

**MOGALAKWENA LOCAL MUNICIPALITY**



**PROJECT NAME:**  
**APPOINTMENT OF A SERVICE PROVIDER FOR SHORT-TERM INSURANCE**  
**BROKERING SERVICES FOR A PERIOD OF 36 MONTHS**

**TENDER NO: 18-2023/2024**

**TENDER ADVERT DATE: 26 OCTOBER 2023**

**TENDER CLOSING DATE 29 NOVEMBER 2023**

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

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

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

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

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

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

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

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

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

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

**TENDER NOTICE AND INVITATION TO TENDER**

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

The details of the project are as follows:

ADVERTISEMENT				
PROJECT NAME	TENDER NUMBER	ADVERT DATE	COMPULSORY BRIEFING	CLOSING DATE
<b>APPOINTMENT OF A SERVICE PROVIDER FOR SHORT-TERM INSURANCE BROKERING SERVICES FOR A PERIOD OF 36 MONTHS</b>	<b>18 -2023/2024</b>	<b>26-October-2023</b>	<b>None</b>	<b>29- November-2023</b>

Mogalakwena Municipality will evaluate, adjudicate and award the bids in accordance with the PPPFA of 2022

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

The respective project name with the project number must be clearly marked on the envelope before submission. Complete tender documents, fully priced, signed and sealed in an envelope must be deposited in the Tender Box at Mogalakwena Municipality, 54 Retief Street, Mokopane, by no later than **12H00p.m on the 29 November 2023.** 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).

Technical Enquiries must be addressed to Finance department (Assets) @ 015 491 9702/9363

For administrative enquires should be directed to Supply Chain Management at 015 491 9649/9662

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.

**M.M MALULEKA**  
**MUNICIPAL MANAGER**  
**54 RETIEF STREET**  
**MOKOPANE**  
**0601**

**NOTICE NO: 188/2023**

## **1. BACKGROUND**

Mogalakwena Local Municipality invites tenders with experience for the provision of short-term insurance brokering services for a period of 36 months.

## **2. BID SPECIFICATION**

Bid Description: Professional Service Provider for provision of short-term insurance brokering services for a period of 36 months.

## **3. APPLICABLE STANDARDS, SPECIFICATIONS AND REGULATIONS**

The successful bidder must adhere to the following legislation, but this does not exclude any other legislation that may be relevant to this bid.

- a) Supply Chain Management (SCM) Regulations
- b) Mogalakwena SCM Policy
- c) Preferential Procurement Regulations, 2022

## **4. GENERAL SPECIFICATIONS**

1. Bidders may approach all service providers who comply with the relevant statutory solvency and related requirements.
2. Bidders' proposals should be accompanied by a detailed summary of the salient features of their recommended insurance and risk mitigation structures.
3. Support for the bidders' proposals should be evidenced by confirmation of agency agreements with insurers.
4. This tender is on a broker fee basis and all underwriting information will be given to the appointed broker to approach the insurance market for terms.
5. All fees are to be rounded off to the two decimals, the successful bidder will be given all required underwriting information once service level agreement has been signed with the Municipality.
6. Bidders' proposals should be accompanied by a detailed broker fees to be charged in Year 1 and proposed escalation cost in subsequence two years.
7. The bidder must provide proof of placing assets above R5 billion Rands.

8. The bidder must have Professional Liability and Fidelity Guarantee cover of R200 Million.
9. The bidder must have experience in placing insurance cover for Municipal and Public sector clients.
10. Deductibles are to be shown clearly per item; otherwise, the Council will assume that no deductible will apply and this may not be rectified.
11. The premium stated must be inclusive of VAT premium for a period of thirty-six (36) months from the date of appointment.
12. The broker should be able to advise Council on matters involving insurance and risk.
13. The broker should be able to provide annual and pro-rata cover for Public Liability and any new assets being accumulated by Council.
14. The broker should be registered with the professional bodies not limited to FSB (Financial Services Board), FIA (Financial Intermediaries Association), and any other recognised body.
15. The broker should have a Professional Indemnity cover and an Intermediary Guarantee Fund cover.
16. The broker should have covered / insured organisations similar to Mogalakwena Municipality.
17. Key personnel should have Regulatory Exam certificate, experience within the municipal insurance field and knowledge of insurance regulations.
18. During accidents to Council vehicles allocated to the mayor and speaker, the successful bidder should be able to replace it with the same category vehicle and the replacement car (Courtesy) should be provided within 24 hours of the accident.

## **5. SCOPE OF WORK**

The municipality must minimize its risks by ensuring the allocation of risk to the party best suited to manage risk, and all its assets that are insured.

1. The detailed scope of cover will relate to the following categories.
  - Buildings combined
  - Office contents
  - Business all risks

- Theft
- Money
- Commercial Crime
- Stated Benefits
- Electronic equipment
- Motor Fleet
- Public liability
- Business Interruption
- Glass
- Accidental Damage
- Goods in Transit Commercial
- Group Personal Accident (Directors and officers)
- Group Personal Accident (Councillors)
- Machinery Breakdown
- SASRIA for Councillors
- SASRIA (Non-Motor)
- SASRIA (Motor Fleet)
- Account Receivable
- Fidelity Guarantee

2. The successful bidder will be required to conduct a Risk Assessment.
3. The successful bidder must provide training for Municipal Officials dealing with insurance on Risk.
4. Compilation of claims procedural manual in accordance with manual and electronic version.
5. Day –to-day correspondence and queries.
6. Ad hoc training where required in terms of policy and procedural manual.

## **6. TERMS OF REFERENCE**

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

## SUMMARISED ASSETS AND INSURANCE SCHEDULE

### SUMMARISED ASSETS AND INSURANCE SCHEDULE

<b>Broker</b>	
<b>Municipality</b>	<b>MOGALAKWENA MUNICIPALITY</b>
<b>Period of Insurance</b>	<b>36 months</b>

<b>POLICY SECTIONS INSURED</b>	<b>PRICING SCHEDULE</b>	<b>DEDUCTIBLES/EXCESS</b>
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<b>SECTION</b>						
<b>Building Combined</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- Infrastructure Assets		R276 782 990.00				
- Standard Constructed Buildings (Contents)		R334 858 348.00				
- Sub-stations, mini sub-stations, transformers of different sizes,etc included in infrastructure						
- Standard Buildings Contents (Store items)		R15 000 000.00				
- Property in the open (Store items)		R2 000 000.00				
- Excluded Property to be Included						
- Plant & machinery						

- All water purification works and pump stations		R362 991 475.00				
- All sewerage works, pump stations		R111 823 717.00				
- Non Standard - Thatch						
- Non Standard - Thatch (Contents)		R686 175.00				
- Recreational Facilities		R224 876 967.00				
- Recreational Facilities Contents						
- Private dwellings, residential units hostels, Flats		R19 612 336.00				
- Private dwellings, residential units & etc - (Contents)						
- Private dwellings, residential units & etc - (Thatch)						
- Capital Additions						
<b>Extensions</b>						
- <i>Subsidence and Landslip</i>		No				
- <i>Sum insured</i>						
- <i>Motor Vehicles whilst parked at Insured</i>		Yes				
- <i>Sum insured</i>						
- <i>Riot and Strike (other than RSA and Namibia)</i>		No				
- <i>Leakage of oils, chemicals or other fluids</i>		Yes				
- <i>Wash basins and Sanitary Ware</i>		Yes				
- <i>Thatch structures unless specifically insured</i>		R100000 Max Annual Limit				



- Reasonable Precautions		R10 000.00				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL BUILDING COMBINED</b>		<b>R1 348 632 008.00</b>				

<b>Business Interruption</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
<b>Indemnity period : 12 months</b>						
- Income		R339 444 536.00				
- Gross rentals		R15 000.00				
- Increase in Cost of Working		R8 900 000.00				
- Additional Increase in Cost of Working						
<b>Extensions</b>						
- Specified suppliers / sub-contractors		No				
- Sum insured						
- Unspecified suppliers / sub-contractors		No				
- Sum insured						
- Specified Customers		No				
- Sum insured						
- Public Utilities		No				
- Sum insured						

- Fines and Penalties		R10 000.00				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL BUSINESS INTERRUPTION</b>		<b>R348 359 536.00</b>				

Office Contents	NUMBER	SUM INSURED	RATE(%)	GROSS PREMIUM	RATE(%)	MINIMUM
- Contents insured property		R5 000 000.00				
- Theft ( forcible & violent entry or exit)	Included					
- Loss of Rent ( up to 25% of sum insured)		R280 000.00				
- Loss of Documents		R680 000.00				
- Legal Liability (Documents)		R680 000.00				
- Increase in Cost of Working						
- Capital Additions (20%)		R353 325.00				
<b>Extensions</b>						
- Subsidence and Landslip		No				
- Sum insured						
- Riot and Strike (other than RSA and Namibia)		No				
- Leakage of Oils, Chemicals or other fluids		No				
- Locks and Keys		R5 000.00				
- Claims Preparation Costs		R10 000.00				

<b>TOTAL OFFICE CONTENTS</b>		<b>R6 993 325.00</b>				
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<b>Accounts Receivable</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- Outstanding Debit Balances		R1 329 756 272.00				
<b>Extensions</b>						
- Duplicate Records		No				
- Protections		No				
- Riot and Strike (other than RSA and Namibia)		No				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<b>R1 329 756 272.00</b>				

<b>Business All Risks</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- All other specified items (excluding Cellphones & Laptops)		R1 672 466.32				
- Laptops	407	R8 757 044.13				
- Firearms	17	R110 967.70				
<b>Extensions</b>						
- Increase in Cost of Working		Yes				
- Sum insured		R500 000.00				
- Riot and Strike (other than RSA and Namibia)		No				

- Locks and Keys		R5 000.00				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL BUSINESS ALL RISKS</b>		<b>R10 540 478.15</b>				

<b>Theft</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- First Loss Limit		R540 000.00				
<b>Extensions</b>						
- Property in the open (within securely fenced off area and subject to forcible and violent entry or exit from such area)	Included					
- Theft of employee property						
- Malicious Damage		R500 000.00				
- Reasonable Precautions		R10 000.00				
- Locks and Keys		R5 000.00				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL THEFT</b>		<b>R540 000.00</b>				

<b>Glass</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- All fixed internal & external glass at the premises		R200 000.00				
<b>Extensions</b>						

- Riot and Strike (other than RSA and Namibia)		No				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL GLASS</b>		<b>R200 000.00</b>				

Money	NUMBER	SUM INSURED	RATE(%)	GROSS PREMIUM	RATE(%)	MINIMUM
- Possession of Councillors/Employees away from insured premises on a business trip						
- On the premises outside business hours in locked Safe		R500 000.00				
- Loss of or damage to crossed cheques, money or postal						
- Major limit		R500 000.00				
- 4 days every month (salaries/wages payday and cut off date for Municipal Accounts)		R700 000.00				
- Receptacles as a result of theft of money or attempt		R100 000.00				
<b>Extensions</b>						
- Locks and keys						
- Credit cards						
- Personal Accident ( Assault)		Number of Persons 20				
Capital Sum		R30 000.00				
Weekly Amount		R500.00				

<i>Medical Expenses</i>		<i>R20 000.00</i>				
<i>Funeral Costs</i>						
<i>- Riot and Strike (other than RSA and Namibia)</i>		<i>No</i>				
<i>- Electronic Vending machines</i>		<i>No</i>				
<i>- Reasonable Precautions</i>		<i>R10 000.00</i>				
<i>- Claims Preparation Costs</i>		<i>R10 000.00</i>				
<b>TOTAL MONEY</b>		<b>R1 800 000.00</b>				

<b>Fidelity Guarantee</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
<i>- Limit any one period</i>		<i>R700 000.00</i>				
<b><i>Extensions</i></b>						
<i>- Retroactive Cover</i>		<i>No</i>				
<i>- Superseded Policy</i>		<i>No</i>				
<i>- Reinstatement Amount</i>		<i>No</i>				
<i>- Computer Losses</i>						
<i>- Cost of Recovery</i>						
<i>- Claims Preparation Costs</i>		<i>R10 000.00</i>				
<b>TOTAL FIDELITY GUARANTEE</b>		<b>R700 000.00</b>				

Accidental Damage	NUMBER	SUM INSURED	RATE(%)	GROSS PREMIUM	RATE(%)	MINIMUM
- Total value of property		R500 000 000.00				
- Limit of indemnity		R5 000 000.00				
<b>Extensions</b>						
- First Loss Average		No				
- Excluded property ( in addition to property excluded in policy)		No				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL ACCIDENTAL DAMAGE</b>		<b>R505 000 000.00</b>				

Goods in Transit	NUMBER	SUM INSURED	RATE(%)	GROSS PREMIUM	RATE(%)	MINIMUM
- Load Limit						
<b>Extensions</b>						
- Removal of Debris						
- Fire, Explosion, Collision and overturning						
- Fire Extinguishing Expense						
- Claims Preparation Costs						
<b>TOTAL GOODS IN TRANSIT</b>						

Group Personal Accident	NUMBER	SUM INSURED	RATE(%)	GROSS PREMIUM	RATE(%)	MINIMUM
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- Councillors (Council activities including commuting to and from)	64	R1 000 000.00				
- Officials	944					
- Temporary staff						
<b>Benefits</b>						
- Death		R1 000 000.00				
- Permanent Disability		% of Death Benefit as specified for particular disability				
- Temporary Total Disablement		Rperweekmax104weeks				
- Medical expenses		R100 000.00				
- Additional death benefit		R50 000.00				
- Relocation		R50 000.00				
- Repatriation		R50 000.00				
- Mobility		R50 000.00				
<b>Extensions</b>						
- War Risks		Yes				
- Claims Preparation Costs		R10 000.00				
- Maximum Limit Any One Life		R1 000 000.00				
- Maximum Limit Any One event ( Accumulation Limit)		R10 000 000.00				
<b>TOTAL GROUP PERSONAL ACCIDENT</b>		<b>R1 000 000.00</b>				



<b>Stated Benefits</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- 24 hours All employees	1008	R200 000 000.00				
- Business Hours Limitation						
- Business Hours Limitation plus Commuting Limitation						
<b>Benefits</b>						
- Death		3x Annual earnings				
- Permanent Disability		% of Death Benefit as specified for particular disability				
- Temporary Total Disablement		100% weekly earnings max 104 weeks				
- Medical Expenses		R25 000.00				
- Additional death benefits		R20 000.00				
- Relocation		R35 500.00				
- Repatriation		R35 500.00				
- Mobility		R35 500.00				
<b>Extensions</b>						
- War Risks		No				
- Claims Preparation Costs		R10 000.00				
- Maximum Limit Any One Life		R2 000 000.00				

- Maximum Limit Any One event ( Accumulation Limit)		R10 000 000.00				
<b>TOTAL STATED BENEFITS</b>		<b>R200 000 000.00</b>				

<b>Electronic Equipment</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- Specified Equipment		R10 820 135.76				
- Laptops	407	R8 757 044.13				
- Software / Licences		R5 391 982.67				
<b>Extensions</b>						
- Prevention of Access		No				
- Increase in Cost of Working		R150 000.00				
- Reconstruction of Data		R100 000.00				
- Incompatibility		No				
- Telkom access line		No				
- Utilities ( Failure of supply)		No				
- Riot and Strike (other than RSA and Namibia)		No				
- Claims Preparation Costs		R10 000.00				
<b>TOTAL ELECTRONIC EQUIPMENT</b>		<b>R24 969 162.56</b>				
<b>Machinery Breakdown</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>

- Specified Equipment – Limit		R2 000 000.00				
- Expediting Costs		R10 000.00				
<b>Extensions</b>						
- Stock Spoilage						
- Damage to Surrounding Property		R1 000 000.00				
- Automatic Additions						
- Claims Preparation Costs		R10 000.00				
<b>TOTAL MACHINERY BREAKDOWN</b>		<b>R2 010 000.00</b>				

<b>Machinery Breakdown Interruption</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- Gross revenue						
- (a) Rent Receivable		R1 300 000.00				
- (b)						
- Increase in Cost of Working		R1 000 000.00				
- Additiona Increase in Cost of Working						
<b>Extensions</b>						
- Claims Preparation Costs		R10 000.00				
<b>TOTAL MACHINERY BREAKDOWN INTER.</b>		<b>R2 300 000.00</b>				

<b>Motorfleet Own Damage - value up to R500 000 – Comprehensive</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- Private type motor cars and Minibuses seating up to 16 persons	3	R845 351.94				
- Commercial vehicles						
LDVS	37	R8 198 240.44				
Trucks	15	R1 551 286.41				
Fire Engines						
Ambulances						
Tractors	6	R910 768.47				
Emergency Vehicles/Buses						
Motor Cycles	3	R14 448.08				
Trailers	38	R5 468 093.20				
Special type vehicles (roadmarking & construction vehicles, machinery, refuse removal, waste compactors etc)	14	R38 469 245.67				
- Motor accessories – canopies						
<b>Extensions</b>						
- Wreckage removal		R10 000.00				
- Fire extinguishing expenses		R10 000.00				
- Medical expenses (per occupant)		R1 000.00				
- Loss of keys		R5 000.00				

- Conveyance of explosives		No				
- Theft or attempted theft of radios/sound equipment		R5 000.00				
- Theft or attempted theft of telephones (excluding cellphones)		R15 000.00				
- Claims preparation costs		R10 000.00				
<b>TOTAL MOTOR OWN DAMAGE</b>	<b>116</b>	<b>R55 457 434.21</b>				

MOTOR OWN DAMAGE OVER R 500 000.00 HVV	NUMBER	SUM INSURED	RATE(%)	GROSS PREMIUM	RATE(%)	MINIMUM
Number of vehicle in excess of R500000.00	34	R47 706 260.89				
<b>TOTAL SUM INSURED IN EXCESS OF R 500 000.00</b>		<b>R47 706 260.89</b>				

<b>TOTAL ASSETS PREMIUM</b>	<b>R3 885 964 476.81</b>		
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<b>LIABILITIES</b>
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Public Liability	NUMBER	SUM INSURED	RATE(%)	GROSS PREMIUM	RATE(%)	MINIMUM
- Primary Policy Limit		R2 000 000.00				
- Umbrella Policy Limit		R23 000 000.00				
<b>Sub-limits</b>						

- Wrongful Arrest and defamation		R2 250.00				
- Errors & omissions		R2 250.00				
- Products liability and defective workmanship		R2 250.00				
- Pedal Cycles		Marketvalue				
- Legal Defense costs		R2 250.00				
- Professional Liability in respect of Medical Practitioners or other Medical officials		R2 250.00				
- Spread of fire		R25 000.00				
- Municipal Police liability		R2 000.00				
- Sub-limit use of firearms		R250 000.00				
- Sub-limit wrongful arrest & defamation		R250 000.00				
<b>TOTAL Public Liability</b>		<b>R25 000 000.00</b>				

<b>Employers Liability</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- Limit		R10 000 000.00				
<b>TOTAL Employers Liability</b>		<b>R10 000 000.00</b>				

<b>Motor Third party Liability</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
- Limit		R5 000 000.00				
- Number of vehicles	116					

<b>TOTAL Motor Third Party Liability</b>		<b>R5 000 000.00</b>				
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<b>TOTAL LIABILITY PREMIUM</b>				
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<b>TOTAL ASSETS AND LIABILITY PREMIUM</b>	<b>R3 925 964 476.81</b>		
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<b>SASRIA</b>	<b>NUMBER</b>	<b>SUM INSURED</b>	<b>RATE(%)</b>	<b>GROSS PREMIUM</b>	<b>RATE(%)</b>	<b>MINIMUM</b>
SASRIA (COUNCILLORS)	64	R10 000 000.00				
SASRIA (NON MOTOR)		R10 000 000.00				
SASRIA (MOTOR FLEET)	116	R10 000 000.00				
<b>TOTAL SASRIA</b>		<b>R30 000 000.00</b>				

<b>GRAND TOTAL PREMIUM INCLUSIVE OF ASSETS, LIABILITY AND SASRIA</b>		<b>R3 955 964 476.81</b>				
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HIGH VALUE MOTOR VEHICLE/ABOVE R500 000.00					
Vehicle	Reg No	Year	Total sum insured	500 000.00	Excesss above 500K
TLB BACKHOE LOADER CATERPILLAR 428F	DLZ701L	201606	883 859.65	500 000.00	383 859.65
TRUCK WATER TANKER ISUZU FVZ 1600 (16000 LITER)	CPZ025L	201211	953 427.50	500 000.00	453 427.50
TRUCK WATER TANKER HINO	DMP619L	201605	1 299 368.00	500 000.00	799 368.00
TRUCK WATER TANKER HINO	DMP624L	201605	1 299 368.00	500 000.00	799 368.00
GRADER CATERPILLAR 140K MOTOR	CTN386L	201307	2 408 400.00	500 000.00	1 908 400.00
TRUCK TIPPER TRUCK UD	CNW634L	201207	503 861.00	500 000.00	3 861.00
SUV TOYOTA FORTUNER 28. AUTO	FHS891L	202004	594 574.40	500 000.00	94 574.40
TRAILER SURGE GENERATOR WITH CABLE LOCATOR SG13003		202204	805 000.00	500 000.00	305 000.00
TRUCK WATER TANKER TRUCK	CFT693L	201102	874 155.00	500 000.00	374 155.00
TRUCK WATER TANKER TRUCK ISUZU	CFY080L	201102	874 155.00	500 000.00	374 155.00
TRUCK HONEY SUCKER 10000L ISUZU FVZ1400T S503472	BZN272L	200912	904 153.00	500 000.00	404 153.00
TRUCK TIPPER TRUCK UD 370	CZB787L	201402	977 500.00	500 000.00	477 500.00
TRUCK TIPPER TRUCK UD 370	CZB784L	201402	977 500.00	500 000.00	477 500.00
TRUCK TRACTOR FAW CA16-240FT HOSE	FVK726L	202101	1 070 521.00	500 000.00	570 521.00
TRUCK TIPPER TRUCK UD QUESTER 370	DTD813L	201706	1 086 053.00	500 000.00	586 053.00
TRUCK TIPPER TRUCK UD QUESTER 370	DTD828L	201706	1 086 053.00	500 000.00	586 053.00
TRUCK WATER TANKER HINO	DMP612L	201605	1 299 368.00	500 000.00	799 368.00
TRUCK WATER TANKER HINO	DMP617L	201605	1 299 368.00	500 000.00	799 368.00



TLB TRACTOR LOADER 4X4		202304	1 380 670.57	500 000.00	880 670.57
TRUCK REFUSE COMPACTOR K6 REAR LOADING MAN	BVS894L	200907	1 535 700.00	500 000.00	1 035 700.00
REFUSE COMPACTOR TRUCK UD 330WF	CLL813L	201203	1 591 462.28	500 000.00	1 091 462.28
EXCAVATOR TRACKED BELL KOBELCO SK210LC		201706	1 633 420.00	500 000.00	1 133 420.00
TIPPER TRUCK UD TRUCK QUESTER CWE 10.M3		202304	1 782 179.24	500 000.00	1 282 179.24
TIPPER TRUCK UD TRUCK QUESTER CWE 10.M3		202304	1 865 508.17	500 000.00	1 365 508.17
EXCAVATOR HYDRAULIC		202304	1 873 081.02	500 000.00	1 373 081.02
REFUSE COMPACTOR TRUCK 10 TON		202304	2 406 889.01	500 000.00	1 906 889.01
REFUSE COMPACTOR TRUCK 10 TON		202304	2 406 889.01	500 000.00	1 906 889.01
REFUSE COMPACTOR TRUCK 10 TON		202304	2 406 889.01	500 000.00	1 906 889.01
GRADER MOTOR GRADER 140K CATERPILLAR	CYR774L	201402	2 580 749.00	500 000.00	2 080 749.00
GRADER MOTOR GRADER 140K CATERPILLAR	CYR780L	201402	2 580 749.00	500 000.00	2 080 749.00
GRADER CATERPILLAR 140K	DLZ717L	201606	2 905 877.19	500 000.00	2 405 877.19
TRAILER COBALT MOBILE TEST STATION	FVK744L	202101	3 782 643.26	500 000.00	3 282 643.26
COMPACTOR LANDFILL BOMAG 46.2 TON		202304	7 388 434.79	500 000.00	6 888 434.79
COMPACTOR LANDFILL BOMAG 46.2 TON		202304	7 388 434.79	500 000.00	6 888 434.79
					<b>47 706 260.89</b>

## **BID EVALUATION CRITERIA**

All bids received shall be evaluated in three stages in terms of the Supply Chain Management Regulations, Mogalakwena Municipality Supply Chain Management Policy, the Preferential Procurement Policy Framework Act, amended PPR 2022 and other applicable legislations.

### **STAGES OF EVALUATION**

The evaluation process consists of the following 3 independent stages –

1. Pre-qualification (Administrative/responsive)
2. Quality/ functionality
3. Price and preference

Bids must meet the requirements of each stage in order to proceed to the next. Only bids that meet the eligibility criteria will be evaluated, and only bids that meet the functionality criteria will be considered for price and preference.

Bids that do not meet the requirements of a particular phase will be disqualified.

#### **1. STAGE 1**

##### **PRE - QUALIFICATION CONDITIONS (ADMINISTRATIVE COMPLIANCE)**

All bids duly lodged will be examined to determine compliance with bidding requirements and conditions. Bids with obvious deviations from the requirement/conditions will be eliminated from further evaluation.

##### **Critical Criteria**

The following criteria have been identified as minimum requirements for this bid and any non-compliance thereto will lead to the bid being regarded as non-responsive and disqualified from further evaluation.

- Tax Clearance certificate /Tax pin
- Provide Central supplier Database (CSD)
- Copy of municipal rates and taxes statement of account which is not older than three (3) months or lease agreement together with the municipal rate for the owner or letter from local authority.
- Submission of a Joint Venture Agreement, where applicable, which has been properly signed by all parties.
- Certified Copy of ID's for the Director/s
- South African based Insurer agency contract (Attach Proof)
- Company registration with the FSCA/Financial Service Board (Attach Proof)

- Registration of Financial Intermediaries Association (FIA) (Attach Proof) or Registration with The Institute of Risk Management - South Africa (IRMSA) (Attach Proof) or Insurance Institute of South Africa- IISA (Attach proof) (for Director or the company)
- Proof of Professional Indemnity cover.

**PLEASE NOTE FAILURE TO COMPLY WITH THE ABOVE WILL MAKE YOUR BID NON-RESPONSIVE.**

**PLEASE NOTE: The Municipal Manager may cancel a contract awarded to a person if:**

- a) The person committed a corrupt or fraudulent act during the procurement process or in the execution of the contract, or
- b) An official or other role player committed any corrupt or fraudulent act during the procurement process or in the execution of the contract that benefited that person.

## **2. STAGE 2**

### **FUNCTIONALITY (TECHNICAL) REQUIREMENTS**

Technical / Functionality will be evaluated against the following detailed requirements:

<b>Functionality Scorecard</b>		
<b>Criteria</b>	<b>Scoring guide</b>	<b>Maximum Weights</b>
<b>Company Experience in Insurance Services Industry - Insurance Company must demonstrate experience in providing insurance services in the public service (Attach certified copies of letters of appointment accompanied by referral letters where insurance service has been rendered)</b>	1-3 Letters =20 4-5 Letters =30 6- above Letters=40	<b>40</b>

<b>Experience of Key Personnel in Insurance Services-</b> Company must demonstrate that key personnel have relevant qualifications and experience to execute the project. (Attach an organogram and concise CV of key personnel in providing short term insurance)	<ul style="list-style-type: none"> <li>➤ Account Executive (Relationship manager) – B degree or NQF L6 or higher and (6yrs –above experience =10)</li> <li>➤ Supervisor claim Administrator             <ul style="list-style-type: none"> <li>- Diploma or NQF L6 and (4yrs-above experience =7)</li> </ul> </li> <li>➤ Claim Administrators             <ul style="list-style-type: none"> <li>- National Certificate or higher with 1 yr and above=3)</li> </ul> </li> </ul>	<b>20</b>
<b>Proof of certified copy of Regulatory Exam Certificate –</b> (Attached Certified copy of Certificate of key personnel.	<ul style="list-style-type: none"> <li>➤ For Director or Account Executive (Relationship manager - (=10)</li> <li>➤ Supervisor claim Administrator - (=7)</li> <li>➤ Claim Administrators - (=3)</li> </ul>	<b>20</b>
<b>Insurance –</b> (Company must demonstrate that they are covered for insurance for not less than <b>R200Million</b> from any institution accredited by FSB or reserve bank: Attach a certified copy of Confirmation)	Fidelity Guarantee Cover R600 million and above =20 R200 million – R600 million = 15 R0-R199 million =0	<b>20</b>
<b>HIGHEST POSSIBLE SCORE FOR FUNCTIONALITY</b>		<b>100</b>

**The bidder must obtain a minimum score of 70% of points allocated for quality (functionality) to qualify for further evaluation.**

### **3. STAGE 3**

#### **PRICE AND PREFERENCE**

- a) The project is below 50 million and the preferential points of 80/20 will be applicable as per PPPFA OF 2000, PPR, 2022
- b) 80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million.

The 80/20 preference point system will be applicable with Price at 80 and Specific goals at 20. The points will be allocated as follows:

<b>Evaluation Criteria</b>		<b>Points</b>
1.	Price	80
2.	Specific goals	20
3.	Total	100

## **SPECIFIC GOALS**

This is a criteria to advance certain designated groups in terms of National Treasury's Preferential Procurement Regulation 2022

Historically Disadvantaged Individuals - HDI	80/20 Preferential Point System	90/10 Preferential Point System	Means of Verification
	20	10	
Race – people who are Black, Colored or Indian	6	3	CSD report and Certified Copy of Identification Documentation
Local Economic Development	4	2	Company head office residence within the 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

**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 3.1

### 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 IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of bidder.....

OFFER TO BE VALID FOR **60 DAYS** FROM THE CLOSING DATE OF BID.

#### SCHEDULE OF PRICES/ RATES:

Item	Description	Unit Price (P) in Rands	Quantity	Amount
1.				
Sub Total Excluding Vat				R
Vat 15%				R
Total Including Vat				R

#### Note:

- 1. Pricing schedule on the advert must be completed even if you submit/attach a separate quotation to the document.**
- 2. In a case of miscalculations or incorrect figures, the unit price will be used to calculate the corrected comparative price.**

- Does the offer comply with the specification(s)? (Tick applicable box)

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

- If not to specification, indicate deviation(s) .....

- Period required for delivery .....

- Brand name of goods (not applicable to services) .....

- Name of Authorised Person: .....

-Signature: ..... Date.....

-Witness: .....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

\*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

## MBD 4

### DECLARATION OF INTEREST

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

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

3.1 Full Name of Owner of the Bidding Entity: .....

3.2 Identity Number if applicable: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number: .....

3.6 VAT Registration Number: .....

<sup>1</sup>MSCM Regulations: "in the service of the state" means to be –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

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

3.7 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?

(Tick applicable

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

box)

- 3.8.1 If yes, furnish particulars. ....
- 3.9 Have you been in the service of the state for the past twelve months?
- (Tick applicable box)
- | YES                      | NO                       |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
- 3.9.1 If yes, furnish particulars.....
- 3.10 Do you have any relationship (close family member, partner or associate) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?
- (Tick applicable box)
- | YES                      | NO                       |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
- 3.10.1 If yes, furnish particulars.  
.....
- 3.11 Are you aware of any relationship (close family member, partner or associate) 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?
- (Tick applicable box)
- | YES                      | NO                       |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
- 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?
- (Tick applicable box)
- | YES                      | NO                       |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
- 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?
- (Tick applicable box)
- | YES                      | NO                       |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |
- 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.
- (Tick applicable)
- | YES                      | NO                       |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |

box)

3.14.1 If yes, furnish particulars:

.....

4. Full details of directors / trustees / members / shareholders. (Attach for additional)

Full Name	Identity Number	State Employee Number

#### CERTIFICATION

I, THE UNDERSIGNED (NAME) .....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE AND/OR THE MOGALAKWENA LOCAL MUNICIPALITY MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Capacity

.....  
Name of Bidding Entity

## MBD 8

### **MOGALAKWENA LOCAL MUNICIPALITY**

#### **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.**

(tick applicable)

Item	Question	Yes	No
4.1	<b>Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?</b>  (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  (To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.2.1	If so, furnish particulars:		
4.3	<b>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?</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
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	<b>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?</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

### CERTIFICATION

I, THE UNDERSIGNED (NAME) .....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE AND/OR THE MOGALAKWENA LOCAL MUNICIPALITY MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidding Entity**

## 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**

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#### 1. GENERAL CONDITIONS

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

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

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

*(delete whichever is not applicable for this tender).*

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

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

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

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

The maximum points for this tender are allocated as follows:

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

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

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

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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



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

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

Where

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

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

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

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 the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)

#### 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.

<p>.....  <b>SIGNATURE(S) OF TENDERER(S)</b></p>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....
	.....

## **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, 2022 and 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, 2022 (Regulation 8) makes provision for the promotion of local production and content.
- 1.2. Regulation 8.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

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

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

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

## 2. Definitions

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

3. **The stipulated minimum threshold(s) for local production and content (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>
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content?

(Tick applicable box)

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

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date of advertisement of the bid.

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

Indicate the rate(s) of exchange against the appropriate currency in the table below (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.

5. 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 Accounting Officer / Accounting Authority 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 Municipality / Municipal Entity):

.....  
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/industrialdevelopment/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;
- (c) The local content percentages (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 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 4.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Municipality /Municipal Entity 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 / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

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

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

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

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

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

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



# **MOGALAKWENA LOCAL MUNICIPALITY**

## **CERTIFICATE OF INDEPENDENT BID DETERMINATION (MBD 9)**

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

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

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

## CERTIFICATE OF INDEPENDENT BID DETERMINATION (MBD 9)

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

### MOGALAKWENA LOCAL MUNICIPALITY

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

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.

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

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. 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

.....  
Full Names of Person Representing Company

.....  
Position in Company

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

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

#### **TABLE OF CLAUSES**

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#### **1 DEFINITIONS**

The following terms shall be interpreted as indicated:

- 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

- 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4 “Contract practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 “Countervailing duties” are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 “Country of origin” means the place where the goods were 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 markets its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 “Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 “GCC” mean the General Conditions of Contract.
- 1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs,

- dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.
- 1.17 “Local content” means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.18 “Manufacture” means the productions of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 “Project site”, where applicable, means the place indicated in bidding documents.
- 1.21 “Purchaser” means the organization purchasing the goods.
- 1.22 “Republic” means the Republic of South Africa.
- 1.23 “SCC” means the Special Conditions of Contract.
- 1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 “Tort” means in breach of contract.
- 1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.

## GOVERNMENT PROCUREMENT: General Conditions of Contract

### 2. Application

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

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

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

### 3. General

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

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

### 4. Standards

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

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

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

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

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

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

#### GOVERNMENT PROCUREMENT: General Conditions of Contract

#### 6. Patent Rights

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

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

#### 7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC. 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms: a) A bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form

b) A cashier's or certified cheque.

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

#### 8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract goods may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 and 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

## **9. Packing**

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

## **10. Delivery and documents**

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

## **11. Insurance**



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

12. **Transportation**

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

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

13. **Incidental Services**

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

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

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

14. **Spare parts**

14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- a) Such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and; b) In the event of termination of production of the spare parts:
  - i. Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and ii. Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. **Warranty**

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models and those they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal uses of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of

shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

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

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

**GOVERNMENT PROCUREMENT: General Conditions of Contract**

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

**16. Payment**

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

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

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

**17. Prices**

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

**18. Variation orders**

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

**19. Assignment**

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

**20. Subcontracts**

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

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

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

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser on writing of

the fact of the delay, its likely duration and its cause(s). as soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

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

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

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **22. Penalties**

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

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## **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;
- 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.

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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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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.

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- 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.

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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.

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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.

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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.