

GREATER LETABA MUNICIPALITY

CONTRACT NUMBER: GLM012/2021

TENDER DOCUMENT

**APPOINTMENT OF A SERVICE PROVIDER TO PLAN AND
IMPLEMENT ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT
(EEDSM) FOR A PERIOD OF 03 YEARS**

NAME OF TENDERER	:	
TENDERED AMOUNT	:	
ADDRESS OF TENDERER	:	
TEL NUMBER	:	
CIDB CRS NUMBER	:	

PREPARED FOR:	
MUNICIPAL MANAGER	
GREATER LETABA MUNICIPALITY	
P O BOX 36	
MODJADJISKLOOF	
0835	
PROJECT No:	GLM012/2021
DATE:	

CLOSING DATE: 21 SEPTEMBER 2020



**GREATER LETABA
MUNICIPALITY**

NAME OF PROJECT: Appointment of a Service provider to plan and implement Energy Efficiency Demand Side Management (EEDSM) within Greater Letaba Local Municipality for a period of 36 months (3 Years)

BID NUMBER: GLM012/2021

CLOSING DATE: 21 SEPTEMBER 2020

ISSUED BY:

The MUNICIPAL MANAGER
Greater Letaba Municipality
P.O.Box 36
MODJADJISKLOOF
0835

BIDDER'S INFORMATION

NAME OF COMPANY.....
CONTACT PERSON.....
COMPANY ADDRESS.....
CELL/TEL NO.....
FAX NO.....
EMAIL ADDRESS.....

4 6 5

ADVERT

BID NOTICE AND INVITATION TO BID



GREATER LETABA MUNICIPALITY

Experienced as well as emerging bidders are hereby invited to bid for the following:

Bid number	Project name	CIDB Grading	Date Compulsory Briefing Session	Point scoring system	Closing date	Non-refundable amount (VAT inclusive)	Contact persons for technical queries
GLM012/2021	Appointment of a Service provider to plan and implement Energy Efficiency Demand Side Management (EEDSM) within Greater Letaba Local Municipality for a period of 36 months (3 Years)	4EP	N/A	80/20 & Functionality	21 September 2020	615.51	Mr Chavalala T 015 309 9246
GLM013/2021	Appointment of a Service provider to Supply and Deliver 60 Laptops at Greater Letaba Municipality	N/A	N/A	80/20 & Functionality	10 September 2020	492.20	Ms Smith E 015 309 9246

Bid documents will be obtainable as from the 27 August 2020 at no. 44 Botha Street, Greater Letaba Municipality in Modjadjiskloof, and the municipal website upon payment of non-refundable amount for a bid in question. Only cash payable to Greater Letaba Municipality will be accepted. All the bids will be evaluated based on the functionality.

All bids will remain valid for a period of 90 days after the time and date of opening. Late submissions, telegraphic, telefax or email transmission bids will not be accepted. Greater Letaba Municipality does not bind itself to accept the lowest or any bid and reserves the right to accept the bid as a whole or in part.

All bids and supporting documents must be sealed in a cover clearly marked "the relevant bid number" and "project name" and must be deposited in the bid box, at Greater Letaba Municipality foyer on / before 12H00 midday on the closing date when they will be opened in public.

All Supply Chain Management related queries will be directed to Ms Kgalla MP at 087 086 7471 or Ms Mtebule TY at 087 086 7491 at Greater Letaba Municipality.

Innocent Sirovha (Dr)
Municipal Manager

SPECIFICATION

TERMS OF REFERENCE (TOR)

PROSPECTIVE BIDDERS ARE HEREBY INVITED TO SUBMIT PROPOSALS FOR THE APPOINTMENT OF SERVICE PROVIDER TO PLAN AND IMPLEMENT ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT (EEDSM) WITHIN GREATER LETABA LOCAL MUNICIPALITY FOR A THREE YEARS PERIOD

• **GENERAL INFORMATION:**

Purpose

The Municipality is soliciting proposals from service providers (Consultants/Contractors)

Submission of proposals

A Single Envelope System will be used. Bidders must submit technical and financial proposals in one envelope marked clearly **THE MUNICIPAL MANAGER, GREATER LETABA LOCAL MUNICIPALITY, TENDER NO. GLM012/2021, "APPOINTMENT OF SERVICE PROVIDER TO PLAN AND IMPLEMENT ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT (EEDSM) WITHIN GREATER LETABA LOCAL MUNICIPALITY"**.

The sealed tenders must be deposited in the Tender Box of the Municipality on or before the closing date of **21st September 2020** where after they will be opened in public. Late proposals will not be accepted\considered as well as those submitted via facsimile or email.

Tender Document must be accompanied by:

- completed tender documents
- proof of registration with central supplier database
- technical proposal
- financial proposal
- a company profiles,
- curriculum vitae of proposed members of the team,
- proof of registration with relevant authorities, and
- a valid tax clearance certificate and tax compliance status pin letter
- Municipal Rates or Lease Agreement for both Directors/ Shareholders appearing on the CK registration certificate and that of the Company
- B-BBEE status level Verification Certificates

Proposals must be signed by an authorized agent to bind the service provider to its provisions.

Type of contract

The contract will be a multi-year project. The rate-based pricing of this bid is only based on the EEDSM undertakings for the 2020/2021 financial year but bidders must provide in their financial proposals project costs for the 2020/2021 , 2021/2022 and 2022/2023 financial years and indicate what work and technology will be implemented for 2020/2021 , 2021/2022 and 2022/2023 financial year subject to the availability of the funding.

- **PROJECT BACKGROUND:**

The overall objective of the proposed project is to track and monitor progress against the national target for energy in the public sector through the implementation of energy saving interventions and the establishment of a comprehensive monitoring system.

Energy efficiency is widely recognized as the most fundamental short-run imperative for rapid, ambitious and cost-effective, least-polluting and readily available energy source. More than half of the electricity-sector related carbon emissions reduction target and the coming twenty year could be achieved through energy efficiency.

Efficiency can enhance the competitiveness of economies while helping to alleviate energy poverty as energy becomes more available. Energy productivity gains will lower the cost for the economy as a whole, enhance the supply security and reduces the need to develop new sources of energy supply to serve those without access to modern energy services for health and education enhancement. Accelerated energy efficiency can also create attractive green jobs and businesses.

As a commitment to this process, government published in 2005 the National Energy Efficiency Strategy that set a target of 12% Energy Demand Reduction to be achieved by 2015. In addition, the Department of Energy's approved 2012 Plan for the next three years, which requires national energy savings from implemented Energy Efficiency and Demand Side Management (EEDSM) measures across all sector including the public sector. The Municipal Energy Efficiency Project, making part of the EEDSM program, is to assist the Department of Energy in implementing energy efficiency projects in municipalities that will contribute towards the achievement of these targets, and also to provide an energy efficiency base line for the next financial year.

In the light of the above, the South African Government through the Department of Energy has embarked on a process of developing and implementing the National energy efficiency strategy, Energy Efficiency Tax Incentive Scheme, Energy Management Systems and Standards, and Energy Efficiency Monitoring System. This overall target is based on sectorial targets from the residential section (10%), industrial and mining sector (15%), commercial and public buildings (15%), power generation (15%), and transport (9%). Although a variety of energy efficiency measures have been introduced since 2005, monitoring and quantification of energy savings has been a challenge.

In addition, various sector energy efficiency improvement programs have been implemented, namely the Municipal Energy Efficiency Program, the Public Building Energy Efficiency Program, Industrial Energy Efficiency Program, and the other initiatives led by the private sector.

- **DESCRIPTION OF SCOPE OF WORKS**

Proposals for the provision of Energy Management services are requested for planning, preliminary design, detailed design, drafting installation specification, installation, monitoring, reporting, supervision, monitoring and successful completion of the Energy Efficiency and Demand Side Management project. Proposals are requested for the appointment of the rendering of full professional services for the electricity department within the boundaries of Emfuleni Local Municipality.

The bidder shall serve as the Service Provider as well as an occupational health and safety officer for the project.

- **OBJECTIVE**

The purpose of this document is to invite tenders from suitably qualified and experienced Energy Management Companies to provide turn-key solution for the design and implementation of Energy Efficiency Demand Side Management (EEDSM) program on behalf of the municipality.

• LOCATION OF WORKS

The project is located within the jurisdiction of Greater Letaba Local Municipality for the following municipal infrastructure:

- Street Lighting/Public lighting
- Municipal buildings/facilities

The exact location of the project and selected infrastructure will be specified subject to discussion between the municipality and the successful bidder upon appointment.

• LEVEL OF SERVICES

The duties to be performed by the Service Provider are to do planning, investigate, design & assessment, provide normal service and/or additional services necessary for the execution and implementation of the EEDSM project. This project also includes liaison with relevant council officials and other stakeholders.

The services will be as defined in the Engineering Council of South Africa (ECSA), Guideline Scope of Services and Tariff of Fees for Persons Registered in terms of the Engineering Profession Act, 2000, (Act No. 46 of 2000).

The engineering service are described in the afore-mentioned guideline document, comprises mainly of the following stages:

Stage 1 – Inception which includes:

- o Establishing the project requirements, preferences and options.
- o Preparing project brief, including project objectives, priorities & constraints integrating assumptions and outlining strategies.

Stage 2 – Concept and viability which includes:

- o Establishing the project brief in line with the municipality/DoE requirements, objectives and priorities.
- o Preparing preliminary design to outline the project scope, scale and function in accordance with the project brief

Stage 3 – Design development which includes:

- o Incorporate the municipality/DoE's requirements into the finalized design, outline design specifications, cost plan, financial viability and program for the project
- o Submit all documentations for approval.

Stage 4 – Documentation and procurement which includes:

- o Prepare procurement and construction documentation including working drawings where necessary.
- o Administration of procurement procedure for effective and timeous procurement of goods/materials and services

Stage 5 – Contract administration and inspection which includes:

- o Manage, administer and monitor the construction contract and processes that includes acting as OHS agent for the municipality
- o Coordination of procedure and documentation to facilitate practical completion of the works

Stage 6 – Project Closure which includes:

- o Completing all project closure processes including preparation of all necessary documentation to facilitate effective completion, hand-over and operation of the project

In addition to the above bullet points, the appointed Service Provider will be responsible for the selection and implementation of the energy efficiency technologies.

- **Minimum Requirements**

Bidders must supply Greater Letaba Local Municipality with the below-mentioned minimum requirements; failing to provide these requirements shall constitute automatic disqualification.

- A comprehensive technical proposal (Project implementation plan with clear activities, milestones, timelines, deliverables, detailed description of the services, technologies and systems being offered including installation guarantees, warranties, efficiency of the technologies, detailed project costs).
- A certification of company registration (CK Registration form);
- A valid and verifiable SARS Tax Clearance Certificate or tax compliance status pin letter.
- Certified ID copies of all directors per C.K
- Individual firms, joint venture or consortium firms experience detail.
- Joint venture, consortium agreements (if applicable).
- An original BBBEE Rating Certificate or certified copy;
- Curriculum Vitae of the lead employee(s);
- A comprehensive financial proposal (clear & unambiguous; with VAT implications);
- Workman's Compensation Registration Certificate/Letter of Good standing;
- Proof of registration with the Department of Labour (DoL) as an Electrical Contractor
- Proof of registration with CIDB (Construction Industry Development Board) with a grading of at least 4EP
- Proof of Registration with SANEDI (South African National Energy Development Institute) as an Energy Services Company (ESCO)
- Recent proof of payment for municipal rates and taxes or municipal services charges owed by that bidder or any of its directors to the Municipality which are not in arrears for more than three months in line with regulation no. 38 of Municipal Supply Chain Management Regulations / recent and original proof of residence from Traditional Authority or Induna in case where business is located in a non-ratable area / valid lease agreement signed between the Lessor and Lessee (bidder).
- The bid document must be properly completed in black ink and every page initialed.
- At least three testimonials from past clients with contactable References; and
- Proof of registration with the Central Supplier Database (CSD).
- Attach proof of purchase of tender document (receipt or proof of payment)

Conditions for Evaluation of Bid Proposals

Greater Letaba Local Municipality shall evaluate submitted proposals based on the strength of the service provider's technical abilities and the responsiveness of the proposals to assist the municipality in successfully implementing Energy Efficiency Demand Side Management within Greater Letaba Local Municipality.

Overall Quality of proposal: proposals must meet the scope and needs of the municipality and be presented clearly

Previous Experience: Bidders will be evaluated on examples of the work previously done through appointment letters, completion certificates and reference letters

Technical expertise: Bidders must provide the expertise and experience of staff to be assigned to the project

Value and cost: Bidders will be evaluated on the cost structure of their solutions based on the work to be performed in accordance with the scope of this project.

The proposals shall be taken through the preliminary evaluation process to determine their responsiveness and whether they are accepted or disqualified. Greater Letaba Local Municipality shall disqualify proposals that does not meet the minimum requirements set and will not be evaluated for technicality and for further purposes.

Total score = 100 points. Any proposal that scores less than **70 points** shall be disqualified and shall not be evaluated further.

An 80/20 preference points scoring system (B-BBEE points) shall apply.

- **Evaluation criteria**

All proposals/ bids that will qualify (accepted) during the preliminary evaluation stage shall be evaluated for functionality. The functionality evaluation criterion shall be as follows:

- **Functionality (Total points 100)**

- **Experience of Key Staff on similar works. Attach CVs (20 points)**

- **Engineer** (10 points)

Minimum Qualifications: Bsc/ Btech Electrical Engineering
Professional registration: ECSA registration as Professional Engineer
Minimum Experience in similar work: 5 years

- **Project Manager** (5 points)

Minimum Qualifications: Project Management Certificate/ Diploma
Professional registration: Project Management South Africa
Minimum Experience in similar work: 5 years

- **Electrician** (5 points)

Minimum Qualifications: N3 Electrical plus Trade Test
Professional registration: Wiremans Licence
Minimum Experience in similar work: 3 years

- **Tenderer's experience on number of completed similar works. Attach Appointment Letter, Completion certificate and Reference Letters (Maximum = 30 points)**

- ≥ 3 projects = 30
- 2 projects = 20
- 1 projects = 10
- 0 number of projects = 0

- **Overall Quality of the Technical Proposal (Maximum = 35 points)**

- Very good = 35
- Good = 25
- Average = 15
- Fair = 10
- Poor = 5
- Did not Submit = 0

- **Monitoring and Maintenance Plan = 15**

- Very good = 20
- Good = 15
- Average = 10
- Fair = 5
- Poor = 2.5
- Did not Submit = 0

N.B: Bidders must score at least minimum of **70 points** on functionality or **70%** in order to be evaluated further.

FUNCTIONALITY	DESCRIPTION	POINTS
1. Overall Quality of the Technical proposal	<p>Clear presentation of the proposals that meet the scope and needs of the municipality</p> <p>(Project methodology and implementation plan with clear activities, milestones, timelines, deliverables, detailed description of the services, technologies and systems being offered including installation guarantees, efficiency of the technologies, detailed project costs, etc...).</p>	35
2. Company Experience	<p>Portfolio of evidence supporting previous involvement in providing similar services. (Attach 3 x Appointment Letters, Completion certificates and Reference Letters for each Project Reference)</p> <ul style="list-style-type: none"> - ≥ 3 projects=30 - 2 projects=20 - 1 projects=10 - 0 number of projects=0 	30
3. Technical expertise	<p>Attach CV's and Qualifications of key personnel to be involved in the project.</p> <ul style="list-style-type: none"> ▪ Engineer (10 points) Minimum Qualifications: Bsc/Btech Electrical Engineering Professional registration: ECSA registration as Professional Engineer Minimum Experience in similar work: 5 years ▪ Project Manager (5 points) Minimum Qualifications: Project Management Certificate/Diploma Professional registration: Project Management South Africa Minimum Experience in similar work: 5 years ▪ Electrician (5 points) Minimum Qualifications: N3 Electrical plus Trade Test Professional registration: Wiremans Licence Minimum Experience in similar work: 3 years 	20
4. Monitoring and Maintenance Plan	Provide a clear detailed 3-year maintenance plan for all the proposed Energy Efficiency Demand Side Management measures	15
Total Points		100
Minimum Threshold		70

SECTION 1 (CONSULTING FEES): UNIT PRICES OF ITEMS OFFERED

Consulting fee should not exceed 17% of the Total Budget maximum

Item	Description (Conventional Type)(Existing)(To be changed)	Unit	Rate (%)	Unit Price (Excl. Vat) Price	Max Delivery Period (Weeks)
1	Conducting energy audit and measurement	1		R	4 Weeks
2	Compilation of energy consumption baseline	1		R	4 Weeks
3	Compilation of EEDSM business plan	1		R	4 Weeks
4	Skill transfer and training	1		R	4 Weeks
5	EEDSM awareness campaigning	1		R	4 Weeks
SUB-TOTAL 1 (Excl VAT & Escalation). Carried over to Summary Table					

SECTION 2 (MATERIAL): UNIT PRICES OF ITEMS OFFERED

Item	Description (Conventional Type)(Existing)(To be changed)	Offered Equivalent LED in Watt	Unit Price (Excl. Vat)	Estimated Quantity	Total Price	Max Delivery Period (Weeks)
1	Supply Luminaire, Street light, 70W High Pressure Sodium, Semi-cut-off, Group B, Side/Bottom Entry for use with 70W lamp with internal ignitor.		R	1		4 Weeks
2	Supply Luminaire, Street light, 125W Mercury Vapor, Side/Bottom Entry Group B, for use with 125WW lamp with internal ignitor.		R	1		4 Weeks
3	Supply Luminaire, Street light, 100W High Pressure Sodium, Semi-cut-off, Group B, Side/Bottom Entry for use with elliptical lamp.		R	1		4 Weeks
4	Supply Luminaire, Street light, 150W High Pressure Sodium, Semi-cut-off, Group A, Side/Bottom Entry for use with tubular lamp.		R	1		4 Weeks
5	Supply Luminaire, Street light, 250W High Pressure Sodium, Semi-cut-off, Group A, Side/ Bottom Entry for use with tubular lamp.		R	1		4 Weeks
6	Supply Luminaire, Street light, 400W High Pressure Sodium, Semi-cut-off, Group A, Side/Bottom Entry for use with tubular lamp.		R	1		4 Weeks

Item	Description (Conventional Type)(Existing)(To be changed)	Offered Equivalent LED in Watt	Unit Price (Excl. Vat)	Estimated Quantity	Total Price	Max Delivery Period (Weeks)
1	Supply Luminaire, Flood light, 150W High Pressure Sodium for use with tubular lamp, Stirrup mounted.			1		4 Weeks
2	Supply Luminaire, Flood light, 250W High Pressure Sodium for use with tubular lamp, Stirrup mounted.			1		4 Weeks
3	Supply Luminaire, Flood light, 400W High Pressure Sodium for use with tubular lamp, Stirrup mounted.			1		4 Weeks
4	Supply Luminaire, Flood light, 1000W High Pressure Sodium for use with tubular lamp, Stirrup mounted.			1		4 Weeks
5	Supply 20W 2FT Fluorescent single Tubular lamp			1		4 Weeks
6	Supply 36W 4FT Fluorescent single Tubular lamp			1		4 Weeks
7	Supply 58W 5FT Fluorescent single Tubular lamp			1		4 Weeks
8	60W Incandescent A60 Light bulb			1		4 Weeks
SUB-TOTAL 2 (Excl VAT & Escalation). Carried over to Summary Table				R		

SECTION 3 (INSTALLATION): UNIT PRICES OF ITEMS OFFERED

NOTE: THE RATE FOR INSTALLATION SHALL INCLUDE THE REMOVAL OF THE EXISTING LUMINAIRES.

Item	Description	Offered Equivalent LED in Watt	Unit Price (Excl. Vat)	Estimated Quantity	Total Price
1	Install Luminaire, Street light, 70W High Pressure Sodium, Semi-cut-off, Group B, Side/Bottom Entry for use with 70W lamp with internal ignitor.			1	
2	Install Luminaire, Street light, 125W Mercury Vapor, Group B, Side/Bottom Entry for use with 125W lamp with internal ignitor.			1	
3	Install Luminaire, Street light, 100W High Pressure Sodium, Semi-cut-off, Group B, Side/Bottom Entry for use with elliptical lamp.			1	
4	Install Luminaire, Street light, 150W High Pressure Sodium, Semi-cut-off, Group A, Side/Bottom Entry for use with tubular lamp.			1	
5	Install Luminaire, Street light, 250W High Pressure Sodium, Semi-cut-off, Group A, Side/Bottom Entry for use with tubular lamp.			1	
6	Install Luminaire, Street light, 400W High Pressure Sodium, Semi-cut-off, Group A, Side/Bottom Entry for use with tubular lamp.			1	
7	Install Luminaire, Flood light, 150W High Pressure Sodium for use with tubular lamp, Stirrup mounted.			1	
8	Install Luminaire, Flood light, 250W High Pressure Sodium for use with tubular lamp, Stirrup mounted.			1	
9	Install Luminaire, Flood light, 400W High Pressure Sodium for use with tubular lamp,			1	

	Stirrup mounted.				
10	Install Luminaire, Flood light, 1000W High Pressure Sodium for use with tubular lamp, Stirrup mounted.			1	
11	Install 20W 2FT Fluorescent single Tubular lamp			1	
12	Install 36W 4FT Fluorescent single Tubular lamp			1	
13	Install 58W 5FT Fluorescent single Tubular lamp			1	
14	Install 60W Incandescent A60 Light bulb			1	
SUB- TOTAL 3 (Excl VAT & Escalation). Carried over to Summary Table					R

SECTION 4 (PLANT HIRE AND HUMAN RESOURCES): UNIT PRICES OF ITEMS OFFERED

ITEM	DESCRIPTION	UNIT	ESTIMATED QUANTITY	Unit Price (Excl. Vat)	TOTAL
BILL 3					
SPECIALIZED PLANT, EQUIPMENT AND HUMAN RESOURCES					
1.	Crane Truck min 5 ton (Including transport)	Per/h	1	R	R
2.	Hydraulic Platform Truck min 12 m (Including transport)	Per/h	1	R	R
3.	Hydraulic winch (Single/double cylinder)	Per/h	1		
4.	Water pump	Per/h	1		
5.	Delivering of HID Luminaries from site to stores	Per/km	1	R	R
6.	Providing and delivering a lamp crushing device suitable for HID lamps and fluorescent tubes to fit onto a 210 litre drum container	Each	1	R	R
7.	Collection of and disposal of filled and sealed 210 litre container at approved waste disposal site and submitting an approved disposal manifesto	Each	1	R	R
8.	Trimming of branches interfering with street light network	Per Tree	1	R	R
9.	Numbering of poles (if required)	Each	1	R	R
10.	Supply and Install KWh meter to measure power consumption per circuit before and after retrofit, Data documents to be issued to the Project Manager for filling.	Per/Circuit	1	R	R
11.	Mobile Crane (Suitable for High mast rigging)	Per/hour	1	R	R
SUB- TOTAL 3 (Excl VAT & Escalation). Carried over to Summary Table					R

SUMMARY TABLE

SUB-TOTAL	TOTAL
Sub -Total 1 - (BROUGHT FORWARD FROM SECTION 1)	R
Sub -Total 2 - (BROUGHT FORWARD FROM SECTION 2)	R
Sub -Total 3 - (BROUGHT FORWARD FROM SECTION 3)	R
Sub -Total 4 - (BROUGHT FORWARD FROM SECTION 4)	R
SUB-TOTAL	R
VAT (15 %)	R
TOTAL	R

MBD FORMS

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)			
BID NUMBER:		CLOSING DATE:	
DESCRIPTION		CLOSING TIME:	
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).			

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

SUPPLIER INFORMATION			
NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE	NUMBER	
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE	NUMBER	
E-MAIL ADDRESS			
VAT REGISTRATION NUMBER			
TAX COMPLIANCE STATUS	TCS PIN:	OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	SCM UNIT	CONTACT PERSON	CHAVALALA T
CONTACT PERSON	KGATLA MP	TELEPHONE NUMBER	087 086 7585
TELEPHONE NUMBER	015 309 9246	FACSIMILE NUMBER	015 309 9419
FACSIMILE NUMBER	015 309 9419	E-MAIL ADDRESS	stoltze@glm.gov.za
E-MAIL ADDRESS	portiak@glm.gov.za		

PART B

TERMS AND CONDITIONS FOR BIDDING

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

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

PRICING SCHEDULE
(Professional Services)

Name of Bidder:.....	Bid Number:
Closing Time:	Closing Date

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
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1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.
3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

R.....

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....	R.....	..... days
.....	R.....	..... days
.....	R.....	..... days
.....	R.....	..... days

- 5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	R.....
.....	R.....
.....	R.....
.....	R.....

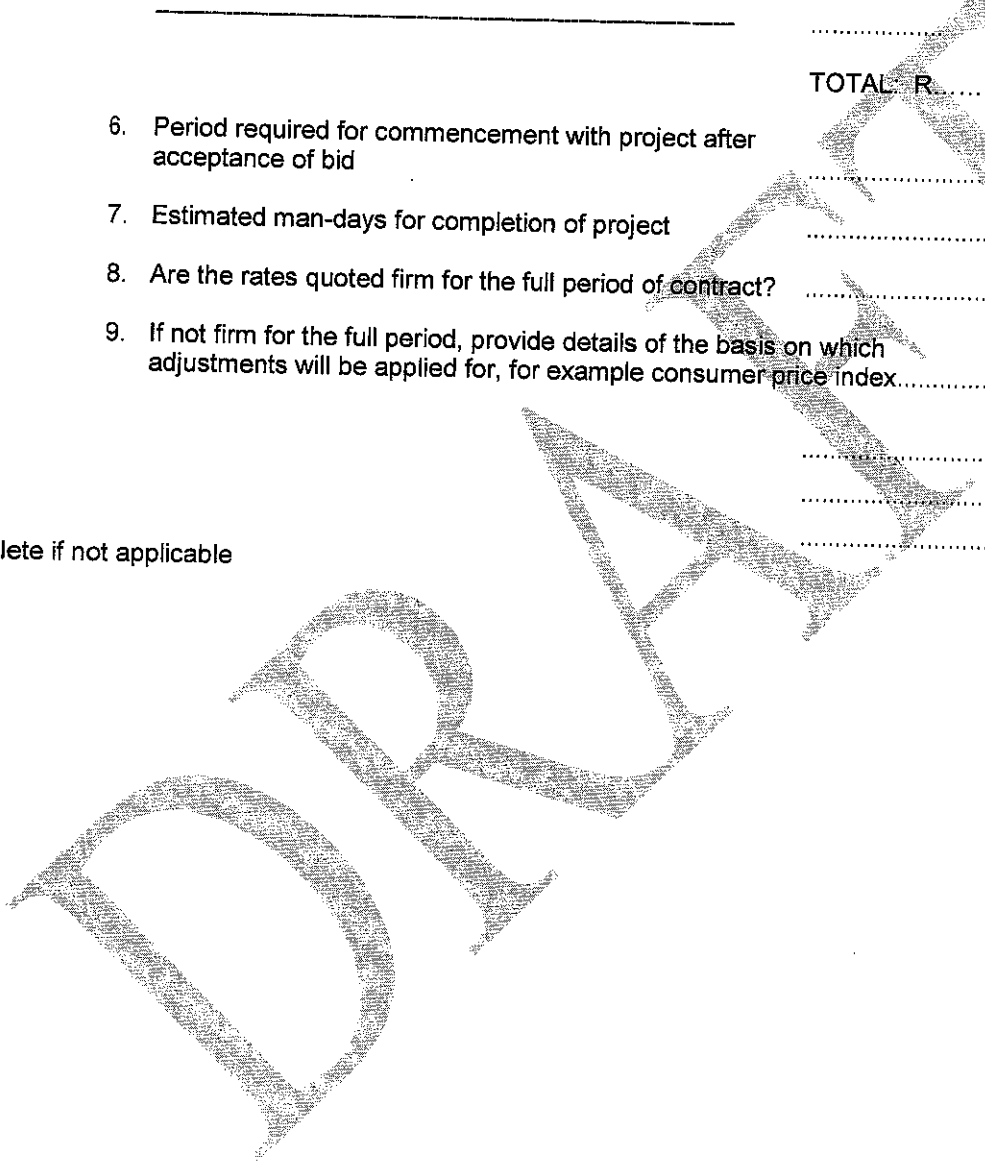
***"all applicable taxes" includes value-added taxes, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
_____	R.....
_____	R.....
_____	R.....
_____	R.....
TOTAL R.....			

- 6. Period required for commencement with project after acceptance of bid
- 7. Estimated man-days for completion of project
- 8. Are the rates quoted firm for the full period of contract? *YES/ NO.
- 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.....
.....
.....
.....

*Delete if not applicable



DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

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

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹"State" means –

- (a) 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);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:
Name of person / director / trustee / shareholder/ member:
Name of state institution at which you or the person connected to the bidder is employed :
Position occupied in the state institution:

Any other particulars:
.....
.....
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:
.....
.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:
.....
.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.9.1 If so, furnish particulars.
.....
.....
.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between **YES/NO**

4 DECLARATION

I, THE UNDERSIGNED (NAME)
CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION
PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL
PROCUREMENT REGULATIONS 2017**

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

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

1. GENERAL CONDITIONS

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

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

1.2

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

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

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

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

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

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

2. DEFINITIONS

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

- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

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

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

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18

3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

(Tick applicable box)

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

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted.....%

ii) The name of the sub-contractor.....

iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

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

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

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

Any QSE		
---------	--	--

8. **DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

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

8.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as

indicated in paragraph 1 of this form;

- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>
--

<p>.....</p> <p>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>
--

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</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>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<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>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<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"/>

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

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

MBD 9

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 consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js9141w 4

TERMS AND CONDITIONS

TERMS AND CONDITIONS

CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THE GREATER LETABA MUNICIPALITY

1. **Propriety Information:**

Greater Letaba Municipality considers this Tender and all related information, either written or verbal, which is provided to the respondent, to be propriety to GREATER LETABA MUNICIPALITY. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information in part or as a whole to any third party without the prior written consent of GREATER LETABA MUNICIPALITY.

2. **Enquiries**

All communications and attempts to solicit information of any kind relative to this Notice should be channeled to names provided below:

Contact person: (all questions should be directed to the person mentioned).

Telephone Number: 087 086 7585

Fax number: 015 309 9419

Contact Person: Chavalala T

3. **Medium of Communication**

All the documentation submitted in response to this bid must be in English.

4. **Verification of Documents**

Bidders should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by the Greater Letaba Municipality in regard to anything arising from the fact that pages are missing or duplicated.

5. **Validity period**

Responses to this bid received from Bidders will be valid for a period of 90 days counted from the closing date of the bid.

6. **Submission of Bids**

6.1 Bids should be submitted in a sealed envelope endorsed, "Project Name" and the number of bid bidding on. The sealed envelope must be placed in the bid box at the Main Reception area of the Greater Letaba Municipality by no later than 12H00 on the Closing date.

6.2 The closing date, company name and the return address must be endorsed on the envelope.

6.3 If a courier service company is being used for delivery of the bid document, the bid description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the bid box.

6.4 No bid received by telegram, telex, email, facsimile or similar medium will be considered.

6.5 Where a bid document is not in the bid box at the time of the bid closing, such a bid document will be regarded as a late bid. Late bids will not be considered.

6.6 Amended bids may be sent in an envelope marked "amendment to bid" and should be placed in the bid box before the closing time.

6.7 The bidder is responsible for all the cost that they shall incur related to the preparation and submission of the bid document.

6.8 A list of all references (minimum of 3) with contact details must be included in the bid document.

6.9 A valid tax clearance certificate, Company Profile (experience) and Company Registration Certificate must be included in the bid document.

6.10 Kindly note that the Greater Letaba Municipality is entitled to amend any bid conditions, validity period, specifications, or extend the closing date of bids before the closing date. All bidders, to whom the bid documents have been issued, will be advised in writing of such amendments in good time.

6.11 The Greater Letaba Municipality reserves the right not to accept the lowest bid or any bid in part or in whole. It normally awards the contract to the bidder who proves to be fully capable of handling the contract and whose bid is technically acceptable and/or financially advantageous to the Greater Letaba Municipality.

6.12 The Greater Letaba Municipality also reserves the right to award this bid to a purely empowerment company or may award this bid on condition that a joint venture with an empowerment company is formed. This will be added to the criteria when evaluating.

6.13 The Greater Letaba Municipality also reserves the right to award this bid as a whole or in part without furnishing reasons.

6.14 The bidder hereby offers to render all or any of the services described in the attached documents to the Greater Letaba Municipality on the terms and conditions and in accordance with the specifications stipulated in this bid documents (and which shall be taken as part of, and incorporated into, this Proposal at the prices inserted therein).

6.15 Bids submitted by companies must be signed by a person or persons duly authorized thereto by a resolution of a Board of Directors, a copy of which Resolution, duly certified be submitted with the bid.

6.16 The bidder hereby agree that the offer herein shall remain binding upon him/her and receptive for acceptance by the Greater Letaba Municipality during the validity period indicated and calculated from the closing hour and date of the bid; this Proposal and its acceptance shall be subject to the terms and conditions contained in this bid document.

6.17 The bidder furthermore confirm that he/she has satisfied himself/herself as to the correctness and validity of his/her bid response that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accept that any mistakes regarding price(s) and calculations will be at his/her risk.

6.18 The bidder hereby accepts full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on hi/her under this agreement as the principal(s) liable for the fulfillment of this contract.

6.19 All companies that have registered for VAT should indicate in the bid document as to whether the price is inclusive or exclusive of VAT.

GENERAL CONDITIONS OF CONTRACT

THE NATIONAL TREASURY

Republic of South Africa



**GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT**

July 2010

t o t

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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 analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
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. National Industrial Participation Programme (NIPP)
34. 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 any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

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

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

3. General

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

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

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

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

9. Packing

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

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

10. Delivery and documents

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

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

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

12. Transportation

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

13. Incidental services

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

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

- 30. **Applicable law**
 - 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

- 31. **Notices**
 - 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
 - 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

- 32. **Taxes and duties**
 - 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
 - 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
 - 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

- 33. **National Industrial Participation Programme (NIP)**
 - 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

- 34. **Prohibition of Restrictive practices**
 - 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
 - 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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

