

MOGALAKWENA LOCAL MUNICIPALITY



PROJECT NAME:

APPOINTMENT OF SERVICE PROVIDER TO SUPPLY AND MANAGE SOFTWARE FOR ONLINE PREPAYMENT METER, DESIGN, INSTALL AND COMMISSION OF NORMAL AND SMART PREPAID AND LPU ELECTRICAL AND WATER METERING SUPPORTED BY VENDING SYSTEM ON CONSUMERS, AND PERFORMANCE OF CREDIT CONTROL AND COLLECTIONS, ALL INCLUSIVE REVENUE COLLECTION, DATA INTEGRITY AND VERIFICATION AND INDIGENT SUPPORT SOLUTION FOR MOGALAKWENA LOCAL MUNICIPALITY, FOR THE PERIOD OF THREE (3) YEARS.

TENDER NO: 16-2022/2023

TENDER ADVERT DATE: 17 MARCH 2023

TENDER CLOSING DATE AND TIME: 12 APRIL 2023

NAME OF TENDERER:		
PERCENTAGE OFFERED:		
CONTACT PERSON:		
CELL NUMBER:		
OFFICE NUMBER:		
EMAIL ADDRESS:		
POSTAL ADDRESS:		

TENDER NO: 16-2022/2023

TENDER NOTICE AND INVITATION TO TENDER

CLOSING TIME & DATE: 12 APRIL 2023 @12:00 pm

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

The details of the project are as follows:

No:	Project Name	Compulsory briefing meeting	Tender Number	Enquiries
1.	APPOINTMENT OF SERVICE PROVIDER TO SUPPLY AND MANAGE SOFTWARE FOR ONLINE PREPAYMENT METER, DESIGN, INSTALL AND COMMISSION OF NORMAL AND SMART PREPAID AND LPU ELECTRICAL METERING SUPPORTED BY VENDING SYSTEM ON CONSUMERS, AND PERFORMANCE OF CREDIT CONTROL AND COLLECTIONS, ALL INCLUSIVE REVENUE COLLECTION, DATA INTEGRITY AND VERIFICATION AND INDIGENT SUPPORT SOLUTION FOR MOGALAKWENA LOCAL MUNICIPALITY, FOR THE PERIOD OF THREE (3) YEARS.	None		015 491 9662/9647/9649 Supplychain@mogalakwena.gov.za

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 for free and on 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** for the above projects when all tenders received will be opened in public in the Old Council Chamber, on the Ground Floor.

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 9662/9649/9647.

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

0600

NOTICE NUMBER: 44/2023

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 VALIDITY PERIOD

The tender offer shall remain valid for **90 days** after the closing date of the tender submissions.

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.

Administrative Enquiries to Supply

Chain Unit: -

supplychain@mogalakwena.gov.za

Telephone number: -015 491

9662/9649/9647

Technical Enquiries to Office of the Chief Financial Officer: -

sekwakwae@mogalakwena.gov.za

Telephone number: -015 491 9695/9718

The tenders will be opened immediately after the closing time for submission. 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.



DETAILS

Province	Limpopo
District	Waterberg
Municipality	Mogalakwena Local Municipality

Project Name: APPOINTMENT OF SERVICE PROVIDER TO SUPPLY AND MANAGE SOFTWARE FOR ONLINE PREPAYMENT METER, DESIGN, INSTALL AND COMMISSION OF NORMAL AND SMART PREPAID AND LPU ELECTRICAL WATER METERING SUPPORTED BY VENDING SYSTEM ON CONSUMERS, AND PERFORMANCE OF CREDIT CONTROL AND COLLECTIONS, ALL INCLUSIVE REVENUE COLLECTION, DATA INTEGRITY AND VERIFICATION AND INDIGENT SUPPORT SOLUTION FOR MOGALAKWENA LOCAL MUNICIPALITY, FOR THE PERIOD OF THREE (3) YEARS.

SPECIFICATION

1. SCOPE OF CONTRACT

The scope of contract calls for the appointment of a suitably qualified and experienced SERVICE PROVIDER TO SUPPLY AND MANAGE SOFTWARE FOR ONLINE PREPAYMENT METER, DESIGN, INSTALL AND COMMISSION OF NORMAL AND SMART PREPAID AND LPU ELECTRICAL AND WATER METERING SUPPORTED BY VENDING SYSTEM ON CONSUMERS, AND PERFORMANCE OF CREDIT CONTROL AND COLLECTIONS, ALL INCLUSIVE REVENUE COLLECTION, DATA INTEGRITY AND VERIFICATION AND INDIGENT SUPPORT SOLUTION FOR MOGALAKWENA LOCAL MUNICIPALITY, FOR THE PERIOD OF THREE (3) YEARS.

2. SCOPE OF WORKS

APPOINTMENT OF SERVICE PROVIDER TO SUPPLY AND MANAGE SOFTWARE FOR ONLINE PREPAYMENT METER, DESIGN, INSTALL AND COMMISSION OF NORMAL AND SMART PREPAID AND LPU ELECTRICAL AND WATER METERING SUPPORTED BY VENDING SYSTEM ON CONSUMERS, AND PERFORMANCE OF CREDIT CONTROL AND COLLECTIONS, ALL INCLUSIVE REVENUE COLLECTION, DATA INTEGRITY AND VERIFICATION AND INDIGENT SUPPORT SOLUTION FOR MOGALAKWENA LOCAL MUNICIPALITY, FOR THE PERIOD OF THREE (3) YEARS.

1. INTRODUCTION

Mogalakwena Local Municipality herewith invites proposals for a multi-utility pre-paid vending system / solution and LPU AMR system that will be fully integrated with the Mogalakwena Municipality existing financial system and applications and function on the existing electronic infrastructure.

This appointment will go to a well-Established **Service Provider** to assist the Mogalakwena Municipality to render and sustain a comprehensive **Revenue Enhancement Service** to improve **Revenue Collection and Service Delivery** consisting of the following aspects:

- 1.1 The supply, delivery, installation, training and commissioning of the most optimal vending and AMR solution for Electricity & Water STS meters, including a cloud based back-end, billing system integration and distributed 3rd party 24-hour vending, offered by the tenderer within the framework and performance specification as detailed in this document.
- 1.2 Performance of credit control & soft collection, all-inclusive revenue protection, data integrity & verification, and indigent support.
- 1.3 Assist the Municipality to improve its financial management, internal controls, data integrity and realize optimum sustainability.
- 1.4 Supply. Deliver and maintain an online bill presentment and bill payment capability
- 1.5 To do an extensive customer meter data audit and review process and the objectives being to have reliable data sources that will consolidate the base for accurate reading, prepaid purchasing and timely billing.
- 1.6 Provide and install STS compliant prepayment water meters
- 1.7 Disaster recovery and business continuity as specified

The period of appointment will be for a period of 3 years.

Only tenderers who can offer a fully functional system and able to provide the specified requirements compliant with the condition of this tender document will be considered. In this regard, it is a requirement that the tenderer must provide proof of at least 5 (five) Municipalities where the proposed solution has been deployed. Bids from suitable service providers will be evaluated according to the set criteria as set out in this document.

2. REQUIREMENTS

2.1. USE OF REASONABLE SKILL AND CARE

In applying the scope of work, it is expected of the service provider(s) to render services that commensurate with the highest expectations of professionals in the industry and to ensure that all legislative requirements are met.

It is expected of the service provider to take ownership of the project and to facilitate a process that commensurate with the integrity of the municipality as a public institution to ensure successful completion of project within budget estimates and time frames.

It will also be required of the service provider to report back at project management team meetings and to contribute to reports on the process progress and outcomes to the relevant officials and/or committees if need be.

It will be required of the service provider to prepare a detailed phased project program for the project within 2 weeks of appointment. This must include system testing and user acceptance. The Service Providers are required to acknowledge the dynamics of proper planning for the practical completion of the project. The completion of the project will be within three (3) months after allocation of the tender.

3. NORMATIVE REFERENCES

The solution offered must be compliant with SABS 1524, the STS Specifications and SABS IEC 1036. The following standards contain provisions which through reference in the SABS 1524 constitute provisions of this specification.

SABS 1524-1:1994	Single-phase electricity dispensing systems, Part 1: Electricity Dispensers.
SABS IEC 1036:1990	Alternating-current static Watt-hour meters.
NRS 009-4-2:1994	National electricity meter cards and associated numbering standards section two national electricity meter number. (Replacing MCI57).
MC 115	National electricity meter card specification for ED's (will be replaced by an NRS spec in future)
IEC 62055-41/51/52	Standard transfer specification edition 2, STS600-8-6
ESKOM XMLVend 2.1	Eskom's specification for standardization of vending client/server protocols
NRS 009-1:1994	Electricity Sales Systems Part 1: Glossary system overview. Preferred requirements for applications in the electricity and water supply industry.

4. DETAILED SPECIFICATION OF VENDING SYSTEM

a. SYSTEM CONFIGURATION

- In assessing the hardware, software, network infrastructure availability and requirements at each of the current vending offices, the tenderer shall keep in mind the system configuration required by the Municipality and utilize the current infrastructure belonging to the Municipality. It remains the responsibility of the tenderer to ensure compliance to the tenderer's minimum requirements and to provide the required upgrades where required.
- The vending system must be TCP/IP compliant and functional over Ethernet on a LAN/WAN environment. WIFI, GPRS, ADSL and Diginet lines must also be accommodated.
- The vending solution offered by the tenderer must be capable of managing and vending to Water and Electricity STS compliant meters from a common platform and user interface. A single consumer record must have the capacity to have Electricity and/or water meters linked to it.
- A hosted database configuration set is required with standby disaster recovery capability for business continuity.
- A disaster recovery plan shall be provided with all necessary hardware and infrastructure utilized.
- Assurance of business continuity in the event of a catastrophic systems and / or communications system breakdown in the Municipal environment must be provided. A description of associated redundancies built into the offered solution must also be provided
- The system should have the capacity to provide for a monthly update of a local database copy in the Municipality premises as and when required.

b. PHYSICAL LOCATION OF SERVERS AND WORKSTATIONS

The configuration envisaged by the municipality is one where the management and vending server(s) will be located off-site in a high availability environment with redundant power and connectivity. Full disaster recovery and business continuity will be provided for.

Vending workstations (credit dispensing units) will be required at each of the vending offices. The system must not be limited to existing workstations and locations. Two offices operate without internet connections and use GPRS based handheld vending units at present. This must be accounted for in the offer. The tenderer is required to evaluate the existing hardware

at each of the current offices and submit an optimum solution recommendation to the municipality which includes the provision of any required upgraded hardware.

c. SYSTEM CAPACITY

The system shall be designed to ultimately accommodate a minimum of 200 000 consumers/meters. The system must have the capacity to retain a five (5) year transaction history (estimated 50 million transactions) in the live database and older transactions in an archive database. Any system limitations shall be indicated by the tenderer.

8. PERFORMANCE SPECIFICATION

- A full and detailed functionality description of the system shall be provided by the tenderer.
- The tenderer shall not focus on provisioning of computer hardware since the Municipality will use existing infrastructure where possible. For this reason, it is also imperative that tenderers should be quite clear on where the Municipality's hardware and/or networks lack the capability and/or capacity to function properly with the system proposed by the tenderer and the tenderer should indicate the cost of additional or replacement infrastructure.

A detailed graphical drawing depicting the proposed network and system layout must be drafted to clarify and indicate solution functionality. Should changes be required, full specifications and pricing must be provided.

- The system proposed by the tenderer should at least make sure that:

Different servers are utilized for different applications such as:

- Database functions
- Management applications
- Transactions
- Encryption / Security
- Disaster recovery

The vending solution should be designed to use a relational database and run as a client server application on a LAN or a WAN. It should be able to run under the Windows Server 2003/2008 and at least Windows XP operating systems. The network for the vending solution is Ethernet. The network protocols shall be TCP/IP and be able to operate real-time over GPRS/EDGE/3G/4G/5G/HSDPA/WIFI/ADSL/Diginet as available in certain areas in the on-line mode

- In order to simplify the third-party integration, process the system will comply with Eskom XMLVend 2.1 (or later). It would be preferred that the system is native XML i.e.

that there is no translation interface between the system and an XML client and that all client/server interfaces are based on the XML standard.

- The system shall be a single database solution which from which both management functions and vending take place for all meter and utility types. All updates to customer data must be immediately available at vending terminals and all transactions made at all sales outlets must be immediately available for reporting on.
- The vending terminal solution shall be web based or a web application which automatically updates from the host server should updates be posted. Security and data encryption will be provided by mutually authenticated SSL between the vending terminal and the server.
- The solution should have the capability to provide pre-paid vending services over the internet/intranet. Customers should be able (should the Municipality wish to activate these options) to purchase prepaid electricity and /or water either via the Internet or a cell phone as follows:
 - A registered service on the web where the customer registers for the service. This includes providing the required financial information and then simply authenticating on every transaction.
 - Sales via an application (app) that can be downloaded on the cellphone.
 - The Municipality's vending and credit management rules must still be applicable, and transactions must be made against the Municipality local vending system not an offline copy.
- The system should cater for integration to the municipal financial system and other vending mechanisms such as automatic cash handling machines, self-service terminals and other third-party vending networks by providing an API specification/solution to the alternate provider. The tenderer shall assist with integration testing.
- The solution shall be able to function on low-bandwidth requirement between remote vending points (credit dispensing units) and the central prepaid system (system master station) and optimized to run over networks (such as GPRS or better/faster), with the maximum packet size being minimal and clearly indicated. GPRS/LTE/WIFI/ADSL/DIGINET connection points should be created on the Local Municipal infrastructure to directly serve transactions on this type of networks.
- The vending system shall cater for integration with the systems / applications in use. The Municipality uses Phoenix as the financial system. The nature of the integration shall be near-real-time of via and API to import for example, but not limited to the arrears balances / collections to / from the billing system.

The service provider must indicate their approach to the requirements of mSCOA with respect to data exchange between systems.

- The system must cater for storage of all information to comply with financial services regulations (e.g. the storage of all sales/vending transactions).
- The vending system will provide a web-based interface to allow for management functionality and reporting over the Municipality Intranet and internet. Connections will be secured by mutually authenticated SSL between the management terminals and the web server. The web-based access shall not be limited and must be accessible via Microsoft Internet Explorer, Firefox, Google Chrome and/or similar.
- Tamper monitoring and specific technologies to effect notifications in this regard should be catered for in the solution.

9. SYSTEM / OPERATION REQUIREMENTS

a. GENERAL

The administrator(s) must have the option to link directly into the server from their offices for e.g. management, reports, etc. Maintenance staff must have the option to link into the system over a 3G data connection or better from remote locations to perform customer maintenance functions. The best connection available in the areas will be required to be used.

All licenses required must be clearly defined and a list provided with license cost. All limitations must clearly be indicated.

All current data on the current vending systems used by the municipality must be catered for on the supposed vending system. The last 3.5 years data must be migrated into the supposed vending system from the current vending system.

b. ACCESS

It must be possible to allocate access rights into the system into users and user groups. Access rights allocations shall be transferred during the data migration process and distributed throughout the system. The vending system must allow for activation of password ageing functionality. If this function is activated, the password of the user shall expire after a definable amount of time. Early password expiry warnings must be available. In addition, a concurrent log-in limit for log-in attempts is also required. User IDs not used or disabled permanently must not be able to be removed from transaction history data. A full audit trail on user IDs and movement must be kept. Access rights must be configured by the Municipality

c. ARREARS

The vending system offered by tenderer shall make it possible for the municipality to deduct arrears from moneys tendered by consumers to purchase pre-paid electricity and / or water. The vending system must be able to define within the applicable arrears scheme and/or credit control policy of the municipality different arrears recovery categories/indexes. Within each category/index, the system shall allow for various recovery alternatives. This must be included and enforced in all electricity dispensing strategies and/or systems, inclusive of third-party vending systems.

The system shall allow for at least:

- Fixed percentage of transaction recovery
- Availability charge recovery on a monthly or daily basis
- Full arrear payment recovery
- Partial or percentage-based arrear recovery and limited sales

d. BLOCKING

The vending system offered by the tenderer will allow for profiled blocking of purchases by customers based on arrears balances in specific account types. Blocking will be configurable by account type and will allow for either no sales or limited monthly sales to customers with arrears balances.

Customers with shared service accounts will all be unblocked simultaneously when any one blocked account is paid in full.

The system must allow for a once off sale after the blocking, limited to an amount which must be configurable by the Municipality

e. mSCOA

The service provider must indicate their approach to the requirements of mSCOA with respect to data exchange between systems.

The service provider must provide proof of at least one on-line integration with a billing system where arrears balances are updated, and transactions are posted to the billing system real-time.

f. ENGINEERING

The system must make provision for the generation of all STS engineering vouchers directly from the management terminal and these vouchers can be printed, viewed (without printing) or sent via SMS.

A smart phone-based Engineering application must be provided and should be configurable on any smartphone irrespective of the operating system. The application must allow for issuing of engineering tokens and for field meter replacements with an audit trail including GPS coordinates.

g. FREE ISSUES / REPLACEMENT TOKENS

The vending system should allow the issuing of vouchers free of charge with the requirement to add reasons and free text notes to each issue.

h. KEY MANAGEMENT

The vending system must support the upload of key management files (KMF) into the system database to configure and connect encryption devices, for STS encryption algorithms. This can be used to load details of new area keys into the encryption device.

STS certification is required, in the name of the bidding company, to a minimum of STS Edition2: IEC62055-41 Ed3, including Electricity and Water units and currency vending and Key Management and Engineering tokens, conforming to a minimum of Edition 1.9 of the STS standards.

i. VENDOR CREDIT MANAGEMENT

The vending system should allow a limit for credit that any individual terminal or group of terminals in the system can issue without re-authorization. This amount can be defined per terminal.

The credit update of a terminal must be done by a supervisor (or another user with appropriate access rights) updating the credit limit via the management interface. All updates will be recorded; the records will include the previous credit balance and the user identity, the date and time of the update and a reference field with free text entry. The update will automatically print for audit purposes.

Electricity token limits will be set at terminal group level. These limits may be exceeded by operators with the input of a password to confirm the transaction value.

j. MESSAGES

The vending system should allow the utility to define voucher messages that are printed at the bottom of the printed voucher. The municipality must have the option to change the messages according to requirements.

k. REGISTRATION

The vending system must be able to track any historical connections between the meter, point of connection and the consumer.

l. VENDING

Vending to a consumer shall only be possible when a point of connection and meter are linked to the consumer and a tariff has been selected. The customer must still be able to do payments although blocked for pre-paid electricity sales.

Should the information on the database differs from the information on the meter card, no token must be generated.

m. SEARCH AND FILTER

The vending system should support full search for the following items in registration:

Stand number, Unit number, Consumer surname, first names, ID number, postal address details, comments, blocking codes, account number, point of connection (which can be the same as the stand/unit number, meter serial number).

All of these searches can be incremental searches or full word searches. Once the search criteria are entered, the system must display the first record matching the search condition or the closest field at any one time for the search.

n. REPORTS

A monthly comprehensive report, detailing all sales, trends, tampering in stats and graphs formats and any other information that may be required shall be provided.

The vending system should support a set of standard reports and the capability to customize and / or create new Reports. The tenderer undertakes to add or alter reports according to the needs of the Municipality for at least the first six months free of charge.

Printer selection and formatting according to operating system availability must be supported. Exporting of all reports to at least Excel or PDF must be supported. The standard reports required should include:

o. Standard operator reports

- Operator actions between dates grouped by date
- List of all users registered on the system
- List of all the user's groups and their functions
- List of all the groups and their respective functions

p. Standard consumer reports

- Number of consumers registered by town between dates
- List of POC'S grouped by system area code
- List of all STS meters registered on the system
- List of towns registered on the system
- List of disconnected meters by POC between dates
- List of disconnected meters by disconnect reason between dates
- Consumer information for POC'S
- Total new connections per town
- Total installed meters per town
- Meter replacements per town
- All consumers in alphabetic order

q. Standard transaction reports

- List of transactions grouped by date between dates
- Sum of transactions grouped by transaction type and tariff
- List of credit and debit card transactions between dates
- Total electricity bought between dates by consumer
- Free issues between dates per meter
- Cheques List between dates
- Low purchases of electricity over a specified period
- Total electricity bought in the last 30 and 90 days
- Breakdown of consumer's purchase times between dates
- Balancing report of credit amounts used against physical transactions
- Reversals between dates
- Summary of all end of shifts for a user between dates
- All transactions for a meter between custom dates
- Arrears owed by consumer
- Daily cash reconciliation report
- All transactions for an account between dates
- Low consumption report
- Indigent high purchase report
- Total sales by town
- Total sales by operator
- All transactions for one shift on one user
- Shift details for one user
- IBT customer purchase breakdown with graph
- IBT month sales analysis by Tariff Class

r. Engineering Reports

- Current power limit for a meter
- Current power limit for all meters
- Audit trail on Amperage changes
- Reports in the vending system must be able to be previewed before printing.

s. SOFTWARE

The vending system should be able to use/support the Windows 10, or earlier software/operating systems. Where systems / operating systems are upgraded, the vending systems must be configured to support such upgrades.

t. TARIFFS

The vending system must support the use of vending based tariffs. The system must cater for pre-defined tariffs by date to be created in advance. Tariff structure of current vending systems must be accommodated.

Meter Tariff Index and Customer Tariff Class must not be linked in the system in order to avoid key changes when tariffs are changed, for instance from an Indigent to Domestic tariff.

u. BLOCK TARIFFS

A block tariff module or stepped tariffs must be able to be defined.

v. VAT

The vending system shall support the use of vending based VAT where the VAT is calculated at the time of vending.

w. SECURITY

The vending system interconnections shall be secured with mutually authenticated SSL certificates. The tenderer must describe the process of issue and management of these certificates.

Passwords must meet the Auditor General's requirements in terms of complexity and expiry. An optional One Time Pin for system administrators must be provided for.

x. ACCOUNT PAYMENTS

In vending, it should be possible to pay off arrears amounts or portions thereof separately from the purchase of actual electricity or water.

The solution shall also allow for debtor payments and sundry payments when required by the Municipality. This functionality will allow and provide Mogalakwena Local Municipality the capability of collecting account payments, arrear amounts as well as sell pre-paid services.

The business rules of the municipality will always apply. Current account amounts, arrear amounts, linked account amounts and blocking codes will be transferred from the financial system to the vending system.

The system must make provision for capturing of debit- and credit cards payments and cancellation of payments (not tokens). Cancellation options must be linked to access rights.

NOTE: The debit card and credit card options must be configurable for each workstation.

The system must work in such a manner that the water or pre-paid electricity sales as well as the account payment amount be deducted from the credit amount on the dispensing unit.

The system must make provision for account payments on conventional meter accounts and rates accounts.

The cashier must be warned before a transaction is finally accepted.

The system must allow the cashier different search options but at least the following:

- Swipe meter card
- Manually key in meter number
- Manually key in billing account number

y. VENDING AMOUNTS

For each workstation in a vending system, a list of predefined typical purchase amounts must be able to be setup individually.

z. THIRD PARTY VENDING

The service provider must be integrated with third party vending providers in order to provision the Municipality with a broad-based third-party footprint to sell prepaid electricity locally and nationally.

The footprint must include retail chain stores, banks, and petrol stations web-based sales using credit card and/or EFT, and non-retail vendors. The service provider must indicate the

process and cost, if any, of deploying additional footprint with non-retail (informal) vendors to areas where there is deemed to be insufficient coverage.

The service provider should indicate the process that they use to deal with non-retail (informal) vendors that are over-charging customers.

The service provider must describe in detail their remittance process where monies collected are paid across to the municipality. This must include payment schedules and administration requirements.

A list of vending sites or proposed vending sites, retail stores and banks that will be made available must be provided.

Please note: the municipality will not allow voucher-based vending to its customers.

aa. TID ROLLOVER

The service provider must supply a detailed plan for the deployment of the STS TID rollover. Options for deploying the key changes and any challenges that may be faced during the process must be described. Additionally, letters from two municipalities where the service provider is actively updating meters must be supplied.

bb. IMPLEMENTATION AND COMMISSIONING

The tenderer shall be responsible for the conversion of current ... Local Municipal system data, static as well as historical transaction as well as all meter related data to the new system of which the cost must be included in the proposal.

cc. SYSTEM CHANGES AND ENHANCEMENTS

The tenderer shall indicate corporate policy requirements on system enhancements and changes, including mSCOA compliance and the upcoming key rollover.

dd. EXCLUSIONS

This document excludes the requirements for small online vending agencies that do not supply their own vending client server. This document is only intended for vending agencies that shall consolidate all interfaces to vending stations through an XMLVend compliant vending client server, which shall in turn communicate with the online vending server.

ee. CREDIT GUARANTEE

Part of this agreement shall be your ability to maintain sufficient credit levels. To avoid running out of credit and therefore being liable for breach of contract, Municipality shall require a credit guarantee of R 30, 000 000.00 (Thirty Million Rand). Failure to maintain sufficient credit levels may constitute a breach of contract and may be grounds for cancellation of the contract.

12. REVENUE PROTECTION

With reference to Item 4 of the financial offer, the tenderer must include a price for disconnections. No charge will be allowed for audits but will where the outcome of the audit is a disconnection, tendered charge will apply.

The Tenderer will provide an audit application which are not limited to a single operating system, which utilises the phone GPS and camera to record audit data, as well as referencing back to the vending system in order to validate customer and address details.

Data such as last purchase dates and averages shall be presented to the auditor for them to make informed decisions while they are carrying out the audit. The application must allow for job card functionality, scheduling of audits and routes.

As well as recording audit data, the application must allow for meter replacements and for basic engineering tokens to be made, according to the user profile.

The application must also allow for offline audit operations as these are data intensive and must be synchronised when the user is in a Wi-Fi zone.

Audits must be reported on and reviewed from a web portal which shows the audit activity on a map and is able to present the GIS data to the municipality for loading to their GIS systems. Further to this, the spatial data must be made available to be incorporated in the mainstream Vending solution once the audits have been completed.

The audit process must include data cleansing, with updates for account numbers and customer data as a minimum. Any fines or charges to be levied to the customer for tampering must be automatically calculated or must be recorded for approval and implementation at a later stage.

Revenue protection staff must be accredited in Law Enforcement as required by the municipality in order to issue penalties to the public with respect to tampering. The Municipality will take care of getting the staff accredited.

13. COMPLIANCE SCHEDULE (VENDING)

No.	Question	Yes / No	Comments
1	Does the system comply with all the STS specifications as listed in the tender? Is the system certified for Electricity and Water vending?		
2	Does the system allow for configuration by the municipality for various system requirements?		
3	Is a list of system limitations attached?		
4	Is a full, detailed functionality description of the system attached?		
5	Is there a detailed strategy for the upcoming TID rollover included with an indication of cost to the Municipality?		
6	Is a detailed graphical drawing of the proposed network and system attached?		
7	Is a detailed disaster recovery plan attached?		
8	Is a comprehensive 3rd Party payment remittance process attached?		
9	Are different servers utilized for the different applications e.g. transaction server, management server, etc.?		
10	Is this a single database solution with no data transfer or replication required?		
11	Does the system have the capability to provide pre-paid services to Electricity and Water customers using a single interface? Does a single Customer record have the ability to link to multiple meter account types?		
12	Does the system integrate to other vending mechanics such as automatic cash handling machines, self-service terminals and other third-party options using Eskom XMLVend as an interface language?		
13	Is the system native XML or does it require a translation interface for XML based vending?		
15	Does the system allow for convenience charges to be charged at specific vending outlets over specific periods?		
16	Does the system provide for integration to the other systems in use at the municipality through the following options: API or periodic bulk export/import/registration of data/meter to and from other business systems, on-line real-time per transaction synchronization of data? Have the requirements of mSCOA been addressed in the offer?		
17	Does the system comply with financial services regulations regarding storage of data?		
18	Does the system provide WEB integration for management functionality and reporting? Specify what standard will be used.		

19	Can the administrators log into the servers directly from their offices? Can admins log in remotely over the internet?		
20	Is a list of license requirements with limitations attached?		
21	Does the system provide for the management of smart metering?		
22	Does the system provide for access rights into the system for uses and groups?		
23	Does the system provide for user ID disabled or removed to remain in history transaction data?		
25	Does the system provide for arrear recovery in line with the credit control policy of the municipality?		
26	Does the system provide for at least the following arrear recovery alternatives: fixed percentage of transaction recovery; service based recovery; full arrear payment recovery; partial arrear payment recovery with limited electricity sales?		
27	Does the system provide for "free issues" (EBSST token) to be SMS'd to specific customers?		
28	Does the system allow a "free issue" (EBSST token) to indigents without having to purchase electricity or pay arrear amounts even if system is set to full arrear recovery?		
29	Does the system print "duplicate invoice" or "copy invoice" on a receipt if the "free issues" (EBSST token) is requested more than once in a calendar month?		
30	Does the system allow the generation of all engineering tokens directly from the system master station?		
31	Does the system allow all engineering tokens to be either printed, viewed without printing or sent through SMS?		
32	Does the system support all the different types of engineering vouchers as specified in the tender?		
33	Does the system provide for up-front vending?		
34	Can the abovementioned amount be defined per workstation?		
35	Does the system provide for messages at the bottom of the token voucher which can be changed by the municipality according to the municipality's requirements?		
36	Does the system keep all historical connections between the meter, point of connection and the customer?		
37	Does the system allow vending when a point of connection, meter or tariff is not linked to a customer?		
38	Does the system allow payment of accounts although a blocking code is active that does not allow the customer to purchase pre-paid electricity tokens?		
39	Does the system provide for at least the standard reports as stipulated in the tender?		

40	Does the system allow for preview of reports before printing?		
41	Is a statistical MONTHLY management Report provided? Is a sample provided?		
42	Does the system support the use of vending-based tariffs?		
43	Does the system provide for pre-defined tariffs by date to be created in advance?		
44	Does the system accommodate the current vending structures of the municipality?		
45	Does the system support IBT (stepped tariffs)?		
46	Does the system support vending-based VAT that is calculated at time of vending?		
47	Does the system provide for batch numbers to follow sequentially and print a breakdown of all money received separately?		
48	Does the system provide for the payment of arrear amounts, current amounts or linked account separately from purchasing pre-paid electricity tokens?		
49	Does the system provide for the cashier to enter the full amount from which the arrear amount will automatically be deducted, and the remainder of the money will then automatically be allocated towards pre-paid electricity sales?		
50	Does the system make provision to warn the cashier before finalizing any transaction?		
51	Does the system provide for integration of historical data?		
52	Is a list of current system users with full contact details supplied?		
53	Was an assessment of current infrastructure done and an optimum solution recommendation attached?		
54	Is the system TCP/IP compliant and be able to operate real-time over Ethernet on a LAN/WAN/WIFI/GPRS/3G/EDGE/4G/5G/HSDPA/ADSL/DIGINET environment as available in certain areas?		
55	Does the system support vending stations run on at least Windows XP?		
56	Are all communications between client and server secured by mutually authenticated SSL certificates?		
57	Is provision made for periodic data synchronization with an off-line database in the municipal environment?		
58	Does the system support access through any web browser and the latest version of the standard Microsoft Internet Explorer and always keep up with updates by Microsoft?		

59	Does the system function under low-bandwidth requirements with minimum packet size? Please specify the bandwidth.		
60	Does the system cater for a Monthly indigent update from file		
61	Is there an aggregator support letter attached?		
62	Is a policy regarding overcharging by vendors included		
63	Is an ISO 9001-2015 certificate provided in the name of the bidder or their technology provider?		
64	Are there at least 3 options to allow the municipality to choose from with regards TID updates with regards using contractors, municipal staff or a self-service option.		
65	Is a broad-based third-party vending footprint provided to municipalities including major retail, major banks, informal sector and web vendors?		

14. STS COMPLIANT PREPAYMENT WATER METER SPECIFICATIONS

This specification highlights requirements for the supply and installation of a Prepaid Water Meter, which must, together with all electronics function as one system in a meter box, hereinafter called a Water metering System.

Failing to provide details of the STS compliance water metering systems will render the tender non-responsive.

a. The System must include the following:

- Meter Box functional as either a Volume Limiter or complete Prepaid Water Meter using an electronic Prepaid Water Controller (PWC),
- A remote Consumer Interface Unit (CIU) for installation inside the house
- A Field Maintenance Terminal (FMT) to assist in Installation,
- Diagnosis and Fault Finding.

b. The Water metering System shall conform to the Standard Transfer Specification (STS) standards for the transfer of credit through third party STS compliant Vending Systems. No other Water metering System that is not STS compliant will be considered.

c. Details of Water Metering System is detailed below:

Meter Box

- To consist of a UV-resistant rectangular meter box with concave side walls for additional stability that is at minimum 800mm high x 280mm long x 100mm wide with LCD display positioned inside the lid of the meter box. The Meter Box shall be complete with a Water Meter, Prepaid Water Controller (PWC), Isolating Valve as well Consumer Stopcock.
 - All internal joints must be fusion welded.
 - All fittings inside the meter box to be pressure tested to 15 Bar pressure.
 - Water Meter
 - At minimum a Class C plastic bodied volumetric type water meter, complete with pulse output approved by S.A Trade Metrology to SANS 1529-1:2003.
 - Prepaid Water Controller (PWC)
 - The PWC must be able to function in either Prepaid-, Postpaid-, Fixed Water Dispenser or Conventional Mode, interchangeable at any time without the need for firmware changes.
 - The PWC shall be fitted with a Liquid Crystal Display (LCD) showing at minimum the Totalizer in Cubic Meters(m³), Credit available in Cubic Meters(m³), any error code that may be present, battery status, valve position, Leak indication, pulse indication
 - The PWC shall be fitted with a bi-directional 868mHz Radio Frequency (RF) communications port to facilitate Automatic Meter Reading (AMR), as well as a wireless link to a remote CIU, with a minimum transmission range of 500 meters (line of sight).
 - The radio antenna should be of the internal type, no external antennas protruding.
 - Fitted with an in-the-field replaceable battery pack without the need to remove the meter from the installation. Battery design life should be minimum 7 years, irrespective of usage.
- d. Drive-by Automatic Meter Reading (AMR) capabilities should include:
- User defined fields, where the user can select from a list of data fields, which data is required and only download the required data.
 - No duplication of meter data (Same meter read more than once)
 - Support Walk-by or Drive-by data collection
 - Date/Time Stamp for each record uploaded
- e. The PWC shall only accept STS Compliant Credit Tokens conforming to the IEC 62055-41 & 51 standards, being a 20-digit encrypted numeric credit token.

The PWC should store the following:

- Monthly consumption history over the previous 12 months.
- Last 10 credit tokens entered, with the volume and date stamp.
- End-of-month totalizer reading over the last 12 months.
- Monthly credit usage over the previous 12 months.

- f. A data logging system recording the hourly totalizer reading for the last 90 days.
- g. A daily Water Conservation Limit, regardless of credit being available.
- h. Consumer Interface Unit (CIU)
 - The CIU shall be a wall-mounted device installed inside the consumer house, linked to the PWC via RF communication link.
 - The CIU shall be Sigfox certified, facilitating remote on-line monitoring, without the need to install data concentrators or gateways, not impacting the 10-year battery life of the PWC.
 - The CIU shall be battery powered with a life span of 3 years. Replacement batteries shall be of a commonly available type obtainable at any retail shop. A dedicated battery compartment, with sliding lid shall enable the consumer to replace the batteries without having to open the unit or require assistance of technical personnel.
 - The CIU shall have an LCD, which is always active, showing credit available, not older than 1 hour, without interaction from the user. In addition, the LCD should indicate, battery status of the CIU, valve position, leak indication, with additional messages, such as “No Credit”, “Credit Low”, “Locked”, etc.
 - The display shall rotate every 10 seconds between the following messages: Credit Status, Credit Available and any Additional Message such as a possible leak.
 - The CIU shall include a 12-button silicon keypad with tactile feedback. Buttons shall include 0 - 9, Backspace and #. The button layout shall be according to the industry accepted standard layout for STS prepaid meters.
 - In addition to entering of credit tokens, the CIU must enable the consumer to read the following information or perform actions on the meter:
 - Display the 11-digit Prepaid Number of the PWC
 - Display the credit available individually for any of the credit registers
 - Consumption for the current day
 - Consumption for the current month
 - Consumption average over the last 3 months.
 - Electronic totalizer reading
 - Total consumption to date
 - Total credit loaded to date
 - Paid Credit used for the month
 - Monthly consumption history for the last 3 months
 - Leak indication, with the size of the leak in Liters/hour
 - History of the last 10 tokens entered, with credit value and date stamp
 - Lock or Unlock the meter, stopping water delivery when not at home.
 - Activate Emergency Water, if so configured
- i. A resettable User Totalizer shall be available for the consumer to record water consumption for specific event, such as using the dishwasher or watering the garden. First reset the user totalizer on the CIU. After consuming the water, the consumer can now view the water consumed on the CIU display.

j. Field Maintenance Terminal (FMT)

- The FMT software shall be available for installation on any compatible Windows based laptop or tablet. A rugged, splash proof laptop may be offered as pre-installed complete solution.
- The FMT shall be used for drive-by AMR (Automatic Meter Reading) as well as remote meter interrogation for diagnostic and configuration purposes.
- The FMT shall be complete with a USB RF Data Collector suitable to communicate with the meter, remotely without having direct access to the meter.
- The RF Data Collector shall have the facility to attach a magnetic roof-mount antenna, to be fitted on the roof of the vehicle when used for drive-by AMR data collection.
- All communications between the FMT and PWC shall be securely encrypted.
- The FMT shall include various diagnostics functions to fully assess the functionality of the system, as well as provide meter, credit and valve information.
- AMR data fields requested from the PWC shall be fully user definable, to prevent uploading of unwanted data.
- AMR records should be available in CSV format, for easy import to Microsoft Excel, and other third-party information systems.

k. Approvals

- The PWC shall be approved by STSA (Standard Transfer Specification Association) for compliance to IEC62055-41 & IEC62055-51.
- The complete system shall be approved by NRCS (National Regulator for Compulsory Specifications) to SANS1529-1 and SANS1529-9.
- The radio equipment shall be approved by ICASA (Independent Communications Authority for South Africa) to EN 300 220, EN 301 489-1&3 and EN 60950.

l. The CIU shall be Sigfox Certified.

m. The water metering system shall be guaranteed and maintained and supported on a 24-hour basis for the entire period of the contract by the tenderer.

SCORECARD – Technical Bid Evaluation

Phase 1 – Technical Gatekeeper

Tenderers must comply with all points in order to proceed to phase 2

Item	Description	Comply	
		Yes	No
1	Standard Transfer Specification (STS) Certification to edition 2, STS600-8-6. Certificate to be provided.		
2	ISO Certification to 9001-2015. Certificate to be provided.		
3	Confirmation letters from two municipalities that the TID update programme is under way		
4	Proof of XMLVend Based integration into at least one aggregator. At least one confirmation letter is required.		

Phase 2 – Bid Evaluation

Tenderers must score a minimum of 80 points.

Item	Description	Value			Score
1	Single interface integrated multi-utility system, vending Electricity and Water from a single interface. A demonstration of this may be requested.	15	Full description and STS approval	15	
			No description and/or STS approval	0	
2	Broad based third-party vending footprint provided to municipalities including retail, banks, informal sector and web vendors**	15	5 years or more	15	
			2 years or less	5	
			No experience	0	
3	Hosted on-line vending provided to municipalities	10	5 years or more	10	
			2 years or less	5	
			No experience	0	
4	Disaster recovery and business continuity plan	5	Plan included	5	
			No plan	0	
5	Innovative revenue enhancement funding solution	15	Provision	15	
			No provision	0	
6	Letters from municipalities confirming third party vending and arrears collection. At least one to be Live or real time updates for bill payments and arrears collections – dependent on Billing System (if the provider can connect real time)	15	3 letters	15	
			2 letters	10	
			1 letter	5	
7	Detailed mSCOA implementation approach included, one letter confirming on-line integration	10	Plan and letter included	10	
			No plan and/or letter	0	

8	Overview of approach to the STS TID key rollover	10	Plan included	10	
			No plan	0	
9	Mobile engineering application for field staff	5	Comprehensive tool	5	
			No tool	0	

**Please see below reference list of retail, banks & web vendors to have for full marks point 2

Banks	Corporate Stores	online
ABSA	Pick n Pay	prepaid24.co.za
FNB	Shoprite	
Standard Bank	Spar	
Capitec	Kaap Agri	
Nedbank		
Investec Bank		
Old Mutual		

SCORECARD – Technical Bid Evaluation cont.

Phase 3 – Technical Demonstration

Tenderers must score a minimum of 80 points

Item	Description	Maximum Points
1	<p>Vending Cycle Demonstration of a typical online vending cycle. Points will be awarded for clarity and ease of use as follows:</p> <ul style="list-style-type: none"> • Clear/ concise/ easy to use: 20 points • Complicated/ difficult to use 10 points • Failed: 0 points 	20
2	<p>TID Rollover (Key change Process) Demonstrate proposed Key Change/TID Rollover process. Points awarded for clarity and ease of use as follows:</p> <ul style="list-style-type: none"> • Clear/ concise/ easy to use: 25 points • Complicated/ difficult to use 10 points • Failed 0 points 	25
3	<p>Customer Management Demonstration of Customer Management functionality including adding customers, properties, contracts etc. Points awarded for clarity and ease of use as follows:</p> <ul style="list-style-type: none"> • Clear/ concise/ easy to use: 15 points • Complicated/ difficult to use 5 points • Failed: 0 points 	15
4	<p>Meter Management Demonstration of meter management functionality. Points awarded for clarity and ease of use as follows:</p> <ul style="list-style-type: none"> • Clear/ concise/ easy to use 10 points • Complicated 5 points • Failed 0 points 	10
5	<p>Financial System Integration Demonstration of the system integration with a Financial Management System preferably Sage. Points will be awarded as follows:</p> <ul style="list-style-type: none"> • Integration with Sage: 15 points 	15

	<ul style="list-style-type: none"> • Integration with other Systems: 5 points <p>Additional points awarded as follows:</p> <ul style="list-style-type: none"> • Clear/ concise/easy to use 15 points • Complicated/ difficult to use: 5 points • Failed 0 points 	15
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VENDING PRICING SCHEDULE – FIRM PRICES

(PURCHASES)

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

Name of bidder.....	Tender number
Closing Time:	Closing Date:

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

REVENUE ENHANCEMENT SERVICE TO IMPROVE REVENUE COLLECTION AND SERVICE DELIVERY

- Credit Control.
- Soft Collection.
- Data Cleansing and Vetting Services
- Revenue Protection and TID Rollover
- Indigent Management

Strategic Objectives

- a) The strategic objective of this offering is to introduce innovative systems and manage all processes and procedures supported by customized software for:
- b) The operational management of credit control processes (all accounts included), procedures and field actions as well as the appointment, management and performance of the field action technicians
- c) Assist the Municipality through support from Technical Services Department to rectify *Malfunctioning Infrastructure* and *Non-Infrastructure* related anomalies in order to improve *Billing* and the *Collection of Arrears*. This may include provision of additional capacity & procurement to the municipality for the maintenance and repair of metered services installations (water & electricity) (pre-paid and conventional), to the specification of the relevant municipal departments.
- d) Provide required and targeted assistance with billing by sending out account balances as well as reminders of the due date, pending credit control actions, etc. (SMS).
- e) Provide required and targeted management of the *Indigent Management Process* and related actions to establish and maintain an *Authentic Indigent Register*
- f) Provide the *Operational Management* of the *Soft Collection Process* and related actions on all accounts
- g) Render Professional Services to assist with the following:
 - Debt book analysis ito collectability
 - Arrears Collection Strategy and relevant by-laws
 - Administration capacity enhancement
 - Integration of processes information.

- h) Data assessment and financial profiling to enhance revenue by implementing the following:
- Affordability studies to determine collectability of arrears versus cost to collect
 - Data enrichment of the debtor's personal information
 - Customer data base management
 - Assurance of an all-inclusive tax base via stand data verification processes
 - Develop a communication and capacity building programme to assist the Municipality with the revenue enhancement and revenue protection program
 - Protect the revenue of the Municipality by the following:
- i) Execute Meter Reading including managing exceptions as instructed by the municipality
- j) Reduce tampering of service installations by the installation and maintenance of water securing devices & secure electrical enclosures.

SCOPE OF WORK

The scope of work will cover the following main items, but may not be limited to these items:

CREDIT CONTROL AND SOFT COLLECTIONS:

1. Operational management of credit control processes, procedures and field actions. The Service Provider should have all the resources and materials including, but not limited to discharge or execute the Credit Control Functions.
 - a) Sending SMS notifications for account balances and credit control related actions
 - b) The physical delivery of Final Notices for accounts in arrears (all account types)
 - c) Sending of notices via email to customers as part of the credit control process
 - d) Setting up an off-site operating office for the management of all credit control interventions.
 - e) Implementing an online workflow management system to enforce policies and to manage resources and different levels of work allocations effectively and efficiently.
 - f) Maintaining the relevant databases required for all actions to ensure data integrity.
 - g) Execute credit control actions according to the approved technical specifications, with the use of handheld devices for all actions which may include among others the following.
 - Physical delivery of Final Demand Notices with photographic and GPS coordinates
 - Blocking of prepaid vending as part of credit control process
 - Electricity Disconnection Level 2: The circuit breaker is removed, properly tagged and securely stored for when reconnection is required.

- Remove installation permanently: This action requires for the removal of the electricity supply cable.
 - Water Restriction: An instruction to restrict the water to a residential consumer with a flow-restricting device.
 - Water closure: An instruction to close the water supply to a business and install a securing device.
 - Delivering Final Notices & Illegal Consumption Inspections (ICI's), using Handheld Devices with photographic evidence. Information must be kept and uploaded electronically. If found tampered, a follow up credit control action should be scheduled automatically.
- h) Setting up direct communication links between the operating office system and the Municipality's financial debtor system.
- i) Training, instructing and managing technicians for credit control related tasks.
- j) Managing daily schedule of work.
- k) Monitoring field operations.
- l) Compliance with Service Level Agreements.
- m) Quality Control (administrative, technical, inspecting, testing, field action inspections)
- n) Daily real time recording and capturing of field information.
- o) Establish and operate a project store for water restrictors, water fitments, electrical wires, cables, circuit breakers, job cards, etc., especially for audit purposes.
- p) Coordinate progress meetings at different levels.
- q) Reporting on agreed intervals.
- r) Executing ad-hoc service delivery related tasks, including functions in terms of Agreements on the Service delivery Process
- s) The management of unsuccessful actions where credit control actions could not be performed and where meter readings cannot be obtained by the municipality's meter readers, by technically rectifying and marking the identified services installations.
- t) System must have a Query Management section per account in which account queries can be loaded, monitored and reported on as part of the credit control process.
- u) Implement OHS-Act accommodative best practices.
- v) Management of the By-Laws enforcement process, if applicable.
- w) Manage and action the Low buy/No buy prepaid customers to improve revenue through prepaid sales value on behalf of the Municipality
- x) Management of Final Readings and New Service Agreements in the following manner:
- Disconnection of the electricity supply
 - Take water readings
 - Attach service termination notice
 - Reconnection of services

2. Use a software system compatible to the Municipality's debtor system to send monthly billing statements balances electronically by SMS or Email to consumers and reminders of the due date. See Required Functionality of the Software system
 - a) The operational management of the Soft Collection process and related actions on all accounts.
 - b) Actions that can be completed mainly in the office are managed / completed with limited intervention required for out of office work, except in certain cases for the delivery of notices and in-loco inspections.
 - c) All in-office actions are completed and if the customer is still in arrears, an internal process is followed until the only option is a legal process. This legal process itself can also be handled internally. The legal process is then followed until judgement is obtained. This ensures that the customer is no longer able to make any further debt. For this purpose:
 - All actions will be instituted in the name of the Municipality and the service provider will not receive any cash from a customer. All payments will be made by the customers directly to the Municipality
 - The Municipality must have an effective administration process to allocate all payments made directly into the bank on a daily basis.
 - The handover file will include all accounts that has an arrear amount that is more than R50, indicating that the Credit Control Actions have been exhausted and/or there are no services on the property available for disconnection/restriction.
 - The following information shall be included in the handover file: Account number, stand number, Name, total account balance, arrear balance, street address, unit address, prepayment meter number, business/residential indicator, cell phone number and any other relevant info required.
 - The service provider should be provided with access to the prepayment system to block customers from buying electricity. Unblocking can be done / is allowed by the municipal staff after payment was affected.
 - The service provider should be granted access to the billing system to be able to view the account details and/or respond to queries where applicable.
 - Should the service provider be stopped or prevented / instructed to stop with actions commission calculated on 5% of all the accounts in the handover file will be payable per month for the duration of the contract.
3. Render a Professional Service on an ad hoc basis on the following
 - a) Debt book ito collectability and suggested write offs
 - b) Arrears Collection strategy and relevant by-laws
 - c) Implementation of Credit Control and Debt Collection Policies
 - d) Pre-collection processes

CUSTOMER DATA ENRICHMENT AND FINANCIAL PROFILING

a) Collectability Study

Provide an online system whereby the Municipality can determine the risk to pay for services rendered and implement measures such as the installation of pre-paid water meters. It is also used to determine collectability of arrears versus cost to collect.

b) Data enrichment of the debtor's personal information

This process entails the process of extracting detail from the Debtor's Management System and uses the **validated** ID Number to obtain the following:

- Recent Contact Numbers – Home/work and cell phone number
- Addresses – postal and physical (not necessarily the same physical address as stated in the FMS of the Municipality)
- Mortality status
- Possible Indigent
- Liquidated/Insolvent debtor's

c) Continuous Customer Data Base Management

After data enrichment the data base should be managed and maintained by verifying all accounts on a monthly, quarterly, bi-annually or annually basis to check for change such as deceased, status of the company or cell phone numbers.

d) Develop a Communication and Capacity Building program

Develop a communication and capacity building program to assist the Municipality to inform all concerned regarding the Revenue Enhancement and Revenue Protection program.

e) It may be required from the Service Provider to provide additional revenue enhancement exercises in respect of other revenue streams such as tariffs, sundry levies, fines etc. and the tenderer must submit an additional proposal, separate from the pricing schedules herein.

REVENUE PROTECTION:

1. Geo-Spatial Stand Audits - Physical

Verify/confirm all Services, Property and Customer info in relationship to all services /ownership data. Engagement and formalisation of the tribal authority areas, and formal survey of the current status quo with regard to the allotments of land submission to the Office of the Surveyor General.

a) This entails the following key elements:

- Use of a spatial system that is web based
- Live dashboards and reporting tools to be used by the municipality during data verification
- Physical inspection of meter installations
- Use of handheld technology to enable real time reporting
- Analyse field findings to the billing data
- Validate & Provide customer data to the billing system
- Updated, accurate customer details and property information in the billing system

b) Field Information:

A stand number were possible will be used to conduct an in-depth investigation whereby the Owners detail, stand usage, municipal services, meters location, number and readings are confirmed. The meter detail is to be recorded as well as an inspection of the meter/installation. A photograph to confirm condition of the meter must be taken for record purposes. In addition to the already mentioned it also includes the detection and reporting of unmetered supply and unknown/unread meters as well as the GPS co-ordinates of the installation.

2. Maintenance and repair of metered services installations

a) Where applicable and when authorised, provide additional capacity to the municipality for the maintenance and repair of metered services installations into the following:

- Water meters – Conventional and pre-paid
- Electricity – Conventional and pre-paid

3. Tamper detection and solutions

a) Supply water restriction and adjustment securing devices

b) Solutions for secure enclosures for electricity installations

c) Where applicable and when authorised, procurement of infrastructure related meters & material based on the specifications of the municipality

INDIGENT MANAGEMENT

The management of the Indigent Registration and Verification process and related actions to establish and maintain an authentic Indigent Register. All Indigent actions must be done electronically to ensure compliance with audit principles.

The project will consist of eleven main deliverables broken down into smaller components. Individual deliverables should not be seen as stand-alone items but as consolidated and be approached in a coordinated manner. Such shall include among other the following activities:

- a) Identify implement and input into current Policy and procedural guidelines for Indigent Management in line with the existing legislative framework that guides the functioning of local government;
- b) Implement management workflow systems to enforce policies and to manage resources and work allocations for Indigent Management.
- c) System requirements:
 - Web based access to Workflow Management System
 - 2-part security login
 - Setup and definition of users and specific roles and reports
 - Android application for digitized capturing of new applications & site inspections
 - ID number driven to accommodate non municipal account holders e.g. Informal Settlements/Rural areas
 - Flexible & simplistic flow process that can be setup as per client requirements
 - Integrated external scan functionality that provides real-time information through a dedicated API with external data centers e.g. Bureaus, SASSA, UIF
 - SMS Communication modules:
 - Communication & Awareness information
 - Registration campaign notifications
 - Ward Councillors information
 - Indigent outcome notifications
 - Full history of each action in the process – audit trail
 - Standard reports designed for reporting purposes
 - Establishment of an authentic register based on subsidies captured on the billing system
 - Mobile Ward information summaries with search capabilities for specific Wards and Councillors.
- d) Setting up communication links between the Indigent Management operating office and the Municipality billing system.
- e) Undertake a capacity building and training programme for staff associated with Indigent Management Programme.
- f) Prepare and implement a comprehensive communication programme for the Indigent Management Programme to fit in with the Municipality overall community liaison programme.
- g) Provision of infrastructure and resources by the Service Provider (i.e. Office space accessible by foot from the Civic Centre/Main Office, telephones, furniture, printers,

computers and systems compatible to the Municipality's financial systems. etc.) in addition the service provider will plan, administer, manage, control and report on the Indigent Management interventions. Where the Service Provider chooses to occupy municipal premises, such premises will be made available at a negotiated monthly cost.

- h) Supply operational capacity (i.e., tools, vehicles, etc.)
- i) Provide a comprehensive project proposal, an implementation plan and a financial proposal for the execution of the project.
- j) Setting up an Indigent Register for the Municipality.
- k) Report on the programme to the municipality.
- l) Develop and implement an Indigent Management Exit Plan.

SUPPLY AND MAINTENANCE OF A WORKFLOW MANAGEMENT SYSTEM

The Service Provider/ Successful Tenderer shall supply a workflow management system that manages the entire credit control, soft collection process as well as the revenue protection process. The core system must be able to generate and report on all revenue enhancement and revenue protection related tasks and results and will manage the entire process. The system must be web based.

Required Functionality of the Workflow Management Software/System	Statement of Compliance (Yes/No)
Credit Control & Soft Collections	
The system must be a web-based workflow management system. The system must also be a singular system working off a single database	
Schedule various credit control actions according to the approved Credit Control Policy. This will include, but not limited to electricity/ water restrictions/ disconnections/normalisations, illegal consumption inspections as well as other ad hoc actions	
Must be easily integrateable with other systems e.g. debtor system to obtain arrears and payments data and to transfer credit control levies upon successful completion of actions, prepay services management system and services network management systems. (Integration can be achieved with the transfer of data in various formats, including .csv format)	
The system should verify payment status on an account before physical credit control or debt collection actions are performed.	
Information must be kept and uploaded electronically to the municipal billing system and must seamlessly communicate with the municipal system	
Reporting must be real time and the system must be hosted on the municipality's intranet so that it is easily accessible but must also be available on the internet should the municipality wish to access it after hours. The system must be accessible from various platforms i.e. desktop (via fixed line), cell phone, 3G	

Required Functionality of the Workflow Management Software/System	Statement of Compliance (Yes/No)
The software should have strict security measures in place linking people to roles and then to certain rights such as reports and reconnections. High security is an absolute requirement.	
The system must be flexible i.e. able to handle ad hoc and special requests by the municipality.	
Ability to send short messaging, (SMS's) to consumers regarding their account status (credit control -, notification that consumer is in arrears etc.), messages to the public about any issue (campaigns, request to apply as an indigent etc.). The system should allow for two-way communication and tracking of communication with consumers.	
The system must easily integrate with GIS system of the municipality	
Management and reporting on accounts handed over for debt collection	
Management of actions which could not be performed and need intervention from the municipality.	
System must have a Query Management section per account in which account queries can be loaded, monitored and reported on as part of the credit control process.	
The system must keep track of all actions for a consumer since entering the credit control process and have a full audit trail of activities.	
The system must allow for the printing of notices and the uploading of information from handhelds on an online basis. (Specify type of device used)	
Must allow for the functionality to record material used i.e. removal of devices for stock control purposes, etc.	
To assist Municipal staff to electronically instruct a services reconnection as well as the system to send this message to the field contractor automatically	
<p>Provide real time reports on the rand value of the reaction for the consumer for cash and separately for instalment/ arrangement for each of the following:</p> <ul style="list-style-type: none"> • The number of consumers reacting to the SMS/ Final Demand Notices as well as the rand value of the reaction and the levies billed. • The number on consumers reacting to different levels of electricity/ water restriction/disconnection actions as well as the monetary value of this reaction and the levies billed. • The number of consumers reacting to the Ad Hoc actions as well as the monetary value of this reaction and the levies billed • The total rand value of all the reactions 	

REPORTING

The Municipality (and its various departments) must be updated on a regular basis of any development requiring action or attention by the municipality. Such updates include:

- a) Successful and unsuccessful actions
- b) Accounts referred for follow up actions
- c) Report on levies, cash and arrangements

- d) Reports on debt recovered
- e) Executive overview and critical aspects of the project
- f) Quantity of all credit control actions received and executed.
- g) Number of soft collection actions executed
- h) Revenue Protections report on all activities.
- i) Stock Level report: Stock information per item of start quantities, issued, received and stock balance

OFFICE SPACE

The Successful Service Provider will be expected to establish an Operations Centre **off site** of the MUNICIPALITY premises, which must be fully functional within 30 days from date of. The total cost to establish the centre, furniture, telephones, equipment, staff and any other resources will be borne by the Service Provider.

FACILITIES AND EQUIPMENT REQUIREMENTS

All facilities, equipment and consumables are to be provided by the Successful Service Provider at his own office on his own costs, including but not limited to:

- a) Computer workstation(s) suitable to handle the data and communication volumes required.
- b) Communication equipment to establish data communication with the Municipality for the required import, export and validation of information into the financial system.
- c) Digital/Laser Printers for the printing of instructions and/or notices such as the Final Notices, disconnection notices etc.
- d) Appropriate vehicles, equipment (Including GPS's and Hand-Held devices) and tools at own costs the restriction devices will be supplied/procured by the Municipality
- e) Vehicles and staff to be clearly marked/identifiable.

PREVIOUS EXPERIENCE AND FUNCTIONALITY

- a) The Tenderer shall submit with his tender full verifiable details of previous experience concerning the services similar to the services specified in this document. (Both management and actual performance of actions)
- b) Tenderers will be required to provide a demonstration of their Workflow Management System. The system will be evaluated based on the specifications provided.
- c) Failure to do so or failure of the system to perform all actions as required will render the tender non-responsive.

SYSTEM SITE/DEMONSTRATION OF SERVICES

- a) The Municipality retains the right to request a full system demonstration and/or site visit. The tenderer undertakes to arrange as such.
- b) A full list of current system users with contact details should be supplied by the tenderer.

- c) The municipality reserves the right to contact any of these users and the tenderer undertakes to arrange a site visit to any user(s) as indicated by the Municipality within a specified timeframe as agreed on.

CUSTOMER REFERENCES

- a) The tenderer must supply at least three reference letters from other Municipalities confirming that the tenderer provides them with a water and electricity prepayment hosted online-vending services, third party vending via a broad-based footprint and arrears collection via data exchange with the Municipality billing system. The letter must confirm the period that the tenderer has been providing the service to the Municipality.
- b) The Municipality may wish to contact one or more of the tenderer's reference clients during the tender evaluation period. Please provide contact names and details of the individuals who should be contacted in this regard.
- c) Contact with reference clients will be arranged through the tenderer, but Mogalakwena Local Municipality reserves the right to conduct these information sharing sessions without representatives from the tenderer being present.
- d) Live or real time updates for bill payments and arrears collections – dependent on Billing System (if the provider can connect real time) should be offered and proof in the form of a letter from the Municipality should be provided.

PROJECT PRICING SCHEDULE

Project Management Fee

DESCRIPTION	MONTHLY MANAGEMENT FEES (EXCL. VAT)
Management of Main Operations Centre and related Administration, including but not limited to the following:	
• Credit Control	
• Soft Collection	
• Data Cleansing and Vetting Services	
• Revenue Protection and TID Rollover	
• Indigent Management	

CREDIT CONTROL:

1. SMS & MMS Communication

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Short message (SMS)	Account balance notification	
Short message (SMS)	Any other Credit Control and other related communication to consumers	
Short Code (SMS functionality)	Ability for consumers to query predefined information via SMS notification enquiries	
Email Communication - Defaults	Registered Email Communication to defaulting debtors	

2. Final Notice Delivery by hand

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Final Demand Notice	Urban/ Residential	
	Rural Areas, Small Holdings and Farms	
	Business	
Valid unsuccessful visits to premises (demolished buildings, invalid addresses etc.		

3. Electricity

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Disconnection	Disconnection of service with credit type / prepaid meter.	
Reconnection	Reconnection of service with credit type / prepaid meter.	
Removal of Installation Permanently (RIP)	Overhead to premises	
	Underground cable to premises	
	Underground reticulation	

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Restoration of Supply	Overhead to premises (labour only)	
	Underground cable to premises (labour only)	
	Underground reticulation (labour only)	
	Underground reticulation 3 phase (labour only)	
Illegal Consumption Inspection (ICI) Ground Mounted DU	Electricity only	
Illegal Consumption Inspection (ICI) Aerial Mounted DU	Electricity only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		

4. Water

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Closure of Water (15 -40mm)	Install restrictive/securing device (labour only)	
Normalise flow (15 - 40mm)	Remove restrictive/securing device (labour only)	
Closure of Water (50 -100mm)	Install restrictive/securing device (labour only)	
Normalise flow (50 - 100mm)	Remove restrictive/securing device (labour only)	
Illegal consumption Inspection (ICI)	Water only	
Visits	Task not completed with reason	
Ad Hoc Client Investigation Request		

5. Management of Unsuccessful Actions: Non-Technical and Technical Actions

ACTION TYPE	RATE (EXCL. VAT)
Non-Technical Intervention-per action (address-, meter detail incorrect, address not found etc.) Regarded as physical site inspections and correcting of data on municipal systems	
Technical Intervention-per action (Field Visit and report) – Physical work conducted to normalize installation for credit control	
Restoration and/or normalization of meters and installations	
Ad Hoc Client Investigation Request	

6. Management of Final Readings and New Service Agreements

ACTION TYPE	DESCRIPTION	RATE (EXCL. VAT)
Electricity/ Water meter readings	Take final/new water meter readings and attach notice	

7. Management of the By-Law process where Illegal Consumption is Detected

ACTION	DESCRIPTION	RATE (EXCL. VAT)
Site Visit	Verify information and establish condition status of the network installation and meter	
Case Docket	Compiling a case file comprising of all necessary evidence documentation	
All other related actions	Disconnections/Restrictions	

SOFT COLLECTION

ACTION	DESCRIPTION	RATE (EXCL. VAT)
Monthly rental & Maintenance (collection module)	Workflow Management System	
SMS notification – 1-way communication	For sending of an SMS notification to remind the debtor of the non-payment of any account	
SMS notification – 2-way communication (receive information back from recipient)	Interact with debtor via SMS notifications stored on a hosted server	
Recorded telephone calls to defaulting customer	Part of soft collection process flow	
Email communication	Confirmed email communication with defaulting debtors	
Physical delivery of Final Demand	Delivery of sending via post a written Final Demand message to remind a debtor of the non-payment of an account giving notice of Councils' intention to hand the account over for collection by an attorney	
Physical delivery of Rental Demand notice	Fee to the owner of a property or sending via post a written Final Demand message for a consumer renting a property from the owner. Notice sent into Section 28 of the MPRA to demand the payment of the rent of the property to Council in the case where the owner did not pay his Rates account	
Site inspection (to premises to confirm any information)	Physical visit to a property to collect information	
Fee for the completion of an acknowledgement of debt application on the financial system		
Fee for processing the blocking of sale of prepaid electricity on the prepaid system		
Fee for processing the administrative action to hand the account over to an attorney for collection		
The legal fees charged by Council's Attorney for the collection of debt, will be debited on the debtors account and will be deemed as a tariff for any such expenses or actions completed		

ACTION	DESCRIPTION	RATE (EXCL. VAT)
For the issuing of a consent letter for a retraction of judgement taken by Council		
Commission base for all successful payments made by defaulted as a result of service provider actions.		

PROFESSIONAL SERVICES

SERVICE OFFERING	PER HOUR (EXCL. VAT)	PER ACCOUNT (EXCL. VAT)
Debt Book Analysis ito Collectability		
Policies and By-Laws		
Change Management Specialist		
Integration of system processes and information		
Revenue Enhancement Specialist		
IT Specialist (Software)		
Admin/Data Capturer		

DATA ENRICHMENT AND FINANCIAL PROFILING: DATA CLEANSING – ALL ACCOUNTS ON THE BILLING SYSTEM

ACTION TYPE	PER ACCOUNT (EXCL. VAT)
Registered Deeds per LPI Stand to rectify ownership anomalies – Live Deeds	
Registered Deeds per LPI Stand to rectify ownership anomalies – Offline Batch	
Affordability Study per account holder (Collectability Assessment)	
Strike Date – Best dates for debit order agreements (Arrangements)	
Debtor's Personal Information per accounts holder (Batch Contact Information)	
ID Verification (Home Affairs)	
Indigent Verification Model – Grant Eligibility	
Extract all data on Debtor system to identify deceased persons & Companies in liquidation – per account	
Deceased Persons successfully confirmed – per account	
No or Incomplete ID Numbers – per account	

REVENUE PROTECTION

1. Geo-Spatial Audits

SERVICE OFFERING	PER ACCOUNT (EXCL. VAT)
Review & Configuration of Surveyor General Data from municipality	
Stand/Property Audit (to be done spatially with photo and GPS reporting)	
Metered Services Audit (to be done spatially with photo and GPS reporting)	
Consumer Information Audit (to be done spatially with photo and GPS reporting)	

2. Maintenance and Repair of Metered Service Installations

ITEM DESCRIPTION	RATE (EXCL. VAT)
Replacement of conventional meters (damaged, tampered cannot be read)	
Replacement of prepaid meters (damaged, tampered, not purchasing credits)	
Zero purchase list audits on prepaid meters (electricity and water)	

Repair of meters i.e. water leaks, burnt meters, non-functioning meters	
Cleaning of meter boxes where the latter cannot be read due to foreign matter covering the meter	
TID Rollovers with Stand Audit	

3. Tamper detection and Solutions

DESCRIPTION	PER ACCOUNT (EXCL. VAT)
Procure and Supply Secure Electricity Enclosures	
Procure and Supply Water Restriction and Securing Devices	
Procure and supply all meter installation material, components and meters	
System for monitoring of pre-paid water and electricity meters (Zero purchase list)	

DEVELOP A COMMUNICATION AND CAPACITY BUILDING PROGRAM

DESCRIPTION	PER ACCOUNT (EXCL. VAT)
Develop a comprehensive Communication Strategy and Roll-out Plan in conjunction with the Municipality	
Design and Print Material	
Electronic and fixed billboard, animated slides, digital indoor, bus terminals etc..	
Planning, Facilitate and Execute Campaigns (hiring of equipment, distribution of pamphlets etc.)	

INDIGENT MANAGEMENT

DESCRIPTION	PER ACCOUNT (EXCL. VAT)
System License Fee – Monthly	
System Maintenance	
Ad-Hoc requests	
Implementation of the Communication & Awareness monthly campaigns: <ul style="list-style-type: none"> • Loud hailing & distribution of material by Service Provider • Coordination of campaign events with all stakeholders 	
All SMS notifications as part of the Indigent Management programme	
Capture the indigent registration data as per the application form in an electronic format	
Perform a site visit and complete a questionnaire which contains an inventory and recommendations.	
Indigent vetting – Data verification against external databases	
Communication to confirm Indigent Status (Letters/SMS)	
Hand delivery of application outcome letter (Approved and Declined)	

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, 2011, 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.

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.

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

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

3.2 Identity Number:
.....

3.3 Position occupied in the Company (director, trustee, shareholder²):.....

3.4 Company Registration Number:
.....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:
.....

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

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

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

¹MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity;
or
- (f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....
.....

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

3.11.1 If yes, furnish particulars

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

3.12.1 If yes, furnish particulars.

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

3.13.1 If yes, furnish particulars.

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

3.14.1 If yes, furnish particulars:

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

Full Name	Identity Number	State Employee Number
-----------	-----------------	-----------------------

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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.

.....
.....

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?

***YES / NO**

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

2.2 If yes, provide particulars.

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

* Delete if not applicable

***YES / NO**

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

***YES / NO**

- 3.1 If yes, furnish particulars

.....

.....

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 2022**

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

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

1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to invitations to tender:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
 - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

- 1.2 **To be completed by the organ of state**
(delete whichever is not applicable for this tender).

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

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

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

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

The maximum points for this tender are allocated as follows:

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

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

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

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

- P_s = Points scored for price of tender under consideration
- P_t = Price of tender under consideration
- P_{min} = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

$$Ps = 80 \left(1 + \frac{Pt - P}{P} \right) \quad \text{or} \quad Ps = 90 \left(1 + \frac{Pt - P}{P_{max}} \right)$$

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

Historically Disadvantaged Individuals - HDI	80/20 Preferential Point System	90/10 Preferential Point System	Means of Verification
	20	10	
Race – people who are Black, Coloured or Indian	6	3	CSD report and Certified Copy of Identification Documentation
Local Economic Development	4	2	Company head office residence within Mogalakwena Municipal Jurisdiction as per CSD and proof of residence
Gender - Women	3	1	CSD report and Certified Copy of Identification Documentation
Youth	4	2	CSD report and Certified Copy of Identification Documentation
Disability	3	2	Certified copy of Doctor's Certificate with medical practice number

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by	Number of points allocated (80/20 system) (To be completed	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
---	--	---	--	--

	the organ of state)	by the organ of state)		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

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

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

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:

$$LC = [1 - \frac{x}{y}] * 100$$

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 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

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

Currency	Rates of exchange
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. 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 (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

MBD 7.1

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.	.....
---	---

MBD 7.1

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 numberdated.....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.

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

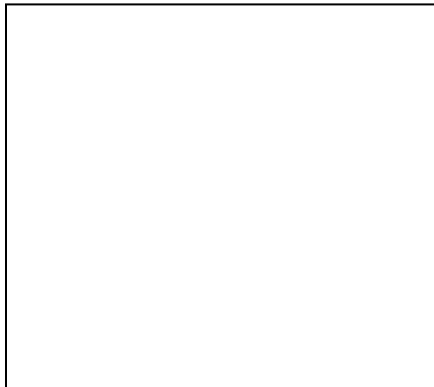
4. I confirm that I am duly authorized to sign this contract.

SIGNED ATON.....

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)	WITNESSES 1 2
CAPACITY	.....
SIGNATURE	.....
NAME OF FIRM	.....
DATE	.....

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 numberdated.....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.

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

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

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	.....
.....	

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 ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

3.

4.

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? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>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?</p>	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

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

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

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

MBD 9

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 10.

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

MBD 9

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

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights

25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

1 DEFINITIONS

The following terms shall be interpreted as indicated:

- 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4 “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 mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 “Day” means calendar day.
- 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
- 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
- 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract

or order, the supplier bearing all risks and charges involved until the 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 b 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 non-refundable 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 form 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.

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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.