

Greater Letaba Municipality

Tender Number

GLM001/2026



GREATER LETABA MUNICIPALITY

*Request for proposal for integrated Financial
Management System which complies with MSCOA for
Greater Letaba Municipality for a period of 36 months.*

TOTAL PRICE:

VAT R,

GRAND TOTAL R,

Name of the Bidder and /or Company

.....



**GREATER LETABA
MUNICIPALITY**

NAME OF PROJECT: Request for proposal for integrated Financial Management System which complies with MSCOA for Greater Letaba Municipality for a period of 36 months

BID NUMBER: GLM001/2026

CLOSING DATE: 03 September 2025

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.....

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	Publication date	CIDB Grading	Date Compulsory Briefing Session	Point scoring system	Closing date	Non-refundable amount (VAT inclusive)	Contact persons for technical queries.
GLM001/2026	Request for proposal for integrated Financial Management System which complies with MSCOA for Greater Letaba Municipality for a period of 36 months	5 August 2025	N/A	N/A	80-Pricing 20-Specific goals	3 September 2025	R2 188.00	Sesene AN (015) 309 9246
GLM002/2026	Panel of service providers for supply and delivery of personal protective clothing for GLM for a period of 36 months	5 August 2025	N/A	N/A	80-Pricing 20-Specific goals	3 September 2025	R2 188 .00	Mahlagame M (015) 309 9246
GLM003/2026	Fleet management system for GLM for a period of 36 months	5 August 2025	N/A	N/A	80-Pricing 20-Specific goals	3 September 2025	R2098.00	Ramafalo MP (015) 309 9246
GLM004/2026	Panel of service for providers for the supply and	5 August 2025	N/A	N/A	80-Pricing 20-Specific goals	3 September 2025	R1 313.00	Ramafalo MP (015) 309 9246

	delivery of stationery for a period of 36 months										
GLM005/2026	Auction of municipal assets for GLM for a period of 36 months	5 August 2025	N/A	N/A			80-Pricing 20-Specific goals	3 September 2025	R985.00	Ramafalo MP (015) 309 9246	
GLM006/2026	Supply and delivery of office furniture	5 August 2025	N/A	N/A			80-Pricing 20-Specific goals	3 September 2025	R985.00	Lekhota MP (015) 309 9246	
GLM007/2026	Construction of Madumeleng/Shotong Sports complex	5 August 2025	5 CE or HIGHER	12 August 2025, 11H00 @ Modjadjiskloof Library			80-Pricing 20-Specific goals	3 September 2025	R2 188.00	Letsoalo NA (015) 309 9246	
GLM008/2026	Construction of Thibeni street paving	5 August 2025	6 CE or HIGHER	12 August 2025, 11H00 @ Modjadjiskloof Library			80-Pricing 20-Specific goals	3 September 2025	R2 188 .00	Letsoalo NA (015) 309 9246	

Bid documents for GLM001/2026, GLM002/2026, GLM003/2026, GLM004/2026, GLM005/2026 and GLM006/2026 will be obtainable as from 6 August 2025 at Greater Letaba Municipality main office and on the municipal website, Bid Documents GLM007/2026 and GLM008/2026 will be obtainable as from 12 August 2025 after briefing sessions. Payment methods for the bid documents can be cash or EFT (Bank: FNB, Account holder: Greater Letaba Municipality, Account no: 521 0000 5761, Branch code 260449, Ref No. for FNB Users: 111 00000 00000, Ref No. for other banks: Bid number)

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 Mr Modjadji KLM at 087 086 7503 at Greater Letaba Municipality.

Sewape MO

Municipal Manager

SPECIFICATION



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months



GREATER LETABA MUNICIPALITY

SPECIFICATION FOR INTEGRATED FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEM WHICH COMPLIES WITH MSCOA FOR
GREATER LETABA MUNICIPALITY FOR 36 MONTHS



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

1

1.1 FUNCTIONALITY CRITERIA / TESTING IN THIS CATEGORY			✓
		Scoring Points	Total Score
Company work experience in Government Financial system related projects (please attach copy of mSCOA compliant appointment letter for financial system & recommendation letter from Municipal)	Ex-Previous mSCOA compliant financial system projects at least 5 appointment letter & recommendation letter from Municipal between 2016-2019	5=30	30
	Previous mSCOA compliant financial system projects at least 4 appointment letter & recommendation letter from Municipal between 2016-2019	4 =25	
	Previous mSCOA compliant financial system projects at least 3 appointment letter & recommendation letter from Municipal between 2016-2019	3= 20	
	Previous mSCOA compliant financial system projects at least 2 appointment letter & recommendation letter from Municipal between 2016-2019	2 =15	
	Previous mSCOA compliant financial system projects at least 1 appointment letter & recommendation letter from Municipal between 2016-2019	1 =10	
	contract Manager with NQF Level 7 in IT or related course	-	10
Key personnel Number. Years' experience after obtaining qualification of Project / contract	➤ At least 7 years' experience	5=10	
	➤ At least 6 years' experience	4 = 8	
	➤ At least 5 years' experience	3 = 5	
	➤ At least 4 years' experience	2 = 3	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Manager; Site Agent Attach CV / Profile; Certified ID & Qualifications Certificates. (National Diploma	➤ At least 3 years' experience	1 = 2	
	➤ Site Agent / implementation Agent with NQF Level 6 in IT or related course	-	10
	➤ At least 7 years' experience	5 = 10	
	➤ At least 6 years' experience	4 = 8	
	➤ At least 5 years' experience	3 = 5	
	➤ At least 4 years' experience	2 = 3	
	➤ At least 3 years' experience	1 = 2	
Locality (Proof of physical address attach Municipal Rates & taxes statement or letter from Tribal Authority / Headman).	Company located within the Greater Letaba Municipality area	5 = 10	10
	Company located within the Limpopo Province area	3 = 5	
	Company located elsewhere in South Africa	1 = 2	
Proposal / Methodology / Presentation mSCOA Compliance	Fully compliant to stated requirement. Demonstrate clear understanding of the scope of the project & mSCOA Compliance, methodology to be followed clearly stated with total cost breakdown and the time, indicate in all municipalities where the system is current functional, project implementation plan with mile stone, skill transfer process and demonstrate system integration with other system e.g. Banking system or CSD, procedure and how company will add value to GLM's financial management	5 = 40	40



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

	Proposal lack any aspect as per requirement. Demonstrate moderate understanding of the scope of the project & mSCOA Compliance, methodology to be followed clearly stated with total cost breakdown and the time, indicate in all municipalities where the system is current functional, project implementation plan with mile stone, skill transfer process and demonstrate system integration with other system e.g. Banking system or CSD, procedure and how company will add value to GLM's financial management	3 = 30		
	Poor understanding of the scope of the project & mSCOA Compliance, methodology to be followed clearly stated with total cost breakdown and the time, indicate in all municipalities where the system is current functional, project implementation plan with mile stone, skill transfer process and demonstrate system integration with other system e.g. Banking system or CSD, procedure and how company will add value to GLM's financial management	1 = 20		
TOTAL SCORE	All bidders with less than 70 points will be disqualified from further evaluation	100		



2. REQUEST FOR PROPOSAL FOR INTEGRATED FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEM WHICH COMPLIES WITH MSCOA FOR GREATER LETABA MUNICIPALITY FOR 36 MONTHS

2.1. Purpose

Greater Letaba Municipality is Local Municipalities under it, which operate as water service provider.

Integrated Financial system must be able to upload the budget segments/votes; committee budget through SCM/HR process; generate Ledgers Account through integrated payment systems; provide billing system; Assets records and generate trail balances; Accounting records in term of mSCOA compliance

2.2. Term and reference

- Bidder to submit Technical proposal with project millstone and financial proposal including IT systems such Financial serves; hosting; Wireless connectivity & system Licensing & training base on the provided scope
- GLM reserve right to run more than one system in order to determine the successful bidder e.g. Two bidders appointed to run Financial system to determine the successful service provider to render integrated financial management and internal control system which complies with mSCOA for Greater Letaba Municipality for 36 months
- The services provider shall provide live mSCOA system during training, system testing, demonstration and implementation i.e. conventional system/ alternative system or Replica system are not allowed or accepted by GLM
- Successful service provider shall provide system support, training and skill transfer to GLM
- The bidder shall provide technical proposal and financial proposal including financial serve, licensing, implementation, training, system support & hosting cost
- "Short list bidder may call for presentation"
- Services providers that had Previously failed to deliver on mSCOA compliance financial system or failed to comply with MBD 8 will be automatically disqualified or



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

2.3. Scope/responsibility of service provider

Business Process	Sub-Process	Legislative or Business Requirement	Municipality System / Applications minimum functionality	Required by	Pricing Schedule Alignment	Price
			B3 Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organisational structure, payroll, cost centre, project, source of funding, other segmented transactions or other system objects needed to ensure confidentiality of information and transactional integrity.	Legislation	Generic specification	
			B3 Online approval and authorisation with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units.	Legislation	Generic specification	
			B3 Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customise this for enhanced analysis and reporting.	Legislation	Generic specification	
			B3 Additionally the audit trail on all activities on the system, date, time and responsible user stamped. This must be done to the extent that an activity log can be drawn from the system, outlining a particular user's activities on the system for the entire workday.	Legislation	Generic specification	
	Period Control		B3 Monthly period closure and certification within the statutory reporting dates. No back-dating of transactions is allowed.	mSCOA Regulation	Generic specification	
			B3 Balancing of the sub-system with control accounts must be a condition of any period closure.	mSCOA Regulation	Generic specification	



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

B3	Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year.	mSCOA Regulation	Generic specification	
B3	Finalisation and submission of annual financial statements (AFS) period 13 results in <i>opening balance transactional transfer</i> of only the transactions of period 13.	mSCOA Regulation	Generic specification	
B3	Audit periods with allowed audit approved journals occur in period 14 and result in <i>opening balance transactional transfer</i> of only the transactions of period 14.	mSCOA Regulation	Generic specification	
B3	Accommodate a period 15 for prior period errors (GRAP 3).	mSCOA Regulation	Generic specification	
B3	Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.	mSCOA Regulation	Generic specification	

B3	Period closing, finalisation and audit period corrections are <i>opening balance transactions</i> in the current <u>open period</u> as well as normal transactions in the <u>audit periods</u> .	mSCOA Regulation	Generic specification	
B3	Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system.	mSCOA Regulation	Generic specification	
B3	Enable drill down from the general ledger (GL) to sub-system source transactions to transactional level.	mSCOA Regulation	Generic specification	
B3	Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).	mSCOA Regulation	l1-Report writer	



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Municipal Web Site	A municipal website that gives effect to MFMA section 75, the Municipal Budget and Reporting Regulations, 2009; the mSCOA Regulations, 2014 and section 21A of the Municipal Systems Act, 2000	B3 The legislative framework lists the minimum information that should be placed on the municipality's website: Integrate from the core financial budget module; The annual and adjustments budgets and all budget-related documents; All budget-related policies; Annual financial statements (AFS) and Annual reporting tools BI modules; The annual report; Performance management, supply chain and asset management modules; section 57(1) of the Municipal Systems Act, 2000; All quarterly reports tabled in the council in terms of MFMA section 52(d).	Legislation	k6-Website Maintenance
	B3	All performance agreements required in terms of : All service delivery agreements; All long-term borrowing contracts; All supply chain management contracts above a prescribed value; An information statement containing a list of assets over a prescribed value that have been disposed of in terms of MFMA section 14(2) or (4) during the previous quarter; Contracts to which MFMA section 33(1) apply, subject to section 33(3) of that section; Public-private partnership agreements envisaged in MFMA section 120; and Municipal Budget and Reporting Regulations (MBRR) and mSCOA Regulations reporting templates as generated by the Core Financial system.	Legislation	k6-Website Maintenance



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

National Treasury Portal and other statutory submissions	B3	Billing module in addition to integrate: The A&B valuation roll publication as required by the Municipal Property rates Act, 2004; and The customer portal; and should as a minimum (if not hosted on the municipality's web site) be accessible or redirected from the website of the municipality.	Legislation	k6-Website Maintenance	
	B3	Alternatively an effective, flexible report-writing facility with access to the database dictionary is required;	mSCOA Regulation	l1-Report writer	
	B3	Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments;	mSCOA Regulation	l1-Report writer	
	B3	Allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.	mSCOA Regulation	l1-Report writer	
	B3	Statutory submission to the National Treasury local government Database (LG Database);	mSCOA Regulation	l2-Statutory re- porting	
	B3	The annual procurement plan - actual versus budget;	mSCOA Regulation	l2-Statutory re- porting	
	B3	The asset maintenance plan - actual versus budget;	mSCOA Regulation	l2-Statutory re- porting	
	B3	Annual Financial Statements (AFS);	mSCOA Regulation	l2-Statutory re- porting	
	B3	Annual report;	mSCOA Regulation	l2-Statutory re- porting	
	B3	National Energy Regulator SA (Nersa) and Department of Water Affairs and Sanitation (DWS) reports;	mSCOA Regulation	l2-Statutory re- porting	
	B3	VAT returns 201 reconciliations;	Legislation	l2-Statutory re- porting	



10 | 4



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Main Budget	In terms of Section 25 of the Municipal Systems Act, 2000 each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan (the integrated development plan (IDP)) for the development of the municipality which must inform the municipal budget to be mutually credible and reliable and should include the following functionality:	B3	Must have budgeting capabilities in that the budget are informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations, 2014.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
		B3	System must support budgeting cycles across the medium term revenue and expenditure framework (MTREF) (3-year budget) of the municipality.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
		B3	The system should be able to link budgeting to final integrated development plan (IDP) priorities.	mSCOA Regulation	b1-Integrated development plan (IDP) maintenance	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

B3	Budgeting on the factual elements of typical work streams.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
B3	Budgeting on the factual elements of municipal operational and running cost.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
B3	Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).	Legislation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
B3	Planning of secondary costing i.e.. Departmental charges, internal recoveries and activity-based charges.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

B3	The system should be able to link Expenditure and Revenue to All segments of mSCOA.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
B3	Track, compare and report on budget versus actual amounts for year 1 of the medium term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
B3	The statutory budget submission to the National Treasury local government Database (LG Database);	Legislation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	
B3	Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) portal.	mSCOA Regulation	b2-Budget module – Directly linked and informed from the IDP and Project driven and mSCOA segmented	



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Human Resources (HR) /Payroll	A Human Resource (HR) budget/ payroll module that as a minimum:	B3	Allow the municipality to budget for its full organogram (organisational structure).	mSCOA Regulation	b7-HR/Payroll Budgeting tool	
		B3	Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.	mSCOA Regulation	b7-HR/Payroll Budgeting tool	
		B3	Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done.	mSCOA Regulation	b7-HR/Payroll Budgeting tool	
		B3	Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.	mSCOA Regulation	b7-HR/Payroll Budgeting tool	
General Ledger (Core Financials)	General Ledger (GL) that as a minimum	B3	Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments.	mSCOA Regulation	a1-General Ledger - containing mSCOA as per mSCOA Regulation	
		B3	Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc.	mSCOA Regulation	a1-General Ledger - containing mSCOA as per mSCOA Regulation	
		B3	Reflect transactions posted in the sub-ledgers immediately in the main ledger thereby ensuring the financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers.	mSCOA Regulation	a1-General Ledger - containing mSCOA as per mSCOA Regulation	
		B3				



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

B3	Non withstanding the above and due to probable packet loss a routine, is required to ensure that the general ledger and subledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed.	mSCOA Regulation	a1-General Ledger - containing mSCOA as per mSCOA Regulation	
B3	Drill down to transactions from the general ledger (GL) to the subledger or 3 rd party systems for an audit trail.	mSCOA Regulation	a1-General Ledger - containing mSCOA as per mSCOA Regulation	
B3	Journal capturing capabilities (Including reversible and recurring journals) Including electronic approval.	mSCOA Regulation	a1-General Ledger - containing mSCOA as per mSCOA Regulation	

B3	Reporting functionality for all financial reports in the full mSCOA segmented transactions .	mSCOA Regulation	a1-General Ledger - containing mSCOA as per mSCOA Regulation	
B3	Debtor classes and discount categories to ensure correct billing and rebates;	mSCOA Regulation	h1-Billing core	
B3	Trade, sundry and other debtor types to comply with mSCOA requirements;	mSCOA Regulation	h1-Billing core	
B3	Debtor levies in mSCOA segmentation to the Accounts Receivable;	mSCOA Regulation	h1-Billing core	
B3	Receipt allocation to AR in the correct mSCOA segmentation;	mSCOA Regulation	h1-Billing core	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Accounts Payable	Supplier maintenance	B3	Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis.	Legislation	h1-Billing core	
		B3	Drill down to transactions from the general ledger (GL) to the subledger or 3rd party systems.	mSCOA Regulation	h1-Billing core	
		B3	Creating a supplier database.	Legislation	c1-Supply Chain management	
		B3	Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates.	Legislation	d1-Creditors with payments	
		B3	Make payments and part payments. Allow for future and scheduled payments.	Legislation	d1-Creditors with payments	
		B3	Goods received notes for full or partial deliveries aligned to authorised issued purchase orders. Goods return notes with debit and credit orders;	Legislation	d1-Creditors with payments	
		B3	Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers;	Legislation	d1-Creditors with payments	
		B3	Selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution;	Legislation	d1-Creditors with payments	
		B3	Direct invoice payment such as Eskom;	Legislation	d1-Creditors with payments	
		B3	Sundry payments generated from payroll, billing or manual S&T transactions;	Legislation	d1-Creditors with payments	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

	Cost Planning		B3	Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments;	Legislation	d1-Creditors with payments	
			B3	Age analysis of creditors with supporting reports;	Legislation	d1-Creditors with payments	
			B3	Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts);	Legislation	d1-Creditors with payments	
		Tax & VAT	B3	Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation.	Legislation	Generic specification	
			B3	Interface to SARS eFiling for automated reconciliations and submissions of disclosures.	Legislation	Generic specification	
		Fixed Asset Management	B3	Trace all financial asset transactions to the asset level.	Legislation	f1-Financial asset maintenance	
			B3	Ensure that all asset transactions are aligned with mSCOA Regulations.	mSCOA Regulation	f1-Financial asset maintenance	
		Incorporate a costing module	B3	A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore it will be necessary to ensure direct link to Provisioning and payroll modules exist etc. through the application of internal billing departmental charges or activity based recoveries.	mSCOA Regulation	e1-Costing module	
			B3	Management reporting on all charges should be available for reports as well as dashboard information.	mSCOA Regulation	e1-Costing module	
			B3	Automated receipting of debtor payments and other monies received;	mSCOA Regulation	g1-Cashbook	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

	B3	Automated passing of journals for interest and other bank charges;	mSCOA Regulation	g1-Cashbook	
	B3	Automated clearing of system generated transactions such as payments; and	mSCOA Regulation	g1-Cashbook	
	B3	Automated clearing of cash received in the general ledger (GL) to the bank account;	mSCOA Regulation	g1-Cashbook	
	B3	Support mSCOA segmentation in the cashbook module.	mSCOA Regulation	g1-Cashbook	
Petty cash	B3	A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.	mSCOA Regulation	g2-Petty cash system	
	B3	Internal cash receipt with drawdown of petty cash.	mSCOA Regulation	g2-Petty cash system	
	B3	Interest Received and interest expense reconciliation.	mSCOA Regulation	Generic specification	
	B3	Align requisition to be project based;	mSCOA Regulation	c1-Supply Chain management	
	B3	Supplier rotation management (parameter driven);	Legislation	c1-Supply Chain management	
	B3	Supply Chain Deviation Management Facility in terms of legislation;	Legislation	c1-Supply Chain management	
	B3	Adhere to the municipality's delegation of duties and authority levels;	Legislation	c1-Supply Chain management	
	B	Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;	Legislation	c1-Supply Chain management	



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

		B3	Ensure tax clearance management for the duration of the contract;	Legislation	c1-Supply Chain management	
Inventory	Contract Management that gives effect to MFMA section 116.	B3	Integrate with the asset management system;	Legislation	c1-Supply Chain management	
		B3	Ensure that all payments are made within 30 days of receipt of an invoice therefore; and	Legislation	c1-Supply Chain management	
		B3	Ensure that full accrual is done at month-end and year-end cutoff periods.	Legislation	c1-Supply Chain management	
		B3	Contract management through workflow and audit trail.	Legislation	c4-Contract management	
	Inventory / Stores sub system	B3	Project based requisition forms.	mSCOA Regulation	c4-Contract management	
		B3	mSCOA segmented capturing.	mSCOA Regulation	c4-Contract management	
		B3	All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc.	mSCOA Regulation	f4-Stores and inventory (At minimum virtual)	
		B3	In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner.	mSCOA Regulation	f4-Stores and inventory (At minimum virtual)	
		B3	The stores module must seamlessly integrate and balance with the core financial system.	mSCOA Regulation	f4-Stores and inventory (At minimum virtual)	



20 | 4:



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

B3	Enable <i>table-to-floor</i> inspection sheets (electronic devices are preferred) as well as <i>floor-to-table</i> look-up methodologies;	Legislation	f1-Financial asset maintenance	
B3	Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);	Legislation	f1-Financial asset maintenance	
B3	Travel claims Management.	mSCOA Regulation	j3-Payroll	

B3	Automated reconciliation at predetermined intervals.	Legislation	j3-Payroll	
B3	Overtime claims Management/ Time off in lieu.	Legislation	j3-Payroll	
B3	Special Allowance Management (e.g. acting, secondments, etc.).	Legislation	j3-Payroll	
B3	Refunds to staff in respect of over-deductions and ad hoc payments.	Legislation	j3-Payroll	
B3	Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.).	Legislation	j3-Payroll	
B3	Ad hoc payroll runs must reflect in the Financial Management System.	mSCOA Regulation	j3-Payroll	
B3	Must cater for pensioners' benefits.	mSCOA Regulation	j3-Payroll	
B3	Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.).	mSCOA Regulation	j3-Payroll	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

B3	The system must cater for all requirements of the South African Revenue Services (SARS).	mSCOA Regulation	j3-Payroll	
B3	Must provide a facility to automate the update of tax tables whenever changes occur.	Legislation	j3-Payroll	
B3	History of previous tax tables must be retained on the system for an indefinite period.	Legislation	j3-Payroll	
B3	The system must be flexible so as to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc..	Legislation	j3-Payroll	
B3	The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.).	mSCOA Regulation	j3-Payroll	
B3	Narrative type pay slips must be provided (Hard copy and electronically).	Legislation	j3-Payroll	

B3	Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.).	Legislation	j3-Payroll	
B3	Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT).	Legislation	j3-Payroll	
B3	Provide a payment hold facility.	Legislation	j3-Payroll	
B3	Budget control and management of virement requirements.	mSCOA Regulation	b7-HR/Payroll Budgeting tool	
B3	Report and create the workflow for collection of all employees and councillors with arrear accounts.	Legislation	h6-Debt collection system	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Payroll	B3	Provide the financial statements with regulated reporting requirements regarding the municipal councillors' outstanding debtor account details.	Legislation	j3-Annual financial statements	
	B3	Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control.	mSCOA Regulation	j3-Payroll	
	B3	Electronic funds transfer (EFT) to employee's bank accounts into the core financial systems cashbook awaiting approval;	mSCOA Regulation	j3-Payroll	
	B3	Creation of "invoices" for 3 rd parties, SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds;	mSCOA Regulation	j3-Payroll	
	B3	Must be able to easily integrate with banks. Seamless upload of payroll information.	Legislation	j3-Payroll	
	B3	Support multiple payrolls with different pay structures.	Legislation	j3-Payroll	
	B3	Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation.	mSCOA Regulation	b7-HR/Payroll Budgeting tool	
	B3	Ability to submit statutory reporting to SARS for all taxes.	Legislation	j3-Payroll	
	B3	If the module is a 3 rd party solution – it must as a minimum integrate the fees as well as the action history to the billing subledger. This integration must be seamless.	mSCOA Regulation	h6-Debt collection system	
	B3	Automated Subsidy, Write Off and reversals thereof.	mSCOA Regulation	h7-Credit control system	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

			B3	Irrecoverable Debt Write Off process;	mSCOA Regulation	h6-Debt collection system	
			B3	Councillor Arrear Management.	Legislation	h6-Debt collection system	
			B3	Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid meter blocking/set offs, etc.)	Legislation	h6-Debt collection system	
			B3	Provide the municipal website with the Municipal Propert Rates Act, 2004 required A&B valuation rolls.	Legislation	k6-Website Maintenance	
			B3	Clearance Certificate Management to be online and comply with Section 118 of the Municipal Systems Act, 2000.	Legislation	h6-Debt collection system	
			B3	Calculate and account monthly for the provision of bad debt;	mSCOA Regulation	h1-Billing core	
			B3	Integration of Prepaid at a minimum of a 'debtor per tariff' code per region, monthly bill the consolidation sales amount and daily receipt the sales;	mSCOA Regulation	h4-Prepaid vending system / Integration at debtor level from 3rd party.	
			B3	Create and Maintain Regional Structure;	mSCOA Regulation	h1-Billing core	
			B3	Create and maintain a tariff structure to comply with mSCOA Regulations;	mSCOA Regulation	h1-Billing core	
			B3	Produce monthly invoices to debtors and group accounts;	Legislation	h1-Billing core	
			B3	Allow for rebates and penalty levies.	mSCOA Regulation	h1-Billing core	
			B3	Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual).	mSCOA Regulation	h1-Billing core	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

	B3	Maintenance of tariffs as per the tariffing section.	Legislation	h1-Billing core	*
Billing Reporting and Tariff Maintenance	B3	Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that.	Legislation	h1-Billing core	
	B3	Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales.	mSCOA Regulation	h1-Billing core	
	B3	Must allow for the maintenance of tariffs as per the tariffing section.	mSCOA Regulation	h1-Billing core	
	B3	Must adhere to applicable legislation and by-laws.	Legislation	h2-Point of Sales system	
Revenue receipting	B3	Printing and re-printing (marked as "Copy Receipt") of receipts.	Legislation	h2-Point of Sales system	
	B3	Provides the facility to charge interest on arrears amount subject to certain user defined provisions and according to user maintainable rates.	mSCOA Regulation	h2-Point of Sales system	
	B3	Calculated transactions - these transactions will be the result of a calculation that is subject to user defined business rules to determine the tariff to be used, special conditions that may apply to be used, discounts or rebates to be applied etc.;	mSCOA Regulation	h2-Point of Sales system	
	B3	Manually Input transactions - these transactions are captured by a user and will reflect all the details of the transaction;	mSCOA Regulation	h2-Point of Sales system	
	B3	Electronic transactions - these transactions are received electronically, which then must be identified and raised to the relevant Debtor account.	mSCOA Regulation	h2-Point of Sales system	



GLM Request for Proposal for Integrated Financial Management and Internal Control System
Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

B3	Transactions will be classified by type e.g. billing transaction, receipt transaction, journal transaction etc. The definition of a transaction type must be user maintainable.	mSCOA Regulation	h2-Point of Sales system	
B3	All transactions, regardless of type and origin, must be date/time stamped and have the user/origin included in the record. A narration / description field must be available whereby a short description of the transaction can be recorded.	mSCOA Regulation	h2-Point of Sales system	
B3	Functionality is required to correct and recalculate incorrect accounts with full audit trail of actions taken to rectify the error. This could include the recalculation of interest over different financial periods at different rates. (MSA section 95f).	mSCOA Regulation	h2-Point of Sales system	
B3	Account maintenance functionality is required to generate the necessary transactions to correct accounts which are in error by an authorised user with a full audit trail and maintenance report of actions taken to rectify the error. (MSA section 95f).	mSCOA Regulation	h2-Point of Sales system	
B3	Functionality is required to categorise Debtors and Properties by a set of user defined parameters. The categories are used to create subsets of the Debtor Master for reporting, to establish appropriate tariffs and to determine billing cycles (MPRA section 3(3)(i)).	mSCOA Regulation	h2-Point of Sales system	
B3	It is important to note that in all areas of revenue calculation, rebates and/ or exemptions may be applied based on a single or on multiple criteria which may be applied to the Debtor account in an 'and/ or' context. The Solution must provide the required level of flexibility to cater for these variations.	Legislation	h2-Point of Sales system	
B3	Functionality that is an integral part of the Billing interface to its prepaid vendor;	mSCOA Regulation	h3-Metered services	
B3	Water inventory managing.	mSCOA Regulation	h3-Metered services	



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

DECLARATION OF COMPLIANCE

System / Applications minimum functionality	Comply	Not Comply	Evidence reference (to be completed and submitted by bidder)
Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organisational structure, payroll, cost centre, project, source of funding, other segmented transactions or other system objects needed to ensure confidentiality of information and transactional integrity.			
Online approval and authorisation with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units.			
Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customise this for enhanced analysis and reporting.			
Additionally the audit trail on all activities on the system, date, time and responsible user stamped. This must be done to the extent that an activity log can be drawn from the system, outlining a particular user's activities on the system for the entire workday.			
Monthly period closure and certification within the statutory reporting dates. No back-dating of transactions is allowed.			

Balancing of the sub-system with control accounts must be a condition of any period closure.			
Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year.			
Finalisation and submission of annual financial statements (AFS) period 13 results in <i>opening balance transactional transfer</i> of only the transactions of period 13.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Audit periods with allowed audit approved journals occur in period 14 and result in <i>opening balance transactional transfer</i> of only the transactions of period 14.			
Accommodate a period 15 for prior period errors (GRAP 3).			
Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.			
Period closing, finalisation and audit period corrections are <i>opening balance transactions</i> in the <u>current open period</u> as well as normal transactions in the <u>audit periods</u> .			
Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system.			
Enable drill down from the general ledger (GL) to sub-system source transactions to transactional level.			
Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

The legislative framework lists the minimum information that should be placed on the municipality's website: Integrate from the core financial budget module; The annual and adjustments budgets and all budget-related documents; All budget-related policies; Annual financial statements (AFS) and Annual reporting tools BI modules; The annual report; Performance management, supply chain and asset management modules; section 57(1) of the Municipal Systems Act, 2000; All quarterly reports tabled in the council in terms of MFMA section 52(d).			
<i>All performance agreements required in terms of :</i> All service delivery agreements; All long-term borrowing contracts; All supply chain management contracts above a prescribed value; An information statement containing a list of assets over a prescribed value that have been disposed of in terms of MFMA section 14(2) or (4) during the previous quarter; Contracts to which MFMA section 33(1) apply, subject to section 33(3) of that section; Public-private partnership agreements envisaged in MFMA section 120; and Municipal Budget and Reporting Regulations (MBRR) and mSCOA Regulations reporting templates as generated by the Core Financial system.			

<i>Billing module in addition to integrate:</i> The A&B valuation roll publication as required by the Municipal Property rates Act, 2004; and The customer portal; and should as a minimum (if not hosted on the municipality's web site) be accessible or redirected from the website of the municipality.			
Alternatively an effective, flexible report-writing facility with access to the database dictionary is required;			
Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments;			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

vAllow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.			
Statutory submission to the National Treasury local government Database (LG Database);			
The annual procurement plan - actual versus budget;			
The asset maintenance plan - actual versus budget;			

Annual Financial Statements (AFS);			
Annual report;			
National Energy Regulator SA (Nersa) and Department of Water Affairs and Sanitation (DWS) reports;			
VAT returns 201 reconciliations;			
PAYE and 501 reconciliations;			
IRP 5; and			
Unemployment Insurance Fund (UIF) forms.			
Must have budgeting capabilities in that the budget are informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations, 2014.			
System must support budgeting cycles across the medium term revenue and expenditure framework (MTREF) (3-year budget) of the municipality.			

The system should be able to link budgeting to final integrated development plan (IDP) priorities.			
Budgeting on the factual elements of typical work streams.			
Budgeting on the factual elements of municipal operational and running cost.			
Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Planning of secondary costing i.e.. Departmental charges, internal recoveries and activity based charges.			
The system should be able to link Expenditure and Revenue to All segments of mSCOA.			
Track, compare and report on budget versus actual amounts for year 1 of the medium term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement.			
The statutory budget submission to the National Treasury local government Database (LG Database);			
Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) portal.			
Allow the municipality to budget for its full organogram (organisational structure).			

Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.			
Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done.			

Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.			
Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments.			
Is a central repository for accounting data transferred from all subledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Reflect transactions posted in the sub-ledgers immediately in the main ledger thereby ensuring the financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers.			
Non withstanding the above and due to probable packet loss a routine, is required to ensure that the general ledger and subledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed.			
Drill down to transactions from the general ledger (GL) to the subledger or 3 rd party systems for an audit trail.			
Journal capturing capabilities (including reversible and recurring journals) including electronic approval.			
Reporting functionality for all financial reports in the full mSCOA segmented transactions .			
Debtor classes and discount categories to ensure correct billing and rebates;			
Trade, sundry and other debtor types to comply with mSCOA requirements;			
Debtor levies in mSCOA segmentation to the Accounts Receivable;			
Receipt allocation to AR in the correct mSCOA segmentation;			
Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis.			
Drill down to transactions from the general ledger (GL) to the subledger or 3 rd party systems.			
Creating a supplier database.			
Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates.			
Make payments and part payments. Allow for future and scheduled payments.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Goods received notes for full or partial deliveries aligned to authorised issued purchase orders. Goods return notes with debit and credit orders;			
Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers;			
Selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution;			
Direct invoice payment such as Eskom;			
Sundry payments generated from payroll, billing or manual S&T transactions;			
Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments;			
Age analysis of creditors with supporting reports;			
Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts);			
Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation.			
Interface to SARS eFiling for automated reconciliations and submissions of disclosures.			
Trace all financial asset transactions to the asset level.			
Ensure that all asset transactions are aligned with mSCOA Regulations.			

A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore it will be necessary to ensure direct link to Provisioning and payroll modules exist etc. through the application of internal billing departmental charges or activity based recoveries.			
Management reporting on all charges should be available for reports as well as dashboard information.			
Automated receipting of debtor payments and other monies received;			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Automated passing of journals for interest and other bank charges;			
Automated clearing of system generated transactions such as payments; and			
Automated clearing of cash received in the general ledger (GL) to the bank account;			

Support mSCOA segmentation in the cashbook module.			
A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.			
Internal cash receipt with drawdown of petty cash.			
Interest Received and interest expense reconciliation.			
Align requisition to be project based;			
Supplier rotation management (parameter driven);			
Supply Chain Deviation Management Facility in terms of legislation;			
Adhere to the municipality's delegation of duties and authority levels;			
Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;			

Ensure tax clearance management for the duration of the contract;			
Integrate with the asset management system;			
Ensure that all payments are made within 30 days of receipt of an invoice therefore; and			
Ensure that full accrual is done at month-end and year-end cutoff periods.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Contract management through workflow and audit trail.			
Project based requisition forms.			
mSCOA segmented capturing.			
All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc.			
In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner.			
The stores module must seamlessly integrate and balance with the core financial system.			
Where a full stores module is operational, high value items should annually be measured to establish whether any of these items should be capitalised as 'assets'.			
<i>Normal functions should be included as standard best practice and should include but not be limited to:</i> Warehouse management; Acquisitions; Stock Level Management; Disposals; Automated consumable stores stock count sheets (departmental stores).			
Provide for a grant register linked to ledger accounts.			
Link to mSCOA funding source with budget control.			
Provide for reporting in accordance with the mSCOA Regulation and internal control.			
Manage the full asset life cycle;			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP);			
Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components;			
Enable <i>table-to-floor</i> inspection sheets (electronic devices are preferred) as well as <i>floor-to-table</i> look-up methodologies;			
Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);			
Travel claims Management.			
Automated reconciliation at predetermined intervals.			
Overtime claims Management/ Time off in lieu.			
Special Allowance Management (e.g. acting, secondments, etc.).			
Refunds to staff in respect of over-deductions and ad hoc payments.			
Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.).			
Ad hoc payroll runs must reflect in the Financial Management System.			
Must cater for pensioners' benefits.			

Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.).			
The system must cater for all requirements of the South African Revenue Services (SARS).			
Must provide a facility to automate the update of tax tables whenever changes occur.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

History of previous tax tables must be retained on the system for an indefinite period.			
The system must be flexible so as to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc..			
The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.).			
Narrative type pay slips must be provided (Hard copy and electronically).			
Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.).			
Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT).			
Provide a payment hold facility.			
Budget control and management of virement requirements.			
Report and create the workflow for collection of all employees and councillors with arrear accounts.			
Provide the financial statements with regulated reporting requirements regarding the municipal councillors' outstanding debtor account details.			
Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control.			

Electronic funds transfer (EFT) to employee's bank accounts into the core financial systems cashbook awaiting approval;			
Creation of "invoices" for 3 rd parties, SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds;			
Must be able to easily integrate with banks. Seamless upload of payroll information.			
Support multiple payrolls with different pay structures.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation.			
Ability to submit statutory reporting to SARS for all taxes.			
If the module is a 3 rd party solution – it must as a minimum integrate the fees as well as the action history to the billing subledger. This integration must be seamless.			
Automated Subsidy, Write Off and reversals thereof.			
Irrecoverable Debt Write Off process;			

Councillor Arrear Management.			
Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid meter blocking/set offs, etc.)			
Provide the municipal website with the Municipal Property Rates Act, 2004 required A&B valuation rolls.			
Clearance Certificate Management to be online and comply with Section 118 of the Municipal Systems Act, 2000.			
Calculate and account monthly for the provision of bad debt;			
Integration of Prepaid at a minimum of a 'debtor per tariff 'code per region, monthly bill the consolidation sales amount and daily receipt the sales;			
Create and Maintain Regional Structure;			

Create and maintain a tariff structure to comply with mSCOA Regulations;			
Produce monthly invoices to debtors and group accounts;			
Allow for rebates and penalty levies.			
Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual).			
Maintenance of tariffs as per the tariffing section.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that.			
Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales.			
Must allow for the maintenance of tariffs as per the tariffing section.			
Must adhere to applicable legislation and by-laws.			
Printing and re-printing (marked as "Copy Receipt") of receipts.			
Provides the facility to charge interest on arrears amount subject to certain user defined provisions and according to user maintainable rates.			
Calculated transactions - these transactions will be the result of a calculation that is subject to user defined business rules to determine the tariff to be used, special conditions that may apply to be used, discounts or rebates to be applied etc.;			
Manually Input transactions - these transactions are captured by a user and will reflect all the details of the transaction;			
Electronic transactions - these transactions are received electronically, which then must be identified and raised to the relevant Debtor account.			

Transactions will be classified by type e.g. billing transaction, receipt transaction, journal transaction etc. The definition of a transaction type must be user maintainable.			
All transactions, regardless of type and origin, must be date/time stamped and have the user/origin included in the record. A narration / description field must be available whereby a short description of the transaction can be recorded.			



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

Functionality is required to correct and recalculate incorrect accounts with full audit trail of actions taken to rectify the error. This could include the recalculation of interest over different financial periods at different rates. (MSA section 95f).			
Account maintenance functionality is required to generate the necessary transactions to correct accounts which are in error by an authorised user with a full audit trail and maintenance report of actions taken to rectify the error. (MSA section 95f).			
Functionality is required to categorise Debtors and Properties by a set of user defined parameters. The categories are used to create subsets of the Debtor Master for reporting, to establish appropriate tariffs and to determine billing cycles (MPRA section 3(3)c(i)).			
It is important to note that in all areas of revenue calculation, rebates and/or exemptions may be applied based on a single or on multiple criteria which may be applied to the Debtor account in an 'and/or' context. The Solution must provide the required level of flexibility to cater for these variations.			
Functionality that is an integral part of the Billing interface to its prepaid vendor;			
Water inventory managing.			

RETURNABLE DOCUMENTS

CHECKLIST ON MINIMUM REQUIREMENTS

To assist you with your tendering process, see a checklist on minimum requirements below.

No.	Minimum requirements	Tick	Comment if attached
1.	Compulsory briefing session attended		
2.	Complete original bid document		
3.	Current CSD valid reports;		
4.	Valid Tax Clearance Certificate with PIN;		
5.	CK/Company registration;		
6.	Certified ID copies of the shareholders;		
7.	Proof of Residence: Municipal statement account / letter from headman/Tribal Authority		



GLM Request for Proposal for Integrated Financial Management and Internal Control System Which Complies With mSCOA for Greater Letaba Municipality for 36 Months

8.	MSCOA Compliance		
9.	Company registration certificate showing percentage of shareholders / membership interest		
10.	Initial each page of the Conditions of Contact		
11.	All MBD Forms must be completed and signed		
12.	In case of a Joint Venture, Association or Consortium a formal contract agreement		
13.	GLM Copy of receipt/Proof of payment for the tender payment		
14.	Certified Qualification of Key personnel		
15.	Certified ID of Key personnel		
16.	CV's of the all the team members/Key personnel		
17.	Company Experiences: Contactable Reference list of previous and current projects with Appointment letter/official order		
18.	Responded as per the scope of work (compliance to specification/ conditions or term of references)		

LIST OF RETURNABLE DOCUMENTS

SCM LIST OF RETURNABLE DOCUMENTS

The tenderer must complete the following returnable documents:

- Copy of company registration certificate (c.k. certificate)
- Proof of SARS Tax pin (for all companies in case of a joint Venture)
- The Bidders must submit the master registration number (Central Supplier Database Registration number) to enable the Municipality to verify the bidders tax compliance and other information.
- In case of a Joint venture, Association or Consortium a formal contract agreement must be signed by both parties and be attached (if applicable).).
- Certified ID copies of all directors/members/Shareholders of the company (for all companies in case of a joint Venture).
- 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).
- Company profile or Schedule indicating bidder's experiences (For all companies in case of Joint Venture).
- Alterations signed, document completed in full and initial every page.
- Authority for signatory
- Bank rating letter not older than 3 months.
- Attach proof of purchase for bid document (Receipt or Proof of payment)
- Attach recent 3 years Audited Financial Statement should the bidder price offer exceed R10 millions rands.

NB. Specific goals will be allocated as stated (10 Points black owned and another 10 points for company owned by a woman).

Bidders shall take note of the flowing bid conditions:

1. Specific goals in terms of the Preferential procurement regulations 2022 will apply on this bid.
2. Council reserves the right to negotiate further conditions in terms of SCM regulation 24 with the successful bidder.
3. Council reserves the right not to appoint.
4. No bidder will be appointed if not registered on Central Supplier Database
5. Late, Incomplete, unsigned, faxed, or emailed bids will not be accepted.

NB. Certification on the documents should not be older than six months.

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			
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]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT ☐ Yes ☐ No		
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? ☐ Yes ☐ No [IF YES, ANSWER PART B:3]		
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE		R
SIGNATURE OF BIDDER			DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	SCM UNIT		CONTACT PERSON	Sesene AN	
CONTACT PERSON	Modjadji KLM		TELEPHONE NUMBER	083 696 3970	
TELEPHONE NUMBER	087 086 7474		FACSIMILE NUMBER	015 309 9246	
FACSIMILE NUMBER	015 309 9246		E-MAIL ADDRESS	AnnahS@glm.gov.za	
E-MAIL ADDRESS	khomotsoM@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)? ☐ YES ☐ NO
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO
- 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

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

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

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

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

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	--

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

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

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

*Delete if not applicable

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

NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

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

Name of Bidder.....	Bid
number.....	
Closing Time	Closing Date
.....	

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY *(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	---

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

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

*Delete if not applicable

PRICE ADJUSTMENTS

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES
2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Pa	=	The new escalated price to be calculated.
(1-V) Pt	=	85% of the original bid price. Note that Pt must always be the original bid price and not an escalated price.
D1, D2..	=	Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1,D2...etc. must add up to 100%.
R1t, R2t.....	=	Index figure obtained from new index (depends on the number of factors used).
R1o, R2o	=	Index figure at time of bidding.
VPt	=	15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

Index..... Dated..... Index..... Dated..... Index..... Dated.....
Index..... Dated..... Index..... Dated..... Index..... Dated.....

[illegible]

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

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.

²"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

any other bidder and any person employed by the state
who may be involved with the evaluation and or adjudication of this bid?

2.10.1 If so, furnish particulars.

.....

.....

.....

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

YES/NO

2.11.1 If so, furnish particulars:

.....

.....

.....

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

[illegible]

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

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)

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

1 Are you by law required to prepare annual financial statements for auditing?

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

***YES / NO**

.....

.....

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

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

2.2 If yes, provide particulars.

.....

.....

.....

.....

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of

* Delete if not applicable

***YES / NO**

such contract?

3.1 If yes, furnish particulars

.....

***YES / NO**

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

***YES / NO**

4.1 If yes, furnish particulars

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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

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

.....
 Signature

.....
 Date

.....
 Position

.....
 Name of Bidder

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

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

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

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

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

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

80/20	or	90/10
$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right) \text{ or } P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$		

Where

- P_s = Points scored for price of tender under consideration
- P_t = Price of tender under consideration
- P_{min} = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) & \text{or} & Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) \end{array}$$

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

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

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

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....

CONTRACT FORM - PURCHASE OF GOODS/WORKS

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

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)

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

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

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

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

NAME (PRINT)

CAPACITY

SIGNATURE

CONTRACT FORM - PURCHASE OF GOODS/WORKS

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference numberdated.....for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

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

SIGNED AT ON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1.

2.

DATE

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? or Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Is the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

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

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

.....
 Signature

.....
 Date

.....
 Position

.....
 Name of Bidder

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

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

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: 083 696 3970

Fax number: 015 309 9246

Contact Person: Sesene AN

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

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.

Js General Conditions of Contract (revised July 2010)