

# GREATER TZANEEN MUNICIPALITY



## SUPPLY CHAIN MANAGEMENT UNIT

**BID DESCRIPTION: SHORT TERM INSURANCE BROKER OF GREATER TZANEEN MUNICIPALITY FOR A PERIOD OF 36 MONTHS.**

**BID NO:** SCMU 08/2021

**NAME OF THE BIDDER:** .....

.....

**BROKER FEE:** R ..... VAT Incl.

**AMOUNT IN WORDS:** .....

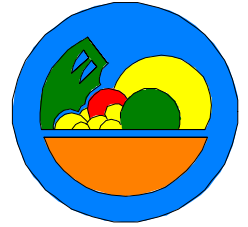
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**CLOSING DATE:** 24 August 2021 @ 12H00

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**PART A: MBD1**  
**GREATER TZANEEN MUNICIPALITY**  
**GROTER TZANEEN MUNISIPALITEIT**  
**MASIPALA WA TZANEEN**  
**MASEPALA WA TZANEEN**



**SUPPLY CHAIN MANAGEMENT UNIT**  
**DEPARTMENT: BUDGET & TREASURY: REVENUE SERVICES**

**BID DESCRIPTION: Short Term Insurance Broker of Greater Tzaneen Municipality for a Period of 36 Months.**

**BID NO: SCMU 08/2021**

**Interested bidders must attach proof of the following documents to avoid disqualification:**

Original certified copy of valid BBBEE Certificate or Sworn Affidavit of BBBEE status level; Certified ID copies of all directors; Copy of company registration certificate/ documents from CIPC; Copy/ printed Tax compliance status Pin or certificate; Copy of current municipal account (not older than 3 months) or copy of Lease Agreement and proof of payment for lease preceding 3 months ; Certified copies of Permission to Occupy (PTO's) land for bidders residing in Tribal Authority's areas of jurisdiction; CSD registration summary report (ideally not older than 3 months); Joint Venture Agreement (In case of a Joint Venture); initial every page of the bid document; all MBD forms be completed in full; Broker Fee structure; Registration with FSCA/FSB; 3-year Annual financial Statements signed/reviewed by accredited professional; Professional Indemnity cover of R100 million.

Bidders must sanitise/ wear gloves when preparing their bid document. Completed bid documents with attachments (supporting documents) must be wrapped in a sealed envelope and be deposited into Greater Tzaneen Municipality bid box, Civic Centre, Agatha Street, marked as Bid No: SCMU 08/2021, postal address and contact details of the bidder.

Bid document will be available only at [www.greatertzaneen.gov.za](http://www.greatertzaneen.gov.za) on the date of advert.

Closing date: 24 August 2021 at 12H00 at. No briefing session. No public bid opening will be held.

**EVALUATION OF BIDS**

N.B: The evaluation of the bid will be conducted in two stages; first stage will be the assessment on functionality as follows: Key personal Experience of the bidding entity in the insurance industry - 35 points; Claims administration process methodology – 30 points. Public Sector Experience – 35

points, only bidders that obtain 70 points will be subjected to 80/20 Preference point scoring system, where 80 points will be allocated for price only and 20 points will be allocated based on the Broad Based Black Economic Empowerment (B-BBEE) status level of contributors.

Bidders shall take note of the following bid conditions:

- a. Greater Tzaneen Municipality Supply Chain Management Policy will apply on this bid;
- b. Broad Based Black Economic Empowerment (B-BBEE) Act will apply on this bid;
- c. Greater Tzaneen Municipality does not bind itself to accept the lowest or any bid and reserves the right to accept the whole or part of the bid;
- d. Council reserves the right to negotiate further conditions with the successful bidder;
- e. Council reserves the right not to appoint;
- f. Contract period: 3 years (36 months);
- g. No bidder will be appointed if not registered on Central Supplier Database;
- h. Council have the right to appoint more than one bidder;
- i. Late, incomplete, unsigned, faxed or emailed bids will not be accepted.

Technical enquiries should be directed to Mr. Arnold Mathebula (015) 307 8061/2 or  
Office of the CFO MP Makhubela: 078 239 9010

Administrative enquiries relating to the tender be directed to Ms. M. Mpyana @ 015 307 8091

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Mr. B.S. Matlala  
Municipal Manager  
Greater Tzaneen Municipality

**PART B.1  
Form of bid**

**Bid for contract number: SCMU 08/2021**

I/We, the undersigned:

**Broker fee bid amount of R\_\_\_\_\_ (VAT inclusive) and;**

- a) Bid to supply and deliver to the Greater Tzaneen Municipality all or any of the supplies of goods described in both Specification and Scheduled of this Contract;
- b) Agree that we will be bound by the specifications, prices, terms and conditions stipulated in those Schedules attached to this bid document, regarding delivery and execution;
- c) Further agree to be bound by those conditions, set out should this bid be accepted in whole or in part.
- d) Confirm that this bid may only be accepted by the Greater Tzaneen Municipality by way of a duly authorized Letter of Acceptance; and,
- e) Declare that we are fully acquainted with the Preferential Procurement Forms and Schedules, and the contents thereof and that we have signed the Schedule of Prices – PART “F” and completed the Preference Points claim Forms attached in Part I, J, K, L and M; N; O”
- f) Declare that, the relevant authorised person thereto will initial each page of the bid document and amendment.
- g) Declare that all information provided in respect of the bidder as well as the bid documents submitted are true and correct.
- h) Declare that documentary proof regarding aspects of the bid process or accidental thereto will, when required, be submitted to the satisfaction of the Municipality.

Signed at .....this ..... Day of .....20.....

\_\_\_\_\_

**Signature**

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**As Witness:**

1. Name \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_\_\_ Signature: \_\_\_\_\_

2. Name \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_\_\_ Signature: \_\_\_\_\_

**State in cases where the bidder is a Company, Corporation of Firm by what authority the person signing does so, whether by Articles of Association, Resolution, Power of Attorney or otherwise.**

I/We the undersigned am/are authorized to enter into this contract on behalf of:

\_\_\_\_\_

By virtue of \_\_\_\_\_

Dated \_\_\_\_\_ a certified copy of which is attached to this bid.

Signature of authorized person: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Postal Address: \_\_\_\_\_

\_\_\_\_\_

As witness:

1. Name: \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_ Signature: \_\_\_\_\_

2. Name: \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_ Signature: \_\_\_\_\_

Please Note: The prices at which bids are prepared to supply the goods and materials or perform the services must be placed in the column on the form provided for that purpose.

**Failure to sign the form of bid and initialling each page of the bid document will result in disqualification of the bidder.**

Bidders must sign this Form of Bid as well as PART "F," attached to this bid document and on acceptance of a bid by the Greater Tzaneen Municipality the Conditions of Contracts, Special Conditions, Specifications and Scheduled of prices, attached hereto shall be deemed to be the conditions of Contract between the parties. Failure to complete all blank spaces in the forms and to attend to the other details mentioned herein will render the bid liable to rejection.

**Bank account details of Bidder:**

**Bank:** \_\_\_\_\_

**Branch:** \_\_\_\_\_

**Branch Code:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Type of Account:** \_\_\_\_\_

**Proof that municipal account is paid in full to be attached (arrangements made with council will be taken into consideration).**

**Part B. 2**

**Bidding Information**

Details of person responsible for bidding process

Name: \_\_\_\_\_

Contact number: \_\_\_\_\_

Address of office submitting bid: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax no: \_\_\_\_\_

E-mail address: \_\_\_\_\_

**Authority for signatory**

Signatories for close corporation and companies shall confirm their authority by attaching to this form a duly signed and dated copy of the relevant resolution of their members or their board of directors, as the case may be.

An example for a company is shown below:

“By resolution of the board of director(s) passed on \_\_\_\_/\_\_\_\_/20\_\_\_\_\_

Mr/ Mrs. \_\_\_\_\_

Has been duly authorized to sign all documents in connection with the bid for

Contract \_\_\_\_\_ **No** \_\_\_\_\_

And any contract, which may arise there from on behalf of

\_\_\_\_\_  
Signed on behalf of the company: \_\_\_\_\_

In his capacity as: \_\_\_\_\_ **Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature of signatory

As witness:

1. **Name** \_\_\_\_\_ **Date** \_\_\_\_/\_\_\_\_/\_\_\_\_ **Signature:** \_\_\_\_\_

2. **Name** \_\_\_\_\_ **Date** \_\_\_\_/\_\_\_\_/\_\_\_\_ **Signature:** \_\_\_\_\_

**Part C**  
**General undertakings by the bidder**

**1.1 Definitions**

- 1.1.1 **“Acceptable bid”** means any bid, which in all respects, complies with conditions of bid and specifications as set out in the bid document, including conditions as specified in the Preferential Procurement Policy Framework Act (Act 5 of 2000) and related regulations.
- 1.1.2 **“Chairperson”** means the chairperson of the Greater Tzaneen Municipality Bid Adjudication Committee.
- 1.1.3 **“Municipal Manager”** means the Accounting Officer or Municipal Manager of the Municipality.
- 1.1.4 **“Committee”** refers to the Bid Adjudication Committee.
- 1.1.5 **“Council”** refers to Greater Tzaneen Municipality.
- 1.1.6 **“Equity Ownership”** refers to the percentage ownership and control, exercised by individuals within an enterprise.
- 1.1.7 **“HDI equity ownership”** refers to the percentage of an enterprise, which is owned by individuals, or in the case of a company, the percentage shares that are owned by individuals meeting the requirements of the definition of a HDI.
- 1.1.8 **“Member”** means a member of the Bid Adjudication Committee.
- 1.1.9 **“Historically Disadvantaged Individual (HDI)”** means a South African citizen-
- (i) Who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the 1983 and 1993 Constitutions; and/or
  - (ii) Who is a female; and/ or
  - (iii) Who has a disability?
- 1.1.10 **“Service providers”** refers to the bidders who have been successful in being awarded Council contracts.
- 1.1.11 **“SMMEs”** (Small, medium and Micro Enterprises) refers to separate and distinct business entities, including co- operative enterprises and NGOs, managed by one owner or more, as defined in the National Small Business (Act 102 of 1996).
- 1.1.12 **“Contract”** refers to legally binding agreement between Greater Tzaneen Municipality and the service provider.



- 1.1.13 **“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation by the Municipality for the provision of services or goods.
- 1.1.14 **“Contractor”** means any natural or legal person whose bid has been accepted by the Council.
- 1.1.15 **“Closing time”** means the date and hour specified in the bid documents for the receipt of bids.
- 1.1.16 **“Order”** means an official written order issued for the supply of goods or the rendering of a service in accordance with the accepted bid or price quotation.
- 1.1.17 **“Written” or “in writing,”** means hand written in ink or any form of mechanical writing in printed form.
- 1.1.18 **“Functionality”** means technical capability, financial and other resource availability that the service provider needs, to successfully and efficiently render the service and/or deliver in accordance with the specifications.

## **1.2 INTERPRETATION:**

- 1.2.1 In this agreement clause headings are for convenience and shall not be used in its interpretation and, unless the context clearly indicates a contrary intention: -
- 1.2.2 An expression which denotes: -
- 1.2.3 Any reference to any statute, regulation or other legislation or official policy shall be a reference to that statute, regulation or other legislation or national policy as at the signature date, and as amended or re-enacted from time to time.;
- 1.2.4 When any number of day is prescribed, such shall be reckoned exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding day which is a business day;
- 1.2.5 Where any term is defined within a particular clause, other than the interpretation clause, that term shall bear the meaning ascribed to it in that clause wherever it is used in this agreement.

## **1.3 I/we hereby Bid:**

- 1.3.1 To supply all or any of the supplies and/or to render all or any of the services described in the attached documents {Forms, Schedule(s) and/or Annexure(s) to the Greater Tzaneen Municipality.

- 1.3.2 On the terms and conditions and accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and incorporated into, this bid);
- 1.3.3 At the prices and on the terms regarding time for delivery and/or execution inserted therein.

2.1 I/we agree further that:

The offer herein shall remain binding upon me/us and open for acceptance by the Greater Tzaneen Municipality during the validity period indicated and calculated from the closing time of the bid. This bid and its acceptance shall be subject to the terms and conditions contained in the Forms, scheduled (s) and/or Annexure(s) attached hereto with which I am /we are fully acquitted. notwithstanding anything to the contrary in the Form(s), Schedule(s) and /or Annexure(s) attached hereto:

- 2.1.1 if I/we withdraw my/our bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, the Greater Tzaneen Municipality may, without prejudice to its other rights, agree to the withdrawal of my/our bid or cancel the contract that may have been entered into between me/us and the Municipality;
- 2.1.2 In such event, I/we will then pay to the Municipality any additional expenses incurred by the Municipality for having either to accept any less favourable bid or, if new bids have to be invited, the additional expenditure incurred by the invitation of new bids and by the subsequent acceptance of any less favourable bid;
- 2.1.3 The Municipality shall also have the right in these circumstances, to recover such additional expenditure by set-off against monies which may be due or become due to me/us under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfilment of this or any other bid or contract;
- 2.1.4 Pending the ascertainment of the amount of such additional expenditure the Municipality may retain such monies, guarantee or deposit as security for any loss the Municipality may sustain, as determined hereunder, by reason of my/our default.
- 2.1.5 Any legal proceedings arising from this bid may in all respects be launched or instituted against me/us and if/we hereby undertake to satisfy fully any sentence or judgment which may be obtained against me/us as a result of such legal proceedings and I/we undertake to pay the Greater Tzaneen Municipality legal costs on an attorney and own client;
- 2.1.6 if my/our bid is accepted that acceptance may be communicated to me/us by letter or facsimiles and that proof of delivery of such acceptance to SA Post Office Ltd or the

production of a document confirming that a fax has been sent, shall be treated as delivery to me/us. The law of the Republic of South Africa shall govern the contract created by the acceptance to this bid.

2.1.7 I/we have satisfied myself/ourselves as to the correctness and validity of this bid, that the price(s) and rate(s) quoted cover all the work/items(s) specified in the bid documents and that the price(s) and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our risk

2.1.8 I/we accept full responsibility for the proper execution and conditions defaulting on me/us under this agreement as the principal(s) liable for the fulfilment of this contract. I/we declare that I/we have participation/no participation in the submission of any other bid for the supplies/services described in the attached documents.

If your answer here is yes, please state the names(s) of the other Bid(s) involved.....

**PART D: GENERAL CONDITIONS OF CONTRACT**  
**GENERAL CONDITIONS OF CONTRACT**  
**THE NATIONAL TREASURY**  
**REPUBLIC OF SOUTH AFRICA**

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**Government Procurement: Greater Tzaneen Municipality**

**General Conditions of Contract July 2010**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
  - (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government. In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.
- The General Conditions of Contract will form part of all bid documents and may not be amended.
  - Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

**TABLE OF CLAUSES**

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

## 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. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive

practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

- 1.14 “GCC” means the General Conditions of Contract.
- 1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 “Project site,” where applicable, means the place indicated in bidding documents.
- 1.21 “Purchaser” means the organization purchasing the goods.
- 1.22 “Republic” means the Republic of South Africa.
- 1.23 “SCC” means the Special Conditions of Contract.
- 1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

## **2. APPLICATION**

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of

rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

### **3. GENERAL**

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)

### **4. STANDARDS**

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

### **5. USE OF CONTRACT DOCUMENTS AND INFORMATION; INSPECTION.**

- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only 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
  - 5.2.1 Except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause
  - 5.3.1 Shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.



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

## **6. PATENT RIGHTS**

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

## **7. PERFORMANCE SECURITY**

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

## **8. INSPECTIONS, TESTS AND ANALYSES**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## **9. PACKING**

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

**10. DELIVERY AND DOCUMENTS**

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

**11. INSURANCE**

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

**12. TRANSPORTATION**

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

**13. INCIDENTAL SERVICES**

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) Furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) Furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - (d) Performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
  - (e) Training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

**14. SPARE PARTS**

- 14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
  - (b) In the event of termination of production of the spare parts:
    - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
    - (ii) Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

**15. WARRANTY**

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models and those they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

**16. PAYMENT**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon 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 in SCC.

**17. PRICES**

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

**18. CONTRACT AMENDMENTS**

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

**19. ASSIGNMENT**

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

**20. SUBCONTRACTS**

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

**21. DELAYS IN THE SUPPLIER'S PERFORMANCE**

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the

purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause
- 21.2 Without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without 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**

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

## **23. TERMINATION FOR DEFAULT**

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

- (a) If the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
  - (b) If the Supplier fails to perform any other obligation(s) under the contract; or
  - (c) If the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier?
- 23.5 Any restriction imposed on any person by the Accounting Officer /Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) The name and address of the supplier and / or person restricted by the purchaser;
  - (ii) The date of commencement of the restriction
  - (iii) The period of restriction; and
  - (iv) The reasons for the restriction. These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule

that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

## **24. ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS**

24.1 When, after the date of bid, provisional payments are required, or 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 payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

## **25. FORCE MAJEURE**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## **26. TERMINATION FOR INSOLVENCY**

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be



without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

## **27. SETTLEMENT OF DISPUTES**

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

## **28. LIMITATION OF LIABILITY**

- 28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
  - (b) The aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. GOVERNING LANGUAGE**

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

**30. APPLICABLE LAW**

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

**31. NOTICES**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. TAXES AND DUTIES**

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**33. NATIONAL INDUSTRIAL PARTICIPATION (NIP) PROGRAMME**

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

**34. PROHIBITION OF RESTRICTIVE PRACTICES**

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms,

is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

## **PART E**

### **GENERAL PROCEDURES**

#### **1. General Directives**

1. The following general procedures contained in this document have been laid down by the Council and are applicable to all bids, orders and contracts, unless otherwise approved by the Council prior to the invitation of the bids.
2. Where applicable, special conditions or procedures are also laid down by the Council to cover specific supplies or services.
3. Where such special conditions or procedures are in conflict with the general conditions and procedures, the special conditions or procedures shall apply.
4. The bidder shall satisfy himself/herself with the conditions and circumstances of the bid. By bidding, the bidder shall deem to have satisfied himself/herself as to all the conditions and circumstances of the bid.
5. Formal contract are concluded with the contractors only where this requirement is stated in the bid invitation.
6. All bids with regard to the bidding of a service e.g. materials, cleaning services; professional services, etc. shall be subject to the negotiation of a Service Level agreement between the successful contractor and the Municipality. The acceptance of this Service Level Agreement is subject to the approval by the Council of the Municipality.
7. The written acceptance of bid shall be posted to the bidder or contractor concerned by registered or certified mail.

#### **2. Process for competitive bidding**

Following are procedures for a competitive bidding process for each of the following stages:

##### **2.1 Compilation of bidding documentation**

(a) Take into account –

- The general conditions of contract;
  - Any Treasury guidelines on bid documentation; and
  - The requirement of the Construction Industry Development Board, in the case of a bid relating to construction, Replacement or refurbishment of buildings or infrastructure.
- (b) Include evaluation and adjudication criteria, including any criteria required by other

applicable legislation.

- (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted as MBD 4
- (d) Require the bidders to furnish the following if the value of the transaction is expected to exceed R10 million (VAT included):
  - If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statement –
    - \* For the past three years; or
    - \* Since their establishment if establishment during the past three years
  - A certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payments is overdue for more than 30 days
  - Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract
  - A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic
- (e) Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

## **2.2 Issuing of bid documents**

On the date that the advertisement appears in the Municipality's Bid Bulletin, and or media, prospective bidders may request copies of the bid documentation.

The Supply Chain Unit will keep a register and potential bidders should sign for receipt of the bid documentation. If a fee is payable, an official receipt must be issued before the bid document is handed to the bidder.

No bid responses from any Bidder should be accepted if sent via the Internet, e-mail or fax.

Only the Supply Chain Management Unit will have direct communication between the potential bidders and will facilitate all communication between potential bidders and the Municipality with regard to any advertised bid.

No line function staff should be allowed to communicate with potential bidders without the approval by the Chief Financial Officer: Supply Chain Management Unit.

The Supply Chain Management Unit will only consider request for the extension of the closing dates of advertised bid if the postponed date can be advertised in the media used to advertise before the original closing date. The closing time may be postponed only if all potential bidders can be advised of the postponed time, in writing, before the original closing time. The decision to extend the closing date or time rests with the Chief Financial Officer: Supply Chain Management Unit, who must ensure compliance with all relevant rules and regulations and must confirm prior to the action being taken.

#### **2.4 Public Invitation for competitive bids**

The following are procedures for the invitation of competitive bids:

- (i) Invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Bid Bulletin) and
- (ii) Public advertisement must contain the following:

The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (Vat included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper; subject to (iii) below; and

- (iii) Accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days' requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process
- (iv) Bids submitted must be sealed.
- (v) The following information must appear in any advertisement:
  - \* Bid number,
  - \* Description of the requirements
  - \* Closing date and time;
  - \* The name and telephone numbers of the contact person for any enquiries.

## 2.5 Inspection on loco

A fully explanatory site inspection will be conducted.

## 2.6 Handling of bids submitted in response to public invitation

### (a) Closing of bids

All bids will close at **12H00** on a date as stipulated on the advertisement, which must be reflected in the bid document. Bids are late if they are received at the address indicated in the bid documents after the closing date and time. A late bid should not be admitted for consideration and where practical should be returned unopened to the bidder accompanied by and explanation.

### (b) Opening of bids

Bids are opened in public as soon as possible after the closure in the presence of the Senior Supply Chain Officer: Supply Chain Management or his/her delegate. The official opening the bids should in each case read out the name of the bidder and the amount of the bid. The bid should be stamped with the official stamp of the Municipality and endorsed with the signatures of the person opening it and of the person in whose presence it was opened. Bids should be recorded in a register kept for that purpose.

## 2.7 Validity of the bids

The validity periods should not exceed 90 (ninety) days and is calculated from the date of bid closure endorsed on the front cover of the bid document. Should the validity period expire on a Saturday, Sunday or Public holiday, the bid must remain valid and open for acceptance until the closure on the following working date.

## 2.8 Consideration of bids

The Council takes all bids duly admitted into consideration.

- The Council reserves the right to accept the lowest or any bid received
- The decision by the Municipality regarding the awarding of a contract must be final and binding

## 2.9 Evaluation of bids

The following are criteria against which all bids responses will be evaluated:

### i) Compliance with bid conditions

- ❖ Bid submitted on time
- ❖ Bid forms signed and each page initialled

- ❖ All essential information provided
- ❖ Certified ID copies
- ❖ Proof of work experience (attach CV)
- ❖ Original or certified copy of B-BBEE Certificate
- ❖ Submission of an original Tax Clearance Certificate, MBD 2
- ❖ Submission of Company Registration Certificate
- ❖ Submission of a Joint Venture Agreement, properly signed by all parties
- ❖ Payment of Municipal Fees
- ❖ Annual financial statements for the past 3 years signed/reviewed by an accredited professional
- ❖ Broker fee structure to be charged

(ii) Meeting technical specifications and comply with bid conditions;

(iii) The number of points scored for achieving Government's Broad-Based Black Economic Empowerment objectives, points scored for price and / or points scored for functionality if applicable.

#### 2.10 Evaluation of bids on functionality and price

(i) Greater Tzaneen Municipality must in the bid documents indicate if, in respect of a particular bid invitation that bids will be evaluated on functionality and price.

(ii) The total combined points allowed for functionality and price may, in respect of bids with an estimated Rand value above R1, 000,000.00, not exceed 90 points.

(iii) When evaluating bids contemplated in this item, the points for functionality must be calculated for each individual bidder

(iv) The conditions of bid may stipulate that a bidder must score a specified minimum number of points for functionality to qualify for further adjudication.

(v) The points for price, in respect of a bid which has scored the specified minimum number of points contemplated in sub-regulation (v) above, must, subject to the application of the evaluation system for functionality and price contemplated in this regulation, be established separately and be calculated in accordance with the provisions of regulations c and d.

(vii) The number of points scored for achieving Government's Broad-Based Black Economic

(vi) Empowerment Objectives must be calculated separately and must be added to the points

(viii) Scored for functionality and price.



- (ix) Only bid with the highest number of points be selected.

### **2.11 Acceptance of bids**

Successful bidders must be notified at least by registered post of the acceptance of their bids, but that acceptance however, will only take effect after completion of the prescribed contract form. Unsuccessful bids should not be returned to bidders, but should be placed on record for audit purposes. A register or records should be kept of all bids accepted

### **2.12 Publication of bid information**

The particulars of the successful bidders should be published in the Municipality's Bid Bulletin as well as the website

### **2.13 Cancellation and re-invitation of bids**

- (i) In the event that in the application of the 80/20 preference point system as stipulated in the bid documents, all bids received exceed the estimated Rand Value of R50 million, the bid invitation must be cancelled.
- (ii) In the event that, in the application of the 90/10 preference point system as stipulated in the bid documents, all bids received are equal to or below R50 million, the bid must be cancelled.
- (iii) In the event that the Municipality has cancelled a bid invitation as contemplated in sub regulations (i) and (ii) must re-invite bids and, must, in the bid documents stipulate the correct preference point system to be applied.
- (a) A bid may be cancelled before award if:
- ❖ Due to changed circumstances, there is no longer a need for the goods, works or services offered, or
  - ❖ Funds are no longer available to cover the total envisaged expenditure, or
  - ❖ No acceptable bids were received

## PART F



**GREATER TZANEEN MUNICIPALITY**

**GROTER TZANEEN MUNISIPALITEIT**

**MASIPALA WA TZANEEN**

**MASEPALA TZANEEN**




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### SPECIFICATIONS AND PRICING SCHEDULE

#### 12.1 PROCUREMENT – TERMS OF REFERENCES – SERVICES

##### TERMS OF REFERENCE

##### DESCRIPTION: SHORT TERM INSURANCE AND RISK MANAGEMENT SERVICES

##### PURPOSE

The purpose is to appoint an Intermediary insurance broker with vast experience in the municipal short term insurance field to provide Short Term Insurance and Risk Services to council for the period 1 October 2021 to 30 September 2024 with an annual performance review based on deliverables.

##### BACKGROUND

Council must minimize its risks by ensuring the allocation of risk to the party best suited to manage dual risk, and that all its assets are insured under the following asset classes:

- Buildings combined
- Office contents
- Business all risks
- Theft
- Money
- Commercial Crime
- Stated Benefits
- Electronic equipment
- Motor Fleet
- Public and employee's liability
- Marine and aircraft
- Contractors All Risk
- Business Interruption
- Glass
- Accidental Damage

- Goods in Transit
- Group Personal Accident
- Machinery Breakdown
- Directors and Officers Liability
- SASRIA for Councilors

## **SPECIFICATION AND CONDITIONS OF TENDER**

### **BASIS FOR TENDERING**

The Greater Tzaneen Municipality invites tenders in accordance with the Two-stage Bidding Process as set out in Regulation 25 of Notice 868 of 2005 to provide Greater Tzaneen Municipality with short term insurance broking services. This will include services like developing a short term insurance program, provide advice and consultation on short term insurance claims handling and representing Greater Tzaneen Municipality at Insurers, Risk Management Providers

Stage 1 (one) will call for technical and performance specifications of a Short Term Insurance Broker with effect from **1 October 2021 to 30 September 2024**. The submitted tenders will be adjudicated in accordance with the technical and performance specifications as outlined in the tender.

Short Term Insurance Brokers, who meet the pre-qualification requirements and achieve the minimum score of 80%, will be considered to proceed to Stage 2 (two) of the bidding process. Evaluation of tenders will follow the requirement of the Preferential Procurement Policy Framework Act (Act 5 of 2000) and Regulation 8 (5) of No 275 Preferential Procurement Regulations, 2001.

It will be required from the selected Short Term Insurance Broker to broke the Insurance Portfolio of the Greater Tzaneen Municipality in the local and international insurance market in accordance with specific criteria. ***In Stage 2 (two) the emphasis will be on technical proposals made to the Greater Tzaneen Municipality on the most cost-effective placement of the insurance portfolio in the insurance market, taking into serious consideration the mitigation of business risks and financial risks exposures.*** Stage 2 (two) will require from the selected Short Term Insurance Brokers to obtain quotations from the insurance market valid for a minimum period of at least 90 (ninety) days in order for the municipality to accommodate presentations and recommendations from the selected Short Term Insurance Brokers before final approval of premium and appointment of the Short Term Insurance Brokers for a period of 5 (Five) years. Without derogating from the provisions of Section 33 (1) of Act No 56 of 2003, the Municipality reserves the right upon the

expiry of the three-year contract to further extend the contract for two years with the successful bidder.

**The appointment of a Short Term Insurance Broker shall be or a three-year period. It is expected from the Short Term Insurance Broker to enter into a performance agreement for the period appointed with the Municipality to achieve this goal. Should the service provider not perform according to the agreement, the Municipality reserves the right to terminate the agreement?**

Cognizance should be taken that the appointed Short Term Insurance Broker will not be allowed to increase their insurance premium in year 2 (two) and 3 (three) with more than the CPIx, unless substantiating proof from the quotations received from the insurers reflected a hardening insurance market based on valid known claims incidents. In the event of organic growth of the portfolio including but not limited to inflationary increase of the sums insured and inclusion of additional cover and services the afore going rule limiting the premium growth to CPIx shall not apply. Quotations received by Short Term Insurance Broker from the insurers must annually with renewal be made available to the Greater Tzaneen Municipality for scrutiny and approval by the Chief Financial Officer.

## **GENERAL**

1. It is emphasized that a contract will not necessarily result from the responses received to this request for proposal the Greater Tzaneen Municipality reserves the right to enter into negotiations with any one or more of the respondents, should it be decided to proceed with the contract.
2. The Greater Tzaneen Municipality reserves the right not to evaluate and/or consider any proposals that does not comply strictly with the requirements as set out in this request.
3. The Greater Tzaneen Municipality reserves the right to make a decision /selection based solely on the information received in the proposals to this request.
4. In order to be considered for this tender you have to be registered with the Financial Services Board (FSB) and a Financial Intermediaries Association (FIA) or any other reputable association recognized by FSB.
5. Furthermore, to point 4 bidders will have to achieve a technical acceptability threshold of 80 out of 100 points in terms of the services required and detailed tender specification.
6. Scoring as indicated in 5. above will be calculated with the completion of the Compulsory Questionnaire. The number of questions responded to in the affirmative with the necessary proof provided, will be expressed as a % of the total number of questions.

## **DETAILED TENDER SPECIFICATIONS**

### **CLAIMS ADMINISTRATION**

1. Administration of claims reported to the Insurance Broker;
  - a) The Insurance Broker will acknowledge receipt of claims forms and confirm all claims in writing to the Greater Tzaneen Municipality in 7 (seven) days after receipt of the notification of the incident.
  - b) If the claim is accepted by the Insurer an Agreement of Loss will be generated and forwarded to the Insurance Section of the Greater Tzaneen Municipality within 7 (seven) days after receipt of all the applicable documentation and claim has been accepted by the Insurer.
  - c) In cases where no Agreement of Loss is applicable, final invoice will be submitted by the Greater Tzaneen Municipality in reasonable time.
  - d) The Insurance Broker will assist the Insurance Section with the administration of claims in order to finalize all outstanding claims i.e. obtaining of reports, invoices, quotations etc.
  - e) The Insurance Broker will provide statistics on all claims/ declarations made per month not later than the 2<sup>nd</sup> working day of the following month to the Insurance Section.
  - f) The claims handling should be done in-house at the Insurance Broker Company and not outsourced.
  
2. Scheduling and coordinating of claims meetings.
  - a) The Insurance Broker will schedule and coordinate a monthly claims meeting and meetings when required (ad-hoc) by the Insurance Section of the Greater Tzaneen Municipality.
  - b) The purpose of the meeting will be to discuss all claims as per the applicable Insurance Policies reported by the Insurance Section of the Greater Tzaneen Municipality to the Insurance Broker and to monitor the progress of all insurance claims reported to and authorized by the Insurance Broker.
  
3. Appointment of Investigators, Loss Adjusters and Assessors
  - a) Short Term Insurance Broking Services companies must have a mandate to appoint assessors immediately.
  - b) Short Term Insurance Broking Services companies must ensure that all investigators, loss adjusters and assessors acting on their and the insurers behalf are appropriately qualified in the field they are investigating and act in a professional manner.

- c) Short Term Insurance Broking Services companies must ensure that the loss adjusters, assessors and investigators do not intimidate or threaten Greater Tzaneen Municipality and its employees for information.
- d) There must be no commissions or other incentives paid to investigators, loss adjusters and assessors, except for the set fees charged.

<b><u>CONDITIONS</u></b>	<b>YES</b>	<b>NO</b>
Please note that a valid certified copy of your registration certificate and other certificates must be attached to your tender.		
<b><u>REQUIREMENTS</u></b>		
<b>MINIMUM REQUIREMENTS</b>		
1. Are you a South African Based Insurance Broker Organization? (Attach proof).		
2. Are you registered with the Financial Services Board (FSB)? (Attach proof).		
If you comply with these seven requirements the following questions must be answered by the bidder. Where a YES is indicated substantiating valid evidence must be supplied. If the questions are not answered and applicable certified valid documents not attached where required, the tender may be disqualified.		
<b><u>PRE-QUALIFICATION REQUIREMENTS</u></b>	<b>YES</b>	<b>NO</b>
1. Do you have Professional Indemnity cover for a minimum of R100 million? (If yes must provide a valid certified copy of your Professional Indemnity cover including the insured limits)		
2. Is your service team to be utilized on this tender FAIS compliant and registered with the Financial Services Board? (If yes attach a valid certified confirmation from the Financial Services Board reflecting the individuals registered)		
3. Do you have at least <b>5 years' experience</b> as an Insurance Broking Organization?		
<b><u>FUNCTIONAL CONDITIONS</u></b>	<b>YES</b>	<b>NO</b>
1. Do you have a claims settling mandate from the insurers? (If yes please provide certified proof of such authority or mandate)		
2. Do you have a dedicated service team whom will be allocated to the Greater Tzaneen Municipality's insurance portfolio? (If yes must attach an organogram of the service team and their relevant curriculum vitae).		

**FORM “E”****ADDITIONAL CONDITIONS**

1. That the bidder does not participate in any other bid for this tender
2. Bidders may approach all Insurers complying with the relevant statutory solvency and other requirements.
3. Bidder’s proposals should be accompanied by a detailed summary of the salient features of your recommended insurance structure.
4. Support for the bidder’s proposals should be evidenced by a signed participation confirmation from Insurers/Reinsurers who will support your recommended structure at the terms, conditions and exceptions proposed by yourselves.
5. All premiums are to be rounded off to the next full rand. Where extensions are granted free of charge, please state “free” in the premium column. All premiums quoted are to INCLUDE VAT. Should a deposit premium apply, it must be shown and a full explanation must be given as to how the deposit premium will operate. Nevertheless, only the 100% or maximum premiums must be shown in the summary page of insurance cost. If your policy is subject to declarations, please advise how it would affect the premium.
6. The Bidder must disclose the insurer or consortium of insurers on each policy type as well as the type of policy wording as indicated in tender documents.
7. Failure to comply with the above requirements may render the Tender invalid at the option of the Council.
8. Particulars of property, sums insured and limits of indemnity are based on the existing sums insured / limits. However, the Council reserves the right to adjust details, if necessary, at the final placement of the insurance, as well as during the period of the contract.
9. The minimum requirement in respect of policy conditions, limitations and exceptions are equal to a Multimarket III policy wording. Policy wordings that are tailor made for local authorities with wider cover would be an advantage.
10. If any limitations and/or uncommon conditions and exclusions are to be imposed, this must be stated very clearly in respect of each class of insurance of the policies.
11. Deductibles are to be shown clearly, otherwise the Council will assume that no deductible will apply and this may not be rectified afterwards.
12. Your contract is to be valid until 30 September 2024 and Insurers will undertake not to amend their terms.
13. This contract will be valid from **1 October 2021 to 30 September 2024**. An extended term may be negotiated. The Council reserves the rights to review the contract annually or at any stage in the event of material breach of the service level agreement.

14. The brokerage fee stated will be the inclusive of VAT premium for a period of twelve (12) months as from 01 October 2021 and renewable annually after risk assessments of all insured or new assets added or amended.
15. **Broker's fee**
- Short Term Insurance Broking Services companies must specify in full, and disclose clearly all broker's fees, commissions or any other remuneration, in cash or in kind; which they will charge or receive per annum in respect of their appointment were they to be appointed as envisaged in the bid.
  - The broker's fee for servicing Greater Tzaneen Municipality's portfolio must be shown clearly. No hidden costs will be accepted. The broker's fee must be VAT inclusive.
  - The municipality will pay the insurer/ underwriter directly, after which insurance fees will be adjusted accordingly and annually on the anniversary date of SLA date.
16. The Council may deduct any amount owing to the Council by the short-term insurance broker under any of the provisions of this contract from any amount owing in respect of this insurance Portfolio. Cover must remain in force during the period that this requirement applies.
17. No tender will be considered, unless accompanied by sufficient information so as to indicate that the amount tendered will include the total cost of the insurance premium.
18. Insurance premium

Insurance premium will be paid directly to the insurers and the broker will be required to claim the commission from the insurers



**SERVICES REQUIRED**

<b>Key Performance</b>	<b>Deliverable</b>
1. Post renewal	1.1 Assist in scrutinizing the premium invoices for correctness as per underwriters tender
	1.2 Assist with the finalization and submission of policy documentation and endorsements
	1.3 Preparation and submission of executive insurance summary
	1.4 Preparation and submission of executive insurance summary
	1.5 Workshopping of executive insurance summary with Greater Tzaneen <b>Municipality</b> insurance and risk management officials to ensure proper understanding of policy wording, limits excesses, categories and sections within portfolio.
2. Liaison between the insurance claims administration services provider and Greater Tzaneen <b>Municipality</b>	2.1 Attendance of monthly portfolio and loss control meetings as and when required (to be facilitated by account executive)
	2.2 Provide expert insurance related or underwriting advice to the Greater Tzaneen <b>Municipality</b> upon request
	2.3 Report to Greater Tzaneen <b>Municipality</b> on claims statistics as and when required (weekly or monthly)
	2.4 Submission of claims analysis and age analysis reports
3. Ad-hoc Loss control and risk management	3.1 Formulate proposals to remedy loss problem areas in monthly report format
	3.2 Assist in applying / introducing remedial measures
	3.3 Pro - active management of loss control and risk preventative measures
	3.4 Complete uninsurable risk evaluation process
	3.5 Submit report with proposed remedial actions
	3.6 Implementation of remedial actions

	3.7 Review Greater Tzaneen <b>Municipality's</b> exiting underwriting questionnaires to assist in compiling new ones where required
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## **REPORTING, MONITORING, EVALUATION**

The successful bidder needs to report on a monthly basis on the progress on all claims, risk services matters and other general matters raised. A monthly meeting needs to be scheduled with the relevant officials directly dealing with the insurance portfolio of the municipality (insurance clerk) as well as the risk officer to discuss matters of emphasis.

## **EXPECTED OUTPUTS AND OUTCOMES**

The successful bidder must provide the council with full coverage on all asset classes as per risk management strategy, deductibles, policy wording and insurers as mentioned in the schedules provided for a period of 36 months.

## **QUALIFICATIONS AND EXPERTISE REQUIRED (FURTHER DETAILS IN FUNCTIONALITY)**

The tenderer should describe briefly the process and methodology which will be followed to implement the project with key timeframes. The main disciplines and roles of responsibilities must be highlighted and indicate the technical support that will be provided on the project etc. The information must be attached to the tender document.

Methodology Approach and Implementation Plan must be Attached as Annexure

### **Examples**

The approach paper must respond to the scope of work and outline the proposed approach / methodology. The approach should articulate what added values the tenderer will provide in achieving the stated objectives for the project.

The tenderer must as such explain:

- a) His /her understanding of the objectives of the assignment,
- b) The Employer's stated and implied requirements
- c) Highlight the issues of importance
- d) Explain the technical approach they would adopt to address them.

The approach paper should explain:

- a) the methodologies which are to be adopted,
- b) demonstrate the compatibility of those methodologies with the proposed approach,

The approach should also include a quality plan which,

- a) outlines processes, procedures and associated resources,
- b) applied by whom and when, to meet the requirements,
- c) indicate how risks will be managed,
- d) what contribution can be made regarding value management.

The tenderer must attach his / her approach paper to this page.

The scoring of the approach paper will be as follows on the table below:

**FUNCTIONALITY CRITERIA:**

<b>Functionality criteria – Tender Rating matrix</b>		<b>A Tender rating score</b>	<b>B Weighting</b>
<b>CRITERIA</b>	<b>DESCRIPTION</b>		
1.Key personal Experience of the bidding entity in the insurance industry. (CV's and relevant qualifications- minimum National diplomas in finance/insurance or risk Management-Minimum qualification in Short Term Insurance NQF 5 & minimum 5 years' experience in Commercial Underwriting and claims administration)	<u>Years in the Field:</u>		30
	5 years' experience	5	
	6 years' experience	6	
	7 years' experience	7	
	8 years' experience	8	
	9 years' experience	9	
	10 years' experience	10	
	Above 10 years' experience	15	
2.Claims administration process methodology ( <b>Claims procedures to be clearly documented and relevant forms to be attached</b> )	Effective and efficient administration claims process flow.		35
	Provides basic summary	5	
	Provides diagrammatic representations as well	10	
Public Sector Experience ( <b>Bidders should submit appointment letters</b> )	Bidders should submit appointment letters based on similar services:		35
	0-5 letters	5	
	6 -10 letters	10	
	Above 10 letters	15	
<b>Total Score: Functionality criteria Formula: Bid= A*B/maximum tender score(1350)</b>			100

## CONTRACT NEGOTIATIONS

Negotiations to reach agreement on the contract will be held at the following address:

### GREATER TZANEEN MUNICIPALITY

AGATHA

STREET

1

TZANEEN

0850

Negotiations may include discussion on the proposed approach, work plan, staffing, consortium compositions, deliverables and pricing and any other matters of concern to the Institution. The outcome of these negotiations will form part of the contract.

In the event the negotiations fail, the Institution will invite the bidder with the second highest score to contract negotiations.

## INFORMATION TO BIDDERS

Please note that the proposal will be adjudicated in terms of the Preferential Procurement Policy Framework Act of 2000 and the Preferential Procurement Regulations, 2011.

90/10 preferential point system will apply.

Price and Functionality	80
B – BBEE	20
<b>Total</b>	<b>100</b>

Points will be allocated for B-BBEE status in the following manner

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non – compliant contributor	0

**KEY AREAS OF ASSETS TO BE COVERD BY BROKER IN RELATION TO SOURCING  
AN INSURANCE UNDERWER ONCE APPOINTED**

**(The list is not exhaustive as it will be further discussed with the municipality once a bidder is appointed )**

- |  |
|--|
|  |
| 1. Municipal Fleet and Plants                            |
| 2. Business Interruption                                 |
| 3. Office Equipment                                      |
| 4. Theft/Damage of Municipal Assets                      |
| 5. Electrical Infrastructure                             |
| 6. Own Land And Buildings                                |
| 7. Road Infrastructure                                   |
| 8. Public Liability                                      |
| 9. Employees Death Benefit Cover                         |
| 10. Municipal Fleet and Plants                           |
| 11. Aerodrome  |
| 12. SASRIA For Councilors For Their Non Movable Property |
| 13. SASRIA For Councilors Movable Property               |

**SIGNATURE OF BIDDER:** \_\_\_\_\_

**FURTHER DETAILS:**

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
1. <b>COMBINED</b>	1. All Buildings, Structures and Erections including fixtures and fittings therein, thereto or thereon, boundary walls, gates, posts and fences belonging thereto and All Contents contained in any building, structure or erection, including underground fuel storage tanks and their contents.	<b>R 53 644 218.00</b>
	2. All Substations, Mini-substations, Transformers, Electrical Switchgear including fixtures and fittings relating thereto	R 186 825 687.00
	3. All Water Purification Works and Pump-stations, Reservoirs, Water Towers and property relating thereto	<b>R 0 (Mopani District Liability)</b>
	4. All Sewerage Works and Pump-stations and property relating thereto	<b>R 0 (Mopani District liability)</b>
	5. Excluded property to be included, i.e stadiums, pavilions, tartan tracs etc.	<b><u>R 173 615 938.00</u></b>
	6 Property in the Open	R 4 730 424.00
	7. Replacement value : Vehicles whilst parked	<b>R 41 162 200.00</b>
	8. Clearance Costs / Professional Fees	
	9. Reasonable Precautions	R20 000.00

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
	10. Claims Preparation Costs	R500 000.00
	<b>Total Sum Insured</b>	<b>R 233 238 311.00</b>
<b>2. HOUSEOWNERS</b>	1. All <i>BUILDINGS</i> of <i>PRIVATE HOUSES</i> , <i>RESI-DENTIAL UNITS</i> , <i>HOSTELS</i> and <i>FLATS</i> including all domestic outbuildings and all fixtures and fittings therein, thereto and thereon, gates, walls and fencing belonging thereto, satellite dishes and antenna being the property of the Insured or for which they are responsible or in which the Insured has an interest as mortgagee.	<b>R 53 644 218.00</b>
	2. Reasonable Precautions	R 20 000.00
	3. Claims Preparation Costs	R 500 000.00
	<b>Total Sum Insured</b>	<b>R 54 164 218.00</b>
<b>3. BUSINESS INTERRUPTION</b>	1. Increase in Cost of working (All Departments)	R10 000 000.00
(24 months indemnity period)		
	2. Claims Preparation Costs	R 500 000.00
<b>4. OFFICE CONTENTS</b>	1. Contents	<b>R 15 705 614.00</b>



<i><b>POLICY CLASS</b></i>	<i><b>INSURANCE PROPERTY/- INTEREST/ PERSONS</b></i>	<i><b>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</b></i>
	2. Loss of Documents	R 1 000 000.00
	3. Legal Liability (Documents)	R 200 000.00
	4. Locks and Keys	R 7 500.00
	5. Reasonable Precautions	R 20 000.00
	6. Claims Preparation Costs	R 500 000.00
<b>5. ACCOUNTS RECEIVABLE</b>	1. <b><u>Outstanding debt balances</u></b>	<b>R40 000 000.00</b>
	2. Reasonable Precautions	R 20 000.00
	3. Claims Preparation Costs	R 500 000.00
<b>6. BUSINESS ALL RISKS</b>	1. IT Equipment	<b>R 32 797 089.00</b>
	2. Leased IT Equipment	<b>R 13 825 237.00</b>
	3. Other IT Equipment	<b>R 981 345.00</b>
	4. Locks and Keys	<b>R 7 500.00</b>
	5. Claims Preparation Costs	<b>R 500 000.00</b>
<b>7. THEFT</b>	1. First Loss	<b>R 1 000 000.00</b>
	2. Property in the Open	<b>R 1 000 000.00</b>

<i><b>POLICY CLASS</b></i>	<i><b>INSURANCE PROPERTY/- INTEREST/ PERSONS</b></i>	<i><b>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</b></i>
	3. Locks and Keys	R 7 500.00
	4. Reasonable Precautions	R 20 000.00
	5. Malicious Damage	R 100 000.00
	6. Claims Preparation Costs	R 500 000.00
<b>8. GLASS</b>	1. All Municipal Premises	R 20 000.00 (First loss)
	2. Claims Preparation Costs	R 500 000.00
<b>9. MONEY</b>	1. In respect of money not contained in a locked safe or strong room:	
<b><u>GTM Cashiers 20</u></b>	(a) in the custody of any authorized employee, Council Member or Principal of the Insured while away from the Insured's premises on a business trip anywhere in the world	a) R 5 000.00
	(b) while on the Insured's premises outside the hours during which the business operations of the Insured are conducted	b) R 5 000.00
	2. In respect of loss of or damage to crossed cheques or crossed money or postal orders.	R 1 000 000.00

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
	3. In respect of any other loss of or damage to money	
	- specific periods as follows:	
	8 days every month (salaries/wages payday and cutoff date for Municipal Accounts)	R 1 500 000.00
	- at any other time	R 130 000.00
<b>5. DEATH /DISABILITY COVER</b>		
<u>Number of employees</u>		
	1. Death Cover (while carrying out work duties )	R 750 000.00 once off
<b>Permanent staff +- 626, excluding councilors</b>	2. Permanent Disability	R 750 000.00 once off
<b>11. ELECTRONIC EQUIPMENT</b>	1. Specified Property	<b>R 33 778 434.00</b>
	2. Lap tops (including all risks cover)	<b>R 13 825 237.00</b>
	3. Increase in Cost of Working	R 100 000.00
	4. Reconstruction of Data	R 200 000 .00
	5. Claims Preparation Costs	R 500 000.00

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
12. <b>MACHINERY</b>	1. Specified Property	<b><u>R186 825 687.00</u></b>
<b>BREAKDOWN</b>		
	2. Damage to surrounding property	R 1 000 000.00
<b>Electrical network</b>		
	3. Automatic Additions (25 % of the specified Property insurance limit)	Included
	4. Claims Preparation Costs	R 500 000
13. <b>MOTOR FLEET</b>	<b>1. COMPREHENSIVE</b>	
	i. Private type motor cars and minibuses seating up to 16 persons	<b>Minibus 2</b>
	ii. Commercial Vehicles as follows :	
	(a) LDV's	Number of Units <b>55</b>
	(b)Trucks	Number of Units <b>55</b>
	(c) heavy duty rollers	Number of Units <b>4</b>
	(d) trailers	Number of Units <b>19</b>
	(e) Tractors	Number of Units <b>8</b>
	(f) earth moving equipment (High valued)	Number of Units <b>6</b>

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
	(g) Sedans	Number of Units <b>2</b>
	(h) water tanker	Number of units <b>1</b>
		Total number of units <b>152</b>
	<b>TOTAL</b>	
	<b>2.FIRE AND THEFT</b>	
	(a) LDV's	Number of Units <b>55</b>
	(b)Trucks	Number of Units <b>55</b>
	(c) heavy duty rollers	Number of Units <b>4</b>
	(d) trailers	Number of Units <b>19</b>
	(e) Tractors	Number of Units <b>8</b>
	(f) earth moving equipment (High valued)	Number of Units <b>6</b>
	(g) Sedans	Number of Units <b>2</b>
	(h) water tanker	Number of units <b>1</b>
	3.2 Loss of Keys	R1 000.00 (per occupant)
	3.3 Theft or attempted theft of radios/sound equipment	R 5 000.00

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
	3.4 Theft or attempted theft of telephones (excluding cellular phones)	R 5 000.00
	3.5 Claims Preparation Costs	R 500 000.00
	3.6 Medical expenses	R 50 000.00
	1. <b>General Liability</b> (unlimited any one period)	
<b>14. PUBLIC LIABILITY</b>		R 100 000 000.00
	2. <b>Additional Contingencies</b> (any one period)	
(Salary and Wage Roll R415 031 577)	2.1 Wrongful arrest and defamation	
	2.2 Errors and omissions	R 2 250 000.00
	2.3 Products liability and defective workmanship	
		R 2 250 000.00
	2.4 Pedal cycles (comprehensive)	
		R25 000 000.00
	2.5 Vibration, Removal or weakening of support	Market value
		R NIL
	2.6 Legal Defense Cost (Statutory Legal Defense Cost)	
	2.7 Professional Liability in respect of Medical Practitioners and/or other Medical Officials	R 2 250 000.00
	2.8 Spread of Fire	R 2 250 000.00

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
	<b>3. Third Party Liability (Motor)</b>	
		R 25 000 000.00
	3.1 Fire and Explosion	
	3.2 Passenger Liability	R 25 000 000.00
	- Fare paying Passengers	R NIL
	- Other	R25 000 000.00
	3.3 Conveyance of explosives	R NIL
	4. Claims Preparation Costs	R 500 000.00
	1. Limit of indemnity	R25 000 000.00
<b>15. EMPLOYERS LIABILITY</b>		
	2. Claims Preparation Costs	R 500 000.00
<b>16. CONTRACTORS ALL RISK</b>		
Capital Expenditure Budget = <b><u>R 130 587 450.00</u></b>	1. Limit any one contract (excluding wet risks) <ul style="list-style-type: none"> <li>• Contracts exceeding R10 000 000 and Wet Risks must be declared</li> <li>• 12 months' maintenance period</li> <li>• Contracts exceeding 24 months must be declared</li> </ul>	<b>R130 587 450.00</b>
	2. Surrounding Property	R5 000 000.00

<i>POLICY CLASS</i>	<i>INSURANCE PROPERTY/- INTEREST/ PERSONS</i>	<i>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</i>
	2. Public Liability	R25 000 000.00
	4. Removal of debris	R 500 000.00
	Extensions:	
	- Fire and Explosion	R5 000 000.00
	- Passenger Liability	R5 000 000.00
	- Other	R5 000 000.00
	- Medical Expenses	R2 000.00 (per occupant)
	- Loss of Keys	R 5 000.00
	- Radios and Sound Equipment	R 5 000.00
<b>17. AERODROME OWNERS OPERATORS LIABILITY</b>	1. SECTION I Property damage	R15 000 000.00
<b>18. TRANSIT</b>	1. All goods consigned by or to the insured including ropes, tarpaulins and packing materials in connection with the transit) pertaining to the Business.	R 1 000 000.00
<b>Cover: All Risks Basis</b>		
	2. Removal of debris	R 5 000.00
	3. Reasonable Precautions	R 20 000.00
	4. Claims Preparation Costs	R 500 000.00
	Combined	As per the Underlying Policy
	House owners	As per the Underlying Policy
<b>NON-MOTOR</b>		
	Office	As per the Underlying Policy



<i><b>POLICY CLASS</b></i>	<i><b>INSURANCE PROPERTY/- INTEREST/ PERSONS</b></i>	<i><b>INSURANCE LIMITS / INDEMNITY LIMIT ESTIMATES</b></i>
	Business All Risks	As per the Underlying Policy
	Money	As per the Underlying Policy
	Electronic Equipment	As per the Underlying Policy
	Transit	As per the Underlying Policy
	Contractors All Risks	As per the Underlying Policy
	Claims Preparation Costs	R 500 000.00
	Standing charges	R 300 000 000.00
	24 months indemnity period	
Councilors SASRIA property as declared movable and non-movable (max 70 councilors)		Up to R 1 500 000.00 (per councilor claim per asset type)





**PART G**

Tropical Paradise

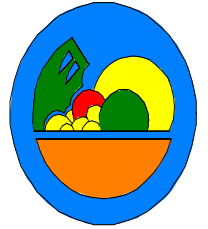
**GREATER TZANEEN MUNICIPALITY**

P.O. BOX 24

TEL: 015 307 8000

TZANEEN, 0850

FAX: 015 307 8049



**INFORMATION REQUIRED FOR BID EVALUATION PURPOSES**

**1. EXPERIENCE**

Complete the below schedule regarding your company previous working experiences on this project.

<b>Client</b>	<b>Contact Person</b>	<b>Contact Number</b>	<b>Contract Value</b>	<b>Contract Period</b>

**2. FINANCIAL CAPACITY**

The below schedule should be completed by your banker or by the financial institution where your company's bank account is held

<b>Name of Financial Institution</b>	<b>Type of Account</b>	<b>Account Number</b>	<b>Bank Rating</b>

**BANK STAMP**

\_\_\_\_\_  
**Signature: On behalf of the bank**

## **PART H**

### **MBD 2**

#### **TAX CLEARANCE CERTIFICATE REQUIREMENTS**

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet

#### THE BIDDER'S TAX OBLIGATIONS

- 1 In order to meet the requirements, bidders are required to complete in full the attached form TCC 00. "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form is available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).

**PART I**

**MBD 4**

**DECLARATION OF INTEREST**

- 1.No bid will be accepted from persons in the service of the state\*.
- 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 and/or take an oath declaring his/her interest.

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

3.1 Full Name: .....

3.2 Identity Number: .....

3.3 Company Registration Number: .....

3.4 Tax Reference Number: .....

3.5 VAT Registration Number: .....

3.6 Are you presently in the service of the state\* **YES / NO**

3.6.1 If so, furnish particulars.

.....

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

3.7.1 If so, furnish particulars.

.....

3.8 Do you, have any relationship (family, friend, other) with persons in the service of the

\* MSCM 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.

state and who may be involved with the evaluation and or adjudication of this bid?  
YES / NO

3.8.1 If so, furnish particulars.

.....

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. Are you, aware of any relationship (family, friend, other) between a 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

3.10.1. If so, furnish particulars

.....

3.11 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state? YES / NO

3.11.1 If so, furnish particulars.

.....

3.12 Are any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in service of the state? YES / NO

3.12.1 If so, furnish particulars.

.....

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

Full Name	Identity Number	State Employee Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Capacity

\_\_\_\_\_  
Name of Bidder

**CERTIFICATION**

**I, the undersigned (name).....**

Certify that the information furnished on this declaration form is correct. I accept that the state may act against me should this declaration prove to be false.

.....  
Signature

.....  
Date

.....  
Designation

.....  
Name of Bidder

**PART J**

**MBD 5**

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

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

1.1. Are you by law required to prepare annual financial statements for auditing? (Please circle applicable one)  
\*YES/NO

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

.....

2. Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days? (Please circle applicable one) \*YES/NO

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

2.2 If yes, provide particulars.

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

3. Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? (Please circle applicable one)  
\*YES/NO

3.1. If yes, furnish particulars

.....  
.....

4. Will any portion of goods or services be sourced from outside the Republic of South Africa. If so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? (Please circle applicable one) \*YES / NO

4.1. If yes, furnish particulars .....

.....



**PART J**

**MBD 6.1**

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

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

**NB: before completing this form, bidders must study the general conditions, definitions and directives applicable in respect of B-BBEE, as prescribed in the preferential procurement regulations, 2017.**

---

**1. GENERAL CONDITIONS**

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

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

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

(b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (delete whichever is not applicable for this tender).

1.3 Points for this bid shall be awarded for:

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

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

	<b>POINTS</b>
<b>Price</b>	<b>80</b>
<b>B-BBEE status level of contributor</b>	<b>20</b>
<b>Total points for price and B-BBEE must not exceed</b>	<b>100</b>

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

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

## 2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes 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 services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an excepted micro enterprise in terms of a quote of good practice on Black Economic Empowerment issued in terms of section 9(1) of the broad Based Economic Empowerment Act.
- (f) **“Functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender document.
- (g) **“Price”** includes all applicable taxes less on unconditional discounts.
- (h) **“Proof of BEE status level of contributor”** means
  - 1) BBBEE status level certificate issued by an authorized body or person
  - 2) Sworn Affidavit as prescribed by the BBBEE codes of codes practice.
  - 3) an other requirements prescribed in terms of the BBBEE Act.
- (I) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on Black Economic Empowerment issued in terms of section 9(1) of the Broad Black Economic Empowerment Act.
- (j) **“rand value”** means the total estimated value of a contract in rand, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

### 3. POINTS AWARDED FOR PRICE

#### 3.1 THE 80/20 or 90/10 PREFERENCE POINT SYSTEMS

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

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

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

### 5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

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

<b>B-BBEE Status Level of Contributor</b>	<b>Number of points (90/10 system)</b>	<b>Number of points (80/20 system)</b>
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

### 5. BID DECLARATION

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

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

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

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

**7. SUB-CONTRACTING**

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

**(Tick applicable box)**

<b>YES</b>		<b>NO</b>	
------------	--	-----------	--

7.1.1 If yes, indicate:

- (i) What percentage of the contract will be subcontracted? .....%
- (ii) The name of the sub-contractor? .....
- (iii) The B-BBEE status level of the sub-contractor? .....
- (iv) Whether the sub-contractor is an EME/SME? YES / NO

**(Tick applicable box)**

(V) Specific, by ticking the appropriate box, if subcontracting with an enterprise in terms of preferential Procurement Regulations, 2017:

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

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

8.1 Name of the business: .....

8.2 VAT registration number : .....

8.3 Company registration number.....

**8.4 TYPE OF COMPANY/ FIRM**

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

[TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.6 COMPANY CLASSIFICATION**

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

[TICK APPLICABLE BOX]

**8.7 MUNICIPAL INFORMATION**

**Municipality where business is situated**

.....

**Registered Account Number** .....

**Stand Number** .....

8.8 Total numbers of years the company/firm has been in business? .....

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

I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) Disqualify the person from the bidding process;
  - (b) Recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
  - (c) Cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) Restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution

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

<p>.....</p> <p>Signature(s) of bidders</p> <p>Date: .....</p> <p>Address: .....</p> <p>.....</p> <p>.....</p>
--

## **PART K**

### **MBD 6.2**

#### **DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT**

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

#### 1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9.(1) and 9.(3) make provision for the promotion of local production and content.
- 1.2. Regulation 9 (1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Regulation 9 (3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 1.4. Where necessary, for bids referred to in paragraphs 1.2 and 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.5. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.6. The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \frac{x}{y} \times 100$$

Where

x imported content

y bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

- 1.7. A bid will be disqualified if:

- The bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and.
- This declaration certificate is not submitted as part of the bid documentation.

2. Definitions

- 2.1. **“bid”** includes advertised competitive bids, written price quotations or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of
- 2.7. components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.8. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.9. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.10. **“Sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

**3. The stipulated minimum threshold(s) for local production and content for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content? YES / NO



- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.6 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za). Indicate the rate(s) of exchange against the appropriate currency in the table below:

<b>Currency</b>	<b>Rates of exchange</b>
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

**Local content declaration by chief financial officer or other legally responsible person nominated in writing by the chief executive or senior member/person with management responsibility (close corporation, partnership or individual)**

**In respect of bid No.** .....

**Issued by:** Greater Tzaneen Municipality

NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, ..... (full names),

Do hereby declare, in my capacity as .....

of .....(name of bidder entity), the

following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.
- (c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y)	R
Imported content (x)	R
Stipulated minimum threshold for Local content (paragraph 3 above)	
Local content % as calculated in terms of SATS 1286	

If the bid is for more than one product, a schedule of the local content by product shall be attached.

- (d) I accept that the **Greater Tzaneen Municipality** has the right to request that the local content be verified in terms of the requirements of SATS 1286.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Witness No. 1 \_\_\_\_\_

Date: \_\_\_\_\_

Witness No. 2 \_\_\_\_\_

Date: \_\_\_\_\_

## **PART L**

### **MBD 7.2**

#### **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 **Greater Tzaneen Municipality** in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number.....at the price/s quoted. My offer/s remains 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,
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the 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 fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

Witnesses	
1	.....
2	.....
Date:	.....

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

Name (Print): .....  
Capacity: .....  
Signature: .....  
Name of Firm : .....  
Date: .....

**MBD 7.2**

**CONTRACT FORM - RENDERING OF SERVICES**

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I..... in my capacity as..... accept your bid under reference number .....dated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

<b>Description Of Service</b>	<b>Price (all Applicable Taxes Included)</b>	<b>Completion Date</b>	<b>B-BBEE Status Level of Contribution</b>	<b>Minimum Threshold for Local Production and Content (if applicable)</b>

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

Signed at: ..... on .....

Name (print): .....

Signature: .....

Official Stamp

Witnesses

1 .....

2 .....

Date: .....

**PART M**

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

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

Item	Question	Yes	No
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:		
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. Accept that, in addition to cancellation of a contract, action may be taken against me should this declaration prove to be false.

.....

Signature

.....

Date

.....

Designation

.....

Name of Bidder

Js367bW



**PART N**

**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 *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<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 number: .....

Bid Description: .....

In response to the invitation for the bid made by **Greater Tzaneen 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

Js9141w 4

## **Returnable Documents**

### **Checklist On Minimum Requirements**

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

<b>No.</b>	<b>Minimum requirements</b>	<b>Tick</b>	<b>Comment if not attached</b>
1.	Compulsory briefing session attended		
2.	Complete original bid document		
3.	CSD reports; B-BBEE Certificate/Sworn affidavit		
4.	Valid Tax Clearance Certificate or Tax pin		
5.	CK/Company registration;		
6.	Certified ID copies of the shareholders;		
7.	Proof of Residence: Municipal statement account / letter from headman/Tribal Authority/Lease agreement and proof of payment of lease		
8.	Company registration certificate showing percentage of shareholders / membership interest		
9.	Initial each page of the Bid Document		
10.	All MBD Forms must be completed and signed		
11.	In case of a Joint Venture, Association or Consortium a formal contract agreement		
12.	Responded as per the scope of work (compliance to specification/ conditions or term of references )		
13.	Detailed price schedule/ financial Bids		
14.	All/Any alterations initialled		

\_\_\_\_\_  
Company Representative (Name)

\_\_\_\_\_  
Signature