

# John Taolo Gaetsewe District Municipality



## INVITATION TO BID

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

**BID NO: 04-2023/24**

**PROVISION OF BANKING SERVICES FOR A PERIOD OF 60 MONTHS**

Closing Date and Time: **Monday, 24 July 2023 at 12H00**

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

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

## CONTENTS

1.	BID CHECKLIST .....	1
2.	SPECIAL CONDITIONS OF BID .....	2
3.	BID DECLARATION .....	3
4.	RESOLUTION TAKEN BY THE BOARD OF DIRECTORS / MEMBERS / PARTNERS .....	4
5.	RESOLUTION TAKEN BY THE BOARD OF DIRECTORS OF A CONSORTIUM OR JOINT VENTURE .....	5
6.	INVITATION TO BID (MBD 1) .....	6
7.	TAX CLEARANCE REQUIREMENTS (MBD 2).....	8
8.	PRICING SCHEDULE – FIRM PRICES (MBD 3.1).....	11
9.	PREVIOUS WORK EXPERIENCE OF A SIMILAR NATURE.....	23
10.	DECLARATION OF INTEREST (MBD 4).....	24
11.	DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED) (MBD 5) .....	26
12.	PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011 (MBD 6.1).....	28
13.	DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES (MBD 8) .....	35
14.	CERTIFICATE OF INDEPENDENT BID DETERMINATION (MBD 9).....	37
15.	ANNEXURE A: GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT (JULY 2010) .....	39

# 1. BID CHECKLIST

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

Tick to indicate that the information is included

Item	Description	Yes	No	n/a
1.	Is your business registered on Central supplier Database (CSD)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Is the bid document administration fee paid and a copy of the receipt attached to the bid document?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Did you read and understand all pages of the bid document?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Did you complete the bid documents in black ink?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Did you provide a certified copy of your company registration and VAT registration certificates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Did you provide a certified copy of your identity document in case of sole proprietorship?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Did you provide registration certificate pertaining to the relevant industry e.g. (Electrical Contractors Board), if applicable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Did you provide a covering letter?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Did you provide an original and valid tax clearance certificate? (applicable to CSD) (MBD2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Did you complete and sign the Bid Declaration Form? (section 3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Where applicable, is the resolution taken the Board of Directors/Members/Partners completed and signed? (section 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Where applicable, is the resolution taken the Board of Directors of a Consortium or Joint Venture completed and signed? (section 5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Is invitation to bid completed and signed? (MBD 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	Is the Declaration of Interest completed and signed? (MBD 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	Is the Declaration of Bidder's Past Supply Management Practices completed and signed? (MBD 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.	Is the Certificate of Independent Bid Determination completed and signed? (MBD 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17.	Did you complete and sign the Previous Work Experience of a Similar Nature section? (section 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18.	Is the Preference Points Claim Form in Terms of the Preferential Procurement Regulation 2022 completed and signed? (MBD 6.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19.	Did you provide the <b>municipal rates account</b> or proof of residence in the name of the tenderer not older than 90 days; or a lease agreement where the tenderer is the lessee; or an official letter from the bank confirming the registered business address of the tenderer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20.	Does the product/service offered conform to the Bid Specifications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21.	Is Pricing Schedule completed? (MBD 3.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22.	Where applicable, is the Declaration for Procurement Above R10 million (all applicable taxes included) completed and signed? (MBD 5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23.	Did you attach the annual financial statements as required in MBD 5? (For Procurements above R10 million)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2. SPECIAL CONDITIONS OF BID

1. The Municipality's document must be kept as supplied and submitted with all schedules / forms fully completed.
2. Any other documents, certificates etc. must be attached as an annexure to the official Municipal document.
3. Where the Municipality's official document is taken apart and not submitted as supplied, the bid might be rejected.
4. Schedules / forms not duly completed and signed by the bidder will result in a bid not being considered.
5. All Forms of Special Conditions in Specifications should be included.
6. The bid document must be completed in black ink, and prices must be VAT inclusive, unless otherwise specified.
7. The lowest or any Bid will not be necessarily being accepted, and the John Taolo Gaetsewe District Municipality reserves the right to accept the whole or any portion of a Bid.
8. All prices and details must be legible to ensure the bid will be considered for adjudication.
9. Corrections may not be made by means of correction fluid such as Tip – Ex, or any other similar product. In the event of a mistake being made, it should be crossed out in ink and be accompanied by a full signature at each and every alteration. The Municipality reserves the right to reject the bid if corrections are not made in accordance with the above.
10. All bid documents must include the following documents:
  - Completion of all MBD Forms and all mandatory documents
  - Proof of Central Supplier Database (CSD) Registration
  - Proof of **municipal rates account** or proof of residence in the name of the tenderer not older than 90 days; or a lease agreement where the tenderer is the lessee; or an official letter from the bank confirming the registered business address of the tenderer. Proof of registration in terms of the Banks Act, 1990 (Act No. 94 of 1990)
11. The bidder may submit a comprehensive company profile, for example the founding company statements, as well as a detailed exposition of previous work done.
12. Bidders are required to be registered on the John Taolo Gaetsewe District Municipality's Supplier Database. Consultants are required to be registered on the Municipality's Consultant Roster System (Application forms are obtainable from the Finance Department of the Municipality).
13. No bid forwarded by e – mail, telegram, telex, facsimile or similar apparatus will be considered.
14. Late bids shall not be admitted for consideration.
15. Bids must be properly received and deposited in the bid box of the John Taolo Gaetsewe District Municipality on or before **12:00 on Monday, 24 July 2023**. Bid offers must be submitted in a sealed envelope properly marked in terms of the bid number and bid description, at the offices of the John Taolo Gaetsewe District Municipality situated at 4 Federale Mynbou Street, Kuruman, PO Box 1480, Kuruman, 8460.
16. Copyright / Patent Rights – Copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the John Taolo Gaetsewe District Municipality.

### 3. BID DECLARATION

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

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

Signature \_\_\_\_\_

## 4. RESOLUTION TAKEN BY THE BOARD OF DIRECTORS / MEMBERS / PARTNERS

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

\_\_\_\_\_ (Name of Bidder)

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

**RESOLVED THAT:**

- The enterprise submits a Bid to the John Taolo Gaetsewe District Municipality in respect of the following project:

**BID NO: 04-2023/24**

**PROVISION OF BANKING SERVICES FOR A PERIOD OF 60 MONTHS**

- Mr/Mrs/Ms \_\_\_\_\_

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

\_\_\_\_\_  
(Specimen Signature)

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

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

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			

Enterprise Stamp

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

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

\_\_\_\_\_ (Name of Bidder)

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

**RESOLVED THAT:**

- The enterprise submits a Bid to the John Taolo Gaetsewe District Municipality in respect of the following project:

**BID NO: 04-2023/24**

**PROVISION OF BANKING SERVICES FOR A PERIOD OF 60 MONTHS**

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

\_\_\_\_\_ (Enterprise full Name and Registration Number)

\_\_\_\_\_ (Enterprise full Name and Registration Number)

- Mr/Mrs/Ms \_\_\_\_\_

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

\_\_\_\_\_ (Specimen Signature)

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

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

\_\_\_\_\_ (Physical Address)

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

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			

Enterprise Stamp

## 6. INVITATION TO BID (MBD 1)

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY

**BID NUMBER:** 04-2023/24  
**CLOSING DATE AND TIME:** Monday, 24 July 2023 at 12H00  
**BID DESCRIPTION:** Provision of Banking Services for a period of 60 months

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

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

DEPOSITED IN THE BID BOX SITUATED AT:  
John Taolo Gaetsewe District Municipality  
4 Federal Mynbou Street  
KURUMAN

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

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

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

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



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

NAME OF BIDDER .....  
 POSTAL ADDRESS .....  
 STREET ADDRESS .....  
 TELEPHONE NUMBER CODE.....NUMBER.....  
 CELLPHONE NUMBER .....  
 FACSIMILE NUMBER CODE.....NUMBER.....  
 E-MAIL ADDRESS .....  
 VAT REGISTRATION NUMBER.....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN ATTACHED? (MBD 2) \*YES / NO  
\* Delete if not applicable  
 HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (MBD 6.1) \*YES / NO  
\* Delete if not applicable

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?  
 An accounting officer as contemplated in the Close Corporation Act (CCA)  
 A verification agency accredited by the South African National Accreditation System (SANAS)  
 A registered auditor  
 (Tick applicable box)

**(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)**

ARE YOU THE ACCREDITED REPRESENTATIVE  
 IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED? \*YES / NO  
\* Delete if not applicable  
(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER .....

DATE .....

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

TOTAL BID PRICE R.....

TOTAL NUMBER OF ITEMS OFFERED .....

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Municipality:** John Taolo Gaetsewe District Municipality  
**Department:** Budget and Treasury Office  
**Contact Person:** Mr Thabo Motlhanke  
**Tel:** (053) 712 8700/84  
**Fax:** (053) 712 2502  
**Email:** [motlhanket@taologatsewe.gov.za](mailto:motlhanket@taologatsewe.gov.za)

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

**Contact Person:** Ms Tihompho Maele  
**Tel:** (053) 712 8700/35  
**Fax:** (053) 712 2502  
**Email:** [maelet@taologatsewe.gov.za](mailto:maelet@taologatsewe.gov.za)

## 7. TAX CLEARANCE REQUIREMENTS (MBD 2)

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

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



TAX CLEARANCE

**TCC 001**

**Application for a Tax Clearance Certificate**

**Purpose**

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

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

--

--

**Particulars of applicant**

Name/Legal name (Initials & Surname or registered name)			
Trading name (if applicable)			
ID/Passport no		Company/Close Corp. registered no	
Income Tax ref no		PAYE ref no	7
VAT registration no	4	SDL ref no	L
Customs code		UIF ref no	U
Telephone no		Fax no	
E-mail address			
Physical address			
Postal address			

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

Surname			
First names			
ID/Passport no		Income Tax ref no	
Telephone no		Fax no	
E-mail address			
Physical address			

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender  year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount

Audit

Are you currently aware of any Audit investigation against you/the company?..... YES NO

If "YES" provide details

Appointment of representative/agent (Power of Attorney)

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

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

Signature of representative/agent

Date

CCYY-MM-DD

Name of representative/agent

Declaration

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

Signature of applicant/Public Officer

Date

CCYY-MM-DD

Name of applicant/Public Officer

Notes:

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

## 8. PRICING SCHEDULE – FIRM PRICES (MBD 3.1)

### (PURCHASES)

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

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

Name of Bidder: .....

BID number: 04-2023/24  
Closing day and time: Monday, 24 July 2023  
Bid description: Provision of Banking Services for a period of 60 months

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

### **PROVISION OF BANKING SERVICES**

SPECIFICATION AND ADDITIONAL CONDITIONS OF BID

#### **1. NATURE OF CONTRACT**

Bids are invited for Provision of Banking Services for John Taolo Gaetsewe District Municipality (JTGDM). Any Institution registered as a Bank in terms of the Banks Act, 1990 (Act No. 94 of 1990) may tender.

#### **2. SCOPE OF WORK**

##### **(a) Cash Management**

- A current (cheque) account will be opened with the Banker. The current account will be the Primary Bank Account.
- Service Fees and escalations. The Banker should be able to identify all service fees on bank statements to enable the Municipality to verify the charges for the different service fees charged. The Banker should indicate the date of the first escalation in the Bid.
- Cash deposit fees that will be charged for any deposits should be stated.
- Fees charged for R/D (Refer to Drawer) cheques. The Banker should supply the Municipality with information of these cheques to enable the Council to claim the money from the Debtor. The response time to this information should be stated.
- Rate of Interest payable on credit balances.
- Banker should be able to handle a large volume of transactions:
- The identifications of electronic transfers/deposits to the account of the Municipality are of utmost importance.
- The Banker should be able to supply the Municipality with information pertaining to debits and credits on this account.
- Deposit Identifiers will be installed on these accounts to prevent payments with incorrect references. Available controls to limit unallocated deposits should be explained.
- Electronic Banking Services to be provided must be stated.
- Cash Management facilities must be explained. Account information must be available electronically for the Municipality and the electronic downloading of bank statements must be possible.
- The Municipality must be able to do electronic stop payments.

- Electronic creditor payments must be available.
- The Information Technology must be compatible to the SAGE 200 Financial System.
- The Banker must provide the necessary training to use the electronic systems. The cost of training should also be quoted.
- The period of historic information available on the system should be indicated.
- The short-term overdraft facilities and lending rate must be stated.
- The Banker should indicate his commitment to provide loans. Particulars on call loans/bridging finance should be stated.
- The Branch of the Banker where the account is opened should assign banking officers/client managers to handle the account, correspondence, arrangements, queries, etc.
- The Banker's commitment to assist the Municipality in identifying irregularities should be indicated.
- The Banker should be committed to a quantifiable escalation. The annual increase will be limited to a maximum of CPIX rate.
- The Banker should provide a solution for the Fleet Management
- The Banker should provide a solution for Home Loan Payments.

**(b) Social upliftment**

Quantifiable and measurable details of the tenderers intended contribution to social upliftment within the Municipal boundary should be stated. Reference should include the following:

- Community Projects
- SMME access to finances
- Financing initiatives to lower income groups
- Enterprise development
- Job Creation
- Community based HIV/Aids Programmes
- Customer care training for employees of the Municipality

**SALIENT FEATURES**

- Indication on whether the company/institution is listed on the Stock Exchange.
- Majority shareholders (shareholding in excess of 5%)
- Categories of shareholding less than 5%, the number and percentage of shares held by each or category of shareholding.
- Details of the organization or group structure.

**TECHNOLOGICAL CAPABILITIES**

Details supporting their capabilities in the following areas:

**Electronic Payments/Collections**

- a) The bidder must have an **EFT function that directly connects to the municipality** (IP to IP Protocol).

### **Electronic Cash Management**

a) *Account Information*

- I. The bidder must install an on-line electronic banking system which is in line with security policy of the municipality e.g. frequent changing of passwords, and provide the necessary training;
- II. The bidder must provide the ability for archiving facility for periods in excess of three months;
- III. An indication must be given as to whether the bidder is able to provide information that can be accessed online the same day, e.g. deposits, cheques, payments, transfers etc.
- IV. The bidder must indicate the ability to provide the sorting facility of the online electronic bank system e.g. description of transaction, date, amount etc.
- V. An electronic tracing facility must be available whereby the cheque process date and amount can be verified in real time and have an online photographic image of all cheques;
- VI. Reports of EFT transactions to be provided electronically on a daily basis;
- VII. Online facility must provide for detailed audit trails;
- VIII. Telephone assistance should be made available during office hours with regard to account enquiries;
- IX. The municipality must be able to stop payments electronically;
- X. Access times in respect of all transactions to accounts held with the bidder as well as transactions to accounts with other commercial banks must be indicated; and
- XI. The security aspects of the online electronic banking system must be indicated.

### **Bank Statements**

- a) Electronic bank statements – the bidder must provide the municipality with daily information in an electronic format of all transactions that interface with the municipality's accounting system for reconciliation purposes;
- b) The successful bidder must provide printed bank statements together with supporting documentation, for all accounts held with the bidder monthly and deliver it at JTG office.
- c) The municipality must be able to download bank statements electronically; and
- d) Detailed bank statements charges must be supplied.

### **Bureau Service**

- a) The bidder must have a bureau service which will enable the municipality to send and receive payment in batch format e.g. the electronic payment of salaries and creditors.
- b) All accounts must interface electronically with the municipality's accounting system.

### **Transitional Arrangements and Training**

- a) An indication should be given as to whether the system will operate from a stand-alone PC with a dial up connection or whether it can be accessed from the internet.
- b) An indication must be given regarding the registering of the operators and limiting their access levels on the system.
- c) Training must be provided to the officials on the electronic banking system.
- d) Immediate assistance regarding problems with the system (ill-call centre) must be provided.

### **General requirements**

- a) A detailed monthly statement of bank charges and penalties are required;
- b) Enquiries must be dealt with within 24 hours;

- c) The bidder must provide proof of financial stability and a positive financial position and performance of their institution;
- d) Bidders must be able to assist the municipality in compliance to the applicable requirements of the MFMA in every respect; and
- e) Bidders should detail their experience in handling similar accounts.

The following information is given to assist the bidder to determine their ability to handle the work volume of the tender:

NO.	DESCRIPTION	QUANTITY/AMOUNT
1.	Total turnover of both income and expenditure is on request.	
2.	Average cheque payments per month	0
3.	Average electronic payments per month	200
4.	Number of cheque accounts	1
5.	VAT Registration number for the municipality	<b>4600 104 600</b>
6.	Operating budget on request	
7.	Capital budget on request	
8.	Number of EFT payments	400
9.	Value of EFT payments	+ R10 million
10.	Value of investments made	Between R1 million to R25 million
11.	Value of investments matured	Between R1 million to R25 million
12.	Number of employees	130
13.	Value of salaries	R2.8 million per month

### **SOCIAL RESPONSIBILITY**

Please submit full details regarding your company's involvement in the upliftment programmes for previously disadvantaged communities and specifically regarding the following:

- Investment in the promotion of SMME's; and
- Charity work;

## **3. PROPOSAL EVALUATION**

The evaluation of this bid will be conducted in the following three (3) phases.

### **3.1 PHASE 1: ADMINISTRATIVE COMPLIANCE**

The following must be included in the bid/tender:

Item	Description
1.	Completion of all MBD Forms and all mandatory documents
2.	Proof of Central Supplier Database (CSD) Registration
3.	Proof of <b>municipal rates account</b> or proof of residence in the name of the tenderer not older than 90 days; or a lease agreement where the tenderer is the lessee; or an official letter from the bank confirming the registered business address of the tenderer.
4.	Proof of registration in terms of the Banks Act, 1990 (Act No. 94 of 1990)
5.	Signed J/V agreement (where applicable)

Failure to submit the above requirement documents will lead to the bid being regarded as non-responsive and disqualified from further evaluation on functionality.



### 3.2 PHASE 2: EVALUATION ON FUNCTIONALITY

Bidder evaluation criteria for functionality	Weight	Scores	Points allocations
<p><b>Project Implementation Plan</b> (attached plan)</p> <ul style="list-style-type: none"> <li>The approach is specifically tailored to address the specific project objectives.</li> <li>The project plan deals with critical issues of the project</li> </ul>	30	<p>Bidders project with reference to proper works program, human resources schedule/allocation are tailored to meet contract expectation.</p> <ul style="list-style-type: none"> <li>Bidder provides a <b>very good</b> and technically sound project management plan that meet project objective</li> <li>Bidder provides a <b>good</b> and technically sound project management plan that meet project objective</li> <li>Bidder provides a <b>satisfactory</b> project plan that is generic and not tailored to address the specific project objectives</li> <li>Bidder provides a <b>poor project implementation plan</b> that is unlikely to satisfy project objectives or requirements</li> </ul>	<p>30</p> <p>20</p> <p>10</p> <p>05</p>
<p><b>Previous experience of the company in dealing with Municipal bank account</b> (Attach signed reference letters on the letterhead of the client)</p>	30	<ul style="list-style-type: none"> <li>The bidder has the necessary similar experience to successfully execute the municipal projects <b>(11 projects+)</b></li> <li>The bidder has the necessary similar experience to successfully execute the municipal projects <b>(6 to 10 projects)</b></li> <li>The bidder has the necessary similar experience to successfully execute the municipal projects <b>(1 to 5 projects+)</b></li> </ul>	<p>30</p> <p>20</p> <p>10</p>
<p><b>Profile of key staff (attach certified qualifications and CV)</b></p>	20	<p>Relationship Manager</p> <ul style="list-style-type: none"> <li>The experience of a key staff member as a relationship manager for similar projects <b>(10+ yrs)</b></li> <li>The experience of a key staff member as a relationship manager for similar projects <b>(6-9 yrs)</b></li> <li>The experience of a key staff member as a relationship manager for similar projects <b>(1-5 yrs)</b></li> </ul>	<p>20</p> <p>10</p> <p>05</p>
<p><b>Financial standing / Financial viability Rating</b> (Attach Bank rating letter)</p>	20	<p><b>Rating</b></p> <ul style="list-style-type: none"> <li>A –C</li> <li>D</li> <li>E</li> <li>F-H</li> </ul>	<p>20</p> <p>15</p> <p>5</p> <p>0</p>
<b>TOTAL</b>	<b>100</b>		

The bidder must obtain a minimum score of 70% of points allocated for quality (functionality) to qualify for further evaluation on Price & Specific goals

### 3.3 PHASE 3: EVALUATION ON PRICE & SPECIFIC GOALS POINTS

Only those qualifying bids will be evaluated in terms of the 80/20 preference points systems, where the 80 will be used for price **ONLY** and the 20 for points awarded for **Specific goals**.

#### Evaluation criteria (price)

	POINTS
PRICE	80
SPECIFIC GOALS: Reside within the JTG District Municipality	10
SPECIFIC GOALS: Locality (RSA only)	10
Total points for Price and Specific goals	100

#### **Statutory and general**

The following conditions will apply:

- Price (s) quoted must be valid for at ninety (90) days from date of your offer.
- Price quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- CSD summary report indicating that all requirements are in order (valid).
- Proof of municipal account.
- This Proposal will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Regulations, 2022 pertaining to the PPPF Act (No 5 of 2000) and Supply Chain Management Policy of John Taolo Gaetsewe District Municipality.
  - MBD 1 Invitation to bid
  - MBD 2 Application for tax clearance certificate (**status verification PIN**)
  - MDB 3.1 Pricing schedules
  - MBD 4 Declaration of interest
  - MBD 6.1 Preference claim in terms of the Preferential Procurement Regulations
  - MBD 6.2 Local Contents
  - MBD 7.2 Contract form
  - MBD 8 Past Supply Chain management practice
  - MBD 9 Certificate of independent bid determination

## Pricing Structure: VAT Inclusive

Description of Product / Service	Price per Unit
<b>1. FACILITIES:</b>	
<b>a. Cheque account service fees</b>	
➤ Fixed fee per debit item	
<b>b. Handling fee</b>	
➤ Cash Deposits	
➤ Bank service debit	
➤ Cash withdrawal: counter	
➤ Debit order	
➤ Marked cheque	
➤ RD fee	
➤ Special Clearance	
➤ Stop payment (conducted at/by any branch)	
➤ Transfer to branches of same bank	
➤ Transfer to branches of other banks	
➤ Bankers Report	
➤ Consolidated payments (per payment)	
➤ Own Accounts	
➤ Other bank's accounts	
➤ Certificate of balance	
➤ Correcting an error on deposits	
<b>c. Bank Statements</b>	
<b>e. Interest Statement Charges</b>	

<b>f. Interest Rates</b>	
➤ On credit balances	
➤ On debit balances	
<b>2. STATIONARY</b>	
<b>a. Deposit Books</b>	
➤ Deposit slip	
➤ Unique pre-numbered deposit slip	
<b>3. OTHER SERVICES</b>	
a. Petrol Card	
<b>4. TELLER FACILITY</b>	
➤ Cheque verification system (minimum fee) per item	
➤ Bank teller terminal rental(terminal)	
<b>5. ELECTRONIC BANKING PRICE STRUCTURE</b>	
<b>Online Facility</b>	
<b>a. Set-up (once-off)</b>	
➤ Installation plus initial training and change of bank account	
<b>b. Base fee</b>	
<b>c. Workstations</b>	
➤ Per local workstation	
<b>d. Operators</b>	
➤ Per operator/system manager	
<b>e. Accounts-Own account on line history</b>	
➤ Per account 60 days history	
➤ Per account 90 days history	

➤ Per account 180 days history	
➤ Modules	
➤ User defined transfers	
➤ Sweeping	
➤ Stop payments	
➤ Set-off inquiry	
➤ Cheque Authorization	
➤ Statement Download	
➤ Download per line	
<b>f. Transactions</b>	
➤ Per transactions	
<b>g. Cheque Release</b>	
➤ Per cheque authorization	
➤ Per deletion of cheque authorization	
<b>h. Help Desk Enquiries</b>	
➤ Transactions tracing (client support)	
➤ Password reset/re-issue	
<b>i. Maintenance and Support</b>	
➤ Fee per hour or part thereof	
<b>j. Training</b>	
➤ Onsite support	
<b>6. ACB Service</b>	
➤ Offers this service in conjunction with BANKSERV	
➤ BANKSERV determines these prices	
<b>a. SSV + 1 Day Credits</b>	
<b>b. 2-5 Day Service</b>	
➤ Credits	
➤ Debits	

<b>c. Minimum monthly charge per ACB user code</b>	
➤ Direct ACB Users	
➤ Clients using Bureau Service or Salary Service	
<b>d. Possible Additional Fees</b>	
➤ Exceeding of aggregate value limits	
➤ Technical errors	
<b>e. Maintenance and support</b>	
➤ Onsite support	
<b>7. BUREAU SERVICE</b>	
<b>a. Installation Fees</b>	
➤ Main workstation	
➤ Additional workstation – on site	
➤ Additional workstation – off site	
<b>b. Fees per Submission</b>	
➤ Electronic upload	
➤ Disk unpaid	
➤ Internet upload	
<b>c. Fee per transaction</b>	
➤ Bank service fees are excluded from these fees	
<b>d. Minimum Monthly Fee</b>	
<b>e. Additional fees i.t.o. processing</b>	
➤ Exceeding aggregate value limits and technical error	
➤ Late submission of data after agreed cut-off time	
➤ late submission data more than one day late	
<b>f. Recall fee</b>	
➤ One day before action date	
➤ Per late recall after 13:00 one day before action date	
<b>g. Maintenance and support</b>	

➤ On-site support	
<b>8. RECONCILIATION SERVICE</b>	
<b>a. Monthly fees</b>	
➤ Fixed monthly fee	
➤ Number of free statement records	
<b>b. Possible Additional Fees</b>	
➤ Per statement record if number of free statements are exceeded	
➤ Per paper report	
<b>9. DEPOSIT IDENTIFIER</b>	
➤ Free Format (per deposit)	
➤ CDV and other algorithms (per deposit)	
<b>10. LINK DIRECT</b>	
➤ Assumption: transactions per month	
<b>a. Installation fee</b>	
<b>b. Internal Transactions</b>	
➤ Credits	
➤ Debits	
➤ Early debits	
➤ SSV Credit	
➤ SSV Debit	
<b>d. Cheque Release</b>	
➤ Per release	
➤ Per deletion	
<b>e. Unpaid</b>	
➤ Unpaid	

➤ Unpaid early debits	
<b>f. Recalls</b>	
➤ Cut-off time for transaction	
➤ Per late transmission recall	
<b>g. Maintenance and support</b>	
➤ Onsite support	
<b>h. Training</b>	
➤ Fee per hour or part thereof	

**ANNEXURE A**

QUANTITY	DESCRIPTION	AMOUNT
	Other (State nature: )	
	Nett price (Excluding VAT)	
	VAT	
	<b>Total bid price (Including VAT) (Carry forward to front cover of this bid document)</b>	

Does offer comply with the specifications?

\*YES / NO  
\* Delete if not applicable

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

.....

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

Delivery basis: .....

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



## 9. PREVIOUS WORK EXPERIENCE OF A SIMILAR NATURE

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

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

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

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

## 10. DECLARATION OF INTEREST (MBD 4)

1. **No bid will be accepted from persons in the service of the state\*.**
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid:
  - 3.1 Full Name: .....
  - 3.2 Identity Number: .....
  - 3.3 Company Registration Number: .....
  - 3.4 Tax Reference Number: .....
  - 3.5 VAT Registration Number: .....
  - 3.6 Are you presently in the service of the state \*YES / NO  
\* Delete if not applicable
  - 3.6.1 If so, furnish particulars.  
 .....  
 .....
  - 3.7 Have you been in the service of the state for the past twelve months \*YES / NO  
\* Delete if not applicable
  - 3.7.1 If so, furnish particulars.  
 .....  
 .....
  - 3.8 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? \*YES / NO  
\* Delete if not applicable
  - 3.8.1 If so, furnish particulars.  
 .....  
 .....
  - 3.9 Are you aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid \*YES / NO  
\* Delete if not applicable
  - 3.9.1 If so, furnish particulars  
 .....  
 .....

---

\* MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

3.10 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state? \*YES / NO

\* Delete if not applicable

3.10.1 If so, furnish particulars.

.....  
.....

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

\* Delete if not applicable

3.11.1 If so, furnish particulars.

.....  
.....

**CERTIFICATION**

**I, THE UNDERSIGNED (NAME)** .....

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.**

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

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

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

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

1. Are you by law required to prepare annual financial statements for auditing? \*YES / NO  
\* Delete if not applicable

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

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days? \*YES / NO  
\* Delete if not applicable

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

2.2 If yes, provide particulars.  
.....  
.....  
.....  
.....

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

3.1.1 If yes, furnish particulars  
.....  
.....  
.....  
.....

4 Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? \*YES / NO  
\* Delete if not applicable

4.1 If yes, furnish particulars  
.....  
.....  
.....  
.....

**CERTIFICATION**

I, THE UNDERSIGNED (NAME) .....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

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

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

## **PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022**

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

### **1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS: Reside within the JTG District Municipality	10
SPECIFIC GOALS: Locality (RSA only)	10
Total points for Price and Specific goals	100

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

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

### **2. DEFINITIONS**

- (a) "tender" means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) "price" means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) "rand value" means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) "tender for income-generating contracts" means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets

- through public auctions; and  
 (e) "the Act" means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

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

#### 3.1. POINTS AWARDED FOR PRICE

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

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

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

80/20 or 90/10

Where

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

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

##### 3.2.1. POINTS AWARDED FOR PRICE

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

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

80/20 or 90/10

Where

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

### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

**Note to tenderers:** The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
<b>SPECIFIC GOALS:</b> Residing in JTG District Municipality	10	
<b>SPECIFIC GOALS :</b> Locality (RSA only)	10	

**DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

[Tick applicable box]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

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

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

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

**DATE:** .....

**ADDRESS:** .....

.....

.....

.....

.....



## MBD 6.2

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

This Municipal Bidding Document (MBD) may 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) on the date of advertisement of the bid as indicated in paragraph 3.1 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;

**MBD 6.2**

**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 goods or services offered have any imported content?**

*(Tick applicable box)*

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

**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 SARB for the specific currency on the date of advertisement of the bid.

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

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

<b>Currency</b>	<b>Rates of exchange</b>
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 AO/AA provide directives in this regard.

**MBD 6.2**

**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:** (Procurement Authority / Name of Institution):  
 .....

**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; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 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 3.1 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 (PPPFA), 2000 (Act No. 5 of 2000).

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

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

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

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

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

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

1. This serves as a declaration in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
2. The bid of any bidder may be rejected if that bidder or any of its directors have:
  - a. abused the municipality's supply chain management system or committed any improper conduct in relation to such system;
  - b. been convicted for fraud or corruption during the past five years;
  - c. wilfully neglected, reneged on or failed to comply with any government, municipal or other public-sector contract during the past five years; or
  - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
3.1	<p>Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?</p> <p>(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).</p> <p><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></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.1.1	If so, furnish particulars:		
3.2	<p>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)?</p> <p><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></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.2.1	If so, furnish particulars:		
3.3	<p>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?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.3.1	If so, furnish particulars:		
3.4	<p>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?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.4.1	If so, furnish particulars:		
3.5	<p>Was any contract between the bidder and the municipality or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.5.1	If so, furnish particulars:		

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME)**

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

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

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

## c) CERTIFICATE OF INDEPENDENT BID DETERMINATION (MBD 9)

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

---

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

**CERTIFICATE OF BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

**BID NO: 04-2023/24**

**PROVISION OF PHOCOPYING MACHINES FOR A PERIOD OF 36 MONTHS**

in response to the invitation for the bid made by:

**John Taolo Gaetsewe District Municipality**

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

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

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium\* will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No. 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No. 12 of 2004 or any other applicable legislation.

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

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



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

**THE NATIONAL TREASURY  
Republic of South Africa**

---

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

**TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

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

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

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

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

1.14 "GCC" means the General Conditions of Contract.

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

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty

Annexure A: Government Procurement: General Conditions of Contract (July 2010)  
at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

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

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

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

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

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

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

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

1.26 "Tort" means in breach of contract.

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

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

## **2. Application**

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

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

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

## **3. General**

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

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

## **4. Standards**

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

## **5. Use of contract documents and information inspection**

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

## **6. Patent Rights**

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

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

## **7. Performance security**

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

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

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

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

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

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

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

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

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,

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

the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

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

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

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

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

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

## **9. Packing**

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

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental Services**

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

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

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

#### **14. Spare parts**

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

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

#### **15. Warranty**

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

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

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

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

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

#### **16. Payment**

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

## **17. Prices**

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

## **18. Variation orders**

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

## **19. Assignment**

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

## **20. Subcontracts**

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

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

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

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

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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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

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

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

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

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

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



## **24. Antidumping and countervailing duties and rights**

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

## **25. Force Majeure**

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

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

## **26. Termination for insolvency**

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

## **27. Settlement of Disputes**

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

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

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

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

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

## **28. Limitation of Liability**

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

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

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

## **29. Governing language**

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

## **30. Applicable law**

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

## **31. Notices**

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

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

## **32. Taxes and duties**

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

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

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

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

## **33. Transfer of contracts**

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

## **34. Amendment of contracts**

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

## **35. Prohibition of restrictive practices**

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

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

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

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

**12.**