

MKHAMBATHINI LOCAL MUNICIPALITY



ADVERTISEMENT
QUOTATION NUMBER: FWPQ: 0027/2024/25

APPOINTMENT OF SERVICE PROVIDER TO PROVIDE WITH INTERNAL AUDIT SERVICES

CLOSING DATE AND TIME: 08 APRIL 2025 @ 12H00 PM

NAME OF COMPANY	
POSTAL ADDRESS	
CONTACT PERSON	
TELEPHONE NO.	
FAX NO.	
E-MAIL ADDRESS	
TENDER PRICE	

QUOTATION CHECKLIST

PLEASE ENSURE THAT THE FOLLOWING FORMS HAVE BEEN DULY COMPLETED AND SIGNED AND THAT ALL DOCUMENTS AS REQUESTED, ARE ATTACHED TO THE TENDER DOCUMENT:

No	Description	Tenderer to Tick ()	Office Use Only
1.	Quotation filled/ submitted		
2.	All returnable attached as per clause 2.2		
3.	(MBD1) Invitation to BID		
4.	(MBD2) Tax Clearance Certificate OR SARS Issued PIN		
5.	(MBD3) Price Adjustment		
6.	(MDB4) Declaration of Interest		
7.	(MBD6.1) Preference Points Claim Form		
8.	(MBD 6.2) Declaration of Certificate for Local Production and Content		
9.	(MBD7.1) Contract Form – Purchase of Goods and Works		
10.	(MBD7.2) Contract Form – Rendering of Services		
11.	(MBD 8) Declaration of Past Supply Chain Practices		
12.	Form of Offer		
13.	The tenderer is has submitted Proof of Banking details		

Name of Company			
Name (PRINT)			
Capacity			
Signature		Date	

For Office Use Only

No	Contract Management	Office Use Only
1.	Is the Contract Signed	
2.	Are all Documents Completed	

1. QUOTATION NOTICE AND INVITATION



MKHAMBATHINI LOCAL MUNICIPALITY REQUEST FOR FORMAL WRITTEN PRICE QUOTATION FWPQ: 0027/2024/25 Advert Date 05 MARCH 2025

The Mkhambathini Municipality invites eligible and accredited service providers to submit Formal written Price quotations for provision of internal audit services for 2 sections.

Quotations with the valid tax clearance certificate/ tax pin, Copy of Company registration, all MBD forms to be filled, BBBEE Certificate, Company profile and Central supplier database registration confirmation sealed in an envelope marked with quotation for **'Provision of internal audit services for 2 sections'** with reference number FWPQ: 0027/2024/25' must be deposited during office hours, 08H00 to 16H15, Monday to Friday in the Tender Box of Mkhambathini Local Municipality, 18 Old main Road, Camperdown, 3720, on or before **08 April 2025 at 12h00**.

Delivery Period must be stipulated, and quotation will be evaluated using PPPFA method (80/20 system). Price must be inclusive of VAT. Failure to submit any above-mentioned document will automatically disqualify your quote.

The quotation document is available as a download from the municipal website: www.mkhambathini.gov.za or alternatively the document in a hard copy is obtainable at the municipal premises situated at 18 Old main Road, Camperdown 3720 from the Supply Chain Management Unit. The quotation document may only be submitted in a hard copy format, no email or fax.

For more information please contact SCM officer on (031) 785 9338/64

Late and Faxed quotations will not be accepted.

**MR. S MNGWENGWE
MUNICIPAL MANAGER**

Date Issued: 01 APRIL 2025

2. QUOTATION SPECIFICATION / SCOPE OF WORKS

2.1 FUNCTIONALITY

No.	Functionality	Criteria/ Guide	Maximum Weight (points)	Score Claimed
1	Company Profile Company profile including demonstrated experience in providing internal audit services in the local government sector. The bidder must demonstrate their competency by providing appointment letters with matching contactable reference letters on company letterhead from clients where the bidder provided internal audit services to a public sector for a period of not less than 12 months (Fully outsourced/Co-sourced arrangement):	Evidence must be appointment letters and matching reference letters (with contactable references – letters not older than 5 years) <ul style="list-style-type: none"> ▪ Above 5 appointment letters and matching reference letters of completed contracts = 25 points ▪ 4 appointment letters and matching reference letters of completed contracts = 20 points ▪ 3 appointment letters and matching reference letters of completed contracts = 15 points ▪ 2 appointment letters and matching reference letters of completed contracts=10 points. ▪ 1 appointment letter and matching reference letter of completed contract = 5 points ▪ Non-compliance with the above requirement = 0 points 	25	
2	Team Experience Team experience in providing services of the required nature see Qualifications of the team members for requirements. Bidder to provide detailed CVs of the proposed project team members including the following: (The bidder to clearly stipulates position of each team member according to the below mentioned.) Attach organogram with staff indicated that will be allocated to the projects.	2.1. Project Team Leader or Engagement Partner x1: 5 points Minimum 15 years' Internal audit experience with a minimum 10 years as a team leader and a qualified CA or CIA. Must be active member for IIA/SAICA = 5 points 2.2. Internal Auditor Manager x1: 5 points Minimum 10 years' internal audit experience with a minimum 5 years as a Project Manager and with a minimum B-degree in Auditing/Accounting. Must be active member for IIA = 5 points	20	

		<p><u>2.3. Senior IT Auditor / Senior Internal Auditor x2: 5 points</u></p> <p>Minimum 5 years' information systems audit experience / Audit experience with a minimum B-degree in Computer Auditing/ Computer Science/ Accounting. Must be active member for IIA/ISACA = 5 points</p> <p><u>3.4 Junior Internal Auditors x5: 5 points</u></p> <p>Minimum 1 year' internal audit experience with a minimum National Diploma in Auditing/Accounting. Must be active member for IIA = 5 points</p>		
3	<p>Qualifications</p> <p>Qualifications of the team members as per <u>Qualifications of the team members</u></p> <p>Partners/Directors – CIA or CA Manager/s and Supervisors – Qualified Auditors Clerks –at least 2nd year article clerks IT specialised auditor/s</p>	<p>Less than minimum qualifications = 0 (points)</p> <p>Equivalent to the minimum qualifications = 15(points)</p> <p>More than the minimum qualifications = 20 (points)</p>	20	
4	<p>Project plan and methodology</p> <p>A detailed proposed project plan in executing these projects and methodology. All 4 points must be suitably covered to score 30 points.</p> <p>Internal audit approach/methodology fully compliant with the new Global internal audit standards which came into effect in January 2025.</p>	<p>Planning phase of the Audit (10 points)</p> <p>Execution of the Audit (5 points)</p> <p>Reporting phase (5 points)</p> <p>Audit follow up (2 points)</p> <p>Supervision of work (3 points)</p> <p>No submission = 0 points No points will be allocated for a methodology not in line with the Internal Audit Standards.</p>	30	
5	<p>Skills transfer plan and locking of files</p> <p>Provide Action Plan on Skills transfer and a plan on how the audit files will be locked = 5 points</p> <ul style="list-style-type: none"> • No submission = 0 points 	<p>Detailed project plan to meet the scope of work required = 5</p> <p>No or insufficient project plan = 0 (points)</p>	5	
	<p>All documents in support of the various sections above must be submitted in order to claim the maximum points.</p>		100	

The minimum qualifying score for functionality is 70 points. All bids that fail to achieve the minimum score shall be deemed non-responsive.

1. Company profile

This refers to the details of the company (Supplier) and the services on offer.

Specific details required are as follows:

- The nature and location of the company, its history and when it was registered **(Supplier must specify)**
- The company's core business e.g. provision of internal audit services preferably in the local government, public sector or financial services industries **(Supplier must specify)**
- A minimum of three positive reference letters from previous clients relevant to this tender.

2. Team experience

Specific details required here are:

- The consultant's internal audit experience preferably in the local government, public sector, or financial services environment.
- At least three years of experience in conducting audits required
- Capacity to service Mkhambathini Local Municipality

3. Qualifications of the team members

A mix of qualifications of the team members and specify the role of each member (especially lead auditors/Directors).

- Assessment of the condensed curricula vitae of personnel who will be assigned to the Municipal account.
 - Partners/Directors – CIA or CA with at least 10 years' experience
 - Manager/s – Qualified Auditors with at least 8 years' experience
 - Supervisors – Qualified Auditors with at least 5 years' experience
 - Clerks – at least 2nd year article clerks
 - IT specialised auditor/s with one or more of the following qualifications;
 - ISO 27001 Lead Auditor or Lead Implementer
 - CISA (Certified Information Systems Auditor)
 - CISM (Certified Information Security Manager)
 - CGEIT (Certified in the Governance of Enterprise Information Technology)
- The service provider should maintain a professional audit team with sufficient knowledge, skills, experience and appropriate professional certifications to meet the requirements of the Internal Audit charter.

4. Project plan and methodology

Specific details required here are:

- Project plan and methodology
- Include sample of internal audit reports
- Use of electronic internal audit software to perform audits (CAATs, ACL etc.)
- Demonstrate understanding of the requirements of this tender ([Scope of Work](#))

2.2 PRICE

No.	Description	Unit price	Amount
1.	Supply Chain Management (including Follow Up) (240 HOURS)		
2.	ICT General Controls review (200 HOURS)		
Sub – Total			
VAT			
Total			

Amount in words:

COMPANY STAMP

2.1 Submission of Compulsory Returnable Documentation

Compulsory documents to be submitted:

- MBD 1: Invitation to Tender
- MBD 2: Valid Original Tax Clearance Certificate in the name of the tenderer
- MBD 4: Declaration of Interest
- MBD 6.1: Preferential Procurement Claim
- MBD 6.2: Local Content
- MBD 8: Declaration of past Supply Chain Management Practice
- MBD 9: Certificate of Independent Bid
- Proof of Registration to **Central Supplier Database (CSD)**
- Company registration documents (CK documents)
- Certified copies of owner's identity document
- Copy of Tax Clearance Pin

Failure to comply with the above conditions will render your bid non-responsive.

2.2 Quotation Evaluation criteria

Quotation proposals received will be evaluated in two stages in accordance with Mkhambathini Municipality's Supply Chain Management Policy, the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) and the regulations pertaining thereto as amended in January 2017.

Quotation proposals will be evaluated on Price and BBBEE Level Status using the 80/20 Preference Points System as outlined in the quotation document. Preference points will be allocated to bidders who have submitted their BBBEE verification certificates.

Tenderers with annual total revenue of R10 million or less qualify as Exempted Micro Enterprises (EMEs) in terms of the Broad-Based Black Economic Empowerment Act, and must submit a certified BBBEE verification certificate, sworn affidavits, and BBBEE certificate issued by registered Auditor or accredited verification agency for business that has a turnover of 10 million and above.

3. AWARDING OF CONTRACT, COMPLETION AND PENALTIES

This Bid is subject to the General Conditions of Contract (GCC) and, if applicable, any other Special Conditions of Contract.

- i. The date of commencement of the Contract will be advised after adjudication of the quotation.
- ii. Bidders shall furthermore note that goods or services will not be considered acceptable and consequently their obligations not fulfilled should goods or services fail to comply with the specifications in the Quotation document.
- iii. Where the supplier fails to render the services within the stipulated period, or should services rendered be deemed not to the satisfaction of the Mkhambathini Local Municipality, the bidder will receive written notice of poor performance. Failure to address performance issues could result in the entire contract being reviewed or cancelled.

4. TAX REQUIREMENTS

Bidders are requested to attach the original tax clearance certificate from the revenue office to indicate their standing with regard to tax matters.

5. CONTRACT PERIOD

Service Level Agreement being the maintenance plan will need to be signed with the municipality for a period not exceeding five (6) months.

6. PROFESSIONAL SERVICES

Internationally accredited pre-sales/sales specialists, in-field engineers, project managers and end user trainers form part of the professional services team to ensure a proper design and implementation of the required service. Services include: Scoping, solution design, FAT, project management, Data collection and end user training.

7. DOCUMENTATION

- The Service Provider will be required to consider the prescripts of all applicable legislation and in particular the Municipal Systems Act, Municipal Finance Management Act of 2000, PPPFA of 2011 and Supply Chain Management Regulations.
- The Mkhambathini Local Municipality Supply Chain Management Policy will apply.
- Ownership of all material related to the assignment shall vest in the municipality.

The following general conditions shall be applicable:

- The Mkhambathini Local Municipality does not bind itself to accept the lowest quotation or any other quotation and reserves the right to accept the whole or part of the quotation; or reject all quotations and cancel the quotation advert.
- Quotations that are submitted late, incomplete, unsigned or by facsimile, electronically or not completed in black ink will be rejected and accepted for further evaluation.
- Quotations submitted are to hold good for a period of 90 days.

8. PAYMENTS

a) Payments will be made within 30 days of the certified invoice date

b) Quotations must clearly state all settlement and discounts.

c) Any additional payment for extra work carried out on a contract will be made provided that the contractor is issued with a variation order by an authorised Mkhambathini Municipality official.

d) Mkhambathini Municipality hereby indemnifies itself from any claims whatsoever, which may arise as a result of loss of income suffered by the bidder for any reason directly or indirectly during the course of this quotation and the Mkhambathini Municipality reserves the right to consider compensation at its own terms.

8.1 DUTY OF CARE AND EXERCISE OF AUTHORITY

The service provider shall exercise reasonable skill, care and diligence in the performance of its obligations during the undertaking of the assignment.

8.2 STATUTORY OBLIGATIONS, NOTICES, FEES AND CHARGES

The service provider shall carry out its obligations so as to comply with all relevant laws and regulations and by-laws and shall give all notices required by any relevant authority, which may be required in relation to any matter arising out of the assignment.

The service provider shall be responsible for payment of all costs, taxes, duties, levies and charges arising out of compliance with such laws and regulations. The service provider shall be liable for and shall indemnify the Client against any claim arising out of the service provider's non-compliance with any laws and regulations applicable to the execution of the assignment.

8.3 CONFLICT OF INTEREST, CORRUPTION AND FRAUD

Notwithstanding any penalties that may be enforced against the service provider under South African Law, the Client will be entitled to terminate any Agreements or Contracts if it is shown that the service provider is guilty of:

- offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Agreement; or
- misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Client, including the use of collusive Practices intended to stifle or reduce the benefits of free and open competition.

8.4 CONFIDENTIALITY

Unless otherwise provided for the parties warrant that each shall keep confidential all matters relating to the Assignment/Project, and that the parties, their employees, agents and servants shall not divulge or disclose to any organisation or any person any information, data, documents, secrets, dealings, transactions or affairs relating to or incidental to the Assignment/Project.

The obligation of confidentiality shall not apply to the following: -

- any matter generally available in the public domain
- any disclosure which may reasonably be required for the performance of that party's obligations under the Agreement; and
- Disclosure of information which is required by statute, regulation, or any other law.

8.5 COPYRIGHTS

The service provider shall, and does, by the submission of a quotation, warrant that all sources of data, etc. have been obtained through legal means and that where any material is used from outside sources, the written consent of all copyright holders has been obtained.

The service provider, by the submission of a quotation or brief proposal, acknowledges and agrees that the report, all associated documents and references become the copyright property of the Municipality and that no data contained in the report (or presentations) may be reproduced in part or whole without the prior written permission of the Municipality under the hand of the Municipal Manager.

In cases where a fee is levied, the Municipality may allow the use of such copyright material, if it will retain copyright of the data or information and in return for a commercial charge.

8.6 AUTHORITY OF THE MUNICIPAL MANAGER

This document is issued by the Municipality under the authority of the Municipal Manager. All information contained in this proposal is confidential and may not be released to any unauthorized parties. No part of this proposal document may be re-produced without the prior written permission of Municipality under the hand of the Municipal Manager. This permission may be granted under commercial terms if the use entails any charge to a client. Notwithstanding Municipality will retain copyright of such material.

9 ESCALATION/ PRICING

The price is to remain firm for the contract period.

10 INSURANCES REQUIRED

The interest rates charged shall be deemed to cover all applicable insurances relating to the loan.

11 CONDITIONS OF CONTRACT GOVERNING THE CONTRACT

Conditions of Contract governing the contract will be as per existing SCM processes as detailed above as well as the applicable prescripts of Financial and Performance Management.

12 COMPLIANCE WITH ANY LEGISLATION, BYLAWS, ETC.

The service provider must comply with the following prescripts:

1. The OHS Act (Act 85 of 1993)
2. The Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993)
3. The Labour Relations Act (Act 66 of 1995)
4. The Basic Conditions of Employment Act (Act 3 of 1983)
5. The Income Tax act (Act 58 of 1962)
6. The Value Added Tax Act (Act 89 of 1991)
7. Supply Chain Management Regulations
8. Municipal Finance Management Act, 2000
9. Municipal Systems Act, 2001

13 OCCUPATIONAL HEALTH AND SAFETY ACT

Attach herein Occupational Health and Safety Certificate thereby indemnifying the Mkhambathini Municipality of any claims which may arise in terms of the Occupational Health and Safety Act (Act 85 of 1993) as amended.

14 PRESENTATION

In the event of a presentation being required, all costs arising from such presentations shall be borne by the Service Provider.

15. COUNCIL'S LIABILITY AND INDEMNITY

15.1. The Service Provider hereby indemnifies the Council and its employees and agents against all losses and claims for injuries or damages to any person or property whatsoever which may arise out of the execution of this contract.

15.2. The Council shall not be held liable to the Service Provider for any direct or indirect damages or losses and the Council shall be indemnified and held free against claims arising out of: -

15.2.1. any negligent or innocent misrepresentations made by the Council, its employees or agents in respect of any data, information and statistics supplied to the Service Provider prior to or during the contract; provided that this condition shall not deprive the Contractor of any payments lawfully due to the Service Provider in terms of the contract, and,

15.2.2. a change in a legislative provision applicable to the contract.

FORM OF OFFER AND ACCEPTANCE

MKHAMBATHINI MUNICIPALITY

FORM OF OFFER AND ACCEPTANCE

OFFER

The employer, identified in the acceptance signature block, has solicited offers to enter a contract for:
INVITATION FOR PROVISION OF INTERNAL AUDIT SERVICES.

The bidder, identified in the offer signature block, has examined the documents listed in the quotation data and addenda thereto as listed in the quotation schedules, and by submitting this offer has accepted the conditions of quotation.

By the representative of the bidder, deemed to be duly authorized, signing this part of this form of offer and acceptance, the bidder offers to perform all of the obligations and liabilities of the contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS

.....

..... Rand (in words).

R..... (in figures) (or other suitable wording)

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the bidder before the end of the period of validity stated in the tender data, whereupon the bidder becomes the party named as the contractor/ service provider in the conditions of contract identified in the contract data.

Signature(s)

Name(s)

Capacity

For the
Tenderer
(Name of organization)

Name and
Signature of

Witness..... Date

ACCEPTANCE (To be completed by the Employer)

By signing this part of this form of offer and acceptance, the employer identified below accepts the bidder's offer. In consideration thereof, the employer shall pay the bidder the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the bidder's offer shall form an agreement between the employer and the bidder upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

- Part 1 Agreements and tender document, (which includes this agreement)
- Part 2 Pricing data
- Part 3 Scope of work

And any drawings and documents or parts thereof, which may be incorporated by reference into Parts 1 to 4 above.

Deviations from and amendments to the documents listed in the quotation document and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the Record of Addendum attached to and forming part of this agreement. No amendments to or deviations from said documents are valid unless contained in this schedule, which must be signed by the authorized representative(s) of both parties.

The bidder shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the quotation document) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data at, or just after, the date this agreement comes into effect. Failure to fulfill any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the bidder receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the bidder within five days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

NAME			
SIGNATURE			
CAPACITY (tick one)	Municipal Manager	Chief Financial Officer	
FOR THE EMPLOYER	MKHAMBATHINI MUNICIPALITY, 18 OLD MAIN ROAD, CAMPERDOWN 3720		
NAME OF WITNESS		DATE	
SIGNATURE OF WITNESS			

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MKHAMBATHINI LOCAL MUNICIPALITY					
BID NUMBER:	FWPQ – 0027/2024/25	CLOSING DATE:	08 APRIL 2025	CLOSING TIME:	12:00
DESCRIPTION	PROVISION OF INTERNAL AUDIT SERVICES				
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					
18 OLD MAIN ROAD					
CAMPERDOWN					
3720					
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	FINANCE		CONTACT PERSON		
CONTACT PERSON	MBONGWA DLAMINI		TELEPHONE NUMBER		
TELEPHONE NUMBER	031 – 785 9364		FACSIMILE NUMBER		
FACSIMILE NUMBER	031 – 785 2121		E-MAIL ADDRESS		
E-MAIL ADDRESS	dlaminim@mkhambathini.gov.za				

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED—(NOT TO BE RE-TYPED) OR ONLINE**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐
NO
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐
NO
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐
NO
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐
NO
- 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐
NO

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

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

MKHAMBATHINI MUNICIPALITY	
PRICING SCHEDULE FOR GOODS	
QUOTATION NUMBER	FWPQ-0027/2024/25
QUOTATION DESCRIPTION	PROVISION OF INTERNAL AUDIT SERVICES
Sub Total	
Value-Added Tax @ 15%	
Total Quotation Amount	

SIGNATURE OF BIDDER	
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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 authorised 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, hareholder²):

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

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

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

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

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20	or	90/10
$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$	or	$Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Ownership Goals	5	10		
Empowerment Goals	2	4		
Reconstruction & Development Programme Goals	2	4		
Other Goals (Specify)	1	2		

1.Ownership Goals

Gender based ownership

Women ownership / men ownership (must be South African)

No.	Categories	Weigh	80/20	90/10
1	Women ownership - 100%: African	100%	10	5
2	Men ownership - 100%: African	80%	8	4
3	Women ownership - <100%: African	80%	4	2
4	Men ownership - <100 % : African	40%	4	2
5	Women ownership - 100%: Indian / Coloured	40%	4	2
6	Men ownership - 100%: Indian / Coloured	40%	2	1
7	Women ownership - <100%: Indian / Coloured	10%	1	0.5
8	Men ownership - <100%: Indian / Coloured	10%	1	0.5

The use of ID Copies : Directors | Co. Registration | CSD | Shareholders Certificate to verify the information provided.

2.Empowerment

No.	Categories	Weigh	80/20	90/10
1	Enterprise 100% owned by Youth African	100%	4	2
2	Enterprise 100% owned by Military Veteran	100%	4	2

The use of ID Copies : Directors | Co. Registration | CSD | Shareholders Certificate will be used to verify the information.

NB: kindly note that suppliers can only be scored in 1 category even if you qualify for more than 1 category

3. Reconstruction & Development Programme Goals

Promotion of Local Business(s)

No.	Categories	Weigh	80/20	90/10
1	Enterprise Located within the Local Municipality	100%	4	2
2	Enterprise Located within the District Municipality	50%	2	1
3	Enterprise Located within the Province	25%	1	0.5

The use of Utilities: Directors or Co. | Affidavit | Existing Lease Agreement will be used to verify the information.

4. Other –

People leaving with disability.

No.	Categories	Weigh	80/20	90/10
1	Enterprise 100% owned by Disabled People.	100%	2	1
2.	Enterprise partially owned by a person living with disability	50%	1	0.5

The use of ID Copies : Directors |Co. Registration | CSD | Shareholders Certificate will be used to verify the information provided and doctor's note to verify disability.

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

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

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

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

SURNAME AND NAME:

DATE:

ADDRESS:
.....

CONTRACT FORM - RENDERING OF SERVICES

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

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid
 - Tax clearance certificate
 - Pricing schedule(s)
 - Filled in task directive/proposal
 - Preference claims in terms of the Preferential Procurement Regulations
 - Declaration of interest
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3
- 4 The bid of any bidder may be rejected if that bidder, or any of its directors have:
- 5
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 6 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <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 of law outside 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:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

GENERAL CONDITIONS OF CONTRACT – GOVERNMENT PROCUREMENT

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 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.
- 1.13. 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.
- 1.14. "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.

- 1.15. "GCC" means the General Conditions of Contract.
- 1.16. "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.17. "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.
- 1.18. "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.19. "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.20. "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.21. "Project site" where applicable, means the place indicated in bidding documents.
- 1.22. "Purchaser" means the organization purchasing the goods.
- 1.23. "Republic" means the Republic of South Africa.
- 1.24. "SCC" means the Special Conditions of Contract.
- 1.25. "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.
- 1.26. "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.27. "Tort" means in breach of contract.
- 1.28. "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.29. "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

- 5.1. The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 5.2. The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4. The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent Rights

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

7. Performance Security

- 7.1. Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3. The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - 7.3.1. 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
 - 7.3.2. a cashier's or certified cheque
- 7.4. The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections, tests and analyses

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- 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 inspections tests and analysis, the bidder or contractor's premises 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 clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5. Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6. 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 goods 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 goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8. The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

- 9.1. The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size 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, and in any subsequent instructions ordered by the purchaser.

10. Delivery

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

11. Insurance

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

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

13. Incidental

- 13.1. The supplier may be required to provide any or all of the following services, including additional services, if any:
- 13.1.1. performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - 13.1.2. furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - 13.1.3. furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - 13.1.4. 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
 - 13.1.5. Training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2. Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services

14. Spare Parts

- 14.1. As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
- 14.1.1. 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;
 - 14.1.2. in the event of termination of production of the spare parts:
 - 14.1.2.1. advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - 14.1.2.2. Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

16. Payment

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

17. Prices

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 or in the purchaser's request for bid validity extension, as the case may be.

18. Variation Orders

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

19. Assignment

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.³⁸

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1. Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2. If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.4. Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22 without the application of penalties.
- 21.5. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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:
 - 23.1.1. 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;

- 23.1.2. if the Supplier fails to perform any other obligation(s) under the contract; or 39
- 23.1.3. 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 supplier as having no objection and proceed with the restriction.
- 23.5. Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchase 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:
- 23.6.1. the name and address of the supplier and / or person restricted by the purchaser;
 - 23.6.2. the date of commencement of the restriction
 - 23.6.3. the period of restriction; and
 - 23.6.4. 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

When, after the date of bid, provisional payments are required, or antidumping 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 payment⁴⁰ 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

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.
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.
- 27.2. Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.3. Notwithstanding any reference to mediation and/or court proceedings herein,
 - 27.3.1. the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - 27.3.2. the purchaser shall pay the supplier any monies due for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of liability

- 28.1. Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
 - 28.1.1. 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

- 28.1.2. 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

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

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

31. Notices

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

32. Taxes and duties

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

33. Transfer of contracts

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

34. Amendment of contracts

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

35. Prohibition of restrictive practices.

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

- 35.2. If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 Of 1998.
- 35.3. If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.