



**UMHL14/2022/2023**

**REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF AN ICT  
STRATEGIC PLAN**

**BIDDER:**

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**CSD REGISTRATION:**

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**CLOSING DATE: 28 FEBRUARY 2023**

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**CLOSING TIME: 12H00**

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**ENQUIRIES:**

SUPPLY CHAIN MANAGEMENT  
UMHLABUYALINGANA LOCAL MUNICIPALITY  
PRIVATE BAG X 901  
KWANGWANASE  
3973

**SCM SPECIFIC ENQUIRIES**

Enquires: Mr NM Mthembu  
Email Address: [bafanam@mhlalbuyalingana.gov.za](mailto:bafanam@mhlalbuyalingana.gov.za)  
Tel No: 035-592 0680

**TECHNICAL SPECIFIC ENQUIRIES**

Enquires: Mr CR Khumalo  
Email Address: [celumusak@mhlalbuyalingana.gov.za](mailto:celumusak@mhlalbuyalingana.gov.za)  
Tel.No.: 035-592 0680

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE UMHLABUYALINGANA LOCAL MUNICIPALITY</b>					
BID NUMBER:	UMHL14/2022/2023	CLOSING DATE:	28 FEBRUARY 2023	CLOSING TIME:	12h00
DESCRIPTION	ICT STRATEGIC PLAN				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT</b>					
UMHLABUYALINGANA LOCAL MUNICIPALITY, R22 MANGUZI MAIN ROAD, KWANGWANASE, 3973					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	Mr NM Mthembu		CONTACT PERSON	Mr CR Khumalo	
TELEPHONE NUMBER	035 592 0680		TELEPHONE NUMBER	035 592 0680	
FACSIMILE NUMBER	035 592 0672		FACSIMILE NUMBER	035 592 0672	
E-MAIL ADDRESS	<a href="mailto:bafanam@mhlabyalingana.gov.za">bafanam@mhlabyalingana.gov.za</a>		E-MAIL ADDRESS	<a href="mailto:celumusak@mhlabyalingana.gov.za">celumusak@mhlabyalingana.gov.za</a>	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]	
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A BRANCH IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

### TOTAL FOR BID PRICE

.....

..... Rand (in words)

R ..... (in figures)

**NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....  
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

## **UMHL14/2022/2023**

### **REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF AN ICT STRATEGIC PLAN FOR UMHLABUYALINGANA MUNICIPALITY**

Umhlabuyalingana Local Municipality hereby invites tenderers to submit tenders for ICT Strategic plan.

Only tenders who have a capacity and capability to execute the works, whose tax matters are in order and not restricted from trading with the state are eligible to submit tender.

Tender documents are downloadable free of charge from National Treasury's eTender Portal: (<http://www.etenders.gov.za/content/advertised-tenders>) or from Umhlabuyalingana Local Municipality website ([www.umhlabuyalingana.gov.za/](http://www.umhlabuyalingana.gov.za/)). Alternatively, those who wish to purchase hardcopies from the offices of Umhlabuyalingana Local Municipality, tender documents can be obtained at a non-fundable price of R500.00 per document from R22 Manguzi Main Road, KwaNgwanase, 3973.

This entire document, when agreed to and appointed, constitute the contract.

**Queries relating to the issuing of these documents may be addressed in writing to Mr NM Mthembu ([bafanam@mhlabuyalingana.gov.za](mailto:bafanam@mhlabuyalingana.gov.za)) responsible for issuing of tender documents and Technical enquiries related to the scope of works and pricing instructions may be addressed to Mr CR Khumalo ([celumusak@mhlabuyalingana.gov.za](mailto:celumusak@mhlabuyalingana.gov.za)).**

**COMPULSORY BRIEFING WILL BE HELD ON 17 FEBRUARY 2023 at 11h00 AM AT MHLABUYALINGANA BOARDROOM IN MANGUZI OFFICES**

The closing time for receipt of tenders by the Umhlabuyalingana Local Municipality is **12h00 pm** on 28 FEBRUARY 2023. Telegraphic, telephonic, telex, facsimile, e-mail and late tenders will not be accepted. Bids must be submitted in sealed envelopes clearly marked **"UMHL14/2022/2023: ICT STRATEGIC PLAN"** must be deposited in the bid box, at Foyer on R22 Manguzi Main Road, KwaNgwanase, 3973.

It is the responsibility of the tenderer/s to ensure that bid documents /proposals are submitted on or before closing time and the correct location as the municipality will not take responsibility of wrong delivery. Tenderers using courier services for delivery of their bid documents must ensure the delivery is at the correct place / location and time as the municipality will not be held responsible for wrong delivery, not delivered to Umhlabuyalingana Local Municipality officials. Umhlabuyalingana Local Municipality will not accept responsibility if bids received by officials OR security personnel are not timely deposited in the Bid Box.

Tenders may only be submitted on the tender documentation that is issued. Tenderers must be registered on the National Treasury Central Supplier Data Base and proof of registration must be submitted with the proposal (<https://secure.csd.gov.za>). Requirements for sealing, addressing, delivery, opening and assessment of tenders are stated in the Tender Data.

**This tender will be evaluated in two (2) stages**

Phase 1: Evaluation for compliance to bid rules and conditions

Phase 2: Bidders passing the above will be evaluated on SCM Policy of uMhlabuyalingana

**PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPPFA) POINTS WILL BE AWARDED AS FOLLOWS:**

Maximum points on price	-	<b>80 points</b>
Maximum points for specific goals	-	<b>20 points</b>
<b>TOTAL</b>	-	<b>100 points</b>

**1. BIDDERS SHALL TAKE NOTE OF THE FOLLOWING BID CONDITIONS:**

The minimum specifications, bid evaluation criteria, bid rules and special conditions of tender are detailed in the bid/ quotation document.

**2. ENQUIRIES WITH REGARD TO THIS ADVERT MAY BE DIRECTED to**

<b>SCM SPECIFIC ENQUIRIES</b>	<b>TECHNICAL /PROJECT SPECIFIC ENQUIRIES</b>
Enquires: Mr NM Mthembu	Enquires: Mr CR Khumalo
Email Address: <a href="mailto:bafanam@mhlabyalingana.gov.za">bafanam@mhlabyalingana.gov.za</a>	Email Address: <a href="mailto:celumusak@mhlabyalingana.gov.za">celumusak@mhlabyalingana.gov.za</a>
Tel No.: 035 592 0680	Tel No.: 035 592 0680

## SPECIAL CONDITIONS OF BID

### 1. INTERPRETATION

The word "Bidder" in these conditions shall mean and include any firm of Contractors or any company or body incorporated or unincorporated.

The word "Municipality" in these conditions shall mean the Umhlabuyalingana Local Municipality.

For the purpose of this document, the word "bid" is used interchangeable with the word "tender" or "purchaser".

### 2 EXTENT OF BID

This contract is for the ICT strategic plan.

### 3. CONTRACT TO BE BINDING

The formal acceptance of this Bid by the Municipality constitute a contract binding on both parties, and the Municipality may require sureties to it's satisfaction from the contractor, for the due fulfilment of this contract.

### 4. MODE OF BID

All Bids shall be completed and signed: All forms, annexures, addendums and specifications shall be signed and returned with the Bid document as a whole. ***The lowest or any bid will not necessarily be accepted.***

The Municipality wishes to deal on a prime contractual basis with the successful Bidder being responsible and accountable for all aspects of the entire solution or service offered.

### 5. QUALITY

Should the specifications and / or descriptions not address any aspects of quality as specified, this should be clarified with the Municipality prior to the submission of a Bid.

### 6. INSURANCE CLAIMS, ETC.

The Municipality shall not be liable in any manner in respect of any claims, damages, accidents and injuries to persons, property or rights or any other courses of civil or criminal action that may arise from the carrying out of this contract.

The contractor shall insure his / her / their personnel and any plant, machinery or other mechanical or electronic equipment involved in the fulfilment of this contract and shall indemnify The Municipality against all risks or claims which may arise.

### 7. PERIOD OF VALIDITY FOR BIDS AND WITHDRAWAL OF BID AFTER CLOSING DATE

All Bids must remain valid for a period of **90 days** from the closing date as stipulated in the bid document.

### 8. PENALTY PROVISION

#### 8.1 Should the successful Bidder:

- [a] Withdraw the Bid during the afore-mentioned period of validity; or
- [b] Advise the Municipality of his / her / their inability to fulfil the contract; or
- [c] Fail or refuse to fulfil the contract; or

[d] Fail or refuse to sign the agreement or provide any surety if required to do so;

Then, the Bidder will be held responsible for and is obligated to pay to the Municipality:

[a] All expenses incurred by the Municipality to advertise for or invite and deliberate upon new Bids, should this be necessary.

[b] The difference between the original accepted Bid price (inclusive of escalation) and:

[i] A less favourable (for the Municipality) Bid price (inclusive of escalation) accepted as an alternative by the Municipality from the Bids originally submitted; or

[ii] A new Bid price (inclusive of escalation).

**8.2** Should the successful Bidder failed to deliver, provisions of the General Conditions of Contract will apply.

**83** Disputes between the Municipality and a bidder (if any) will be dealt with in the form of litigation.

**9. BRAND NAMES**

Wherever a brand name is specified in this BID document (i.e. in the specifications, pricing schedule or bill of quantities or anywhere in this document), the municipality's requirement is not limited to the specified brand name, but requires an item similar/equivalent or better than specified.

**10. VALUE ADDED TAX**

In calculating the cost of the supply and delivery of services and / or material, the supplier will issue a "Tax Invoice" for all services rendered and / or materials supplied, which will reflect the exclusive cost of such services, goods or materials with the relevant Value Added Tax being added to the total.

**11. PRICE ESCALATION**

No escalation of prices will be considered.

**12. AUTHORITY TO SIGN BID DOCUMENTS**

1. In the event that a resolution to sign is not completed by all directors (in terms of the Companies Act 2008) /partners/members (in terms of Close Corporation Act 1984) of the enterprise, the signature of any one of the directors /partners/members to this bid/quotation will bind all the directors /partners/members of the enterprise and will therefore render the bid valid.
2. In the event that a non-directors /non-partners/non-members to the enterprise sign this declaration, and no authority is granted, it will automatically invalidate the bid.
3. In the case of a joint venture or consortium, at least one director /partner/member of each of the parties need to sign the joint venture or consortium agreement.
4. Furthermore, in the case of a joint venture or consortium at least one director /partner/member of each party to the joint venture or consortium must give consent to give authorisation for signatory to this bid

**13. DELIVERY PERIODS**

Delivery periods, where indicated must be adhered to. Notwithstanding the termination date of the assignment the bidder will be required to submit progress reports to the Municipality the contract, form and frequency and dates thereof to be stipulated and agreed upon by the parties upon the awarding of the Bid.

**14. DISPUTES**

In the event that disputes cannot be resolved by internal systems, the disputes will be settled by litigation.

**15. CLOSING DATE / SUBMITTING OF BIDS**

**15.1 Bids must be submitted in sealed envelopes clearly marked: **UMHL14/2022/2023 – ICT STRATEGIC PLAN as per specification to the Umhlabuyalingana Local Municipality.****

Completed bid documents in a sealed envelope endorsed with the relevant bid number, bid description and the closing, must be deposited in the bid box, R22 Manguzi Main Road, KwaNgwanase, 3973, umhlabuyalingana Local Municipality, not later than **12h00** on **28 FEBRUARY 2023** when bids will be opened in public.

Bidders must ensure that bids submitted via courier services are deposited by the courier service in the Municipality bid box prior to the closing date and that it is not delivered to Municipal officials. The Municipality will not accept responsibility if bids received by officials are not timely deposited in the Bid Box.



## **TERMS OF REFERENCE / SPECIFICATIONS**

### **1. INTRODUCTION**

Umhlabyalingana Municipality intends to embark on an enterprise-wide, holistic approach to aligning ICT with the municipality's strategic goals and objectives. ICT has become an integral part for all organizations and has since been used as an enabler for the delivery of citizen centric services or business transactions.

Umhlabyalingana Municipality seeks to appoint a suitably qualified service provider to develop an ICT Strategic Plan. The ICT strategic plan will identify and address critical services and business processes, which may be re-engineered and automated to deliver improved quality services.

The King Code of Good Governance clearly defines the need for the municipality's Governing Body (Audit Committee on behalf of Council) to take ownership for the ICT Strategy process and IT governance in general, and to delegate this appropriately to the Accounting Officer and management.

### **2. BACKGROUND**

Umhlabyalingana is one of the five local municipalities that comprise UMkhanyakude District. The municipality is generally rural, with the population being spread among the 20 municipal wards and four traditional council areas (Tembe, Mashabane, Mabaso and Zikhali). It has been noted that the Municipality's IT strategy is not aligned to the Municipality's strategic business objectives as per the assessment conducted and IA Report.

### **3. SCOPE**

The municipality's objective is to develop a service-oriented information plan which will assist to improve the municipal services. In order to improve on service delivery, the organization needs to streamline its internal business processes and operations, which will transform its interactions and service modes to its citizens and clients.

The following are key deliverables:

- 3.1 The ICT Strategic Plan should be customer-focused, service oriented, customer driven and geared towards results driven services which could be measured in terms of proven initiatives and projects, both locally and internationally.
- 3.2 Critical business processes must be identified and mapped into workflows
- 3.3 Clear developed implementation plan for strategic implementation.
- 3.4 Current and to-be state must be clearly demonstrated/visible within the strategic plan, building scenarios where possible and necessary.
- 3.5 The ICT Strategic Plan should focus on information needs and systems growth for the municipality. The analysis will focus on the following business units:
  - Corporate service department
  - Finance Department
  - PLID (Planning, LED, Infrastructure) Department
  - Community Department
  - Management & Council Department

#### 4. METHODOLOGY, DELIVERABLES & TIMEFRAMES

- 4.1 The service provider's proposal must clearly depict and outline a methodology on how the ICT Strategic Plan will be developed, including all relevant best practices to be utilized.
- 4.2 As part of the methodology, the proposal must clearly highlight the current and to-be state for all key areas of the ICT Strategic Plan
- 4.3 Linked to the methodology, bidders must outline a Gantt Chart project plan depicting clear timeframes and deliverables
- 4.4 The proposal must outline its exact needs from the municipality for it to successfully complete the project
- 4.5 The timeframe for developing the strategic plan must not exceed 2 months from date of commencement of the assignment.
- 4.6 The proposal must clearly outline the project organization to support the delivery of this project.

#### 5. RETURNABLES (MUST BE ATTACHED)

- 5.1 Company Registration Certificate
- 5.2 Certified copies of Identity Document
- 5.3 Tax Clearance Certificate with Tax Pin Number
- 5.4 Central Supplier Database Summary Report must be attached
- 5.5 Curriculum Vitae of personnel
- 5.6 Rates Clearance certificate/ Letter of exemption from Municipality
- 5.7 Qualifications of personnel

#### 6. ELIMINATION CRITERIA (COMPULSORY DOCUMENTS)

- 6.1 MBD Forms complete and signed
- 6.2 Certified copy of Company Registration Certificate
- 6.3 Certified copies of Identity Document
- 6.4 Valid Tax Clearance Certificate with Tax Pin Number
- 6.5 Rates Clearance certificate/ Letter of exemption from Municipality

#### 7. EVALUATION CRITERIA

Area	Scoring	Weighting
<b>Company experience</b> Reference letters with contact persons and details are required where an IT strategy was defined. These must not be older than 5 years.	<ul style="list-style-type: none"><li>▪ No reference letters = 0</li><li>▪ 1 reference letter = 10</li><li>▪ 2 reference letters = 15</li><li>▪ 3 reference letters = 20</li></ul>	<b>20</b>
<b>Experience of personnel</b> CV must be attached to score points	<ul style="list-style-type: none"><li>▪ No reference = 0</li><li>▪ 3 Years &amp; below = 5</li><li>▪ 4 Years = 15</li><li>▪ 5 Years or more = 20</li></ul>	<b>20</b>
<b>Delivery Team (Qualifications)</b> This assignment requires at least two team members. These must have qualifications and are	<ul style="list-style-type: none"><li>▪ No Membership/qualification = 0</li><li>▪ NQF Level 5 qualification in IT = 10</li><li>▪ NQF Level 6 qualification in IT = 15</li><li>▪ NQF Level 7 &amp; above in IT = 20</li></ul>	<b>20</b>

required to be registered with relevant professional bodies. Attach certified copies of Qualifications		
<b>Minimum points to proceed = 45%</b>		<b>60</b>

## **EVALUATION AND ADJUDICATION CRITERIA**

All bid proposals received will be evaluated on the following scoring criteria based on functionality (60 points that is 100%). Prospective bidders must at least achieve a minimum score of 45% in respect of functionality in order to be regarded as responsive and to qualify for further evaluation

## **THE EVALUATION CRITERIA**

**This tender will be evaluated in two (2) phases as follows:**

Phase 1: Compliance, responsiveness to the bid rules and conditions, thereafter

Phase 2: Bidders passing stage above will thereafter be evaluated on PPPFA

### **1. EVALUATION CRITERIA**

#### **PHASE 1 – COMPLIANCE, RESPONSIVENESS AND CONDITIONS**

The purpose of this pre-qualification evaluation is to determine which bid responses are compliant and non-compliant with the bid specifications issued by the municipality as part of the bid process

**A. Bidders' proposals must meet the following minimum requirements and the required supporting documents must be submitted with the completed quotation document in a sealed envelope in the bid box at the closing date and time. Failure to comply will automatically eliminate the bid for further consideration:**

1. Bids must be submitted on the original documents and bids which are late, incomplete, unsigned or submitted by facsimile or electronically, will not be accepted.
2. The following Declarations must be completed and signed: **(MBD4, MBD6, MBD 8 and MBD 9).**
3. Bidder's proposals that do not meet the specifications will be eliminated.
4. If the offer is "Vat Inclusive", the VAT registration number of service provider must be indicated.
5. The following Annexures must be completed **(Annexure A, B, C and D)**

#### **B. Other Conditions of bid**

1. The bidder must be registered on Central Supplier Database (CSD) prior award
2. All bidders' tax matters must be in order prior award. Bidders' tax matters will be verified through CSD.
3. The form **MBD 1** must be properly completed and signed.
4. For bidders to qualify for points for Specific, the bidders are required to be submit with the quotation:

- a) Complete the Preference Points Claim Form in full, sign the declaration and date it;
  - b) Attach an MAAA number for purposes of verifying Claimed points in the preference schedule.
  - c) Failure to submit any of the above (a or b) will result in zero points scored for Specified Goals.
5. The BBBEE Certificate (Original or certified copy) or original Sworn Affidavit must be attached. Failure to do so will result in the non-awarding of points.
  6. The Municipality will contract with the successful bidder with an official order/ appointment letter.

## **2. PHASE 2 - EVALUATION ON NEW PPPFA**

**THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT WILL BE APPLIED AND 80/20 POINTS SYSTEM WILL BE APPLICABLE**

<b>POINTS FOR PRICE</b>	<b>80 POINTS</b>
<b>MAXIMUM POINTS ON SPECIFIC GOALS</b>	<b>20 POINTS</b>
<b>TOTAL POINTS</b>	<b>100 POINTS</b>

## **3. CANCELLATION AND RE-INVITATION OF TENDERS**

The municipality may, prior to the award of the tender, cancel the tender if-

- (a) due to changed circumstances, there is no longer a need for the services, works or goods requested; or
- (b) funds are no longer available to cover the total envisaged expenditure; or
- (c) no acceptable tenders are received; or
- (d) Tender validity period has expired; or
- (e) Gross irregularities in the tender processes and/or tender documents; or
- (f) No market related offer received (after attempts of negotiation processes)

**Where applicable, the decision to cancel the tender will be published in the municipality website and in the Tender Bulletin or the media in which the original tender invitation as advertised.**

## **LIST OF RETURNABLE DOCUMENTS**

### **A Returnable Schedules required for tender evaluation purposes**

The tenderer must complete the following returnable schedules as relevant:

1. MBD 1 – Invitation to Bid
2. Record of Addenda to Tender Documents
3. Proposed Amendments and Qualifications
4. MBD 3.1- Price Schedule

5. MBD 4 - Declaration on Interest
6. MBD 6 – Preference Points Claim Form
7. MBD 8 – Declaration of Bidder's Past SCM Practices
8. MBD 9 – Certificate of Independent Bid Determination
9. Resolution for Signatory
10. Certificate of Joint Ventures
11. General Conditions of Contract

### Record of Addenda to Tender Documents

We confirm that the following communications received from the Employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer:		
	<b>Date</b>	<b>Title or Details</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Attach additional pages if more space is required.

Signed	_____	Date	_____
Name	_____	Position	_____
Tenderer	_____		_____
	_____		_____

## 2. Proposed amendments and qualifications

The Tenderer should record any deviations or qualifications he may wish to make to the tender documents in this Returnable Schedule. Alternatively, a tenderer may state such deviations and qualifications in a covering letter to his tender and reference such letter in this schedule.

The Tenderer's attention is drawn to clause 5.8 of SANS 10845-3 regarding the employer's handling of material deviations and qualifications.

Page	Clause or item	Proposal

Signed \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Position \_\_\_\_\_

*Tenderer* \_\_\_\_\_

**PRICING SCHEDULE**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>PRICE</b>
1	ICT Strategic plan	R
	SUBTOTAL	R
	VAT @15%	R
	GRAND TOTAL	R

NB: VAT can only be claimed by VAT Vendors

**MBD 4 - DECLARATION OF INTEREST**



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

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

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

2.1 Full Name of bidder or his or her representative: .....

2.2 Identity Number:.....

2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>, member):  
.....

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:  
.....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

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

<sup>1</sup>"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

- 2.7 Are you or any person connected with the bidder **YES / NO**  
presently employed by the state?
- 2.7.1 If so, furnish the following particulars:  
Name of person / director / trustee / shareholder/ member:  
.....
- Name of state institution at which you or the person connected to the bidder is employed :  
.....
- Position occupied in the state institution: .....
- Any other particulars:  
.....  
.....  
.....
- 2.7.2 If you are presently employed by the state, did you obtain **YES / NO / N/A**  
the appropriate authority to undertake remunerative  
work outside employment in the public sector?
- 2.7.2.1 If yes, did you attach proof of such authority to the bid **YES / NO / N/A**  
document?
- (Note: Failure to submit proof of such authority, where  
applicable, may result in the disqualification of the bid.
- 2.7.2.2 If no, furnish reasons for non-submission of such proof:  
.....  
.....  
.....
- 2.8 Did you or your spouse, or any of the company's directors / **YES / NO**  
trustees / shareholders / members or their spouses conduct  
business with the state in the previous twelve months?
- 2.8.1 If so, furnish particulars:  
.....  
.....

.....

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

2.9.1 If so, furnish particulars.

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

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

2.10.1 If so, furnish particulars.

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

2.11 Do you or any of the directors / trustees / shareholders / members **YES/NO**  
 of the company have any interest in any other related companies  
 whether or not they are bidding for this contract?

2.11.1 If so, furnish particulars:

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

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

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number / Persal Number

**4 DECLARATION**

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

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

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

.....

Signature

.....

Date

.....

Position

.....

Name of bidder

# PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT ACT

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

**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 POLICY ACT.**

---

## 1. GENERAL CONDITIONS

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

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

1.2

- a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the **80/20** preference point system shall be applicable; or
- b) Either the 80/20 preference point system will be applicable to this tender Points for this bid shall be awarded for:
  - (a) Price; and
  - (b) B-BBEE Status Level of Contributor.

1.3 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) **“Black people”** is a generic term which means Africans, Coloureds and Indians - (a) who are citizens of the Republic of South Africa by birth or descent; or (b) who became citizens of the Republic of South Africa by naturalisation - (i) before 27 April 1994; or (ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date.
- (e) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (f) **“Designated group”** means – black designated groups; black people; women; People with disabilities; black people living in rural and township areas; small enterprises, as defined in section 1 of National Small Enterprises Act, 1996 (Act No. 102 of 2005)
- (g) **“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;
- (h) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (i) **“People with Disabilities”** has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);

- (j) “**prices**” includes all applicable taxes less all unconditional discounts;
- (k) “**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;
- (l) “**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;
- (m) “**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 PREFERENCE POINT SYSTEMS

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

**80/20**

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

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. BID DECLARATION

Objective criteria / Specific Goals	Number of points (80/20 system)
Locality (Within uMhlabuyalingana)	5
Director/ owner with disability	5
Director/ owner black women	5
Director/ owner black youth	5
Non-compliant contributor	0

### 5. SUB-CONTRACTING

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

(Tick applicable box)

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

5.1.1 If yes, indicate:

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

**(Tick applicable box)**

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

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

6.1 Name of company/firm:.....

6.2 VAT registration number:.....

6.3 Company registration number:.....

**6.4 TYPE OF COMPANY/ FIRM**

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

[TICK APPLICABLE BOX]

**6.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....

.....

.....

.....

**6.6 COMPANY CLASSIFICATION**

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

[TICK APPLICABLE BOX]

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

## 7. Consortium / Joint Venture

- 7.1 In the event that preference points are claimed for HDI members by consortia / joint ventures, the following information must be furnished in order to be entitled to the points claimed in respect of the HDI member:

Name of HDI member	Percentage (%) of the contract value managed or executed by the HDI member

- 7.2 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, 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) If the Specified Goals have 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 BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution'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 bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector?  <b>(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).</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  <b>To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, 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.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court 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 bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	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 Bidder**

## MBD 9 - CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *per se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that 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 (SBD 9) must be completed and submitted with the bid:

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

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

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid: UMHL14/2022/2023 – ICT STRATEGIC PLAN

in response to the invitation for the bid made by: UMHLABUYALINGANA MUNICIPALITY

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

I certify, on behalf of \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder.
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;

- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
  9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

**8. PROOF OF REGISTRATION ON THE NATIONAL TREASURY CENTRAL  
SUPPLIER DATABASE (CSD REPORT)**

(ATTACH HERE)

**RESOLUTION FOR SIGNATORY**

**A: CERTIFICATE OF AUTHORITY FOR SIGNATORY**

Signatory for companies shall confirm their authority hereto by attaching a duly signed and dated copy of the relevant resolution of the board of directors to this form.

An example is given below:

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

Mr/Ms \_\_\_\_\_, whose signature appears below, has been duly authorised to sign all documents in connection with the tender for

Contract No. \_\_\_\_\_

and any Contract which may arise there from on behalf of (Block Capitals) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

SIGNED ON BEHALF OF THE COMPANY: \_\_\_\_\_

IN HIS/HER CAPACITY AS: \_\_\_\_\_

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

SIGNATURE OF SIGNATORY: \_\_\_\_\_

WITNESSES:

1. \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

### **IMPORTANT NOTICE: RESOLUTION TO SIGN**

1. In the event that a resolution to sign is not completed by all directors /partners/member directors/ shareholders of the enterprise, the signature of any one of the director or shareholder to this quotation will bind all the directors /partners/member of the enterprise and will therefore render the quotation valid.
2. In the event that a non-shareholder/ non-director/non-partner/ non-member to the enterprise sign this declaration, and no authority is granted, it will automatically invalidate the quotation.
3. In the case of a joint venture or consortium, at least one director/partner/member/ shareholder of each of the parties need to sign the joint venture or consortium agreement.
4. Furthermore, in the case of a joint venture or consortium at least one director/ partner/member/ shareholder of each party to the joint venture or consortium must give consent to give authorisation for signatory to this bid.

### **DECLARATION**

I, THE UNDERSIGNED NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.3.1 ABOVE IS CORRECT.

I ACCEPT THAT THE PRINCIPAL MAY ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder



## **ANNEXURE D**

### **DECLARATION OF EMPLOYEES OF THE STATE OR OTHER STATE INSTITUTIONS**

#### **This form must be included additional to the MBD.4**

1. In terms of section 30 of the Public Service Act; No employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the relevant department, except with the written permission of the executive authority of the department.

2.

Are any of the shareholders/ directors of your company employed by the State?	Yes/No
---	--------

3. "State" means –

- (a) Any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) Any municipality or municipal entity;
- (c) Any provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.
- (f) Any Parastatal (A company or agency owned or controlled wholly or partly by the government).

4. Should you indicate "yes" above, please provide the following details:

No	NAME & SURNAME OF DIRECTOR	STATE INSTITUTION WHERE EMPLOYED	ID NUMBER	EMPLOYEE/ PERSAL NUMBER
1				
2				
3				
4				
5				

5. Please note: The "state" is clearly defined in paragraph 3 above. In the event that "no" is selected and subsequently any false declaration are detected, the non-disclosure of such "state employment" will be deemed as "fraud". Therefore the state may reject the bid and in addition may proceed with further action should this declaration prove to be false.

#### **6. DECLARATION**

I, (NAME & SURNAME).....ID NUMBER.....  
CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 AND 4 ABOVE IS CORRECT.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

## **GENERAL CONDITIONS OF CONTRACT**

### **A. TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the provider's performance
22. Penalties
23. Termination for defaults
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
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28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties

## **GENERAL CONDITIONS OF CONTRACT**

### **1. Definitions**

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 provider, 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 provider under the contract for the full and proper performance of his contractual obligations.
- 1.4 **“Corrupt practice”** means the offering, giving, receiving, or soliciting of any thing of the 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 provider 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 provider and not involving the provider’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 provider 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 provider or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as land 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 provider covered under the contract.
- 1.25 **“Written”** or **“in writing”** means hand-written in ink or any form of electronic or mechanical writing.

## **2. Application**

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

## **3. General**

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 Invitations to bid are usually published in locally distributed news media and in the institution’s website.

## **4. Standards**

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

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

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

## **6. Patent rights**

- 6.1 The provider shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of goods or any part thereof by the purchaser.
- 6.2 When a provider developed documentation/projects for the municipality, department or Provincial entity, the intellectual, copy and patent rights or ownership or such documents or projects will vest in the municipality, department or PROVINCIAL entity.

## **7. Performance security**

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the success 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 provider'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 provider not later than thirty (30) days following the date of completion of the provider's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

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

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

- 8.2 If it is a bid condition that 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 purchaser or an organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, 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 clause 8.2 & 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 provider.
- 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 analysed 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 provider who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do not comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the providers cost and risk. Should the provider fail to provide the substitute supplies forthwith, the purchaser may, without giving the provider further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the provider.
- 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. Packaging**

- 9.1 The provider shall provide such packaging of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging, case size and weights shall take into

consideration, where appropriate, the remoteness of the good's final destination and the absence of heavy handling facilities at all points in transit.

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental services**

- 13.1 The provider may be required to provide any or all of the following services, including additional services, if any:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the provider of any warranty obligations under this contract; and
  - (e) training of the purchaser's personnel, at the provider'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 provider 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 provider for similar services.

## **14. Spare parts**

- 14.1 As specified, the provider may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the provider:
- 1) such spare parts as the purchaser may elect to purchase from the provider, provided that this election shall not relieve the provider of any warranty obligations under the contract, and

- 2) in the event of termination of production of the spare parts:
  - a) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - b) Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

## **15. Warranty**

- 15.1 The provider 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 provider 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 provider, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.
- 15.3 The purchaser shall promptly notify the provider in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the provider shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the provider, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the provider's risk and expense and without prejudice to any other rights which the purchaser may have against the provider under the contract.

## **16. Payment**

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

## **17. Prices**

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



## **18. Increase/decrease of quantities**

- 18.1 In cases where the estimated value of the envisaged changes in purchase does not exceed 15% of the total value of the original contract, the contractor may be instructed to deliver the revised quantities. The contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

## **19. Contract amendments**

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

## **20. Assignment**

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

## **21. Subcontracts**

- 21.1 The provider 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 provider from any liability or obligation under the contract.

## **22. Delays in the provider's performance**

- 22.1 Delivery of the goods and performance of services shall be made by the provider in accordance with the time schedule prescribed by the purchaser in the contract.
- 22.2 If at any time during performance of the contract, the provider or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the provider 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 provider's notice, the purchaser shall evaluate the situation and may at his discretion extend the provider'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.
- 22.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if any emergency arises, the provider's point of supply is not situated at or near the place where the supplies are required, or the provider's services are not readily available.
- 22.4 Except as provided under GCC Clause 25, a delay by the provider in the performance of its delivery obligations shall render the provider 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.
- 22.5 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 provider'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 provider.

## **23. Penalties**

- 23.1 Subject to GCC Clause 25, if the provider 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 good 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.

## **24. Termination For Default**

- 24.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the provider, may terminate this contract in whole or in part:
- (a) if the provider 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 provider fails to perform any other obligation(s) under the contract; or
  - (c) if the provider, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 24.2 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 provider shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the provider shall continue performance of the contract to the extent not terminated.

## **25. Anti-Dumping And Counter-Vailing Duties And Rights**

- 25.1 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 provider to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the provider 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.

## **26. Force Majeure**

- 26.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the provider 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.
- 26.2 If a force majeure situation arises, the provider shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the provider 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.

## **27. Termination For Insolvency**

- 27.1 The purchaser may at any time terminate the contract by giving written notice to the provider if the provider becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the provider, 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,

## **28. Settlement Of Disputes**

- 28.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the provider 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.
- 28.2 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 provider 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.
- 28.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 28.4 Notwithstanding any reference to mediation and / or court proceedings herein,  
(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and  
(b) the purchaser shall pay the provider any monies due to the provider for goods delivered and / or services rendered according to the prescripts of the contract.

## **29. Limitation Of Liability**

- 29.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the provider 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 provider to pay penalties and / or damages to the purchaser; and
- (b) the aggregate liability of the provider 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.

## **30. Governing Language**

- 30.1 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.

## **31. Applicable Law**

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

## **32. Notices**

- 32.1 Every written acceptance of a bid shall be posted to the provider 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.
- 32.2 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.

## **33. TAXES AND DUTIES**

- 33.1 A foreign provider shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 33.2 A local provider shall be entirely responsible for all taxes, duties, license fees, etc, incurred until delivery of the contracted goods to the purchaser.
- 33.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

## **34. Transfer Of Contracts**

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

## **35. Amendment Of Contracts**

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