenario and inform the Municipality if it is acceptable. If the successful bidder does not accept the new scenario, it will be offered to the second-placed bidder. The process will be continued to the Municipality's satisfaction.

**14. Submission of Tender**

- a) The tender must be placed in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the tender number, title as well as closing date and time and placed in the tender box at **Phokwane Local Municipality's Main Building, 24 Hertzog street, Hartswater by not later than 12:00 on the date of closing of the tender.**

OR

- be mailed to reach the Tender Box, Phokwane Local Municipality, Private Bag X3, Hartswater, 8570 before the specified closing date and time.

- b) Faxed, e-mailed and late tenders will not be accepted. Tenders may be delivered by hand, by courier, or posted at the bidder's risk and must be received by the deadline stated on the advert, irrespective of how they are sent or delivered.

**15. Expenses Incurred in Preparation of Tender**

The Municipality shall not be liable for any expenses incurred in the preparation and submission of the tender.

**16. Contact with Municipality after Tender Closure Date**

Bidders shall not contact Phokwane Local Municipality on any matter relating to their bid from the time of the opening of the bid to the time the contract is awarded. If a bidder wishes to bring additional information to the attention of Phokwane Local Municipality, it should do so in writing. Any effort by the firm to influence Phokwane Local Municipality in the bid evaluation, bid comparison or contract award decisions may result in the rejection of the bid.

**17. Opening, Recording and Publications of Tenders Received**

- a) Tenders will be opened on the closing date immediately after the closing time specified in the tender documents. If requested by any bidder present, the names of the bidders, and if practical, the total amount of each bid and of any alternative bids will be read out aloud.
- b) Details of tenders received in time will be recorded in a register which is open to public inspection.
- c) Faxed, e-mailed and late tenders will not be accepted.



## **18. Evaluation of Tenders**

Tenders will be evaluated in terms of their responsiveness to the tender specifications and requirements as well as such additional criteria as set out in this set of tender documents.

## **19. Procurement Policy**

Bids will be evaluation in terms of the 80 (price) /20 (B-BBEE status) preferential point system. Bids will be awarded in accordance with the Preferential Procurement Regulations, 2001 pertaining to the Preferential Procurement Policy Framework Act, No 5 of 2000 and its amendments as well as the Municipality's Supply Chain Management Policy.

## **20. Contract**

The Municipality, at its discretion, may request the signing of an additional Service Level Agreement which, together with the signed tender document, will constitute the full agreement between the Municipality and the successful bidder.

## **21. Subcontracting**

- a) The service provider shall not subcontract the whole of the Contract.
- b) Except where otherwise provided by the service provider, the service provider shall not subcontract any part of the Contract without the prior written consent of the Municipality, which consent shall not be unreasonably withheld.
- c) The contractual relationship between the service provider and any subcontractors selected by the service provider in consultation with the Municipality in accordance with the requirements of and a procedure contained within the Scope of Work, shall be the same as if the service provider had appointed the subcontractor in terms of paragraph (b) above.
- d) Any consent granted in accordance with paragraph (b) or appointment of a subcontractor in accordance with paragraph (c) shall not imply a contract between the Municipality and the subcontractor, or a responsibility or liability on the part of the Municipality to the subcontractor and shall not relieve the service provider from any liability or obligation under the Contract and he shall be liable for the acts, defaults and neglects of any subcontractor, his agents or employees as fully as if they were the acts, defaults or neglects of the service provider, his agents or employees.

## **22. Language of Service Provider**

The contract documents will be compiled in English and the English versions of all referred documents will be taken as applicable.

## **23. Extension of Contract**

The contract with the successful bidder may be extended on the basis of performance with a period not exceeding 15% of the original contract.

## **24. Wrong Information Furnished**

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may have, recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

## **25. Past Practices**

- a) The bid of any bidder may be rejected if that bidder or any of its directors have abused the municipality's supply chain management system or committed any improper conduct in relation to such system.
- b) The bid of any bidder may be rejected if it is or has been found that that bidder or any of its directors influenced or tried to influence any official or councilor with this or any past tender.
- c) The bid of any bidder may be rejected if it is or has been found that that bidder or any of its directors offered, promised or granted any official or any of his/her close family members, partners or associates any reward, gift, favor, hospitality or any other benefit in any improper way, with this or any past tender.

## **26. Validity of BEE certificates:**

- a) **If the certificate was issued by a verification agency the following must be on the face of the certificate:**  
SANAS logo, unique BVA number, must be an original certificate or certified copy of the original, the name and physical location of the bidder, the registration number and, where applicable, the VAT number of the bidder, the date of issue and date of expiry of the certificate, 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 certificate must be signed by the authorized person from the Verification Agency and the B-BBEE Status Level of Contribution obtained by the bidder.

**b) If the certificate was issued by registered auditors approved by IRBA**

Clearly identify the B-BBEE approved registered auditor by the auditor's individual registration number with IRBA and the auditor's logo, clearly record an approved B-BBEE Verification Certificate identification reference in the format required by the SASAE, reflect relevant information regarding the identity and location of the measured entity, identify the Codes of Good Practice or relevant Sector Codes applied in the determination of the scores, record the weighting points (scores) attained by the measured entity for each scorecard element, where applicable, and the measured entity's overall

B-BBEE Status Level of Contribution, reflect that the B-BBEE Verification Certificate and accompanying assurance report issued to the measured entity is valid for 12 months from the date of issuance and reflect both the issuance and expiry date, and the B-BBEE Status Level of Contribution obtained by the bidder and must be an original certificate or certified copy of the original.

**FAILURE TO COMPLY WITH THE ABOVEMENTIONED WILL RESULT IN NO PREFERENCE POINTS BEING AWARDED**

**27. Letter of Good Standing from the Commissioner of Compensation**

- a) A valid Letter of Good Standing from the Compensation Commissioner or a copy thereof, must accompany the bid documents unless the bidder is registered on the Central Supplier Database and they have a valid Letter of Good Standing from the Compensation Commissioner or a copy thereof for the bidder on record. The onus is on the bidder to ensure that the Municipality has a valid Letter of Good Standing from the Compensation Commissioner or a copy thereof on record.
- b) In the case of a Consortium/Joint Venture every member must submit a separate valid Letter of Good Standing from the Compensation Commissioner or a copy thereof with the bid documents unless the member is registered on the Central Supplier Database and they have a valid Letter of Good Standing from the Compensation Commissioner or a copy thereof on record for all members of the Consortium/Joint Venture.
- c) If a bid is not supported by a valid Letter of Good Standing from the Compensation Commissioner or a copy thereof, either as an attachment to the bid documents or on record in the case of suppliers registered on the Central Supplier Database, the Municipality reserves the right to obtain such document after the closing date. If no such document can be obtained within a period as specified by the Municipality, the bid will be disqualified.
- d) If a bid is accompanied by proof of application for valid Letter of Good Standing from the Compensation Commissioner, the original or copy thereof must be submitted on/or before the final date of award.
- e) Should a bidder's Letter of Good Standing from the Compensation Commissioner expires during the contract period, a valid certificate must be submitted within an agreed upon time.
- f) The right is reserved to not award a tender if a valid Letter of Good Standing from the Compensation Commissioner or a certified copy thereof is not submitted within the requested time.

**28. Authorized Signatory**

- a) A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorized to sign it for and on behalf of the bidder.

**29. Negotiations**

Should the tender prices be higher than the available funds of the client, the client reserves the right to negotiate with the successful bidder to limit the work in accordance with the tender specifications in order not to exceed the available budget.

**30. SABS Approved**

Product must be SABS approved.

**31. In the case of a Trust, Consortium or Joint venture the following will apply:**

- i) The Trust, Consortium or Joint venture agreement must be submitted as part of the bid documents;
- ii) No amendments to Trust, Consortium or Joint venture agreement may be made without the prior approval of the Municipality; if not accepted by the Municipality and the Trust, Consortium or Joint venture continue without approval the Trust, Consortium or Joint venture contract can be cancelled as if poor performance had taken place;
- iii) The Trust, Consortium or Joint venture will only qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits, together with the submission of the bid, their B-BBEE status level certificate issued in the name of the Trust, Consortium or Joint venture.
- iv) All members of the Trust, Consortium or Joint venture must submit, with the bid documents:
  - a) A valid tax clearance certificate or SARS tax pin, individually;
  - b) an agreement that clearly provides clarity of Profit and liability sharing; and
  - c) a resolution taken by the board of directors of the Consortium or Joint venture and other information that agrees with the Trust, Consortium or Joint venture agreement.
- v) For the evaluation of functionality regarding a Consortium or Joint venture refer to the functionality section.

MBD 1

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE PHOKWANE LOCAL MUNICIPALITY.</b>					
BID NUMBER:	AFS01/2020	CLOSING DATE:	23 JULY 2020	CLOSING TIME:	12H00
DESCRIPTION	<b>FINANCIAL SERVICES – APPOINTMENT OF A SERVICE PROVIDER FOR THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS FOR A PERIOD OF THREE (3) YEARS 2019/20 – 2021/22.</b>				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7.1)</b>					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT					
<b>PHOKWANE LOCAL MUNICIPALITY</b>					
<b>RECEPTION AREA</b>					
<b>24 HERTZOG STREET</b>					
<b>HARTSWATER</b>					
<b>8570</b>					
<b>SUPPLIER INFORMATION</b>					
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:		AND	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> 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					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT	FINANCIAL SERVICES				
CONTACT PERSON	MARINDA VILJOEN		CONTACT PERSON	L. Jasson	
TELEPHONE NUMBER	053 474 9700		TELEPHONE NUMBER	053 474 9700	
E-MAIL ADDRESS	marinda@phokwane.gov.za		E-MAIL ADDRESS	jasson@phokwane.gov.za	

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</b></p> <p>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.</p>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>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.</p> <p>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.</p> <p>2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>
<p>3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p><b>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.</b></p>

**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 3.1**

**PRICING SCHEDULE – FIRM PRICES (PURCHASES)**

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

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

<b>NAME OF BIDDER</b>		<b>BID NUMBER</b>	AFS01/2020
<b>CLOSING TIME</b>	12H00	<b>CLOSING DATE</b>	23 JULY 2020

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

Item no.	Quantity	Description	Bid price in RSA Currency ** (ALL APPLICABLE TAXES INCLUDED)	
			Unit tariff	Total Cost

- Required by: .....
- At: .....
- Brand and Model .....
- Country of Origin .....
- Does the offer comply with the specification(s)?\*YES/NO
- If not to specification, indicate deviation(s) .....
- Period required for delivery .....
- \*Delivery:  
Firm/Not firm
- Delivery basis .....

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

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

\*Delete if not applicable

**MBD 4**

**DECLARATION OF INTEREST**

1.	No bid will be accepted from persons in the service of the state.	
2.	Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favoritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in the service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.	
3.	<b>In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.</b>	
3.1	Full Name of bidder or his / her representative: .....	
3.2	Identity Number: .....	
3.3	Position occupied in the Company (director, trustee, shareholder?): .....	
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 (where applicable) 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: ..... ..... .....	
<p><sup>1</sup> MSCM Regulations: "in the service of the state" means to be –</p> <p>(a) a member of –</p> <p>    (i) any municipal council;</p> <p>    (ii) any provincial legislature; or</p> <p>    (iii) the National Assembly or the National Council of Provinces;</p> <p>(b) a member of the board of directors of any municipal entity;</p> <p>(c) an official or any Municipality or municipal entity;</p> <p>(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);</p> <p>(e) a member of the accounting authority of any national or provincial entity; or</p> <p>(f) an employee of Parliament or a provincial legislature.</p>		

<sup>2</sup> "Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercise control over the company.

<p>3.9</p>   <p>3.9.1</p>	<p>Have you been in the service of the state for the past twelve months?</p> <p>If yes, furnish particulars:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>YES / NO</p>
<p>3.10</p>   <p>3.10.1</p>	<p>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?</p> <p>If yes, furnish particulars:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>YES / NO</p>
<p>3.11</p>   <p>3.11.1</p>	<p>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?</p> <p>If yes, furnish particulars:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>YES / NO</p>
<p>3.12</p>   <p>3.12.1</p>	<p>Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in the service of the state?</p> <p>If yes, furnish particulars:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>YES / NO</p>
<p>3.13</p>   <p>3.13.1</p>	<p>Are any spouse, child or parent of the company's directors, trustees, managers, principle shareholders or stakeholders in the service of the state?</p> <p>If yes, furnish particulars:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>YES / NO</p>
<p>3.14</p>   <p>3.14.1</p>	<p>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?</p> <p>If yes, furnish particulars:</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>YES / NO</p>

4. Full details of directors / trustees / members / shareholders		
Full Name	Identity Number	State Employee Number

.....  
Signature

.....  
Date

.....  
Capacity

.....  
Name of the bidder



## MBD 6.1

### PREFERENCE POINT CLAIM FORM

#### 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.**

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

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
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

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	or	90/10
$Ps = 80 \quad 1 - \frac{Pt - P \text{ min}}{P \text{ min}}$	or	$Ps = 90 \quad 1 - \frac{Pt - P \text{ min}}{P \text{ min}}$

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 (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	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 Contributor: . . . = ..... (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 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 Regulation, 2017:

<b>Designated Group: An EME or QSE which is at least 51% owned by:</b>	<b>EME</b>	<b>QSE</b>
	√	√
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		
<b>OR</b>		
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.

<p>WITNESSES</p> <p>1. ....</p> <p>2. ....</p>	<p style="text-align: center;">..... SIGNATURE(S) OF BIDDER(S)</p> <p>DATE: .....</p> <p>ADDRESS: .....</p> <p>.....</p> <p>.....</p>
--	---

**DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS**

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

**1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

- x is the imported content in Rand
- y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

**The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp) at no cost.**

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation.

**2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

3. Does any portion of the services, works or goods offered have any imported content?

**(Tick applicable box)**

YES		NO	
-----	--	----	--

3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the Accounting Officer / Accounting Authority provide directives in this regard.

**LOCAL CONTENT DECLARATION**  
**(REFER TO ANNEX B OF SATS 1286:2011)**

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO. ....**

**ISSUED BY: PHOKWANE LOCAL MUNICIPALITY**

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (full names), do hereby declare, in my capacity as ..... of ..... (name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011;
- (c) The local content percentages (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C;

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPFFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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 <i>audi alteram partem</i> rule was applied).  <b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.5.1	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

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging). <sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. takes all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

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

**MBD 9**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid: **AFS01/2020 - FINANCIAL SERVICES – APPOINTMENT OF A SERVICE PROVIDER FOR THE PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS FOR A PERIOD OF THREE (3) YEARS 2019/20 – 2021/22.**

(Bid Number and Description)

in response to the invitation for the bid made by:

**PHOKWANE 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<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - a) prices;
  - b) geographical area where product or service will be rendered (market allocation)
  - c) methods, factors or formulas used to calculate prices;
  - d) the intention or decision to submit or not to submit, a bid;

- e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
  9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
  10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

<sup>3</sup> **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.**

.....	.....
Signature	Date
.....	.....
Position	Name of Bidder

## PHOKWANE LOCAL MUNICIPALITY GENERAL CONDITIONS OF CONTRACT

### NOTES

The purpose of this document is to:

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

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

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

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6. Patent rights
7. Performance security
8. Inspections, tests and analysis
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## General Conditions of Contract

### 1. Definitions

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 "Day" means calendar day.
  - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
  - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
  - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
  - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
  - 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
  - 1.14 "GCC" means the General Conditions of Contract.
  - 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
  - 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
  - 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

	<p>1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.</p> <p>1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.</p> <p>1.20 “Project site,” where applicable, means the place indicated in bidding documents.</p> <p>1.21 “Purchaser” means the organization purchasing the goods.</p> <p>1.22 “Republic” means the Republic of South Africa.</p> <p>1.23 “SCC” means the Special Conditions of Contract.</p> <p>1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.</p> <p>1.25 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.</p>
<b>2. Application</b>	<p>2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>
<b>3. General</b>	<p>3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>
<b>4. Standards</b>	<p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>
<b>5. Use of contract documents and information; inspection</b>	<p>5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.</p> <p>5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.</p> <p>5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.</p>
<b>6. Patent rights</b>	<p>6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.</p>
<b>7. Performance security</b>	<p>7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.</p>

	<p>7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.</p> <p>7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:</p> <p>(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or</p> <p>(b) an cashier's or certified cheque.</p> <p>7.4 The performance security will be discharged by the purchaser and returned to the provider not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.</p>
<b>8. Inspections, tests and analyses</b>	<p>8.1 All pre-bidding testing will be for the account of the bidder.</p> <p>8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.</p> <p>8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.</p> <p>8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.</p> <p>8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.</p> <p>8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.</p> <p>8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the provider further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.</p> <p>8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.</p>
<b>9. Packing</b>	<p>9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.</p> <p>9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instruction ordered by the purchaser.</p>
<b>10. Delivery and documents</b>	<p>10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.</p>



	10.2 Documents to be submitted by the supplier are specified in SCC.
<b>11. Insurance</b>	11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.
<b>12. Transportation</b>	12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.
<b>13. Incidental Services</b>	<p>13.1 The provider may be required to provide any or all of the following services, including additional services, if any, specified in SCC:</p> <ol style="list-style-type: none"> <li>a. performance or supervision of on-site assembly and/or commissioning of the supplied goods;</li> <li>b. furnishing of tools required for assembly and/or maintenance of the supplied goods;</li> <li>c. furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;</li> <li>d. performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and</li> <li>e. training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.</li> </ol> <p>13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.</p>
<b>14. Spare parts</b>	<p>14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:</p> <ol style="list-style-type: none"> <li>(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and</li> <li>(b) in the event of termination of production of the spare parts: <ol style="list-style-type: none"> <li>i. Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and</li> <li>ii. following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.</li> </ol> </li> </ol>
<b>15. Warranty</b>	<p>15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.</p> <p>15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.</p> <p>15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.</p> <p>15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.</p> <p>15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.</p>
<b>16. Payment</b>	16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

	<p>16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.</p> <p>16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p>
<b>17. Prices</b>	<p>17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.</p>
<b>18. Contract amendments</b>	<p>18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.</p>
<b>19. Assignment</b>	<p>19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.</p>
<b>20. Subcontracts</b>	<p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.</p>
<b>21. Delays in the supplier's performance</b>	<p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.</p> <p>21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.</p> <p>21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, Provincial department or a local authority.</p> <p>21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.</p> <p>21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.</p> <p>21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.</p>
<b>22. Penalties</b>	<p>22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.</p>
<b>23. Termination for default</b>	<p>23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:</p> <ol style="list-style-type: none"> <li>a. if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;</li> <li>b. if the supplier fails to perform any other obligation(s) under the contract; or</li> </ol>

	<p>c. if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.</p> <p>23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.</p> <p>23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.</p> <p>23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.</p> <p>23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first- mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.</p> <p>23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:</p> <ol style="list-style-type: none"> <li>i. the name and address of the supplier and / or person restricted by the purchaser;</li> <li>ii. the date of commencement of the restriction;</li> <li>iii. the period of restriction; and</li> <li>iv. the reasons for the restriction.</li> </ol> <p>These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.</p> <p>23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.</p>
<p><b>24. Anti-Dumping and countervailing duties and rights</b></p>	<p>24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti- dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.</p>
<p><b>25. Force Majeure</b></p>	<p>25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.</p> <p>25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.</p>

<b>26. Termination for insolvency</b>	26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.
<b>27. Settlement of disputes</b>	<p>27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.</p> <p>27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.</p> <p>27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.</p> <p>27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC</p> <p>27.5 Notwithstanding any reference to mediation and/or court proceedings herein,  a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and  b) the purchaser shall pay the provider any monies due the supplier.</p>
<b>28. Limitation of liability</b>	28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6; a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
<b>29. Governing language</b>	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
<b>30. Applicable law</b>	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
<b>31. Notices</b>	<p>31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.</p> <p>31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.</p>
<b>32. Taxes and duties</b>	<p>32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.</p> <p>32.2 A local provider shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.</p>
<b>33. National Industrial Participation Programme (NIPP)</b>	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
<b>34. Prohibition of restrictive practices</b>	34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

	<p>34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchase may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.</p> <p>34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.</p>
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**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME) .....  
CERTIFY THAT I HAVE READ AND UNDERSTOOD THE GENERAL CONDITIONS OF CONTRACT.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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