



UBUHLEBEZWE LOCAL MUNICIPALITY

INVITATION TO BID BID REFERENCE NO.: UBU-B-01/05/20

PANEL OF ELECTRICAL ENGINEERING CONSULTANTS AND PROJECT MANAGEMENT FOR THE MUNICIPALITY'S FINANCIAL YEAR (2020/2021, 2021/2022, 2022/2023)

PROCUREMENT DOCUMENT

Name of Tenderer	_____
Telephone Number	_____
Fax Number	_____
Address	_____
Tender Sum	_____
BBBEE Level	_____
CSD Reg. No.	_____

CLOSING DATE OF THE BID: 03 July 2020 AT 12:00
AT THE PEACE INITIATIVE HALL, IXOPO

NO LATE SUBMISSIONS WILL BE CONSIDERED

UBUHLEBEZWE MUNICIPALITY
P.O. BOX 132, IXOPO, 3276

TEL: (039) 834 7700
FAX: (039) 834 1168

The Closing Date and Time for Submission of offers is Friday, 03 July 2020 at 12:00
The offers will remain valid for 90 days from the closing date for submission of proposals

Closing Date and Submission of Documentation

Bidders should ensure that bids are delivered timeously to the correct address. Bids which are late, incomplete, unsigned or submitted by facsimile or electronically will not be accepted. Documents must be submitted in a clearly marked sealed envelope and placed in the tender box of the Municipality, which can be found at:-

The Front Entrance

Peace Initiative Hall two blocks below the Ixobho High School see below



TENDER ADVERT

29 Margaret Street
Ixopo
3276
Tel: 039 8347700
Email: mm@ubuhlebezwe.gov.za



Po Box 132
Ixopo
3276
Fax: 039 8341168
Webpage: www.ubuhlebezwe.gov.za

UBUHLEBEZWE MUNICIPALITY

INVITATION TO BID

Ubhlebezwe Municipality invites suitable, qualified, and experienced service provider to provide services to the municipality.

PROJECT NAME	BID NUMBER	CIDB Grade	Compulsory Briefing session	AVAILABILITY OF TENDER DOCUMENTS	NON REFUNDABLE PRICE	CLOSING DATE
Internet Service Provider (Re-advertisement)	UBU-B-08/01/20	N/A		Documents will be available from 8 th June 2020 at 8h00. Cut-off for EFT purchases: 25 th June 2020 @ 17h00 Cut-off for purchase through our cashiers: 26 th June 2020 @ 15h30 Cut-off date for sending queries is 29 th June 2020 Queries for clarity must be sent on the emails provided on the advert	R 404.25 per doc. Cashier's Office, 29 Margaret Street	03 rd July 2020 at 12h00
Supply, Installation, Automation, Monitoring and Maintenance of multi-functional printer machine for 24 months (Re-advertisement)	UBU-B-02/03/20					
Supply, installation, and commissioning 130 KVA (3 phase generator) (90% local manufactured cables must be supplied and MBD 6.2 must be completed)	UBU-B-02/05/20					
Social facilitation, compilation, and submission of a comprehensive town planning application (Re-advertisement)	UBU-B-03/03/20					
Panel of electrical consultants for the Financial year 2020/2021, 2021/2022, 2022/2023	UBU-B-01/05/20					
Construction of Nyide Access Road	UBU-B-03/05/20	3CE or Higher	17 th June 2020 at 11h00 Venue: Peace Initiative Hall	NB: Documents will be available from the 8 th June 2020 at 8h00. Cut-off for EFT purchases: 10 June 2020 @ 17h00 Cut-off for purchase through our cashiers: 11 June 2020 @ 15h30 Cut-off for confirmation to attend briefing: 12 June 2020 @ 16h30	R 694.58 per doc. Cashier's Office, 29 Margaret Street	
Construction of Ntakama Access Road	UBU-B-04/05/20					
Construction of Ntsheleni Access Road	UBU-B-05/05/20					

Construction of Thandabantu Access Road	UBU-B-06/05/20				
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(100% local steel manufactured material must be supplied & MBD 6.2 local production & content must be completed for the Construction of Thandabantu Access Road, Construction of Ntsheleni Access Road, Construction of Ntakama Access Road & Construction of Nyide Access Road)


BID Documents clearly marked the "bid name and the relevant BID NO." must be deposited in the tender box at the entrance of Peace Initiative Hall where bids will be opened in public. The name and address of the bidder must be clearly written on the sealed envelope containing the bid.

NB: Latecomers will not be admitted. Only tenderers with tender documents will be allowed to attend the briefing session. Tenderers to send confirmation to attend briefing via email to ngcwu@ubuhlebezwe.gov.za indicating company name and representative. Should the number exceed 40 two session will be held and communication will be sent to all bidders prior the briefing date. Tender documents will also be available free of charge on www.etenders.gov.za and www.ubuhlebezwe.gov.za. Tenderers without a face mask will not be allowed to attend the briefing session and you will be required to be at the briefing venue by 10h00 in order to ensure compliance with Covid 19 regulations (sanitizing, screening, social distancing etc.). Tenderers who fail to meet the stated time will not be allowed to the venue. Any person who will be found with a body temperature of 38°C and above will not be allowed in the venue.

Enquiries regarding this notice may be directed as follows:

Attention: Internet service provider (udukada@ubuhlebezwe.gov.za), multi-functional printer machine (mombhele@ubuhlebezwe.gov.za). Social facilitation, compilation and submission of a comprehensive town planning application (tlmthembu@ubuhlebezwe.gov.za, mgebashe@ubuhlebezwe.gov.za). Construction of Thandabantu Road, Ntsheleni Road, Ntakama Road, Nyide Road and Panel of electrical consultants (sbmkhwanazi@ubuhlebezwe.gov.za). 130 KVA generator (znmthanti@ubuhlebezwe.gov.za) and SCM related matters (jindlovu@ubuhlebezwe.gov.za, gtmathanda@ubuhlebezwe.gov.za) Tel: 039 – 834 7700 Fax: 039 – 834 1168

Late bids or bids received by way of post, facsimile or e-mail will, under no circumstances, be considered. The Ubhlebezwe Municipality subscribes to the Preferential Procurement Framework Act, Act 5 of 2000. The 80/20 principle applies to this bid. Bids shall be valid for a period of 90 days. The Ubhlebezwe Local Municipality does not bind itself to accepting the lowest, or any bid, either wholly or in part or give any reason for such action. If the price offered by tenderer is not market related the municipality may not award the contract to that tenderer and may negotiate for market related price with the tenderer, failing which negotiate with the next highest scoring tenderer or the tender may be cancelled.


 Mr. G.M. Sineke
 Municipal Manager

MBD1

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)					
BID NUMBER:	UBU-B-01/05/20	CLOSING DATE:	03 July 2020	CLOSING TIME:	12h00
DESCRIPTION	PANEL OF ELECTRICAL ENGINEERING CONSULTANTS AND PROJECT MANAGEMENT FOR THE MUNICIPALITY'S FINANCIAL YEAR (2020/2021, 2021/2022, 2022/2023)				
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)

UBuhlebezwe Municipality					
Peace Initiative Hall					
Ixopo					
3276					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]	
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE	R	
SIGNATURE OF BIDDER		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	BTO		CONTACT PERSON	Mr, SB Mkhwanazi	
CONTACT PERSON	Mrs M Mbatha		TELEPHONE NUMBER	039 834 7700	
TELEPHONE NUMBER	039 834 7700		FACSIMILE NUMBER	039 834 1168	
FACSIMILE NUMBER	039 834 1168		E-MAIL ADDRESS	sbmkhwanazi@ubuhlebezwe.gov.za	
E-MAIL ADDRESS	mpmbhatha@ubuhlebezwe.go.za				

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:										
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p>										
2. TAX COMPLIANCE REQUIREMENTS										
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>										
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="width: 30%; text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p>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.</p>	3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO									

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:



UBUHLEBEZWE LOCAL MUNICIPALITY

TERMS OF REFERENCE FOR THE APPOINTMENT OF PROFESSIONAL SERVICE PROVIDERS

TERMS OF REFERENCE
FOR
THE APPOINTMENT OF PROFESSIONAL SERVICE PROVIDERS

1. BACKGROUND

The aim of this Request for Proposal document is to seek qualified Engineers to render professional services to Ubuhlebezwe Municipality which includes but not limited to feasibility and related studies, preparation of funds seeking business plans, design and implementation monitoring of 2020/21 – 2022/23 Integrated National Electrification Programme (INEP), Internal funded projects and other source of funding.

The proposal document must also allow for support to the Ubuhlebezwe Municipality Infrastructure Planning and Development Staff and transfer of electrical engineering and project management skills to assist in the preparation of professional registration requirements with the relevant Professional Bodies.

2. PROJECT DETAILS

Project number : UBU- B-01/05/20
Project description : PANEL OF ELECTRICAL ENGINEERING CONSULTANTS AND PROJECT MANAGEMENT FOR MUNICIPALITY'S FINANCIAL YEAR 2020/21; 2021/22; 2022/23

3. SERVICES TO BE RENDERED

The services to be rendered by the successful bidder shall include mainly but not limited to the following:

Note: Your METHODOLOGY shall clearly state how will the Company execute the contract requirements stated below.

3.1 Provide full time Project Management Professional services in the Planning, Design, Tender/Contract documentation, Tender evaluation, Construction supervision, Project completion, Project Hand over for the 2020/21 to 2022/23 Municipal Infrastructural projects implemented within the jurisdiction of Ubuhlebezwe Municipality;

3.2 Mentor and supervise at least five (5) Municipal officials during the period of your appointment and provide the necessary exposure to meaningful engineering experience and continue to assist in the registration process as Engineering Professionals in terms the Engineering Council of South Africa (ECSA);

3.3 Conduct Feasibility Study and thus prepare Business Plans for the purposes of securing funding from various funders for the implementation of future Infrastructure projects as they appear in the Ubuhlebezwe Municipality five (5) year Integrated Development Plan;

3.4 Administer the registration and approval of projects from Eskom as well to commit on the MIG-MIS for the three (3) year MTEF period, this shall be based on the Ubuhlebezwe Municipality's three (3) year MIG MTEF plan as prioritized and adopted by Ubuhlebezwe Council.

4. COMPULSORY BRIEFING MEETING

There will be no clarification meeting for this proposal all queries related to this tender should be directed to the emails as indicated in the advert.

5. TIME FRAMES AND VALIDITY PERIOD

The Tender Validity Period will be 90 days.

The contract between the Municipality and the successful bidder will be over a period of three (3) financial years starting from 2020/2021 through to 2022/2023.

The successful bidder shall complete all priority projects within his 3 year contract period, failing which, the reasons for failing will be evaluated and the outcome of the evaluation may lead to either of the following decisions by the Municipality:

- Extension of Contract Period, or
- Termination of Contract

The Bidder is required to provide as part of his proposal the Implementation Plan / Programme illustrating time frames allocated to each outlined implementation item. The dates may not be specific as yet but may be expressed in days, weeks or months duration. The Implementation plan shall be based on the 8 months construction duration of a project considering that none of the priority projects is planned to exceed 8 months duration based on the nature of the priority projects.

The contract between Ubuhlebezwe Municipality and the successful bidder shall officially commence from the date of signing the Service Level Agreement between the successful Bidder(Consulting Firm) and the Municipality.

The Service Level Agreement will be issued to the Engineer by Ubuhlebezwe Municipality exactly on the 15th day from the date of issue of the appointment letter depending on the status of the appeal from the unsuccessful bidders.

6. CONTACT PERSON

Your contact person in the Municipality will be:

Mr. S B Mkhwanazi
Acting Director – Infrastructure Planning and Development
Ubuhlebezwe Municipality
P. O. Box 132
Ixopo
3276
Fax. (039) 834 1168
Tel: (039) 834 7700

7. REPORTING

The successful bidder will be required to submit a written monthly progress report covering all aspects of the project in details to Mr SB Mkhwanazi or delegated person not later than the 27th of every month. The progress report must cover the actual progress up to the 25th of the reporting month. MS Projects tracked programme, Cashflow and any other pro forma that may be advised to you by the Municipality must be used as the basis of this reporting.

8. BUDGET ALLOCATION: 2020 - 2023

The table below illustrates the total estimated budget allocation per financial year of employment.

<i>Financial Year</i>	<i>MIG Allocation</i>
2020/2021	15 000 000.00
2021/2022	16,500,000.00
2022/2023	17 325,000.00

The total estimated available budget over a 3 year period is **R48,825,000.00** inclusive of all Direct costs (Construction phase) and Indirect costs (Consultancy fees). It is your responsibility to ensure that the total of Direct and Indirect costs **does not** exceed the budgeted amount. Please note that the percentage price on the form of offer automatically qualifies for the Internal or any other projects that the Municipality may engage during this period.

9. SUPERVISION OF CONTRACTS

It is your responsibility to make recommendations to the Municipality regarding effective execution of Contractor's contracts. Your recommendations will be evaluated and further negotiated with you, the approval/ non-approval thereof will be the responsibility of the Municipality.

10. COMMUNICATION WITH MEMBERS OF THE UBUHLEBEZWE MUNICIPALITY OR MUNICIPAL EMPLOYEES

No tenders shall offer, promise or give a person or persons connected with the tender or the awarding of the contract, any gratuity, bonuses or consideration of any kind in connection with the obtainment of the tender.

No communication with any member of the Municipality or Municipal employee on a question affecting the awarding of contract- which is the subject of tender, during the period between the date of the notification of successful tenderer: provided always that the Municipal representative may obtain additional information from a tenderer to enable him to formulate his recommendation to the Ubuhlebezwe Municipality.

11. SPECIAL STUDIES

Your attention is drawn to the fact that your proposal shall take into consideration that the following studies will have to be done concurrent with the projects therefore you will be required to submit three quotation for approval by the municipality:

- Survey
- Environmental studies

12. PROFESSIONAL STAFF / PERSONNEL

The Curriculum Vitaes, Roles and Responsibilities of all your staff whom will be working with the Municipality during the 3 year contract period must be provided as part of your proposal. You are reminded that a suitably experienced and qualified person, professionally registered with ECSA, must accept professional responsibility for the project. This person will also be required to sign all documentation in relation to the contract except if otherwise agreed with the Municipality. The municipality reserves the right not to award if it is not totally satisfied that staff is sufficiently competent and available to execute the duties on behalf of the Municipality. The staff provided in the proposal will influence the appointment of the bidder, as such it is a contractual obligation that the exact same staff is involved during execution except if otherwise agreed with the Municipality.

13. SPECIAL CONDITIONS, POLICIES AND BY-LAWS

This appointment is subject thereto that all special conditions, Policies and Bylaws of the Ubuhlebezwe Municipality be adhered to. Should it not be possible, prior written approval not to comply must be obtained from the Municipality.

14. DESIGN CRITERIA

The project must be designed in accordance with the Eskom standards since the project will be handed over to Eskom upon completion for operation and maintenance.

It is the responsibility of the Engineer as a Specialist Consultant appointed by the Municipality to give professional guidance to the Municipality in line with the requirements of the statutory guidelines in relation to the requirements of each specific project.

15. INFORMATION REQUIRED

The following valid information is required in the submission and will form part of the evaluation considerations:

- Company Profile and experience on similar projects
- CVs of relevant staff
- Proof of Professional registration
- Professional Indemnity copy
- Proposed Implementation Plan and Item Duration
- Outline of methodology

16. DOCUMENTATION

The Proposal document submitted must include all the information deemed necessary to evaluate your submission on the bases stipulated in this document. The additional forms appended to this document must also be included in the submission.

This document may be detached and re-bound to ensure neatness and to also avoid the risk of accidentally losing of loose sheets. In the process of doing that, please be careful not to lose any of the pages of this document because should that be the case, your proposal may be regarded as incomplete.

Closing Date and Time for submission of proposal documents is Friday, 03 July 2020 at 12h00

Documents must be submitted in a clearly marked, sealed envelope and placed in the tender box of Ubuhlebezwe Municipality located at the front entrance of the Peace Initiative Hall in Margaret Street, Ixopo, 3276.

17. LIST OF ANNEXURES

Annexure A : Projects Description

Annexure B : Consultant Fees and Disbursements

Annexure C : Compliance requirements Evaluation Criteria

Annexure D : Forms to be completed

Annexure E : MBD Forms

Annexure F : General Condition of Contract

Annexure A

PROJECTS DESCRIPTION

The actual project names may not be outlined in this Request for Proposals document because the Ubuhlebezwe Municipality 3 year MTEF is still under the review process, the final draft of the actual projects will be discussed with the successful bidder.

For the purpose of your proposal document, it is important to note the following guidelines:

1. The budget allocation for each financial year has been clearly stated above for the INEP projects but for Internal projects and any other funding percentage offered in the form of offer automatically qualifies.
2. The nature of projects will include bulk infrastructure; high mast lights and households electrification
3. All projects will be implemented within the jurisdiction of Ubuhlebezwe Municipality.

Should you require additional information in relation to the above, feel free to contact the stated contact person for further advice.

Some of the activities for the project implementation are as follows:

- Project feasibility study where necessarily
- Business plans, Project registration on MIG where required
- Project design and Eskom approval
- Project Management
- Works supervision
- Preparation for outages

Annexure B

CONSULTANTS FEES AND DISBURSEMENTS

A detailed cost breakdown must be attached to the document and the total tender amount must be written in the cover page of the document.

The fees and disbursements shall be based on the maximum rate of 14% of the total project construction cost to cover both the Basic fees and disbursements. Bidders are welcome to offer discount as desired and that may be an added advantage towards the bidder during the evaluation process.

Bidders are required to qualify their rate by attaching a separate breakdown of cost spread sheet

However, in terms of the above (specifically related to additional services), please note the following amendments and/or additions:

1. The consultant shall be required to prepare regular monthly reports during the above noted stages of **Normal Services**. This reporting will be deemed part of the Normal Services and no additional costs shall be applicable.
2. In terms of any additional service, the Consultant shall request prior approval in writing from the Ubuhlebezwe Municipality before commencing with such additional services, failing which the Ubuhlebezwe Municipality will not be liable for any payment of unauthorised additional services.
3. Category factors will not be applicable (shall be deemed to be 1.0)
4. Consultants in their pricing shall be required to produce a minimum of 40 documents per project prior the inspection and anything above that will be claimable under disbursement.
5. Consultants will be required to inspect work quality and conformity to the contract documentation, once every week per project during the course of the works.
6. Bidders are required to qualify their rates by attaching a separate breakdown of costs spread sheet per project.

Financial Year	Estimated Project Construction Cost	MIG Rated fees (Max 14%)	Total Budget Allocation	Proposed fees & disbursements (%)	Proposed fees & disbursements (Amount)
20/21	12,900,000.00	2,100,000.00	15,000,000.00		
21/22	14,190,000.00	2,310,000.00	16,500,000.00		
22/23	14,899,500.00	2,425,500.00	17,325,000.00		
Total	41,989,500.00	6,835,500.00	48,825,000.00		

NB: price to include 15% VAT

Offered Amount in WORDS:

2020/2021.....

.....

.....

2021/2022.....

.....

.....

2022/2023.....

.....

.....

Signature by Bidder **Date**

Amount in words

.....

.....

ANNEXURE C

1. Compliance with Requirements

The following valid information is required in the submission and will form part of the evaluation considerations:

- Quotation/ proposal must be on a company letterhead.
- Tax compliance status with verification pin.
- Proof of company registration
- Valid BBBEE certificate- **BBBEE Certificate bearing a SANAS LOGO or an auditor's or accountant's practise number (if your certificate does not have these, it will be regarded as invalid) or a sworn affidavit**
- Proof of municipal accounts not older than 2 months or a lease agreement with a letter from the landlord stating that rent paid is up to date and includes municipal accounts or an affidavit stating that the business is operating in an area where rates are not paid.
- Proof of registration with Central Supplier Database
- Bids submitted are to hold good for a period of 90 (ninety) days and must be inclusive of VAT,
- This Bid will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed forms MBD 4, MBD 6.1 , MBD 8 & MBD 9 must be scrutinized, completed and submitted together with your Bid.
- **NB: No Bid will be considered from persons in the service of the state.**
- The council does not bind itself to accept the lowest or any Bid and reserves the right to accept the Bid as whole or in part, at the rates quoted
- Failure to comply with the above-mentioned conditions may invalidate your offer.
If the price offered by tenderer is not market related, the municipality may not award the contract to that tenderer and may negotiate for market related price with the tenderer, failing which negotiate with the next highest scoring tenderer or the tender may be cancelled.

Failure to comply with these requirements or to supply the necessary information
WILL result in the bid being rejected

EVALUATION CRITERIA

2. Evaluation Methodology

Proposals will be evaluated on the 80/20 system where 80 points is for price and 20 points for BBBEE level contributor.

3. First Stage of Evaluation: Assessment of Proposals for Functionality

The proposals will be assessed in terms of:-

- **Relevant Experience** – that is relevant experience of the Consulting Engineering Firm in carrying out similar projects.

- **Key Personnel** – the qualification and experience of the proposed key personnel.
- **Methodology** – the Consulting Engineering Firm must demonstrate that he understands the scope of the project and the tasks required to effect its successful completion.
- **Quality Management Systems** – details of relevant, current Quality Management Systems provided.

Relevant Experience

The maximum score for the relevant experience shall be 25.

Relevant Experience	Points
5 points per reference letter signed by the Municipal Manager together with the appointment letter for each completed project.	25

If the Consultant cannot demonstrate the necessary relevant experience via at least one successfully completed similar project, then the bid will be deemed non-responsive and will be rejected. Bidder to attach 5 letters of references in a sample form provide by Ubuhlebezwe Municipality and the form should cover the content as tabled in the sample form, and should be accompanied by a copy of letter of appointment for the works conducted.

Key Personnel

The maximum score for the relevant experience shall be 25.

It is essential that the Consultant provides suitably qualified personnel to carry out the project. Five key functions have been identified and the Proposal will be evaluated on the qualifications and experience of the personnel who will carry out these functions. The functions are;-

- Project Director (15 years maximum points: minimum 10 years) 5 points

Experience in years	Points allocation
10 yrs	1
11yrs-14 yrs	3
15yrs and above	5

- Project Manager (10 years maximum points: minimum 5 years) 4 points

Experience in years	Points allocation
5 yrs	1
6-9 yrs	2
10yrs and above	4

- Design Engineer (10 years maximum points: minimum 5 years) 8 points

Experience in years	Points allocation
Up to 5 yrs	2
6-9 yrs	4
10yrs and above	8

- Resident Engineer (10 years maximum points: minimum 5 years) 8 points

Experience in years	Points allocation
Up to 5 yrs	2
6-9 yrs	4
10yrs and above	8

At least the Project Manager and Design Engineers MUST be registered as Professional Engineers or Professional Engineering Technologists with the Engineering Council of South Africa (ECSA). Proof of registration must be included in the Proposal and they cannot be one person. **At least the proposed Project Director and Project Manager must be in the direct employment of the Consultant.**

In addition all of the above personnel must have the requisite minimum years' experience in their respective fields, failing which points will not be awarded. Points will be awarded based on the number of similar projects undertaken as Consultant by the relevant personnel as per the tabulated score card. If the proposed person has not undertaken a similar project in last 5 the years, then no points will be awarded for that person.

If the Consultant cannot demonstrate the necessary level of experience and professional registration of his key staff, then the bid will be deemed non-responsive and will be rejected.

Individual CV's, certified copies of qualifications and professional registration of the key personnel must be attached to the proposal document.

Methodology

The maximum score of 30 points shall be awarded

The proposal must demonstrate that the consulting engineering firm understands the challenges posed by this project. Highlighting the number of project specific challenges indicated under each of the tasks listed below will be necessary to achieve maximum points for methodology.

- Survey - 3
- Project Marketing process – 4
- Structural Design for Eskom approval – 4
- Materials investigation – 4
- Eskom Approval processes – 4
- Outage planning process – 4
- Environmental sensitivity and mitigation measures – 3
- Construction Methodology - 4

NB: Consultants are required to demonstrate their expertise in the maximizing of structured plan of maximizing employment generation in this project and adhering to Expanded Public Works Programme (EPWP).

Quality Management System

The maximum score of 20 points shall be awarded

Quality Management System	Points
Audited Quality Management System	20
Internal Audited Management System	10
Basic Quality Management System	2

Bidder is required to attach a certified copy of ISO certificate.

The proposal must provide details of how the consulting engineering firm conducts business in terms of a relevant, current Quality Management System (ISO, in-house or project specific)

NB: If the Consultant scores less than 60 points for functionality, then the bid will be deemed non-responsive and will not be considered for further evaluation.

4. Second Stage of Evaluation: Assessment of Proposals for Price and BBBEE

The proposals will be assessed in terms of:-

The maximum score for price shall be 80

The maximum score for BBBEE shall be 20

Skills Transfer and Development

Ubuhlebezwe Municipality is committed in ensuring that necessary skills are transferred to local people. Within your appointment and included in your costs, you will be required to recruit **a least 2 local students per project** that is studying towards Electrical Engineering Profession for in-service training purposes and should be included in your price.

In your report, you will have to submit a detail programme of how you intend to involve these students on all the project stages (From design stage up to commissioning stage). You will also have to sign their In-Service Training Log Book at the end of their term.

.

29 Margaret Street
 Ixopo
 3276
 Tel: 039 8347700
 Email:



Po Box 132
 Ixopo
 Fax: 039 8341168
 Webpage: www.ubuhlebezwe.org.za

UBUHLEBEZWE MUNICIPALITY

Office of the Municipal Manager

ATTENTION: SUPPLY CHAIN MANAGEMENT

Bid No: UBU- B-01/05/20 PANEL OF ELECTRICAL ENGINEERING CONSULTANTS AND PROJECT MANAGEMENT FOR FINANCIAL YEAR OF THE MUNICIPAL 2020/21; 2021/22; 2022/23

FEEDBACK FROM REFENCES

As part of the functionality component of the tender process feedback is required from current or previous contract to rate the performance of (Name of the service provider)

The employer who is completing the assessment is to indicate in the box below which discipline the firm was involved, start date and end date including the contract amount of the project:

SERVICE RENDERED	Yes/No	START DATE	END DATE	CONTRACT AMOUNT
Households Electrification				
Bulk Infrastructure Electrification				

The employer is further requested to rate the tendering organisation/bidder for the five key services to be rendered as indicators of either excellent or good or average or poor or no ratings.

SERVICE RENDERED	(A Rating) Excellent	(B Rating) Good	(C Rating) Average	(D Rating) Poor	(E Rating) No Rating
Feasibility Studies					
Preparing presenting business plans					
Designs and designs presentation					

Construction monitoring					
Handing over and closing off projects					

Bidder are to provide at least five (5) feedback from references following the above template using the referee's company letter head.

Comment from the employer

--

The undersigned, who warrants that he/she is duly authorized to do so on behalf of the enterprise, confirms that the content of this schedule are within my personal knowledge and are to the best of my belief both true and correct.

Signed		Date	
Name		Position	
Contact details			

Note: Above is the sample to be completed by referee's

<p>Company Stamp</p>

Annexure D

FORMS TO BE COMPLETED BY BIDDER

Bidders shall note that completed Forms A, B, C, D, E, F, G, H, I, J, K, MBD 8 and MBD 9 **MUST** be included in the proposal.

The information contained on these forms, plus the supporting information, will be used in the evaluation of the proposals.

1.1 CONTENTS

DESCRIPTION

FORM A	CERTIFICATE OF AUTHORITY FOR SIGNATORY
FORM B	RELEVANT EXPERIENCE
FORM C	KEY PERSONNEL
FORM D	METHODOLOGY
FORM E	QUALITY MANAGEMENT SYSTEM
FORM F	CERTIFICATES OF GOOD STANDING
FORM G	PROOF OF PROFESSIONAL INDEMNITY
FORM H	BANK DETAILS
FORM I	MBD 4 - DECLARATION OF INTEREST
FORM J	PREFERENCE POINTS CLAIM FORM; MBD 8 & MBD 9 FORMS

FORM A

CERTIFICATE OF AUTHORITY FOR SIGNATURE

1. CONSULTANT

- 1.1 A "Certificate of Authority" to sign all documents in connection with this proposal and any contract or agreement which may arise there from, duly signed and dated, shall be provided by the Board of Directors of the firm and shall be attached to this page. An example is given below.

2. JOINT VENTURE

- 2.1 The document of formation of the Joint Venture shall be attached to this page.
- 2.2 A "Certificate of Authority" to sign all documents in connection with this Bid and any contract or agreement which may arise therefrom, duly signed and dated, shall be provided by the Boards of Directors of each member of the Joint Venture and shall be attached to this page.

EXAMPLE OF A CERTIFICATE OF AUTHORITY FOR SIGNATORY

"By resolution of the board of directors passed at a meeting held on

Mr/Ms....., whose signature appears below, has been duly authorized to sign all documents in connection with this Request for Proposals and any contract which may arise there from on behalf of

(Name of company or JV - block capitals).....

SIGNED ON BEHALF OF THE COMPANY:.....

IN HIS/HER CAPACITY AS:.....

DATE:

SIGNATURE OF SIGNATORY:.....

WITNESSES : 1. Print Name..... Sign.....

 2. Print Name..... Sign.....

FORM B

RELEVANT EXPERIENCE

The Bidder shall enter in the spaces provided below a list of relevant recent electrification projects completed. This information is deemed to be material to the award of the contract and is taken into account in the calculation of the adjudication points. Consulting Engineers need only provide details of projects of a similar size and nature carried out in the past 10 years. It is essential that full details of the projects and of the Employer / Engineer references be provided in order for the projects to be evaluated and points awarded.

The date of the certificate of completion must be provided.

Failure to provide the necessary information will compromise the proposal.

Employer (Company; Tel. No and Contact Person)	Details of Project	Value of Work (fees)	Year

SIGNED ON BEHALF OF THE CONSULTANT.....

FORM C

KEY PERSONNEL

Consultants shall enter in the table below information in respect of the key personnel who will be engaged on the project. Abbreviated Curricula Vitae which specifically address the questions posed in the Point Scoring Check for Functionality, including the relevant certificates, to support the stated information must be included in the proposal together with a copy of this form.

Designation	Name	Qualification	Years' Experience	ECSA Registration Number

SIGNED ON BEHALF OF THE CONSULTANT

FORM D

METHODOLOGY

The Bidder shall confirm, by completing and signing this form, that he fully understands the scope of the professional services required and the procedure to be used for evaluating the methodology contained in his Proposal. The Consultant shall list the aspects of the project covered by his methodology in the table below. ***Further amplification may be made in a separate sheet.***

ITEM	DESCRIPTION

SIGNED ON BEHALF OF THE CONSULTANT

FORM E

QUALITY MANAGEMENT SYSTEM

The Bidder shall give details of any Quality Management System he may have and attach a copy of any current certification. In the event that the QMS is in-house, sufficient detail on the system must be provided to enable adjudicators to assign an appropriate score. Failure to provide sufficient information will result on zero evaluation points being given for this functionality element.

ITEM	DESCRIPTION

SIGNED ON BEHALF OF THE CONSULTANT

FORM F

CERTIFICATES OF GOOD STANDING

The Bidder shall attach to this page the following:

- a) A current VAT Registration receipt,
- b) A valid Tax Clearance Certificate with verification pin

If these documents are not attached, the Bid may be deemed non-responsive and therefore not acceptable.

SIGNED ON BEHALF OF THE CONSULTANT:

FORM G

PROOF OF PROFESSIONAL INDEMNITY

The Bidder shall attach to this page proof of professional indemnity (PI) insurance showing the scope of that insurance. The PI insurance shall be valid until the anticipated end of the Bid stage.

In the case of a joint venture or consortium, each party shall prove its professional indemnity insurance.

Further proof of insurance shall be provided for the construction stage.

In the event of annual insurance policy certificates being issued, updated proof shall be supplied to the Employer as required.

If the required information is not provided, then the Bid may be deemed to be non-responsive and therefore rejected.

SIGNED ON BEHALF OF THE CONSULTANT:

FORM H

BANK DETAILS

The Consultant shall provide details of his banker and auditing accountant.

Bank Name:

Account Holder:

Address:
.....

Account Number:

Contact Person:

Tel No.:

Fax No.:

Auditor Details -

Firm Name:

Address:
.....

Account Number:

Contact Person:

Tel No.:

Fax No.:

SIGNED ON BEHALF OF THE CONSULTANT:

FORM I:

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorized representative declare their position in relation to the evaluating/adjudicating authority.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name of bidder or his or her representative:

3.2 Identity Number:

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

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

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

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

3.8.1 If yes, furnish particulars.

.....

¹MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;

- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars

.....

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

3.10.1 If yes, furnish particulars.

.....

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

3.11.1 If yes, furnish particulars

.....

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

3.12.1 If yes, furnish particulars.

.....

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

3.13.1 If yes, furnish particulars.

.....
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.

YES / NO

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

FORM J:

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

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

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

1. GENERAL CONDITIONS

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

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

1.2

- a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the80/20..... preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

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

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

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

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

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

2. DEFINITIONS

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

the Broad-Based Black Economic Empowerment Act;

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

3. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

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

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

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14

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

5. BID DECLARATION

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

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

- 6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

(***Tick applicable box***)

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

- 7.1.1 If yes, indicate:

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

(***Tick applicable box***)

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

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

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

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

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 **TYPE OF COMPANY/ FIRM**

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

[TICK APPLICABLE BOX]

8.5 **DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....
.....
.....
.....

8.6 **COMPANY CLASSIFICATION**

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

[TICK APPLICABLE BOX]

8.7 **MUNICIPAL INFORMATION**

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

.....

SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

MBD 8:	DECLARATION OF TENDERER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES
---------------	---

1. This Standard Tender Document must form part of all Tenders invited.
2. It serves as a declaration to be used by Municipality 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 Tender of any Tenderer may be disregarded if that Tenderer or any of its directors have-
 - a. abused the Municipality's Supply Chain Management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
4. **In order to give effect to the above, the following questionnaire must be completed and submitted with the Tender.**

Item	Question	Yes	No
4.1	Is the Tenderer or any of its directors listed on the National Treasury's database 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 National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the Tenderer 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)? To access this Register enter the National Treasury's website, www.treasury.gov.za , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the Tenderer or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		

4.4	Was any contract between the Tenderer and any organ of state terminated during the past five years on account of failure to perform or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

CERTIFICATION

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

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS 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 Tenderer

SIGNED ON BEHALF OF THE TENDERER:

.....

MBD 9: CERTIFICATE OF INDEPENDENT BID DETERMINATION
--

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I _____ certify, _____ on _____ behalf
of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

MBD 9

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

General Conditions of Contract

THE NATIONAL TREASURY

Republic of South Africa



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.

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General Conditions of Contract

Definitions

1. The following terms shall be interpreted as indicated:

- 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 “Day” means calendar day.
- 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
- 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
- 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 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.

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.

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

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.