

GREATER TZANEEN MUNICIPALITY



BID DESCRIPTION: RE-ADVERT - SHORT TERM INSURANCE PORTFOLIO FOR THE PERIOD OF 36 MONTHS FOR GREATER TZANEEN MUNICIPALITY

BID NUMBER: SCMU 43/2024 RE-ADVERT

NAME OF THE BIDDER:

.....

BID AMOUNT:(BROKER FEE FOR 36 MONTHS) R..... (VAT Incl.)

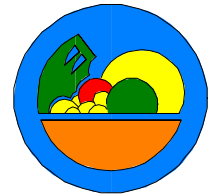
AMOUNT IN WORDS:

.....

.....

CLOSING DATE: 24 MARCH 2025 @ 12H00

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GREATER TZANEEN MUNICIPALITY
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MASEPALA WA TZANEEN

SUPPLY CHAIN MANAGEMENT UNIT
DEPARTMENT: BUDGET AND TREASURY

BID DESCRIPTION: SHORT-TERM INSURANCE PORTFOLIO FOR GREATER TZANEEN MUNICIPALITY FOR A PERIOD OF 36 MONTHS

BID NO: SCMU 43/2024 RE-ADVERT

Bids are hereby invited from interested service providers For Short-Term Insurance Portfolio for Greater Tzaneen Municipality for A Period of 36 months. Bid documents are obtainable at the Municipal website (www.greatertzaneen.gov.za) and Supply Chain Offices; Agatha Street, **upon a non-refundable fee of R2000.00 or deposited to the following banking details: Greater Tzaneen Municipality; Absa Bank; Acc no:4051444332 reference number please write the name of the company and bid Number.**

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 43/2024, Postal Address and contact details of the bidder.

Bid document will be available at www.greatertzaneen.gov.za, Etender and Supply chain Management office on the date of advert.

NB: Bidders who previously purchased the tender document may come and collect the document for free at the Supply Chain Management unit offices.

Stage-1 Mandatory requirements NB: BIDDERS MUST PROVIDE PROOF OF THE FOLLOWING TO AVOID DISQUALIFICATION:

- Proof of purchase for tender document, including downloaded tender documents (attach receipt) EFT or Manually
- Bidders experience appointment letters/stamped and signed reference letters in relation to the projects.
- Key personnel experience and Qualifications
- Compulsory briefing session
- Proof of broker fee as outlined in schedule of prices Part A
- Proof of valid registration with the Financial Sector Conduct Authority (FSCA)
- Certified copy of Financial Intermediaries Association of Southern Africa (FIA) and Certificate from Institute of Risk Management SA (IRMSA)

- Certified Copy of Regulatory Exam Certificate for Account Executive and Underwriting Manager
- Professional Indemnity Cover

SPECIAL CONDITIONS OF CONTRACT (MANDATORY):

1. The bidder must submit three years audited financial statements supported with accounting/audit firm practice number
 - Professional Indemnity Cover Minimum R 10 000 000,
 - Account Executive must have RE1 and RE5 Certificate,
2. The bidder must cost broker fee for 36 months period and an agreement will be reached between the successful bidder and the Municipality on the arrangements of the payment of the premium (e.g. whether monthly or annually)
 - The Bidder must have an electronic claim system that is:
 - Cloud Based;
 - System generates reports monthly;
 - Able to report claims and user friendly;
 - Generate reports that is a user friendly.

Stage- 2 Administrative requirements:

- Copy of company registration certificate/ documents from CIPC
- Certified ID copies of all directors
- CSD registration summary report (not older than 3 months)
- Copy/ printed Tax compliance status Pin or certificate
- Statement of municipal rates and taxes for both company and directors appearing in the CK (not older than 3 months / if renting provide copy of Lease Agreement with 3 Months proof of payment only (No statements) /certified copies of Permission to occupy (PTO's) land for bidders residing in Tribal authority's areas of jurisdiction / letter from traditional authority not older than 3 months for the company and the directors
- Venture Agreement signed off by both parties (In case of a Joint Venture)

Advert Publication date: 21 February 2025, Advert Number of days: 32 days. Compulsory Briefing session will be held on 06 March 2025 @10h00 Old fire hall, Greater Tzaneen Municipality. Closing date: 24 March 2025 @ 12:00. Public bid opening will take place.

EVALUATION OF BIDS

The Evaluation of the bid will be conducted in two stages; first stage will be assessment on functionality: Relevant company experience – 50 Points; Key Personnel and Qualifications – 20 Points; Proof of valid certificate from institute of Risk Management SA(IRMSA) – 15 Points; Proof of valid registration with (FSCA) – 15 Points; Only bidders that obtain 85 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 specific goals points scored.

Bidders shall take note of the following bid conditions:

- a. Greater Tzaneen Municipality Supply Chain Management Policy will apply on this bid.
- b. Specific goals in terms of the preferential procurement regulations 2022 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. Contract period: 36 Months
- e. Council reserves the right to negotiate further conditions with the successful bidder.
- f. Council reserves the right not to appoint.
- 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 A Mathebula@ 015 307 8061

**Administrative enquiries relating to the tender be directed to Mrs. Z Ramothwala
@ 015 307 8199**

Mr. D Mhangwana
Municipal Manager
Greater Tzaneen Municipality

PART B.1 Form of bid

Bid for contract number: SCMU 43/2024

I/We, the undersigned:

Bid for an amount**broker fee**,% (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 atthis Day of20.....

_____ 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 “SMMs” (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 handwritten 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

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

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2. Application
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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
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16. Payment
17. Prices
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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
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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 noncompetitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 “GCC” means the General Conditions of Contract.

1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. APPLICATION

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. GENERAL

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. STANDARDS

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

5. USE OF CONTRACT DOCUMENTS AND INFORMATION; INSPECTION.

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only 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, startup, 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 ,m, 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 ied 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.
8. Process for competitive bidding Following are procedures for a competitive bidding process for each of the following stages:

8.1 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.

8.2 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.

8.3 Payment of bid documents

To ensure that only bona fide bidders collect documentation, and to recover printing costs, bid documents will be issued only after payment of the following amounts to the cashier:

Category Contract	Contract Value	Bid Payment
Micro	R30 000 – R200 000	R200.00
Small	R200 001 – R1000 000	R700.00
Medium	R1000 001 – R2 Million	R1500.00
Large	Above	R2000.00
Professional Services		R5000.00

8.4 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.**

8.5 Inspection on loco A fully explanatory site inspection will be conducted.

8.6 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.

8.7 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.

8.8 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

8.9 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)
- ☐ Submission of an original Tax Clearance Certificate,
- ☐ Submission of Company Registration Certificate
- ☐ Submission of a Joint Venture Agreement, properly signed by all parties
- ☐ Payment of Municipal Rates

And all requirements as per advert 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.
- (vi) The number of points scored for achieving Government's Broad-Based Black Economic
- (vii) 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 30 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**

MASEDAI A WA TZANEEN

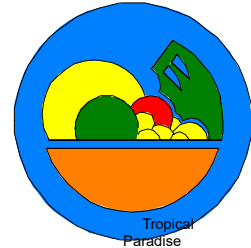
P.O. BOX 24

TEL: 015 307 8000

TZANEEN

FAX: 015 307 8049

0850



**SHORT TERM INSURANCE PORTFOLIO
FOR 36 MONTHS PERIOD**

1. INTRODUCTION

The purpose of the short term insurance portfolio bid is to insure all assets of the Greater Tzaneen Municipality.

2. 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 and Reinsurance Brokers.

Stage 1 (one) will call for technical and performance specifications of a Short-Term Insurance Broker for 36 months period. 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 85%, 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.

The short-term Insurance Broker should assess the Municipality's insurance cover and provide advice on adequate cover to be taken out; Negotiate and place the Municipality's insurance portfolio with insurance underwriters and present the underwriting terms to the Municipality for acceptance.

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 broker fee and appointment of the Short Term Insurance Brokers for a period of 36 months. 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 36 months contract to further extend the contract for two years with the successful bidder.

- Cognizance should be taken that the appointed Short Term Insurance Broker will be required to source quotations regarding the premium amount to be paid and advise the municipality on the excess payment. Furthermore, the successful bidder will be required to conduct a Risk Assessment where necessary

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 Sector Conduct Authority (FSCA) and a Financial Intermediaries Association (FIA)

5. Furthermore to point 4 you will have to achieve a technical acceptability threshold of 85 out of 100 points in terms of the services required and detailed tender specification.

DETAILED TENDER SPECIFICATIONS

CLAIMS ADMINISTRATION

1. Administration of claims reported to the appointed Insurance Broker;

- 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.
- 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.
- In cases where no Agreement of Loss is applicable, final copy of the invoice paid by Greater Tzaneen Municipality will be submitted by the Greater Tzaneen Municipality in reasonable time.
- The **Insurance Broker** will assist the GTM Insurance Administration Section with the administration of claims to the Insurer in order to finalize all outstanding claims i.e. obtaining reports, invoices, quotations etc.
- The **Insurance Broker** will provide statistics on all claims/ declarations made per month not later than the 2nd working day of the following month to the GTM Insurance Administration Section.
- That claims handling should be done in-house at the **Insurance Broker Company** and *not* outsourced.

2. Scheduling and coordinating of claims meetings.

- The **Insurance Broker** will schedule and coordinate a monthly claims meeting and meetings when required (ad-hoc) by the GTM Insurance Administration Section of the Greater Tzaneen Municipality.

- The purpose of the meeting will be to discuss all claims as per the applicable Insurance Policies reported by the GTM Insurance Administration 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

- ***Short Term Insurance Broking Services Companies must have a mandate to appoint assessors immediately.***
- ***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.***
- ***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.***
- ***There must be no commissions or other incentives paid to investigators, loss adjusters and assessors, except for the set fees charged and payable by the Insurer.***

Kindly submit proof of mandate.

<u>CONDITIONS</u>		
<p>Applications only from companies who can attest to and provide the following;</p> <p>a. South African based Insurance Broking Organization</p> <p>b. Resources – details of full time employees being account directors, technicians, broking and other staff that may be utilized on this account, based in South Africa.</p> <p>COMPULSORY QUESTIONNAIRE:</p> <p><i>PLEASE NOTE THAT THE BROKER COMPANY HAVE TO BE REGISTERED WITH THE FINANCIAL SERVICES BOARD (FSB) AND A MEMBER OF THE FINANCIAL INTERMEDIARY ASSOCIATION OR ANY OTHER REPUTABLE ASSOCIATION RECOGNISED BY THE FINANCIAL SERVICES BOARD (FSB) TO BE CONSIDERED FOR THIS TENDER.</i></p> <p><i>A VALID CERTIFIED COPY OF YOUR REGISTRATION CERTIFICATES AND NUMBERS SHOULD BE ATTACHED TO YOUR TENDER</i></p>	<p>YES</p> <p>↓</p>	<p>NO</p> <p>↓</p>

Are you a registered member with the organization:		
<ul style="list-style-type: none"> Financial Sector Conduct Authority(FSCA) 		
<ul style="list-style-type: none"> Financial Intermediately Association(FIA) 		
<ul style="list-style-type: none"> Certificate and Institute of Risk Management SA (IRMSA) 		
<ul style="list-style-type: none"> Regulatory Exam Certificate for Account Executive and Underwriting Manager 		
<ul style="list-style-type: none"> Account Executive must have RE1 and RE5 Certificate, 		
<p>IF YOU COMPLY WITH THESE TWO REQUIREMENTS THE FOLLOWING QUESTIONS MUST BE ANSWERED BY THE BIDDER.</p> <p>WHERE A <i>YES</i> IS INDICATED SUBSTANTIATING VALID EVIDENCE MUST BE SUPPLIED.</p> <p>IF THE QUESTIONS ARE NOT ANSWERED AND APPLICABLE CERTIFIED VALID DOCUMENTS NOT ATTACHED, THE TENDER MAY BE DISQUALIFIED.</p>		
1. Do you have at least 6 <i>years experience</i> as an Insurance Broking Organization?		
2. Do you have a consortium of insurers for this policy? If yes name the consortium of insurers for this policy (broker contract)		
3. Do you have Professional Indemnity cover for a minimum of R10 million? (If yes must provide a valid certified copy of your Professional Indemnity cover including the insured limits)		

4. Is the broker service team to be utilized on this tender FAIS compliant and registered with the Financial Sector Conduct Authority? (If yes attach a valid certified confirmation from the Financial Services Board reflecting the individuals registered)		
5. Have you dealt with individual claims in excess of R450 000 in the past 3 (three) years? (If yes must list these claims by client, contact person, telephone number, claim description, claim amount and settlement amount).		
6. Do you have a dedicated service team who 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).		
7. Do you currently apply risk management at local authorities? If yes, name the local authorities where you are currently applying risk management (risk finance and risk control)		
8. Do you have any specific agency with specific insurers who underwrite Municipal business? (if yes, attach valid certified correspondence from each insurer)		
PREQUALIFICATION CONDITIONS	YES	NO
1. Are you a South African based Insurance Broking Organization? (If yes attach valid documentary proof)		
1. Provision of latest financial statements including <ul style="list-style-type: none"> ▪ Income Statement ▪ Balance Sheet 		
2. Has the tax clearance certificate been attached to the bid document?		
3. Do you have at least 6 years' experience as an Insurance Broking Organization?		
4. Is your service team to be utilized on this tender FAIS compliant and registered with the Financial Sector Conduct Authority?		

(If yes attach a valid certified confirmation from the Financial Sector Conduct Authority reflecting the individuals registered)		
FUNCTIONAL CONDITIONS	YES	NO
1. Do you have a Loss Control Resource? (If yes provide details and particulars of representatives)		
2. Do you have a Risk Finance Resource? (If yes provide details and particulars of representatives)		
3. Can you provide formal training services in risk management, risk control and risk financing? (If yes, provide full details where you have done so and contact persons)		
4. Do you have a claims settling mandate from the insurers? (If yes please provide certified proof of such authority or mandate)		
5. 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).		
6. Have you dealt with individual claims in excess of R450 000 in the past 3 (three) years? (If yes must list these claims by client, contact person, telephone number, claim description, claim amount and settlement amount).		
COMPLYING CONDITIONS	YES	NO
1. Do you currently apply risk management at local authorities? If yes, name the local authorities where you are currently applying risk management (risk finance and risk control)		
2. Do you have any specific agency with specific insurers who underwrite Municipal business? (if yes, attach valid certified correspondence from each insurer)		

3. EVALUATION CRITERIA

3.1 Mandatory requirement

Tenderers must meet the following **mandatory requirement**. Should the tender not meet the mandatory requirement the tender submitted will not be considered at all.

- 3.1.1 The bid must be evidenced by valid broker fee, from underwriters that are in good standing as per industry standards, who will support the recommended structure at the terms, conditions and exceptions proposed.
- 3.1.2 The bid must be evidenced of valid proof of registration with the Financial Sector Conduct Authority
- 3.1.3 The bid must be evidenced of Regulatory Exam Certificate for Account Executive and Underwriting Manager
- 3.1.4 The bid must be evidenced of Of Financial Intermediaries Association Of Southern Africa (FIA) Certificate and Certificate and Institute of Risk Management SA (IRMSA)
- 3.1.5 The insurance/indemnity limits as indicated in **Schedule A** form the basis of the minimum insurance cover to be provided to the municipality and the quotation referred to in 3.1.1 above must clearly state the insurance/indemnity limits to Greater Tzaneen Municipality.

3.2 Functionality

3.2.1 This bid will be evaluated on functionality and bidders are required to submit evidence that demonstrate their expertise and experience in respect of providing the typical services in order to obtain relevant points during the functionality evaluation process.

3.2.2 The bid must be submitted in accordance with procurement guidelines and will thus comprise of the following documents:

3.3 Technical Component (functionality) to be included in the submission

3.3.1 Please note that a bidder has to score a minimum number of points **(85)** for functionality to qualify for further evaluation (i.e. price and specific goals).

3.3.2 The following **Schedules** must be completed and returned with the completed bid for evaluation purposes

3.3.2.1 **Schedule D1:** Similar services in terms of short-term insurance broker rendered to other organizations by the entity.

3.3.2.2 **Schedule D2:** Applicable expertise and experience in terms of short-term insurance of the **Representative** who will be responsible for the portfolio of Greater Tzaneen Municipality.

3.3.2.3 **Schedule D3:** Applicable expertise and experience in terms of short-term insurance of the **Team Member** who will support the Representative who will be responsible for the portfolio of Greater Tzaneen Municipality

3.3.2.4 **Schedule E:** Proof of **valid registration of the Representative** of the entity who will be responsible for the portfolio of Greater Tzaneen Municipality, with the Financial Sector Conduct Authority (FSCA), previously known as the Financial Services Board (FSB).

3.4 Price (Cost) Component

3.4.1 The following **Returnable Schedules** must be completed and returned with the completed bid for evaluation purposes

3.4.1.1 **Schedule F: Mandatory requirement** - Proof of valid broker fee structure supporting the recommended structure at the terms, conditions and exceptions proposed.

3.4.1.2 **Schedule F: Mandatory requirement** – Proof of Regulatory Exam Certificate for Account Executive and Underwriting Manager

3.4.1.3 **Schedule B:** The category descriptions of the underwriter in relation to Greater Tzaneen Municipality descriptions.

3.4.1.4 **Part A:** Broker fee to be provided based on information provided.

3.5 The value that will be utilized for evaluation purposes, for the calculation of preference points out of 80 for price and 20 points, will be the total broker fee as contained in the **Compulsory Returnable Schedule: Part A Pricing Schedule**

4. FUNCTIONALITY EVALUATION CRITERIA EXPLANATION

1 The description of the functionality of (quality) criteria and the maximum number of evaluation points allocated to each is shown in the table below. The total score for functionality (quality) will be the sum of the maximum scores for the individual criteria and **total 100 points**.

2 Expertise, Experience and Registration

- 2.1 The Service provider must offer a representative from the entity who will be responsible for the portfolio of Greater Tzaneen Municipality and a supporting team member for the services to be rendered.
- 2.2 Points for demonstrated expertise and experience of the entity and a representative from the entity and a supporting team member who will be responsible for the portfolio of Greater Tzaneen Municipality that will be directly involved with this contract (if awarded).

EVALUATION ON QUALITY/FUNCTIONALITY = 100

1. Experience of Short-term insurance broker (entity) in respect of similar services provided.		
NB! Please complete Returnable <u>Schedule D1</u> and attach full particulars and evidence, including a stamped and signed reference letters in relation to the projects/appointment letter, containing the company's involvement in rendering short term insurance.		
1.Bidder evaluation criteria for functionality	Relevant Company work Experience	Points allocation
		Total = 50 points
Previous Company(s) experience	<ul style="list-style-type: none"> The bidder with 15 or more years' experience in institutions. attach minimum of five(5) appointment letters 	5 points
	<ul style="list-style-type: none"> Bidder with 6 to 9 years' experience in the institutions. attach minimum of three(3) appointment letters four 	3 points
	<ul style="list-style-type: none"> The bidder with 3 to 5 years' experience in institutions. attach minimum of two(2) appointment letters 	2 points
	<ul style="list-style-type: none"> Bidder with 0 to 2 years' experience with institutions. 	1 Point
	<ul style="list-style-type: none"> No appointment letters attached 	0 Points
2.Bidder evaluation criteria for functionality	Key personnel experience and qualifications	Points allocation
		Total = 20 points

Profile of key staff (attach Brokerage / insurance certificate(s) and CV's, certified ID copy and qualification(s))	<ul style="list-style-type: none"> Account Executive with Masters in Insurance & Risk Management + RE5, RE1 	5 points
	<ul style="list-style-type: none"> Underwriting Manager – with Bcom Degree in Finance, Accounting and Post Grad Diploma in Risk Management + RE1, RE5 	3 points
	<ul style="list-style-type: none"> Claim Administrators – Bcom Finance, Accounting Points allocated for each role if all certificates are attached, failure to attach certificates 	2 Points
	<ul style="list-style-type: none"> No Key personnel and qualifications attached 	0 Points
3.Bidder evaluation criteria for functionality	Certificate	Points allocation
		Total = 15 points
Proof of valid registration of only one Representative of the short-term insurance broker who will be responsible for the portfolio of the Greater Tzaneen Municipality, with the Institute of Risk Management (IRMSA)	Proof of valid certificate from institute of Risk Management SA(IRMSA)	5 Points
	No Proof of valid certificate from institute of Risk Management SA(IRMSA)	0 Points
4.Bidder evaluation criteria for functionality	Certificate	Points allocation
		Total = 15 points
<u>Representative</u> Proof of valid registration of <u>only one Representative</u> of the short-term insurance broker who will be responsible for the portfolio of the Greater Tzaneen Municipality, with the Financial Sector Conduct Authority (FSCA), previously known as the Financial Services Board (FSB).	Proof of valid registration with the Financial Sector Conduct Authority (FSCA).	5 Points
	No proof of valid registration with the Financial Sector Conduct Authority (FSCA).	0 points
TOTAL		100

The bidder must obtain a minimum score of 85% of points allocated for quality (functionality) to qualify for further evaluation.

5. PRICING INSTRUCTIONS:

- 5.1 For evaluation purposes it is essential that the **Compulsory Returnable Schedule: Schedule Part A Pricing Schedule** be completed for all categories and sub- categories.
- 5.2 Cognisance should be taken that alternative pricing schedules submitted other than the **Compulsory Returnable Schedule: Part A Pricing Schedule** may result in incorrect values utilized for price evaluation purposes due to unintentional administrative oversight.

The price quoted must include all services as stipulated in the Scope of Work

ADDITIONAL CONDITIONS

- 1. Bidders may approach all Insurers complying with the relevant statutory solvency and other requirements.
- 2. Bidder's proposals should be accompanied by a detailed summary of the salient features of your recommended insurance structure.
- 3. 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.
- 4. All broker fee amount to be rounded off to the next full rand. Where extensions are granted free of charge, please state "free" in the broker fee column. ***All broker fee quoted are to INCLUDE VAT.***
- 5. The tender 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.

6. Failure to comply with the above requirements may render the Tender invalid at the option of the Council.
7. 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.
8. 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.
9. 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.
10. Deductibles are to be shown clearly, otherwise the Council will assume that no deductible will apply and this may not be rectified afterwards.
11. Your tender is to be valid for the period of 36 months and Insurers will undertake not to amend their terms.
12. This contract will be valid for the period of 36 months and 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.
13. The broker fee payment for the period of 36 months must be made on or before inception of cover upon receipt of all tax invoices by Council. In the event of an increase or decrease in assets and insurable interests, the broker fee will be adjusted accordingly. ***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.***

However, please indicate whether or not a 2 months down payment facility is available.

14. 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 broker fee **based on replacement values.**

15. Insurance Markets

15.1 Does your proposed market have experience with Local Authorities?

15.2 Are your insurance policies specially designed for local authorities?

15.3 Please provide copies of your insurance policies

15.4 Please provide proof of support by the insurers or underwriters for all classes of Insurance that you have tendered for

16. **Broker's fee**

Short Term Insurance Broking Services companies must specify in full, and clearly disclose all broker's fees; 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 broker's fee will be a fixed amount for a period of one year. After which period it will be adjusted accordingly to the specified formula in the bid documents. Adjustments of this Broker's fee will be done annually

PART A
SCHEDULE OF PRICES:
GREATER TZANEEN
MUNICIPALITY

SECTION	INSURED VALUE	BROKER FEE	REMARKS
COMBINED	R1 494 846 689		
OFFICE CONTENTS	R17 294 838		
BUSINESS INTERRUPTION	R10 500 000		
ACCOUNT RECEIVABLE	R40 100 000		
THEFT	R1 627 500		
MONEY	R2 786 500		
GLASS	R150 000		
GOODS IN TRANSIT	R1 205 500		
BUSINESS ALL RISKS	R18 564 912		
PUBLIC LIABILITY	R100 000 000		
EMPLOYERS LIABILITY	R25 000 000		
MOTOR THIRD PARTY LIABILITY	174 Vehicles		
STATED BENEFITS	R425 891 575		
MOTOR FLEET (Number of vehicles)	140 Vehicles		
MOTOR FLEET - HVV IN EXCESS OF R500K	R58 580 336		
PERSONAL ACCIDENT	67 Councillors		

ELECTRONIC EQUIPMENT	R41 890 726		
MACHINERY BREAKDOWN	R84 850 471		
SASRIA - Non Motor			
SASRIA - Motor			
Councillors (11) - Non Motor (R1, 500, 000)			
Councillors - Motor			
GRAND TOTAL	R2 323 289 045		

SIGNATURE_____ **OF**_____

BIDDER: _____ **DATE**_____

**GREATER TZANEEN MUNICIPALITY
RISK MANAGEMENT AND INSURANCE BID**

**GREATER TZANEEN MUNICIPALITY
RISK MANAGEMENT AND INSURANCE BID**

SECTION	SUM INSURED REPLACEMENT VALUES
Combined	
- Standard Constructed Buildings	R535 845 351,42
- Standard Constructed Buildings (Contents)	
Sports Facility	R283 274 304,70
- Sub-stations, mini sub-stations, transformers,etc	R352 853 296,21
- Property in the open	R105 383 183,77
- All water purification works and pump stations	
- All sewerage works, pump stations	R27 386 017,22
- Wood Roller Door Systems 3 Shelves Cupboard, Wood 2 Drawers F	R21 455,47
- 4x Infinity 18000BTU Air Conditioner, GCHV 52000BTU Air Conditio	R205 371,90
- Stadiums, Pavillions, tartar tracks, etc	R125 027 886,49
- Air Con	R11 761 061,62
- Non Standard - Thatch	
- Non Standard - Thatch (Contents)	
- Private dwellings, residential units hostels, Flats	R7 856 559,70
Extensions	
- Subsidence and Landslip	R50 000,00
- Sum insured	Yes
- Motor Vehicles whilst parked at Insured	R41 162 200,00
- Sum insured	No
- Riot and Strike (other than RSA and Namibia)	Yes
- Leakage of oils, chemicals or other fluids	R20 000,00
- Theft of immovable Property	R2 000 000,00
- Malicious Daage	R1 000 000,00
- Wash basins and Sanitary Ware	Yes
- Thatch structures unless specifically insured	R 100 000 Max Annual Limit
- Reasonable Precautions	R500 000
- Claims Preparation Costs	R500 000
TOTAL BUILDING COMBINED	R1 494 846 689
Business Interruption	
Indemnity period : 12 months	
- Income	-
- Increase in Cost of Working	R10 000 000,00

Extensions	
- Specified suppliers / sub-contractors	No
- Sum insured	R
- Unspecified suppliers / sub-contractors	No
- Sum insured	R
- Specified Customers	No
- Sum insured	R
- Public Utilities	No
- Sum insured	R
- Fines and Penalties	R
- Claims Preparation Costs	R500 000,00
TOTAL BUSINESS INTERRUPTION	R10 500 000,00

Office Contents	
- Contents insured property	R15 314 837,88
- Theft (forcible & violent entry or exit)	
- Loss of Rent (up to 25% of sum insured)	

- Loss of Documents	R1 000 000,00
- Legal Liability (Documents)	R200 000,00
- Increase in Cost of Working	

Extensions	
- Subsidence and Landslip	Yes
- Sum insured	R250 000,00
- Riot and Strike (other than RSA and Namibia)	No
- Leakage of Oils, Chemicals or other fluids	Yes
- Debris Removal	R10 000,00
- Locks and Keys	R10 000,00
- Reasonable precautions	R10 000,00
- Claims Preparation Costs	R500 000,00
TOTAL OFFICE CONTENTS	R17 294 838,00

Accounts Receivable	
- Outstanding Debit Balances	R40 000 000

Extensions	
- Duplicate Records	No
- Protections	No
- Riot and Strike (other than RSA and Namibia)	No
- Claims Preparation Costs	R100 000
TOTAL ACCOUNTS RECEIVABLE R 40 100 000	R40 100 000

Business All Risks	
- All other specified items (excluding Cellphones & Laptops)	R10 964 172,92
- Other IT Equipment	
- Laptops	R6 995 301,20
3 Mobile Office Units	
- Tablets / Ipads	R29 700,00
- Cellphones	R415 737,38

Extensions

- Increase in Cost of Working	Yes
- Sum insured	R50 000,00
- Riot and Strike (other than RSA and Namibia)	No
- Locks and Keys	R10 000,00
- Claims Preparation Costs	R100 000,00
TOTAL BUSINESS ALL RISKS	R18 564 912,00

Theft	
- First Loss Limit	R1 000 000,00

Extensions

- Property in the open (within securely fenced off area and subject to forcible and violent entry or exit from such area)	Included
- Theft of employee property	-
- Malicious Damage	R100 000,00
- Reasonable Precautions	R20 000,00
- Locks and Keys	R7 500,00
- Claims Preparation Costs	R500 000,00
TOTAL THEFT	R1 627 500,00

Glass	
- All fixed internal & external glass at the premises	R50 000

Extensions

- Riot and Strike (other than RSA and Namibia)	No
- Claims Preparation Costs	R100 000
TOTAL GLASS	R150 000

Money

- Possession of Councillors/Employees away from insured premises on a business trip	R5 000,00
- On the premises outside business hours in locked safe	-
	R5 000,00

- Loss of or damage to crossed cheques, money or postal	R1 000 000,00
- Major limit	R130 000,00
- Seasonal Increase	R1 500 000,00
- Receptacles as a result of theft of money or attempt	-

Extensions

- Locks and keys	R 10 000,00
- Reasonable precautions	R 10 000,00
- Credit cards	R 5 000,00
- Personal Accident (Assault)	
Capital Sum	R 20 000,00
Weekly Amount	R 1 000,00
Medical Expenses	R 500,00
- Riot and Strike (other than RSA and Namibia)	No
- Electronic Vending machines	-
- Claims Preparation Costs	R 100 000,00
TOTAL MONEY	R 2 786 500,00

Fidelity Guarantee	COVER NOT REQUESTED
- Limit any one period	R -

Extensions

- Retroactive Cover	01.07.2019
- Superseded Policy	No
- Reinstatement Amount	No
- Cost of Recovery	R
- Claims Preparation Costs	R100 000,00
TOTAL FIDELITY GUARANTEE	R100 000,00

Accidental Damage	COVER NOT REQUESTED
- Total value of property	
- Limit of indemnity	R
Extensions	
- First Loss Average	No
- Excluded property (in addition to property excluded in policy)	No
- Claims Preparation Costs	R100 000,00
TOTAL ACCIDENTAL DAMAGE	R100 000,00

Goods in Transit	
- Load Limit	R1 100 000

Extensions

- Removal of Debris	R5 000
- Fire, Explosion, Collision and overturning	R
- Fire Extinguishing Expense	R -
- Claims Preparation Costs	R100 000
TOTAL GOODS IN TRANSIT	R1 205 000

Group Personal Accident - 24 Hours	
- Councillors	67
- Temporary staff	
Benefits	
- Death (A)	<u>R750 000 000</u>
- Permanent Disability	% of Death benefit as specified for particular disability
- Temporary Total Disablement (A)	R3200 per week max 104 weeks
- Medical expenses	R10 000,00
- Bereavement	R10 000,00
- Relocation	R10 000,00
- Repatriation	R10 000,00
- Mobility	R10 000,00
Extensions	
- War Risks	No
- Claims Preparation Costs	R100 000,00
- Maximum Limit Any One Life	R2 000 000,00
- Maximum Limit Any One event (Accumulation Limit)	R10 000 000,00
TOTAL GROUP PERSONAL ACCIDENT	

Stated Benefits	
- 24 hrs(All Employees Excluding Councilors)	R425 891 575,00

Benefits

- Death : All Employees Excluding Councillors	2 x Annual earnings
- Permanent Disability	ecified for particular disability
- Temporary Total Disablement	ekly earnings max 104 weeks
- Medical Expenses	R10 000,00
- Additional death benefits	R5 000,00
- Relocation	R25 000,00
- Repatriation	R25 000,00
- Mobility	R25 000,00

Extensions	
- War Risks	No
- Claims Preparation Costs	100 000
- Maximum Limit Any One Life	R2 000 000
- Maximum Limit Any One event (Accumulation Limit)	R10 000 000
TOTAL STATED BENEFITS	

Electronic Equipment	
- Specified Equipment	R37 969 361,03
- Laptops	R3 521 364,64

Extensions	
- Prevention of Access	No
- Increase in Cost of Working	R100 000,00
- Reconstruction of Data	R200 000,00
- Incompatibility	Yes
- Telkom access line	Yes

- Utilities (Failure of supply)	No
- Riot and Strike (other than RSA and Namibia)	No
- Claims Preparation Costs	R100 000
TOTAL ELECTRONIC EQUIPMENT R 41 890 726	

Machinery Breakdown	
- Specified Equipment - Limit	R83 350 470,70
- Expediting Costs	R -

Extensions	
- Stock Spoilage	R
- Damage to Surrounding Property	R1 000 000
- Automatic Additions	R
- Claims Preparation Costs	R500 000
TOTAL MACHINERY BREAKDOWN	

Machinery Breakdown Interruption	COVER NOT REQUESTED
- Gross revenue	
- (a)	R
- (b)	R
- Increase in Cost of Working	R
- Additiona Increase in Cost of Working	R

Extensions	
- Claims Preparation Costs	R100 000,00

TOTAL MACHINERY BREAKDOWN INTER.		R100 000,00
Motorfleet Own Damage - value up to R500 000 - Comprehensive		
- Private type motor cars and Minibuses seating up to 16 persons		3
- Commercial vehicles		
LDVS		51
Trucks		54
Fire Engines		
Ambulances		
Tractors		9
Emergency Vehicles/Buses		
Motor Cycles		
Trailers		19
Special type vehicles (roadmarking & construction vehicles, machin		4
High value vehicles (First R 500 000.00)		34
Car hire		2
Roadside Assistance		2
Extensions		
- Wreckage removal		R10 000,00
- Fire extinguishing expenses		R50 000,00
- Medical expenses (per occupant)		R10 000,00
- Loss of keys		R5 000,00
- Conveyance of explosives	No	
- Theft or attempted theft of radios/sound equipment	R	
- Theft or attempted theft of telephones (excluding cellphones)	R	
- Claims preparation costs		R100 000,00
TOTAL MOTOR OWN DAMAGE		174

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LIABILITIES

Public Liability	
- Primary Policy Limit	R100 000 000

Sub-limits	
- Wrongful Arrest and defamation	R2 250 000,00
- Errors & omissions	R2 250 000,00
- Products liability and defective workmanship	R2 250 000,00

- Pedal Cycles	Market value
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- Legal Defense costs	R2 250 000,00
- Professional Liability in respect of Medical Practitioners or other Medical officials	R2 250 000,00
- Spread of fire	R2 250 000,00
- Municipal Police liability	R2 250 000,00
- Sub-limit use of firearms	R250 000,00
- Sub-limit wrongful arrest & defamation	R250 000,00
TOTAL Public Liability	R100 000 000,00

Employers Liability	
- Limit	R25 000 000,00
TOTAL Employers Liability	R25 000 000,00

Motor Third party Liability	
- Limit	R25 000 000,00
- Number of vehicles	174
TOTAL Motor Third Party Liability	R25 000 000,00

GRAND TOTAL	R5 988 996,09

MOTOR OWN DAMAGE OVER R 500 000.00 MOTOR XOL	(Please complete High valued sheet which will automatically pull through)
TOTAL SUM INSURED IN EXCESS OF R 500 000.00	R58 580 336

GRAND TOTAL	
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SASRIA	
Fire	R1 572 747 164,00
Revenue	R10 000 000,00
Motor	R65 632 757,86
Money	R130 000,00
	R1 100 000,00

Councillor SASRIA
Fire
Motor

<div> <div>Schedule B</div> <div>GREATER MUNICIPALITY</div> <div>TZANEEN</div> <div>INSURER'S WORDINGS</div> <div>AND</div> <div>POLICY</div> </div>		
CLASS	INSURERS	TYPE OF POLICY WORDING
1. COMBINED 2. OFFICE CONTENTS 3. BUSINESS INTERRUPTION 4. ACCOUNT RECEIVABLE 5. THEFT 6. MONEY 7. GLASS 8. GOODS IN TRANSIT 9. BUSINESS ALL RISKS 10. PUBLIC LIABILITY 11. EMPLOYERS LIABILITY 12. MOTOR THIRD PARTY LIABILITY 13. STATED BENEFITS		

14. MOTOR FLEET (Number of vehicles)		
15. MOTOR FLEET - HVV IN EXCESS OF R500K		
16. PERSONAL ACCIDENT		
17. ELECTRONIC EQUIPMENT		
18. MACHINERY BREAKDOWN		
19. SASRIA - Non Motor		
20. SASRIA – Motor		
21. Councillors (11) - Non Motor (R1, 500, 000)		
22. Councillors – Motor		

SCHEDULE “C” CLAIMS HISTORY INFORMATION

The claim history for the past four - years of the Greater Tzaneen Municipality in terms of the Rand value per year attached as annexure “B” to provides additional information that the bidder may take into consideration when calculating the mitigation of business risks and financial risks exposures.

COMPULSORY RETURNABLE SCHEDULE’S

RETURNABLE SCHEDULE D1: EXPERIENCE OF SHORT TERMS INSURANCE BROKER (ENTITY)

The bidder shall insert in the spaces provided below a list of the **Entities** demonstrated past work experience in terms of projects related to scope of work.

Listed projects with invalid or incorrect contact details for the employer and **information not supplied in the format as requested below might result in NO eligibility points scored in this regard due to unintentional administrative oversight.**

ENTITY NAME						
Client	Sector (Local Government, Public, Other)	Contact Person	Telephone number	Description of Contract <i>(Reference / Appointment letters must elaborate broadly to confirm the scope. NB! reference to the specific page numbers must be made in this section)</i>	Contract Start Date (yyyy/mm/dd)	Contract Completion date (yyyy/mm/dd)

RETURNABLE SCHEDULE D2: EXPERTISE & EXPERIENCE OF ONLY ONE REPRESENTATIVE

The bidder shall insert in the spaces provided below a list of the Representative’s demonstrated past work experience in terms of projects related to the scope of work.

Listed projects with invalid or incorrect contact details for the employer and **information not supplied in the format as requested below might result in NO eligibility points scored in this regard due to unintentional administrative oversight.**

NAME OF REPRESENTATIVE						
Employer/ Client	Sector (Local Government, Public, Other)	Contact Person	Telephone number	Description of Contract <i>(CV's and Reference / Appointment letters must elaborate broadly to confirm the scope. NB! reference to the specific page numbers must be made in this section)</i>	Contract Start Date (yyyy/mm/dd)	Contract Completion date (yyyy/mm/dd)

RETURNABLE SCHEDULE D3: EXPERTISE & EXPERIENCE OF ONLY ONE TEAM MEMBER

The bidder shall insert in the spaces provided below a list of the Team Member’s demonstrated past work experience in terms of projects related to the scope of work.

Listed projects with invalid or incorrect contact details for the employer and information not supplied in the format as requested below might result in NO eligibility points scored in this regard due to unintentional administrative oversight.

NAME OF TEAM MEMBER						
Employer/ Client	Sector (Local Government, Public, Other)	Contact Person	Telephone number	Description of Contract <i>(CV's and Reference / Appointment letters must elaborate broadly to confirm the scope. NB! reference to the specific page numbers must be made in this section)</i>	Contract Start Date (yyyy/mm/dd)	Contract Completion date (yyyy/mm/dd)

RETURNABLE SCHEDULE E: Proof of valid registration of only one **Representative of the entity who will be responsible for the portfolio of Greater Tzaneen Municipality with the Financial Sector Conduct Authority (FSCA).**

REPRESENTATIVE NAME (This must only be one person, and this will be the person responsible for the portfolio of the Greater Tzaneen Municipality)		
Proof of valid registration of the Representative of the entity who will be responsible for the portfolio of Greater Tzaneen Municipality with the Financial Sector Conduct Authority (FSCA)	YES (IF YES, PLEASE ATTACH PROOF TO THIS SCHEDULE F)	NO

MANDATORY REQUIREMENT

RETURNABLE SCHEDULE F:

The bidder shall provide Proof of Regulatory Exam Certificate for Account Executive and Underwriting Manager

ENTITY NAME		
Proof of Regulatory Exam Certificate for Account Executive and Underwriting Manager	YES (IF YES, PLEASE ATTACH PROOF TO THIS SCHEDULE)	NO

The bidder shall provide Proof of broker fee structure supporting the recommended structure at the terms, conditions and exceptions

ENTITY NAME		
Proof of broker fee structure	YES (IF YES, PLEASE ATTACH PROOF TO THIS SCHEDULE)	NO

RETURNABLE SCHEDULE G: current excess payment from the underwriter

<p>COMBINED</p> <p><u>All Transformers / Electrical / Reticulation claims: Unless other wise specified</u> COVER SUBJECT TO A PRE LIST OF ALL ELECTRICAL INFRUSTRATCURE i) All Transformers/Electrical/Reticulation claims</p> <p>All Other Claims: (Unless specifically defined) High Mast Lights Sport Stadiums (Spraylights, Highmast Lightning, etc) Generators (Fixed) -From Vehicles Fire as direct result of arson by Employees Geyser</p> <p>Loss or damage to retaining walls Parked vehicles: Malicious Damage Traffic signs, lights, parking meters and lampposts (if stated to be included) Theft of cables and electrical conductors Unoccupied buildings (First 4 weeks of unoccupation) after 4 weeks cover is</p>	<p>Refer Below</p> <p>10% of claim min R500 000 ech and every claim</p> <p>10% minimum R 10 000 of each and every gross claim 15% minimum R 20 000 of each and every gross claim 20% minimum R 50 000 of each and every gross claim 20% minimum R 25 000 of each and every gross claim 25% minimum R 200 000 of each and every gross claim 10% of claim minimum R1000 if SABS approved, if not 10% of Claim minimum R2500</p> <p>10% of claim minimum R2 500 R100,000 of each and every gross claim 5% minimum R100 000 of each and every gross claim 10% minimum R 25 000 of each and every gross claim 10% minimum R350 000 of each and every gross claim 25% minimum R 10 000.00 each and every gross claim</p>
<p>HOUSEOWNERS (a) Council Residential buildings hostels and flats (a) All other Redisidential propeties</p>	<p>5% of Gross claim min R 5000 of each and every dwelling unit 5% of Gross claim min R 5 000 of each and every dwelling unit</p>
<p>BUSINESS INTERRUPTION</p>	<p>As per Combined section</p>
<p>OFFICE CONTENTS Contents Personal Property of the Councillors /Employees Locks and keys Theft or burglary</p>	<p>5% minimum R5000 of each and every gross claim R1 500 of each and every gross claim R500 of each and every gross claim 10% of claim minimum R1 500 maximum R25 000</p>
<p>ACCOUNTS RECEIVABLE</p> <p>BUSINESS ALL RISKS All items as per schedule Cellphones Laptops Tablets / Ipads Portable Toilets Smart meters Employees Persornal Effects Lawnmower Locks and keys</p>	<p>R2,500 of each and every gross claim</p> <p>10% minimum R2,500 of each and every gross claim 10% minimum R1 000 of each and every gross claim 10% of each and every gross claim minimum R2,500 15% of each and every gross claim minimum R2,500 25% of each and every gross claim minimum R50 000 15% of each and every gross claim minimum R10 00 R850 of each and every gross claim R1000 of each and every gross claim R500 of each and every gross claim</p>
<p>GLASS</p>	<p>R2,500 of each and every gross claim</p>
<p>THEFT All other claims Theft of cables and electrical conductors Goods in the Open Locks and keys</p>	<p>10% minimum R5,000 of each and every gross claim 10% minimum R 350,000 of each and every gross claim 25% minimum R 50,000 of each and every gross claim R500 of each and every gross claim</p>
<p>MONEY Loss or damage to money as a result of dishonest employee/conuncillor All other claims</p>	<p>Fidelity Guarantee excess applies 10% minimum R2,500 of each and every gross claim</p>

Lightning/Power surge Cellphones Tablets / I pads Laptops Any other loss	10% of each and every gross claim minimum R5,000 10% minimum R1 000 of each and every gross claim 15% of each and every gross claim minimum R2,500 10% of each and every gross claim minimum R2,500 5% minimum R2,500 of each and every gross claim
MACHINERY BREAKDOWN Increase in Cost of Working Any other loss Loss of Profit following Machinery Breakdown Basic excess all claims Time excess:	24 Hours time excess 10% minimum R150,000 of each and every gross claim 5% of claim minimum R1 000 24 Hours
All Transformers / Electrical / Reticulation claims:	10% minimum R 300 000.00 each and every claim
LIABILITIES All Claims Potholes Man Hole Motor Third Party Liability - Any other Motor Third Party Liability - Private & Commercial upto 3500 Kg gvm	R 25,000 of gross claim each and every occurrence R100,000 of each and every gross claim R250,000 of each and every gross claim R25,000 of gross claim each and every occurrence R5,000 of gross claim each and every occurrence
MOTOR FLEET Private type Vehicles, LDV's (windscreens) Special Types, Fire Engines & Commercial Trucks (windscreens)	25% minimum R500 of each and every gross claim 25% of each and every gross claim min R 3 500
Passenger Cars, LDVs & Minibuses (18 seater and less) - Vehicles valued up to R100,000 - Vehicles valued between R100,001 and R500 000 - Vehicles valued above R500 001	5% of each and every gross claim min R 3,500 10% of each and every gross claim min R 5,000 10% of each and every gross claim min R 7,500
Trucks & Mechanical Horses (Vehicles with a Gross Vehicle Mass of over 3,500kg, Buses (19 seater and more) - Vehicles valued up to R200,000 - Vehicles valued between R200,000 and R499,000 - Vehicles valued Between R500,000 and R1 000 000 - Vehicles valued above R1 000 000	10% of the claim with a minimum of R7,500 10% of the claim with a minimum of R15,000 10% of the claim with a minimum of R30,000 10% of the claim with a minimum of R50,000
Special types & fire engines Special Types i.e. road making and construction machinery/vehicles, refuse removal vehicles, street sweepers, etc	20% of claim minimum R 35 000 20% of claim minimum R 50 000
Tractors, Harvesters & Other Agricultural Equipment - Vehicles valued up to R200,000 - Vehicles valued above R200,000	10% of the claim with a minimum of R10 000 10% of the claim with a minimum of R 25 000
Trailers, Lawnmowers Loss of keys Motor Cycles Theft/Hi-Jack	10% of each and every gross claim min R2500 R 750 each and every claim 10% of each and every gross claim min R2500 additional 30% of value if not fitted with a tracking devise
All vehicles with valued exceeding R500 000 must be fitted with a Tracking device for theft cover to be enjoyed under this policy	
FIDELITY GUARANTEE	15% of sum insured plus 15% of nett claim
GOODS IN TRANSIT Basic excess Accumulative to basic excess: Losses following hijack Debris removal	10% of claim minimum R1 000 20% of claim minimum R2 000 10% of claim minimum R2 000
ACCIDENTAL DAMAGE Indemnity limit up to R500 000 Indemnity limit R500 001 and up 10% of claim minimum R2 500 Defined events	10% minimum R 2 500.00 of each and every gross claim 15% minimum R 5 500.00 of each and every gross claim 5% of claim minimum R1000
GROUP PERSONAL ACCIDENT Medical Expense TTD	R500 of each and every gross claim 7 Day time excess
STATED BENEFITS Medical Expense TTD	R500 of each and every gross claim 7 Day time excess
ELECTRONIC EQUIPMENT Increase in Cost of Working Reconstruction of Data	24 Hours time excess R2,500 of each and every gross claim

EVALUATION OF BIDS

N.B: The evaluation of bid will be conducted in two stages. First stage it be the assessment of functionality, there after only bidders that obtain 85 points will be evaluated in terms of 80/20 Preference point scoring system, where 80 points will be allocated for price only and 20 specific goals points scored.

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Means of verification (MOV) for specific goals	
Black people	15		CK, CSD report and Certified Identification documentation	Tick
An entity owned by women	05		CK, CSD report and Certified Identification documentation	
TOTAL	20			

PART G 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.
- 6 Applications for the Tax Clearance Certificates may also be made via e-filing. In order to use this provision, taxpayers will need to register with SARS as e-filers through the website www.sars.gov.za.

PART H 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 ☐ (please circle the applicable one) *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? (Please circle the applicable one) *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 state and who may be involved with the evaluation and or adjudication of this bid?
(Please circle the applicable one) *YES / NO

☐ 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.

3.8.1 If so, furnish particulars.

.....

3.9 Have you been in the service of the state for the past twelve months?

.....

(Please circle the applicable one) *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? (Please circle the applicable one) *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? (Please circle the applicable one) *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 I

MBD 5 DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (VAT INCLUDED)

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

Tenderers are
to
circle
applicable

- | | | | |
|-----|--|-----|----|
| 1.0 | Are you by law required to prepare annual financial statements for auditing? | YES | NO |
| 1.1 | If YES, you will be required to submit audited annual financial statements (on request during the tender evaluation period) for the past three years or since the date of establishment if established during the past three years. | | |
| 2.0 | 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? | 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 on a letterhead.
(Attach this letter to the back inside cover of this document). | | |
| 3.0 | 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? | YES | NO |

3.1 If YES, provide particulars on a letterhead.

(Attach this letter to the back inside cover of this document).

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

YES NO

4.1 If YES, provide particulars on a letterhead.

(Attach this letter to the back inside cover of this document).

I, the undersigned,

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

Signature.....

Date.....

Position..... Name Of Bidder.....

(of person authorised to sign on behalf of the Tenderer)

PART J MBD 6.1

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

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

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

1. GENERAL CONDITIONS

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

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

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

a) The applicable preference point system for this tender is the 80/20 preference point system.

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

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

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

The maximum points for this tender are allocated as follows:

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

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will

be interpreted to mean that preference points for specific goals are not claimed.

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1 POINTS AWARDED FOR PRICE

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

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

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

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

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

3.2.1 POINTS AWARDED FOR PRICE

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

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1 In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2 In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Means of verification (MOV) for specific goals	
				Tick
Black people	15		CK, CSD report and Certified Identification documentation	
An entity owned by women	05		CK, CSD report and Certified Identification documentation	
TOTAL	20			

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4 Company registration number:
.....

4.5 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:
DATE:
ADDRESS:

PART K 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.

Description of Service	Price (all applicable taxes included)	Completion date	Minimum threshold for local production and content (if applicable)

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

Signed at

on

Name (print)

Signature

OFFICIAL STAMP

WITNESSES

1

2

DATE:

.....
.....

PART L

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>The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
Item	Question	Yes	No

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court 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

.....
Name of Bidder

Designation

PART M MBD 9 CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid 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 consortium³ will not be construed as collusive bidding.

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

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

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

.....

Signature

Date

.....

..... Position

Name of Bidder

Returnable Documents

Checklist On Minimum Requirements

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

No.	Minimum requirements	Tick	Comment if not attached
1.	Complete original bid document		
2.	Proof of payment for tender document, Proof of payment for tender document, including downloaded tender documents (attach receipt) EFT or Manually		
3.	Valid Tax Clearance Certificate or Tax pin		
4.	CK/Company registration certificate showing percentage of shareholders / membership interest		
5.	Certified ID copies of the shareholders appearing in the CK		
6.	Statement of municipal rates and taxes for both company and directors appearing in the CK (not older than 3 months / if renting provide copy of Lease Agreement with 3 Months proof of payment only (No statements) /certified copies of Permission to occupy (PTO's) land for bidders residing in Tribal authority's areas of jurisdiction / letter from traditional authority not older than 3 months for the company and the directors		
7.	Bidders experience appointment letters /stamped and signed reference letters in relation to the projects		
8.	Key personnel and qualifications		
9.	Proof of valid broker fee		
10.	Proof of valid registration with the Financial Sector Conduct Authority (FSCA)		
11.	Proof of Financial Intermediaries Association of Southern Africa (FIA)		
12.	Certificate and Institute of Risk Management SA (IRMSA)		
13.	Proof of Regulatory Exam Certificate of Key Individual/s		
14.	Signed copy of three years audited financial statements		
15.	Proof of Account Executive with RE1 and RE5 Certificate		
16.	Proof of Professional Indemnity Cover Minimum R 10 000 000		
17.	Contract period: 36 Months		
18.	Compulsory briefing session		
19.	In case of a Joint Venture, Association or Consortium a formal contract agreement signed by both parties		
20.	Responded as per the scope of work (compliance to specification/ conditions or term of references)		

Company Representative (Name)

Signature