

**MOGALAKWENA LOCAL MUNICIPALITY**



**PROJECT NAME:**  
**SUPPLY, DELIVERY AND MAINTENANCE OF AN ON-SITE INTEGRATED  
FINANCIAL MANAGEMENT & INTERNAL CONTROL SOLUTION (iFMS)**

**PRE QUALIFICATION CRITERIA IS APPLICABLE FOR THIS TENDER  
AND ONLY TENDERS MEETING THE CRITERIA WILL BE  
CONSIDERED.**

**TENDER NO: 15-2022/2023**

**TENDER ADVERT DATE: 19 JANUARY 2022**

**TENDER CLOSING DATE 22 FEBRUARY 2023**

**TIME: 12H00 p.m.**

**NAME OF TENDERER:** \_\_\_\_\_

**TENDERED AMOUNT:** \_\_\_\_\_

**TENDER SUM IN WORDS:** \_\_\_\_\_

**CONTACT PERSON:** \_\_\_\_\_

**CELL NUMBER:** \_\_\_\_\_

**FAX NUMBER:** \_\_\_\_\_

**OFFICE NUMBER:** \_\_\_\_\_

**EMAIL ADDRESS:** \_\_\_\_\_

**POSTAL ADDRESS:** \_\_\_\_\_

**TENDER NO. 15-2022/2023**

**TENDER NOTICE AND INVITATION TO TENDER CLOSING TIME & DATE: 22 FEBRUARY  
2023**

Mogalakwena Local Municipality hereby invites suitably qualified service providers to tender for the below mentioned project.

The details of the project are as follows:

<b>No:</b>	<b>Project Name</b>	<b>COMPULSORY BRIEFING MEETING</b>	<b>Tender Number</b>	<b>Enquiries</b>
1.	<b>PROJECT NAME: SUPPLY, DELIVERY AND MAINTENANCE OF AN ON-SITE INTEGRATED FINANCIAL MANAGEMENT &amp; INTERNAL CONTROL SOLUTION (iFMS)</b>  <b>(PRE QUALIFICATION CRITERIA IS APPLICABLE FOR THIS TENDER AND ONLY TENDERS MEETING THE CRUTERIA WILL BE CONSIDERED)</b>	NONE	15-2022/23	Supplychain@mogalakwena.gov.za @ 015 491 9731/9647/9662  Finance @ 015 491 9702/ 09695

Mogalakwena Municipality will evaluate, adjudicate and award the bids in accordance with the PPPFA of 2017

**BID DOCUMENTS CONTAINING THE CONDITIONS OF BIDS AND REQUIREMENTS CAN BE DOWNLOADED ON E-TENDERS PUBLICATION PORTAL AT [www.etenders.gov.za](http://www.etenders.gov.za) for free and on [www.mogalakwena.gov.za](http://www.mogalakwena.gov.za).**

The respective project name with the project number must be clearly marked on the envelope before submission.

Complete tender documents, fully priced, signed and sealed in an envelope must be deposited in the Tender Box at Mogalakwena Municipality, 54 Retief Street, Mokopane, by no later than **12H00 on 22 FEBRUARY 2023** for all the above projects.

*No late, faxed, telegraphic, emailed and telephonic tenders will be accepted. The council also reserves the right to negotiate further conditions and requirements with the successful tenderer.*

**NB\*** Service providers should take note that no bid/service will be awarded to a service provider who is not registered and valid on Web Based Central Supplier Database (CSD).

Enquiries related to this tender must be addressed to Supply Chain Management at 015 491 9731.

The Municipality does not bind itself to accept the lowest or any tender and reserves the right to accept any tender or any part thereof, which may result in the acceptance of more than one tender, whichever the case may be.

**MM MALULEKA  
MUNICIPAL MANAGER  
54 RETIEF STREET  
MOKOPANE  
0601  
NOTICE NUMBER: 10/2023**

## **BIDDERS PLEASE NOTE THE FOLLOWING**

1. No late, faxed, telegraphic, emailed and telephonic tenders will be accepted. The council also reserves the right to negotiate further conditions and requirements with successful tenderer. Tenders received will be the basis for the contract negotiations and ultimately appointment of the suitable service provider. It is therefore important that service providers familiarise themselves with the municipality's processes and MLM supply chain management policy and to take them into account in preparing their tender.
2. Service Providers must note that the costs of preparing the tender and of negotiating the contract are not reimbursable and Mogalakwena Local Municipality is not bound to accept any of the tender submitted.
3. At any time before submission of the bid, Mogalakwena Local Municipality may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, modify these Specifications by amendments. The amendment will be sent in writing by facsimile or electronic mail to all Service providers and will be binding on them. Mogalakwena Local Municipality may at its discretion extend the deadline for the submission of bids.

### **A. TENDER AMOUNT**

In preparing the tender amount, service providers are expected to consider the requirements and the conditions of these Specifications. The tender amount should include all costs associated with the project and relevant taxes. The tender amount must be a fixed cost and remain valid for **90 days** after the closing date of the tender submissions. The rate of exchange of this bid is not subject to any foreign currency and the price must be firm.

### **B. NEGOTIATIONS**

Negotiations to reach agreement on all points and sign a contract will be held at a time and place to be determined by Mogalakwena Local Municipality. Negotiations will include a discussion of the technical proposal, the proposed work plan, financial

proposal/pricing and any suggestions made by the appointed service provider to improve the Terms of Reference. The agreed work plan, service level agreement and final Terms of Reference will then be incorporated into the “Description of Services” and form part of the contract.

### **C. SUBMISSION AND OPENING OF TENDER PROPOSAL**

The proposal tender document shall be placed in a sealed envelope clearly marked “project name, project number and the closing date”. The envelope shall be deposited in the tender box at the Civic Centre situated at:

***54 Retief Street, MOKOPANE***

Note that any tender received after the closing date and time for submission, will not be considered.

***Technical Enquiries regarding the bid may be directed to:***

***Mr Sekwakwa E Telephone Number: (015) 491 9695***

***Mr Mokgotho S Telephone Number: (015) 491 9702***

***Administrative Enquiries to Supply Chain***

***Unit: - [supplychain@mogalakwena.gov.za](mailto:supplychain@mogalakwena.gov.za)***

***Telephone number: -015 491***

***9731/9662/9649***

The tenders will be opened immediately after the closing time for submission. At the opening all service providers’ bids will be read aloud and the tender amount shall be made public and recorded.

Mogalakwena Local Municipality will take ownership of the outcomes and deliverables, thereby reserving the right to reproduce information from, copy and / or distribute such outcomes and deliverables without the prior consent of and / or reference to the service provider.

<b>Province</b>	<b>Limpopo</b>
<b>District</b>	<b>Waterberg</b>
<b>Municipality</b>	<b>Mogalakwena Local Municipality</b>
<b>Project Name</b>	<b>SUPPLY, DELIVERY AND MAINTENANCE OF AN ON-SITE INTEGRATED FINANCIAL MANAGEMENT &amp; INTERNAL CONTROL SOLUTION (IFMS)</b>

**REQUEST FOR PROPOSAL FOR SUPPLY, DELIVERY AND MAINTENANCE OF AN ON-SITE INTEGRATED FINANCIAL MANAGEMENT & INTERNAL CONTROL SOLUTION (IFMS).**

**INTRODUCTION AND BACKGROUND**

**The municipality** invites prospective bidders to submit detailed proposals for supply and delivery of an on-site integrated financial management & internal control solution with support and maintenance for a period of **60 months**

The municipality is looking for a well experienced bidder who can demonstrate the understanding of integrated financial management & internal control which is designed with effective and efficient interrelationships between software(s), hardware(s), personnel, procedures, controls, and data contained within the systems. The solution must be in accordance with the mSCOA regulations

**OBJECTIVE**

The solution must, **as a minimum**, comply with the main components of municipal financial management and control. The seven components must integrate seamlessly with the mSCOA general ledger and comply at a posting level to mSCOA Regulations and GRAP.

The main components are defined as follows, per section 5 of MFMA Circular. 80:

- General Ledger as per mSCOA regulation
- Billing for municipalities
- Supply chain management that complies with regulation
- Procurement that complies with regulation
- Creditors Management linked to CSD
- Assets management and tracking
- Inventory/stores
- Customer care module
- Budget module aligned to IDP as regulated
- HR and Payroll module with leave management

**SCOPE OF WORK**

Directly aligned to the defined components per the desired objective, there are fifteen (15) business processes that have been defined within Local Government. Each business process has been fragmented into sub-processes to enable alignment to practical work streams common to the municipality.

The objective of the business processes at outlined in the Municipal Regulations on Standard Chart of Accounts Gazette No 37577 and MFMA Circular No. 80 are that an iFMS:

1. Must provide for the hosting of the mSCOA structure and associated detail as contained in the seven defined Segments.
2. Must accommodate and operate the classification framework across all required segments at a transactional level as defined in the associated detail to the segments
3. Must provide for the data extraction functionality as per the segmented transactional string and seamless upload to the Local Government Database as hosted by the National Treasury
4. May not apply methodologies of data mapping or data extrapolation to provide for the segmented transactional data string at a transactional level above as explained in point
5. Must provide for full seamless integration between the core financial system representing the general ledger, and any third-party system with a direct impact on the general ledger
6. Must have access to hardware that is sufficient to run the required software solution.

The 15 business processes are:

1. Corporate Governance (including IPMS)
2. Municipal Budgeting, Planning and Modelling;
3. Financial Accounting;
4. Costing and reporting;
5. Project Accounting;
6. Treasury and Cash Management;
7. Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable;
8. Grant Management;
9. Full Asset Life Cycle Management including Maintenance Management;
10. Real Estate and Resources Management;
11. Human Resource and Payroll Management;
12. Customer Care, Credit Control and Debt Collection;
13. Valuation Roll Management;
14. Land Use Building Control; and
15. Revenue Cycle Billing.

Although the required functionality is accepted to be driven by either legislation or mSCOA regulation, some functionality has been identified through evaluation, to be for best practice activities within local government.

The following 15 business processes must be supported as stipulated:

## **1. Corporate Governance**

### **1.1 Solution Configuration**

- 1.1.1. Electronic approval and authorization capabilities of all transactions.
- 1.1.2. Comprehensive audit trail of all transactions initiated, amended, and approved.
- 1.1.3. Monthly period closure within the statutory reporting dates. No-backdating should be allowed by the system.
- 1.1.4. Balancing of sub-systems with the control accounts on a frequent basis.
- 1.1.5. Year-end closures period 12 as of 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year. This must be

supported with a comprehensive migration report indicating all movement balances transferred to the opening balance of the next reporting year.

- 1.1.6. Finalisation and submission of annual financial statements (AFS) period 13 results in opening balance transactional transfer of only the transactions of period 13.
- 1.1.7. Audit periods with allowed audit approved journals occur in period 14 and result in opening balance transactional transfer of only the transactions of period 14.
- 1.1.8. Accommodate a period 15 for prior period errors (GRAP 3).
- 1.1.9. Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.
- 1.1.10. Period closing, finalisation and audit period corrections are opening balance transactions in the current open period as well as normal transactions in the audit periods.
- 1.1.11. Sub-system(s) or ledgers must, without manipulation, integrate and constantly balance with the core financial system.
- 1.1.12. Enable drill down from the general ledger (GL) to sub-system source transactions to transactional level.
- 1.1.13. Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).
- 1.1.14. Online training material must be available for all modules.
- 1.1.15. All transactions must be recorded with unique transactional identifier accompanied with a date stamp.
- 1.1.16. No records should be physically deleted. Deleting a record in the context of the Solution means to 'flagging as deleted', the record so that it is no longer visible or active and does not present 'clutter' to normal users.
- 1.1.17. Deleted records must be supported by a comprehensive audit trail available to authorized users.
- 1.1.18. Logically deleted records may under no circumstances be reactivated.
- 1.1.19. Deployment of an IT strategy for maintenance and future developments.
- 1.1.20. Complete Solution Hand Over to Municipal Project Team including full documentation.
- 1.1.21. Data back-up procedures must be continuous and roll back.
- 1.1.22. Disaster recovery must be off site.
- 1.1.23. Daily, weekly, monthly, and yearly backups must be documented and signed-off.

## 1.2. Performance Management System

- 1.2.1. Due to the nature of local government the performance management system of a municipality originates from its integrated development plan (IDP) and as such the key performance indicators are created in the IDP. This module therefore formally starts with and should assist in the compilation of the IDP.
- 1.2.2. Seamless integration with the budgeting module
- 1.2.3. The compilation and solution to capture the service delivery- and budget implementation plan (SDBIP) measurable performance indicators and the assignment of tasks to specific managers
- 1.2.4. Ensuring that policies and Municipal By-laws are aligned to the developmental nature of the municipality and give effect to the measurable performance objectives and service delivery- and budget implementation plan (SDBIP) of the municipality (for staff and political office bearers);
- 1.2.5. Ensure that internal municipality delegations are updated and assigned and formally accepted by individuals

- 1.2.6. The performance management module should assist in consequence management and record any such actions
- 1.2.7. The Performance management system must produce the Service Delivery-and budget implementation plan (SDBIP)
- 1.2.8. The Performance management system must produce Service Level Agreements (SLA's) and performance contracts
- 1.2.9. Reporting on service delivery- and budget implementation plan (SDBIP) indicators (inclusive of financial performance indicators)
- 1.2.10. The performance management module must support upload and store of proof of evidence
- 1.2.11. The performance management module must allow for the compilation of individual performance scorecards for the various levels of officials in the municipality, managing quarterly assessments and annual evaluation.
- 1.2.12. The performance management system should be web-based, supporting easy access to all authorized users with defined access levels.
- 1.2.13. Users should be able to capture KPI's and projects online.
- 1.2.14. The SDBIP must have strict period control.
- 1.2.15. Management should have access to various dashboards to support their management oversight.
- 1.2.16. The system should have a complete audit trail reporting on all users' activities.
- 1.2.17. Employee assessments must be conducted within the system
- 1.2.18. The system should have the functionality available to assessors to view captured data, which must consist of targets, actual performance, comments (including those of the audit team), and supporting documentation.

### 1.3. Reporting Mechanisms

- 1.3.1. An effective, flexible report-writing facility with access to the database dictionary is required.
- 1.3.2. Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments
- 1.3.3. There should be a management dashboard that displays at the Municipal Manager's (accounting officer) and senior managers' offices, the key performance areas information in a continuous real time update.
- 1.3.4. Assist the municipal manager to adhere to MFMA section 70 by providing early warning of impending financial distress
- 1.3.5. Monitor the financial progress of grants, programs, and capital projects (as per the annual service delivery-and budget implementation plan (SDBIP))
- 1.3.6. Monitor performance of debt recovery and creditor payments
- 1.3.7. Reflect budget versus actual performance of the votes / functions of the municipality.
- 1.3.8. Allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.
- 1.3.9. Annual procurement plan aligned to the budget and procurement module.
- 1.3.10. Asset maintenance report, budget vs actuals

### 1.4. Document Management

- 1.4.1. The system should have capabilities for document sharing, filling, and tracking with secure access

1.4.2.The system should have capabilities for version control

1.4.3.The system should enable the municipality to register, capture, store, use, search, retrieve, modify, maintain, dispose, and archive municipal documents and records in electronic formats.

## **2. Municipal Budgeting, Planning and Modelling**

### **2.1. Main Budget**

- 2.1.1. Must have budgeting capabilities in that the budget is informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations, 2014.
- 2.1.2. Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)). Therefore a requirement to budget on all required segments.
- 2.1.3. Complete budget reporting per segment and organogram.
- 2.1.4. The system should be able to link Expenditure and Revenue to All segments of mSCOA.
- 2.1.5. Track, compare and report on budget versus actual amounts for year 1 of the medium-term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement.
- 2.1.6. Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) portal, accompanied by the relevant IDP submission.  
The following extracts must be done at any given time historical and current, to txt in prescribed format, as well to another output in more understandable format  
TABB supported by PRTA  
ORGB supported by PROR  
ADJB supported by PRAD
- 2.1.7. System calculated opening balances on budget for outer years.
- 2.1.8. Automatic balance sheet alignment on item level, adhering to all known alignment rules and validations. Taking latest circulars in consideration ensuring complete schedule alignment with the Treasuries.
- 2.1.9. Measure and flag anomalies of the current database history against alternative information sources such as the Surveyor General (SG), Deeds Office and valuation rolls to ensure completeness of budgeting and actual billing.
- 2.1.10. Planning of secondary costing i.e., Departmental charges, internal recoveries, and activity-based charges informing cost reflective tariffs.
- 2.1.11. Supply the general ledger's "main budget module"-budgets with the full mSCOA segments as a budget line. It should be able to provide this for revenue, expenditure, and balance sheet items.

### **2.3. Budget Monitoring**

- 2.3.1. Virements processed in detail per period, with complete audit trail, and detailed reporting for auditing purposes.
- 2.3.2. Virements adhering to policy and guidelines as per National Treasury.
- 2.3.3. Link the service delivery- and budget implementation plan (SDBIP) and workflow to show progress on projects and include links to service delivery scorecards and municipal procurement plans.
- 2.3.4. Annual procurement plan, aligned to the IDP and budget for monitoring.

### 3. Financial Accounting

#### 3.1. General Ledger

- 3.1.1. Contains all the accounts for recording transactions relating to municipalities assets, liabilities, and net assets as per mSCOA segments.
- 3.1.2. Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc.
- 3.1.3. Journal capabilities, allowing for bulk as well as single processing. Journals should be fully traceable, with period control by allowing current, period 13, period 14 and period 15.
- 3.1.4. Financial reporting on all mSCOA chart levels allowing for
  - Detailed transactional and financial reporting down to posting segments which are the lowest possible level
  - Hierarchical or summarized reporting at various parent segment levels as grouped on the mSCOA chart
- 3.1.5. Costing segment reports, disclosing secondary costs disbursements across the various functions.
- 3.1.6. Multiple financial year reporting, per project.

#### 3.2. Accounts receivable

- 3.2.1. Provide a debtor master record containing at least but not limited to:
  - Debtor classes and discount categories to ensure correct billing and rebates
  - Trade, sundry and other debtor types to comply with mSCOA requirements
  - Debtor levies in mSCOA segmentation to the Accounts Receivable
  - Receipt allocation to account receivable in the correct mSCOA segmentation, adopting the regional segment with each transaction for precise ward reporting
  - Daily balancing between Billing modules, Cashier system and General Ledger
  - Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis. Reporting accurately on accrued revenue.

#### 3.3. Accounts payable

- 3.3.1. Accounts payable must include but not limited to:
  - Goods received notes for full or partial deliveries aligned to authorized issued purchase orders. Supported by comprehensive process flow reporting.
  - Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers
  - Bulk and specified individual payments, aligned with stipulated payment terms
  - Detailed remittance advices
  - Direct standard invoice payments
  - Retention registers with controlled pay-outs
  - Detailed and summarized creditors age analysis per and creditors classification.

#### 3.4. Cash Management

- 3.4.1. The cash book module must be able to automate the receipting and reconciliation of direct deposits.
- 3.4.2. Passing of interest and bank charges from the reconciliation module.

3.4.3. Seamless integration and transferring of funds between the with petty cash, investment, and loan register.

3.5. Investment Register

3.5.1. Accommodate all investment related transaction, adhering to all mSCOA segment allocation rules, ensuring successful cash flow alignment.

3.5.2. Extract of quarterly Investment monitoring reports for submission.

3.6. Loan Register

3.6.1. Accommodate all loan related transaction, adhering to all mSCOA segment allocation rules, ensuring successful cash flow alignment.

3.6.2. Extract of quarterly bonds and loans monitoring reports for submission.

3.7. Insurance claim register

3.7.1. All insurance claims linked to the asset register.

3.7.2. Recording on progress concerning the claims with responsible officials.<sup>1</sup>

3.7.3. Allow for reporting on insurance claims.

#### **4. Costing and Reporting**

4.1. Cost Planning

A costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs.

4.2. Cost Planning

Management reporting on all charges should be available for reports as well as dashboard information.

#### **5. Project Accounting**

5.1. Project Creation and Planning

5.1.1. A comprehensive project module that allows for integrated development plan (IDP) objectives to be transferred into the project module for planning, budgeting and ultimately reporting purposes.

5.1.2. The municipal budget module must be aligned to the project module.

5.1.3. Projects registered in the project module must be aligned to the mSCOA Project segment.

5.1.4. All segmentation of mSCOA must be incorporated into the project module, whereby a project-based budget is produced, informed by the integrated development plan (IDP) and giving input to the annual service delivery- and budget implementation plan (SDBIP).

5.1.5. The Project planning module must be fully integrated, with spatial capabilities which will include the following but not limited to:

- Recording the capital needs from various sources aligned with the IDP process
- Prioritize the needs in line with legislative guidelines, while taking in consideration the municipality's objectives
- Facilitate a flexible multi-criteria analysis (MCA) to prioritize projects.
- The MCA fields should be customizable to suit the municipality's needs.
- The MCA should reflect in the project prioritization results.

- The MCA must be able to use in combination:
    - Spatial criteria
    - Numeric formulae
    - Alphanumeric responses from users
  - Develop budget scenarios for the municipality in the format required by National Treasury and individually tagged with fully compliant mSCOA GUIDs
  - Provide the municipality with the ability to track the implementation of approved projects following project life-cycle phases compliant to National Treasury's Standard for Infrastructure Procurement and Delivery Management (SIPDM)
- 5.1.6. The module must facilitate the economic impact of each project or groups of projects (programs or portfolio's) to enhance the process or prioritization.
- 5.1.7. The project module must allow for inter-project dependency.
- 5.1.8. Ability to geographically record project location and area affected by project.
- 5.1.9. Ability to set up project data fields that cascade into follow-on choices based on preceding selections to accommodate issues such as climate change, strategic national objectives, strategic provincial objectives and strategic regional objectives and others.

## 5.2. Project Management and Reporting

- 5.2.1. The project module allows for the tracking of successful approved projects against the budget, project plan, milestones, and cash-flow plan.
- 5.2.2. The module must allow for customizable dashboards, allowing to monitor the progress of each project.
- 5.2.3. Project management should be able to specify quarterly and monthly deliverables.
- 5.2.4. The module must accommodate the scheduling and tracking of the procurement plan for each project.
- 5.2.5. The information collected on the non-financial performance of projects must be key inputs to the quarterly and monthly reporting requirements as set out in Section 71 of the MFMA and should allow the municipality to monitor implementation progress together with project risk mitigation and management,
- 5.2.6. The module must cater for project views and reports in formats that conforms with PMBOK and government's FIPDM principles

## 6. Treasury and Cash Management

### 6.1. Cash Management

- 6.1.1. Allow for multiple bank accounts and sweeping between accounts
- 6.1.2. Automated receipting of debtor payments and other monies received
- 6.1.3. Automated passing of journals for interest and other bank charges
- 6.1.4. Automated clearing of system generated transactions such as payments
- 6.1.5. Automated reconciliation of bank statements to the ledger and supplying supporting documentation for management.
- 6.1.6. Forecasting of cash must be available on a dashboard
- 6.1.7. Support mSCOA segmentation in the cashbook module

### 6.2. Petty Cash

- 6.2.1. A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.
- 6.2.2. Internal cash receipt with drawdown of petty cash.

## **7. Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable**

### **7.1. Supply Chain Management (SCM)**

- 7.1.1. Allow for requisition from the annual procurement plan.
- 7.1.2. Requisitions must be project driven, with strict budget validation.
- 7.1.3. Supplier rotation management.
- 7.1.4. Supply chain deviation facility in terms of legislation.
- 7.1.5. All requisitions, orders invoices and payments must be subject to electronic authorization aligned with the organogram
- 7.1.6. Adhere to the municipality's delegation of duties and authority levels
- 7.1.7. Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals
- 7.1.8. Electronically manage the invitation, bid closure and adjudication process with a full document management server unpinning the cycle
- 7.1.9. Record and electronically store the bid adjudication committee's meeting minutes and store the minutes on the document management server
- 7.1.10. Enforce where applicable retention enforcement and manage retention registers
- 7.1.11. Ensure tax clearance management for the duration of the contract
- 7.1.12. Ensure that all payments are made within 30 days of receipt of an invoice therefore
- 7.1.13. The system should allow accruals to be raised on period closure
- 7.1.14. Automate notification alerting relevant system users when a supplier's BEE certificate and tax certification reach expiry dates.

### **7.2. Contract Management**

- 7.2.1. Contracts must be recorded with complete milestones and responsible parties.
- 7.2.2. The contract module must allow for the upload of original documentation for record keeping
- 7.2.3. The module must fully integrate with the contract payment module with transactions reflecting on the contract module
- 7.2.4. The retention to each contract should be recorded within the register
- 7.2.5. The system should have capabilities of creating Panel/Pool Contracts

### **7.3. Purchase Orders**

- 7.3.1. Allow for automated purchase orders from approved requisitions.
- 7.3.2. Electronic authorizing of purchase orders (PO's) through workflow process
- 7.3.3. Automated sending of purchase orders (PO's) to supplier through email
- 7.3.4. Processing of partial order deliveries with automated reminders of outstanding items
- 7.3.5. Automated transfers of outstanding orders to future periods with budget controls
- 7.3.6. Align purchase order (PO) deliverables to the annual service delivery- and budget implementation plan (SDBIP)

### **7.4. Inventory**

- 7.4.1. All consumable items in terms of the classification framework is purchased via an inventory principal.

- 7.4.2. In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner.
- 7.4.3. The stores module must seamlessly integrate and balance with the ledger.
- 7.4.4. The stores module must facilitate
  - Detailed valuation reports
  - Stock movement reports
  - Multiple stores
  - Comprehensive stock take module, per store and inventory class
  - Stock price adjustments with the relevant financial entries
  - Stock quantity adjustment

## **8. Grant Management**

- 8.1. Provide for a grant register linked to ledger accounts
- 8.2. Automate receipt allocation of grants by making use of the correct segments relevant to the grant
- 8.3. Automate payment allocation
- 8.4. Link to mSCOA funding source with budget control.
- 8.5. Detailed grant reporting highlighting the conditions met
- 8.6. Grant recognition journal that is parameterized ensure correct recording against the required items and fund.

## **9. Full Asset Life Cycle Management including Maintenance Management**

- 9.1. Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP)
- 9.2. Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components
- 9.3. Compile and monitor expenditure against the asset maintenance plans
- 9.4. Ensure that all asset transactions are recorded against the prescribed segments with complete validation
- 9.5. Allow for all financial entries, in current period as well as prior years (period 13,14,15) when preparing for AFS
- 9.6. Integration to billing systems to monitor investment properties and valuation inconsistencies
- 9.7. Enable table-to-floor inspection sheets (electronic devices are preferred) as well as floor-to-table look-up methodologies
- 9.8. Host an insurance register, aligned to the asset register.
- 9.9. Allow for retrospective calculations such as depreciation
- 9.10. Report on maintenance done per asset, aligned with the maintenance project
- 9.11. Allow for criticality rating to be assignable to each asset via the risk assessment model
- 9.12. Any vehicle related expenses, maintenance, fuel must be recorded and reported

## **10. Real Estate and Resources Management**

- 10.1. Facilities rental module updated from receipting with workflow refunds.
- 10.2. Maintain a register of all rental properties
- 10.3. Link to debtors' system for collection of rent

## 11. Human Resource and Payroll Management

- 11.1. Allow the municipality to budget for its full organogram (organizational structure).
- 11.2. Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.
- 11.3. Provision to calculate new notch values within grades either as a percentage increase or by minimum value. These notch values are to be held on a temporary file and the user must be able to perform Various "what if" scenarios without affecting the live data.
- 11.4. Ensure that the planned positions are budgeted for pro-rata to when the expected appointment can be done.
- 11.5. Utilizing historical trends, calculate the likely provision for leave and bonus provisions. This function should also be able to anticipate (if applicable) any long service allocations.
- 11.6. Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.
- 11.7. Human Resources (HR)
  - 11.7.1. Organization Management
  - 11.7.2. Employee Records Management
  - 11.7.3. Leave Records Management
  - 11.7.4. Leave Pay Accrual to be automated also to be retrieved on an ad hoc basis
  - 11.7.5. E-Leave functionality – portal for employee self service
  - 11.7.6. Training and Development Management
  - 11.7.7. Recruitment and Selection Management
  - 11.7.8. Performance Management.
  - 11.7.9. Travel claims Management
  - 11.7.10. Payroll and Benefits Management
  - 11.7.11. Automated reconciliation at predetermined intervals.
  - 11.7.12. Overtime claims Management/ Time off in lieu.
  - 11.7.13. Special Allowance Management (e.g. acting, secondments, etc.).
  - 11.7.14. Refunds to staff in respect of over-deductions and ad hoc payments.
  - 11.7.15. Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.).
  - 11.7.16. Ad hoc payroll runs must reflect in the Financial Management System.
  - 11.7.17. Must cater for pensioners' benefits.
  - 11.7.18. Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.).
  - 11.7.19. Employee Relations.
  - 11.7.20. The system must cater for all requirements of the South African Revenue Services (SARS).
  - 11.7.21. Must provide a facility to automate the update of tax tables whenever changes occur.
  - 11.7.22. History of previous tax tables must be retained on the system for an indefinite period.
  - 11.7.23. The system must be flexible to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc.

- 11.7.24. The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.).
- 11.7.25. Narrative type pay slips must be provided (Hard copy and electronically).
- 11.7.26. Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.).
- 11.7.27. Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT).
- 11.7.28. Provide a payment hold facility.
- 11.7.29. Third Party deduction and payments in terms of schedules or ad hoc basis.
- 11.7.30. Variance reporting.
- 11.7.31. The ability to calculate back pay across tax periods and increment periods must be provided for.
- 11.7.32. The system must allow for dummy validation pay runs to be carried out prior to running the final run.
- 11.7.33. All temporary staff (e.g. seasonal workers, learner ship programs, contract workers, etc.) to be controlled via Budget availability.
- 11.7.34. Provision to maintain (add, amend, delete) conditions of service pertaining to specific posts.
- 11.7.35. The Payroll System must be able to accommodate or account for all vacancies (i.e. funded and or unfunded vacancies) based on a Council approved Organogram in terms of.  
Section 66A of the Municipal Systems Act Amendment Act (MSAA).
- 11.7.36. Budget control and management of virement requirements.
- 11.7.37. Ensure that all employees' and councilors' declaration of interest and related parties are captured on the master files.
- 11.7.38. Report and create the workflow for collection of all employees and councilors with arrear accounts.
- 11.7.39. Provide the financial statements with regulated reporting requirements regarding the municipal councilors' outstanding debtor account details.
- 11.7.40. Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control.
- 11.7.41. Manage seamless third-party payment integration
- 11.7.42. Electronic funds transfer (EFT) to employee's bank accounts into the core financial systems cashbook awaiting approval

## 11.8. Payroll

- 11.8.1. Must be able to easily integrate with banks. Seamless upload of payroll information
- 11.8.2. Support multiple payrolls with different pay structures
- 11.8.3. Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation with integration to the main budget module.
- 11.8.4. Integrate with the time management system
- 11.8.5. Ability to submit statutory reporting to SARS for all taxes

## 12. Customer Care, Credit Control and Debt Collection

### 12.1. Credit Control

- 12.1.1. Provide for SMS, email and hand delivered late payment notifications

12.1.2. Provide for parameter-based disconnection list generation

12.1.3. Pre-legal actions defined below are inter alia at a minimum:

- SMS (two-way communication)
- Final Reminders
- Electricity Disconnections – Various Levels
- Water Restrictions / Disconnections – Various Levels
- Illegal Consumption Inspections
- Reconnection / Unrestricting

12.1.4. Legal process defined below are inter alia at a minimum:

- Final Demands (eg Section 129)
- Summons
- Judgement
- Warrant of Execution
- Sale in Execution
- Handed Over to Attorney

12.1.5. The module must cater for reporting various statistics for both monetary as well as field operations, for example:

- Response rate per type of action
- Accounts available for allocation to field workers
- Capacity management of field workers
- Referral management
- Results per action type (Electricity cuts, water restrictions, reconnections, tampers etc.)
- Unsuccessful actions and reasons
- Success rate of actions performed
- Progress on completion of actions by field workers

## 12.2. Indigent Management

12.2.1. Indigent register must cater for the following:

- Online Application – the system should be easily accessible to any applicants
- House visit
- Recording of all required details to facilitate the validation process
- Alerting the indigents who is about to expire
- Monitor excessive consumption, and identifying any contradiction with indigent policy
- Authorization of application
- Automated rebate for active indigents during the billing process
- Automated 'swopping' to normal tariffs once indigent has reached the expiry date.

12.2.2. Indigent management system should be able to obtain information from the following sources:

- Credit Bureau – to verify credit status
- Store supporting documentation collected during the application process
- Department of Home Affairs – Full names, Identity Number's, Deceased status
- Department of Labor – in terms of UIF verification
- SASSA – Pension payments (and types) as well as dependents receiving benefits
- Registrar of Deeds Office – Property verification

- 12.3. Arrangements
  - 12.3.1. Authorization of application
  - 12.3.2. Automated default process
  - 12.3.3. Restriction and Reinstatement of Credit and prepaid meters
  - 12.3.4. Comprehensive reporting on consumers with arrangements in place
- 12.4. Customer Care
  - 12.4.1. Establishes mechanisms for users of services and ratepayers to provide feedback to the municipality or other service providers/ mechanisms (of the municipality) regarding the quality of the services and the performance of the municipality or its service providers/ mechanisms
  - 12.4.2. Provides accessible mechanisms to any person to query or verify municipal accounts and metered consumption
  - 12.4.3. Updates on statements which will reflect latest adjustments
  - 12.4.4. Online portal for consumers to be able to draw their own statements
  - 12.4.5. Online Dashboard for consumers to be able to see their monthly meter consumption
  - 12.4.6. Consumer Portal to integrate/be hosted on the Municipal Website
  - 12.4.7. Consumers to be able to query their statement of account directly from the portal
  - 12.4.8. Consumers be able to track progress of their query directly from the portal

### **13. Valuation Roll Management**

- 13.1. Integrate information for spatial analysis in a Geographical Information System (GIS).
- 13.2. Integrate with the building control system used in the municipality to ensure completion of additions and new buildings get immediately updated on the billing sub-system.
- 13.3. Integrate with the Surveyor General (SG) database and town planning systems in use at the municipality.
- 13.4. Integrate with the deeds registry and monitor actual sales with current valuations as well as ownership against the billing system.
- 13.5. Seamlessly integrate with the revenue management module.

### **14. Land Use Building Control Management**

- 14.1. Property register providing for all land in the municipal area.
- 14.2. Town, township, suburb, street, erf, subdivision, and sectional title detail must be aligned to the deed's office and Demarcation Board specifications.
- 14.3. Integrate with billing and valuation system
- 14.4. Property transfers, subdivisions, consolidations, and zoning changes must be system process with workflow and document management driven.
- 14.5. Integration with asset register for municipal owned properties

## 15. Revenue Cycle Billing

### 15.1. Billing and consumer management

- 15.1.1. Measure and flag anomalies of the current database transaction (all services) against alternative information sources such as Surveyor General (SG), Deeds and valuation rolls to ensure completeness of actual billing
- 15.1.2. Calculate and account monthly for the provision of bad debt
- 15.1.3. Integration of Prepaid at a minimum of a 'debtor per tariff '-code per region, monthly bill the consolidation sales amount and daily receipt the sales
- 15.1.4. Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services
- 15.1.5. Provide adequate information for spatial analysis in a Geographical Information System (GIS)
- 15.1.6. Create and Maintain Regional Structure
- 15.1.7. Integrate with valuation and property systems
- 15.1.8. Create and maintain a tariff structure to comply with mSCOA Regulations
- 15.1.9. Produce monthly invoices to debtors and group accounts
- 15.1.10. Allow for rebates and penalty levies.
- 15.1.11. Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual).
- 15.1.12. Maintenance of tariffs as per the tariffing section.
- 15.1.13. Disconnections and re-connection process flow
- 15.1.14. Integration into 3rd party software for receive readings taken.
- 15.1.15. Must be able to store infrastructure (metering) diagrams which will show the physical location of meter to be able to drill down to all the relevant information concerning the meter in question.
- 15.1.16. Must have a full process and document flow for terminations and re-connections of services and the relevant documentation.
- 15.1.17. Must integrate with the Geographical Information System (GIS) to the extent that reticulation of services can be viewed as a layer at any point in time within the context of the current property being worked on.
- 15.1.18. Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that.
- 15.1.19. Generate statements at any point in time and consolidate at customer level.
- 15.1.20. Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales.
- 15.1.21. Must allow for the maintenance of tariffs as per the tariffing section.
- 15.1.22. Customer must be able to nominate between mailing, MMS or e-mailing of monthly statement.

### 15.2. Receipting

- 15.2.1. Receipting module allowing for all payment methods
- 15.2.2. Accommodate the processing of multiple receipting streams:
  - Payroll
  - Third Party vendors (e.g., Absa, Easy Pay, Prepaid Vendor, etc.)
  - Cash Offices

- Traffic fine payments
- Other Municipal Directorates (e.g., Fresh Produce Market, Libraries, etc.).
- To cater for multiple bank accounts.
- Processing of payments at supervisor-controlled cash offices to accommodate cashier opening, balancing, and closing.
- Multiple daily and monthly online and automated reconciliations.
- Accommodate receipt cancellation
- Facilitate debit orders
- Printing and re-printing (marked as 'Copy Receipt') of receipts.
- Interface with barcode scanner to scan account numbers from the statements.
- Recording of cheque details.

### 15.3. Meter Management

- 15.3.1. Functionality is required to link the numbered meter that is used to measure the consumption of services to the erf/ property on which the meter is installed. It is important to note that there may well be more than one meter per erf/ property.
- 15.3.2. Functionality is required to categorize meters.
- 15.3.3. The system must be able to record the relationship of each meter to the property and track meter readings and relevant history of each meter individually.
- 15.3.4. Functionality is required to link the Debtor to the numbered meter that is used to measure the Debtor consumption of services. It is important to note that a Debtor may well be linked to several meters. (E.g., a landlord with several leased properties). (MSA section 95d).
- 15.3.5. Functionality is required to create and maintain practical and efficient meter reading routes.
- 15.3.6. Functionality is required to capture and record the meter reading and the date on which the meter was read. At least the following methods of capture must be provided, namely:
  - Capture via standard keyboard entry
  - Receiving meter readings electronically from a third-party interface. Automated uploading and validation will be required.
- 15.3.7. If a meter reading is not received, functionality is required to calculate an estimated consumption, according to a user-maintained algorithm.
- 15.3.8. Functionality that is an integral part of the Billing interface to its prepaid vendor
- 15.3.9. Automated blocking and arrear set off functionality is required.

For each of the detailed system requirements within the pricing schedule the following breakdown of pricing will be required:

**License Fees:**

- Once-off license, where the system solution requires an initial once-off fee;
- Annual maintenance fee, where software maintenance fees are payable annually
- Support/service level agreement fee, where fees are payable monthly.

**Implementation:**

- Assessment of current status: On or offsite investigation of the current financial data.
- Organisational change management: Cost to ensure that organisational change management is addressed during implementation.
- Assessment of requirement: During assessment for current status, requirements must be identified.
- Customisation and setup of parameters: Operating system and server (setup of server with related software); Database setup (cost of setting up required database); Security and roles definition (the cost of configuring users' access and security features) and Software solution (customising software solution to fit client requirement).
- User acceptance testing: Test environment setup and testing to an accepted level for users.
- Implementation training: Training for the size of municipality as indicated.
- Refresher training: Training plan for the next five years.
- Handholding: Cost to have support staff onsite for six weeks to ensure all processes have been tested. First billing cycle completed, salary run done, assets, financial transactions integrated, general ledger month-end done, and statutory reporting submitted.

## **MINIMUM REQUIREMENTS**

- Tender will be evaluated on PPPFA 80/20 points system
- Prices quoted will be valid for at least 90 days from the closing date of the tender
- Fully Completed and Signed MBD Forms with a black ink
- CSD registration report (summary or detailed);
- Valid copy CK / Company registration certificate.
- CIPC Abridged certificate for annual returns for the current financial year (NB: applicable to entities that are in business for more than 12 months only)
- Company Profile (Detailed Experience and Contactable Reference)
- Valid letter of good standing [Compensation for Occupational Injuries and Disease Act (COIDA)] from the department of Labour or any other institution accredited by Department of Labour (to be verified)
- Initial each page
- Professional Indemnity insurance of not less than R5 000 000 and public liability cover of not less than R1 000 000
- Any alterations in the bill of quantity must be initialled or signed
- Audited annual financial statements (for the past three years or since their establishment if established during the past three years).
- In case of a Joint Venture, Association or Consortium a formal JV agreement must be submitted and signed by both parties. (NB: BBB-EE Certificate should be consolidated, issued by SANAS Verification Agency)
- Proof of Municipal rates and taxes or services charges:

- Of the company and all of its directors not in arrears for more than 90 days or
  - Confirmation from the municipality if municipal rates and taxes are not levies (for the company and all its director(s)) as per CK/Company form of address on the registration certificate or
  - If leasing, a signed lease agreement by the lessor and the lessee and Municipal rates in the name of the lessor for both company and directors.
- Original certified copy of BBB-EE certificate issued by SANAS verification agency or Original Sworn Affidavit from commissioner of oath (NB: Certification of BBB-EE should not be older than 3 months)

## FUNCTIONALITY

Bids will be evaluated on both functionality and price in accordance with the Municipality's Supply Chain Management Policy as well as the Preferential Procurement Policy Framework Act (Act 5 of 2000)

The following criteria will also be used in particular as the criteria for appointment of the service provider.

- All Bidders will be required by the Municipality to attend a compulsory demonstration of Benchmarking and Live Demo of their solutions.
- Failure to attend the compulsory demonstration will result in disqualification.
- Bidders who score less than 80 points after Benchmarking and Live Demo will not be considered.

	CRITERIA	GUIDELINE	SCORING		WEIGHT
1	Company Profile	<p>Project team leader experience, PMBOK or Prince2 certified.</p> <p>Software developer</p> <p>Software engineer</p> <p>Implementation specialist</p> <p><b>Attach CV and certified copies of Certificates as Proof</b></p>	<p>5+ Years &lt; 5 Years</p> <p>5+ Years &lt; 5 Years</p> <p>5+ Years &lt; 5 Years</p> <p>5+ Years &lt; 5 Years</p> <p>All cv's and certified copies attached</p>	<p>1 0</p> <p>1 0</p> <p>1 0</p> <p>1 0</p> <p>1</p>	5
2	Experience of the Bidder in Supply and Maintenance of Local Government integrated Financial Management and internal Control Solution	<p>Number of clients using bidder's integrated Financial Management and internal control solution which were implemented during 2018 or after.</p> <p><b>Insert reference letter and corresponding appointment letter from each Municipality.</b></p>	<p>15 + Clients 10 - 14 Clients 5 - 9 Clients 1 - 4 0</p>	<p>15 10 5 2 0</p>	15
3	Recoverability	<p>Proof of ability to recover iFMS from a Disaster. Provide proof of system generated restore test certificates and daily/success backup reports from Municipalities using service provider iFMS.</p> <p>The report of the Municipality must have a supporting letter from the Municipality confirming that backups are performed by service provider.</p>	<p>15 + Clients 10 - 14 Clients 5 - 9 Clients 1 - 4 0</p>	<p>20 15 10 5 0</p>	20

		Provide the Backup & Disaster Recovery Policy of the Service Provider for the clients data.			
4	Company Experience in local government integrated financial management and internal control systems	How many years' experience does the company have operating in the space of integrated financial management & internal control systems within local government in South Africa	15 + years 5 – 14 years < 5 years	10 5 0	10
5	iFMS development	Proudly South African, local ownership of IFMS software for agility of Development decision making that benefits the RSA Local Government sector. <b>(Provide OEM Certificate and an affidavit that shows/states that the integrated Financial &amp; internal control System software is locally owned)</b>	Meets all requirements.  Meets none of the requirements	5 0	5
6	Benchmarking	Verification of existence of modules, sub-modules, system(s) and sub-system(s) for all 15 Business Processes during Live Demo	1 Point per business process upon confirmation of module on live system(s)	0 - 15	15
7	Live Demo &  MFMA Circular 80 functionality checklist	System Demonstration a) System Landscape b) Governance & Maintenance c) System Functionality: <ul style="list-style-type: none"> <li>• Project Accounting</li> <li>• Budgeting &amp; Planning</li> <li>• Billing</li> <li>• Revenue Enhancement (Credit Control, Debt Collection and Indigent Management)</li> <li>• Performance Management</li> </ul>	Municipality will request live demo from bidders who respond to test the guideline items for scoring.  Please also complete the Circular 80 excel document and submit as part of mandatory returnable documents	0 - 30	30

Any proposal received after the closing time for submission of proposals will be returned unopened.  
The evaluation of the proposals should be carried out in three stages:

1. Minimum requirements
2. The functionality
3. The pricing

## BILL OF MATERIAL GLOSSARY

Item Description	Summarized Overview of the Description
<b>Hardware requirement</b>	Server hardware required for IFMS solution
<b>Once off License fee</b>	Procurement of initial software license
<b>Annual maintenance fee</b>	Annual renewal of software license
<b>Monthly service fee</b>	Solution system support
<b>15 Business processes</b>	Costing in support of the detailed business processes
<b>mSCOA Transacting Readiness</b>	Legacy data analysis, processing and preparation for the mSCOA transactional environment
<b>Status assessment cost</b>	Information gathering prior to conversion
<b>Change management cost</b>	Stake holder management, stake holder management planning, leadership alignment, communication, transitional planning and climate assessment
<b>Requirement assessment</b>	Requirement(s) report based on assessed status
<b>Customise and setup</b>	System configurations of client specific parameters
<b>Testing</b>	Testing converted data
<b>Training</b>	Training on the new system
<b>History Conversion</b>	Conversion of legacy system historical data into new IFMS to enable discontinuation of legacy system access and contractual obligations
<b>Handholding</b>	On the job training after conversion, 3 months after go-live
<b>Disbursements</b>	Miscellaneous expenses relating to subsistence, travel and accommodation

## BILL OF MATERIAL

[illegible]

**\*\*\*N.B.** Requirement assessment report to detail and cost outcomes of the status assessment for adoption by Council, approval, and execution. Items to be considered, as a minimum, for costing during assessment are;

1. Number of years for History conversion of legacy system(s)
2. mSCOA Transacting readiness
3. Process support to augment internal capacity and skill gap(s)

**MBD FORMS**

MBD 1

**INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ENTITY)

BID NUMBER: ..... CLOSING DATE: ..... CLOSING TIME: .....

DESCRIPTION.....  
.....

**The successful bidder will be required to fill in and sign a written Contract Form ( MBD 7).**

BID DOCUMENTS MAY BE POSTED TO:

.....  
.....

**OR**

DEPOSITED IN THE BID BOX SITUATED AT (*STREET ADDRESS*)

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

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

**NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (as defined in Regulation 1 of the Local Government: Municipal Supply Chain Management Regulations)**

*THE FOLLOWING PARTICULARS MUST BE FURNISHED*

***(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)***

NAME OF BIDDER

.....

POSTAL ADDRESS

.....

STREET ADDRESS

.....

TELEPHONE NUMBER

CODE.....NUMBER.....

CELLPHONE NUMBER

.....

.....

FACSIMILE NUMBER

CODE

.....

.NUMBER.....

E-MAIL ADDRESS

.....

VAT REGISTRATION NUMBER

.....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN  
ATTACHED? (MBD 2) YES/NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN  
SUBMITTED? (MBD 6.1) YES/NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION  
ACT (CCA) ☐

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL  
ACCREDITATION SYSTEM (SANAS) ☐

A REGISTERED AUDITOR ☐

(Tick applicable box)

**(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE  
SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-  
BBEE)**

ARE YOU THE ACCREDITED REPRESENTATIVE  
IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED

YES/NO  
(IF

YES ENCLOSE PROOF)

SIGNATURE OF BIDDER

.....  
.....

DATE

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED

.....

TOTAL BID PRICE.....

TOTAL NUMBER

OF ITEMS OFFERED .....

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Municipality / Municipal Entity:**  
.....

**Department:**  
.....

**Contact Person:**  
.....

**Tel:**  
.....  
.....

**Fax:**  
.....

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

**Contact Person:**  
.....

**Tel:**  
.....  
.....

**Fax:**  
..... **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 this requirement bidders are required to complete in full the attached form TCC 001 “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 are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).**
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).**

## MBD 4

### DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

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

3.2 Identity Number:  
.....

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

3.4 Company Registration Number:  
.....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:  
.....

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

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

3.8.1 If yes, furnish particulars.  
.....  
.....  
.....

<sup>1</sup>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.

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

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

3.9.1 If yes, furnish  
particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....  
.....

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

3.11.1 If yes, furnish particulars

.....  
.....

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

3.12.1 If yes, furnish particulars.

.....  
 .....

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

3.13.1 If yes, furnish particulars.

.....  
 .....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.  
**YES / NO**

3.14.1 If yes, furnish particulars:

.....  
 .....

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

Full Name	Identity Number	State Employee Number


.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

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

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

1 Are you by law required to prepare annual financial statements for auditing?

.....  
.....

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

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

.....  
.....

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

\* Delete if not applicable

.....

**\*YES /**

**NO**

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

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.

**\*YES /**

**NO**

2.2 If yes, provide particulars.

.....  
.....

.....

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material noncompliance or dispute concerning the execution of such contract?

3.1 If yes, furnish particulars

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

**\*YES / NO**

4. 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, furnish particulars

.....  
.....

#### **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

.....

Position

.....

Name of Bidder

## MBD 6.1

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

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

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

#### 1. GENERAL CONDITIONS

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

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

#### 1.2

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

#### 1.3 Points for this bid shall be awarded for:

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

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

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

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

## 2. DEFINITIONS

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

## 3. POINTS AWARDED FOR PRICE

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

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

**80/20**

**or**

**90/10**

$$P_s \leq 80 \leq 1 \leq \frac{P_t - P_{min}}{P_t - P_{min}} \text{ or } \frac{P_t - P_{min}}{P_t - P_{min}}$$

Where

$$P_s \leq 90 \leq 1 \leq \frac{P_t - P_{min}}{P_t - P_{min}}$$

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

$P_t$  = Price of bid under consideration

$P_{min}$  = Price of lowest acceptable bid

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

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

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

#### 5. BID DECLARATION

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

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

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

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

**7. SUB-CONTRACTING**

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

(***Tick applicable box***)

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

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
  - ii) The name of the sub-contractor.....
  - iii) The B-BBEE status level of the sub-contractor.....
  - iv) Whether the sub-contractor is an EME or QSE (***Tick applicable box***)
- |     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|
- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

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

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

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

8.2 VAT registration  
number:.....

8.3 Company registration  
number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5	DESCRIBE	PRINCIPAL	BUSINESS	ACTIVITIES
	.....			
	.....			
	.....			
	.....			
	.....			

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

**Municipality where business is situated:**

.....

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

**Stand Number:**.....

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

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

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

WITNESSES

1. ....

2. ....

.....  
SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

## MBD 6.2

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

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

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

#### **1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where x is the imported content in Rand  
y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) on the date of advertisement of the bid as indicated in paragraph 3.1 below.

**The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.**

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;
2. **The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

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

3. Does any portion of the goods or services offered have any imported content?  
(*Tick applicable box*)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 3.1. If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.resbank.co.za](http://www.resbank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

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

Other	
-------	--

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

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

**LOCAL CONTENT DECLARATION**  
**(REFER TO ANNEX B OF SATS 1286:2011)**

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO. ....**

**ISSUED BY:** (Procurement Authority / Name of Institution):

.....  
 NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (full names),  
do hereby declare, in my capacity as .....  
of .....(name of bidder  
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.**

**The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

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

**WITNESS No. 2** \_\_\_\_\_

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

**CONTRACT FORM - PURCHASE OF GOODS/WORKS**

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

**PART 1 (TO BE FILLED IN BY THE BIDDER)**

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)  
..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, *viz*
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Technical Specification(s);
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in

the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

.....

CAPACITY

.....

SIGNATURE

.....

NAME OF FIRM

.....

DATE

.....

WITNESSES

1 .....

2. ....

DATE:

**CONTRACT FORM - PURCHASE OF GOODS/WORKS****PART 2 (TO BE FILLED IN BY THE PURCHASER)**

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

<b>ITEM NO.</b>	<b>PRICE (ALL APPLICABLE TAXES INCLUDED)</b>	<b>BRAND</b>	<b>DELIVERY PERIOD</b>	<b>B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	<b>MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)</b>

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

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1. ....

2. ....

DATE .....

## CONTRACT FORM - RENDERING OF SERVICES

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

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

7. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
  
8. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (iv) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (v) General Conditions of Contract; and
  - (vi) Other (specify)
  
9. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

10. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
11. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
12. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

.....

CAPACITY

.....

SIGNATURE

.....

NAME OF FIRM

.....

DATE

.....

WITNESSES

1 .....  
.....

2 .....  
.....

.....

# **CONTRACT FORM - RENDERING OF SERVICES**

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

4. 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).
5. An official order indicating service delivery instructions is forthcoming.
6. 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.

<i><b>DESCRIPTION OF SERVICE</b></i>	<b>PRICE (ALL APPLICABLE TAXES INCLUDED )</b>	<b>COMPLETION DATE</b>	<b>B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	<b>MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)</b>

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

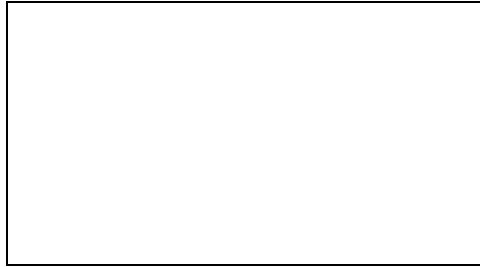
SIGNED AT ..... ON .....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

.....

A large, empty rectangular box with a black border, intended for an official stamp.

WITNESSES

1 .....

....

2 .....

## CONTRACT FORM - SALE OF GOODS/WORKS

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

### PART 1 (TO BE FILLED IN BY THE BIDDER)

13. I hereby undertake to purchase all or any of the goods and/or works described in the attached bidding documents from (name of institution)..... in accordance with the requirements stipulated in (bid number)..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the seller during the validity period indicated and calculated from the closing time of bid.
  
14. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (vii) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Special Conditions of Contract;
  - (viii) General Conditions of Contract; and
  - (ix) Other (specify)
  
15. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) cover all my obligations and I accept that any mistakes regarding price(s) and calculations will be at my own risk.
  
16. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

17. I undertake to make payment for the goods/works as specified in the bidding documents.
18. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
19. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

.....

CAPACITY

.....

SIGNATURE

.....

NAME OF FIRM

.....

DATE

.....

WITNESSES

1

.....

.....

3.

.....

# CONTRACT FORM - SALE OF GOODS/WORKS

## PART 2 (TO BE FILLED IN BY THE SELLER)

7. I..... in my capacity  
as..... accept your bid under  
reference number  
.....dated.....for the purchase of goods/works indicated  
hereunder and/or further specified in the annexure(s).
8. I undertake to make the goods/works available in accordance with the terms and  
conditions of the contract.

ITEM NO.	DESCRIPTION	PRICE (ALL APPLICABLE TAXES INCLUDED)		

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

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

3. ....

4. ....

DATE .....

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 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><b>(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).</b></p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	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:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.7.1	If so, furnish particulars:
-------	-----------------------------

### CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME) .....  
 CERTIFY THAT THE INFORMATION FURNISHED ON THIS  
 DECLARATION FORM TRUE AND CORRECT.**

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

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

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

**<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of**

goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**MBD 9**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_

(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_

(Name of Municipality / Municipal Entity)

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

I certify, on behalf

of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;

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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....

.....

Signature

Date

.....

.....

Position

Name of Bidder

## **GENERAL CONDITIONS OF CONTRACT (National Treasury)**

### **GOVERNMENT PROCUREMENT: General Conditions of Contract**

#### **TABLE OF CLAUSES**

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## 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 “Contract 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 minded, 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 goods are so delivered and a valid receipt is obtained.
- 1.11 Dumping” occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 “Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 “GCC” mean 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 goods 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 productions 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 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 “Tort” means in breach of contract.
- 1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.

## GOVERNMENT PROCUREMENT: General Conditions of Contract

### 2. **Application**

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

2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, 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 nonrefundable fee for documents may be charged.

3.1 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

#### **4. Standards**

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

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

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier 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.

#### **GOVERNMENT PROCUREMENT: General Conditions of Contract**

#### **6. Patent Rights**

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

6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will best in the municipality / municipal entity.

#### **7. Performance security**

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

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

b) A cashier's or certified cheque.

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

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 goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract goods may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 and 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. **Packing**

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

10. **Delivery and documents**

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

11. **Insurance**

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

12. **Transportation**

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

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

13. **Incidental Services**

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:

- a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- b) Furnishing of tools required for assembly and/or maintenance of the supplied goods;
- c) Furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- d) Performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- e) Training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. **Spare parts**

14.1 As specified, 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 uses of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

#### **GOVERNMENT PROCUREMENT: General Conditions of Contract**

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

#### **16. Payment**

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier. 16.4 Payment will be made in Rand unless otherwise stipulated.

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

#### **18. Variation orders**

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

#### **19. Assignment**

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 this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

## **21. Delays in the supplier's performance**

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser on 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, without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 The right is reserved to procure outside of the contract shall quantities or to have minor essential services executed if any emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods 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 the GCC Clause 23.

## **GOVERNMENT PROCUREMENT: General Conditions of Contract**

## **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 supplier as having no objection and proceed with the restriction?

23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser 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.

#### GOVERNMENT PROCUREMENT: General Conditions of Contract

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

#### 24. **Anti-dumping and countervailing duties and rights**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods 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 Clause 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.

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

**27. Settlement of Disputes**

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and 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.

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

27.4 Notwithstanding any reference to mediation and/or court proceedings herein,

a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

**28. Limitation of Liability**

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

a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or

interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

b) -the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing language**

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

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

**30. Applicable law**

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

**31. Notices**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to 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 contracts shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

**33. Transfer of contracts**

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

**34. Amendment of contracts**

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

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

35. **Prohibition of restrictive practices**

- 35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.
- 35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 of 1998. 35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminated the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.