Musina Local
Municipality
Private Bag X611
0900 Musina

Tel: 015-534 6100
Fax: 015 – 534 2513

TENDER 01 - 2024/25

COLLECTION AND TRANSPORTATION OF CASH (CASH IN TRANSIT) SERVICE FOR A PERIOD OF THREE YEARS

CLOSING DATE: 9 OCTOBER 2024 @ 11:00

DETAILS OF TENDERER

Company name: _____

Address: _____

_____

Contact person: _____

Contact number: _____

Email address: _____

Bid amount (vat Inclusive) _____

CHECKLIST OF DOCUMENTATION TO BE ATTACHED

Tax Compliance Status Pin Issued	
Certified ID copies of all members / owners /directors / shareholders / Trustees	
Copy of municipal rates and taxes statement of account not older than three months for all directors and for the company	
Certified Copy of latest Annual Financial Statements of company	
Central supplier database registration report	
All other documents as indicated in the General Conditions Document	
NB: **INITIAL <u>EVERY PAGE</u> OF THE TENDER DOCUMENT AT THE BOTTOM**	

Attach the above documentation to the back of the Tender Document. Failure to submit the requested documentation will lead to disqualification. Should any of the above not be applicable, please indicate it in writing

INVITATION TO TENDER

YOU ARE HEREBY INVITED TO BID FOR THE FOLLOWING TENDER:
COLLECTION AND TRANSPORTATION OF CASH(CASH IN TRANSIT) SERVICE FOR A PERIOD OF THREE YEARS

TENDER NUMBER	**01-2024/25**	**CLOSING DATE**	**9 OCTOBER 2024**	**CLOSING TIME**	**11H00**

TENDER SPECIFICATION FOR SECURITY SERVICES FOR COLLECTION AND TRANSPORTATION OF CASH (CASH IN TRANSIT SERVICES) FOR A PERIOD OF THREE (03) YEARS

1. Prospective tenderers shall submit certified / and OR original copies of the following documents:

1.1. Tax Compliance Status Pin Issued
1.2. Proof of Grade “B” certificate for Directors, all members of Close Corporations, all partners if the applicant is a partnership, all trustees and administrators if the applicant is a Foundation, any person performing executive / management functions of the applicant if the applicant is a sole proprietor.
1.3. Proof of ownership PSIRA Certificate, (Private Security Industry Regulatory Authority)
1.4. Valid PSIRA Certificate for business
1.5. Proof of Public Liability Insurance after acquiring the Tender
1.6. Proof of registration with the Workman’s Compensation Commissioner
1.7. Letter from PSIRA confirming the ability of the business to render security services
1.8. Proof of company’s firearms licenses in terms of the Firearms Control Act 60 of 2000
1.9. Proof of having registered with the Unemployment Insurance Fund
1.10. The company shall have armoured vehicles registered in its name(attach proof)

2. Assessment of Bids

2.1. Bids shall be assessed under the provisions of the following Legislation and Scoring system:

2.1.1. Municipal Finance Management Act number 56 of 2003 and its Regulations
2.1.2. Preferential Procurement Policy Framework Act, Act number 5 of 2000 and its Regulations.
2.1.3. Preferential point system of 80/20 with 80 points for pricing, whilst the 20 points shall be specific goals.

The specific goals allocates points in terms of this tender. Number of points allocated to the 80/20 system.

Points for HDI status (at least 51% black owned	10
Points for 51% women equity	4
Points for black person with disability	3
Points for 51% owned youth firm	3
Forms not completed or submitted	0

3. Scope of Work

3.1 Service provider must take insurance for money in transit
3.2 Municipality has three points of collection which are:

- Nancefield Location Office
- Main office in Town
- Traffic Department

3.3 Maximum amount collected on busy days is R 300 000.00
3.4 Collection is done on a daily basis (week days)
3.5 Collection is done twice a day on month end only

4. Evaluation criteria

4.1. All proposals submitted shall be subject to an evaluation by an appointed panel and the evaluation shall be based on the following phases- administrative compliance, Pricing and Specific goals (80/20).

4.1.1. Phase 1 (Administrative compliance)

4.1.1.1 Prospective tenderers shall submit certified / and OR original copies of the following documents and failure to submit will lead to disqualification.

- Tax Compliance Status Pin Issued by SARS
- Proof of Grade “B” certificate for Directors, all members of Close Corporations, all partners if the applicant is a partnership, all trustees and administrators if the applicant is a Foundation, any person performing executive / management functions of the applicant if the applicant is a sole proprietor.
- Proof of ownership /s PSIRA Certificate, (Private Security Industry Regulatory Authority)
- Valid PSIRA Certificate for business
- Proof of Public Liability Insurance after acquiring the Tender
- Proof of registration with the Workman’s Compensation Commissioner
- Certified copy of newest annual Financial Statements of company
- Copy of municipal rates and taxes statement of account not older than three months for all directors and for company
- Letter from PSIRA confirming the ability of the business to render security services

- Proof of company's firearms licenses in terms of the Firearms Control Act 60 of 2000
- Proof of having registered with the Unemployment Insurance Fund
- The company shall have armoured vehicles registered in its name(attach proof)
- Availability of resources such as Buildings; Personnel; Vehicles and other equipments etc. (Attach proof)
- Methodology as to how cash is to be collected and transported and handled to and from the municipal collection points listed.

- Relevant experience with contactable referees of not less than five institutions served for:

  - Guard, collection, and transportation of cash

TAKE NOTE:

Proof of availability of vehicles designed especially for the provision of rendering of this service (cash-in-transit service) must be readily available for inspection as and when the municipality desires to do so before a tender can be awarded to the preferred bidder and copies of registration documents for the said vehicles must also be readily available for inspection together with the relevant vehicles. Tenderers failing to abide to this requirement shall be disqualified.

2.1.4. Phase 2 (Pricing and specific goals)

The principle of 80/20 shall apply in terms of the Preferential Procurement Policy Framework.

NB: CRITICAL CRITERIA

1. **ONLY BIDDERS WHO ARE REGISTERED ON THE CENTRAL SUPPLIER DATABASE WILL BE CONSIDERED FOR APPOINTMENT**
2. **ALL PAGES OF THE BID DOCUMENT MUST BE INITIALED AND SIGNED WHERE REQUIRED**
3. **BID DOCUMENT MUST BE COMPLETED IN INK**
4. **BID DOCUMENT MUST BE PROPERLY RECEIVED IN A SEALED ENVELOPE CLEARLY INDICATING THE DESCRIPTION OF THE SERVICE AND THE BID NUMBER FOR WHICH THE BID IS SUBMITTED**
5. **THE BID MUST BE DEPOSITED IN THE RELEVENT TENDER BOX AS INDICATED ON THE NOTICE OF THE BID ON OR BEFORE THE CLOSING DATE AND TIME OF THE BID**
6. **BIDS MUST COMPLY WITH THE REQUIREMENTS AND SPECIFICATIONS OF THE BID**
7. **ALL PRESCRIBED SUPPORTING DOCUMENTS AS SPECIFIED IN THE BID DOCUMENT MUST BE ATTACHED**
8. **NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE**

MUSINA LOCAL MUNICIPALITY

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INFORMATION BROCHURE

FOR THE USE BY

PROSPECTIVE BIDDERS

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Completion of Bid Documents

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MUSINA LOCAL MUNICIPALITY

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PLEASE NOTE:

THIS BID DOCUMENT MUST BE SUBMITTED AS A WHOLE AND ALL FORMS THOROUGHLY COMPLETED, DO NOT REMOVE ANY PAGES.

ALL DOCUMENTATION AS ON THE CHECKLIST MUST BE ATTACHED TO THE BACK OF THE DOCUMENT

1, GENERAL

Bids/proposals invited by the Musina Local Municipality are subjected to the Councils **"General Conditions of Contract with Regards to Tenders Procurement Policy of Council** and any other document supplied with the Bid Document. It is of vital importance that bidders study this information document thoroughly in order to be fully acquainted with the terms and conditions contained therein.

This information document will be supplied with every bid/proposal document issued by the Council.

The advertisement in the newspapers will contain information regarding the Bid Number, Closing Date and Time, short Description of requirements, from where bid documents can be obtained and the address to which the bid documents must be submitted. It is the responsibility of a bidder to ensure that a bid is submitted on time at the correct address.

BIDS/PROPOSALS RECEIVED AFTER THE CLOSING DATE AND TIME BE LATE AND CANNOT BE ADMITTED FOR CONSIDERATION.

The purpose of the advertising of a bid firstly to expose the requirement as widely as possible and secondly to offer an equal opportunity to as many firms as possible to submit bids/proposal, thereby promoting fair competition.

A bid is a **written offer** on the official bid documents from the bidder to the Council and if accepted by the Council, a letter of acceptance is issued and a **binding contract** comes into effect.

2. BID DOCUMENTS

2.1 Specific standard forms are used to compile a bid document. These forms vary depending on the requirements.

A bid document will consist of all or any of the following;

1 Invitation to bid.
2 Information Brochure.
3 General Conditions of Contract.
4 Preference Point Explanation.
5 Forms to be **completed** by Bidder.

A Form of Bid.
B Signatory Authorisation.
C Declaration of Interest.

D Certificate of Preference Claimed by Bidder for Local content and SABS mark.

E Contract between Council and Bidder in terms of the Occupational Health and Safety Act (Act 85 of 1993)

Each of the above documents will be discussed separately.

2.1.1 **The Form of Bid** must be completed by the Bidder in black ink and must be duly signed by him as well as two witnesses. Failure to complete this document will result in the whole bid document being rejected.

2.1.2 **The Signatory Authorisation** must be completed by the Bidder. Failure to do so will render the bid document void.

2.1.3 **General Conditions of Contract in Regard to Bids.** The Bidder must take note of this document and must adhere to the conditions stipulated therein. This document forms part of the bid document and the specifications.

2.1.4 **Certificate of Preference. (Local content and SABS marking).** If this document is not completed, no preference will be considered on any local contents or SABS marking. It is in the best interest of the Bidder to complete this document. Care should be taken as to the percentages claimed as Council reserves the right to demand proof thereof.

2.1.5 **Preference Point Certificate.** In order to create an enabling environment for historically disadvantaged individuals (HDI's) to participate in public sector procurement activities, a preference mechanism had been introduced. The aim is to provide for a preference points system based on equity ownership by historically disadvantaged persons in an enterprise and will be applicable on all requirements.

Points will be adjudicated on the following basis:

	Value <R50 000 000	Value >R50 000 000
Price	80	90
Equity ownership by HDI's	20	10
TOTAL	**100**	**100**

On this form the Bidder must indicate the names and percentage equity ownership of historically disadvantaged persons within the enterprise. The preference points system will be applied only after all those bids which comply with the specified requirements were brought to a comparative level and the bid may then be awarded to the Bidder that scores the highest points provided that the bid adhere to all the specifications.

The definitions contained in this form must be studied carefully. It should also be noted that the form contains a declaration and incorrect or misleading information could have serious consequences for the Bidder.

2.1.6 **Declaration of Interest.** In order to ensure that all Bidders receive fair and equal treatment, it is necessary to complete this form. All bids received must be evaluated and adjudicated objectively without favoritism and without acting to the detriment of any person.

2.1.7 **Specification.** All offers made are evaluated for compliance against the information furnished on the specification. Should a bid document make reference to a National or International specification listed hereunder, then bidders must ensure that the relevant specification is adhered to and that they comply with the specific specification. If the requirement is subject to a certain specification, such specification must be obtained directly from:

SABS
Private Bag X 191
PRETORIA
0001

List of Specifications:

ARP	Recommended Practice
BS	British Standard
CISPR	International Special Committee on Radio Interference
CKS	Coordination Specification
DIN	Deutsche International Norm
ECE	Economic Commission for Europe
EEC	European Economic Community
EN	European Standard
ENV	European Pre-Standard
IEC	International Electro-technical Commission
ISO	International Organisation for Standardisation
MPT	Mobile Service of the Radio Communications in Britain
NRS	Rationalised User Specification
SABS	South African Bureau of Standards
SABS SM	SABS Standard Method
VC	Compulsory Specification (technical regulation)

The specification will contain all the information and requirements to which the product must comply. The specification must be studied carefully and against each requirement it must be indicated whether it complies with the specified requirements, by inserting **Yes** or **Comply** where applicable. Any

deviation from the specification must be clearly indicated. **Incorrect and misleading information furnished by a Bidder will invalidate the tender.**

In the event a Bidder wrongly indicated that the product/service is to specification, it will be expected of that tenderer/contractor to, in terms of the contract, supply a product that does conform to the specification at his bidding price.

2.1.8 **Special conditions.** Special conditions will inter alia be applicable on requirements other than normal requirements. Special conditions provided for in the bid document must be studied with care as any deviation there from may result in the disqualification of a bid. Should any of the special conditions be in conflict with the conditions contained in the rest of the document, the special conditions will take precedence.

3. IMPORTANT NOTES

3.1 It is the responsibility of the bidders to ensure that their bids are submitted before the closing time to the correct address. Tenders received after the closing date and time are late and will **NOT** be considered.

Please note that the **Tender Box** of the Council is open from 07:30 to 16:00, Mondays to Fridays, excluding public holidays.

The **Tender Box** is situated at the Reception Office - Room 53 (cnr of Irwin and Scholtz)

3.2 The bid document as well as the relevant forms must be signed in black ink. **Failure to sign ALL relevant documents will invalidate the bid. All pages of the bid document must also be initialled.**

3.3 A definite price must be indicated in the bid document and statements such as "price to be negotiated" or "to be advised" are not acceptable and will be disregarded.

3.4 Tenders submitted by facsimile, telex, telegram or e-mail **WILL NOT BE CONSIDERED.**

3.5 It should be noted that bids are valid for a certain period (normally 90 days), during which period the Municipality will evaluate and consider the bids received. During this period bidders should not make enquiries with regard to the adjudication of a bid as such enquiries are time consuming and information cannot and will not be given.

3.6 The complete Bid Documents obtained must be submitted in the same order and no part thereof must be removed or omitted.

3.7 Conditional discounts will not be taken into consideration in the calculation of comparative prices.

3.8 All bid documents must include the following documents:

Tax Compliance Status Pin Issued
Certified ID copies of all members / owners / shareholders / Trustees
Copy of municipal rates and taxes statement of account not older than three months for all directors and for company
Certified copy of newest annual Financial Statements of company
Central supplier database registration report
All other documents as indicated in the General Conditions Document

3.9 The Bidder's documentation (covering letters, certificates etc.) must be attached at the back of the official bid document.

This document is compiled to the specifications of the PREFERENTAIL PROCUREMENT POLICY FRAMEWORK ACT, Act 5 of 2000

MUSINAL LOCAL MUNICIPALITY

CONTRACT FOR THE SUPPLY AND DELIVERY OF GOODS AND/OR THE EXECUTION OF WORKS.

GENERAL CONDITIONS OF CONTRACT WITH REGARD TO BIDS

1. DEFINITIONS

Unless inconsistent with or expressly indicated otherwise by the context –

A **"Approved"** or **"Approval"** shall mean approved or approval by the Council or its representative defined in the specifications.

B **"Council's representative"** shall mean the head of a directorate or any other official of the Council mentioned in additional bid conditions or specifications as the case may be.

C **"Council"** shall mean the Musina Local Municipality

D i. **"Contractor"** shall mean the Bidder whose bid has been accepted by the Council and shall include the Bidder's legal personal representative, heirs, successors and assignees.

ii. **"Sub contractor"** shall mean the supplier who, on a regular basis supply the contractor with material and small parts in regard to his contract with the Council.

E **"Contract"** shall mean and include the Council's General Conditions of Contract in regard to Bids, form of bid, special conditions of the contract, the specifications including any schedules, drawings, patterns, samples approved by the Council's representative relative to the contract, and any agreement entered into in terms of the Council's General Conditions of Contract in regard to Bid's, herein-after referred to as "The General Conditions".

F **"Contract Price(s)"** shall mean the price(s), including Value-Added Tax. Bid by the contractor and accepted by the Council for the execution of the contract.

G **"Date of delivery"** shall mean the date stipulated in the contract for the delivery of the goods and the completion of the works.

H **"Date of bid"** shall mean the date and time on which bids are due to be deposited in terms of the advertisement calling for tenders.

I **"Delivery"** shall mean delivery in compliance with the terms and conditions of the contract at the point of delivery specified in the contract.

J **"Goods"** shall mean the machinery, plant, equipment, apparatus or materials to be supplied under the contract.

K **"Month"** shall mean the calendar month.

L **"Site"** shall mean the building or ground or any other place in which or on which or over which goods are to be stored, installed or used.

M **"Specification"** shall mean the specification annexed to these General Conditions.

N **"Writing"** shall mean and include any manuscript, typewritten or a printed statement, under or over signature of seal as the case may be.

O **"Work"** or **"Works"** shall mean and include goods to be provided and work to be done by the contractor in terms of the contract.

2. BIDDER TO SATISFY HIMSELF AS TO CONDITIONS AND DETAILS OF BID

The bidder, by bidding, shall be deemed to have satisfied himself as to all conditions and details affecting the bid.

3. COMPLETE ACCEPTANCE OF CONDITIONS

3.1 The bidder shall be deemed to know and understand the General Conditions of contract in regard to bids and the submission of a bid shall presume complete acceptance thereof. The non-acceptance or variation of any of these conditions or the inclusion of any other condition will render the bid liable to rejection.

3.2 If the Council imposes special conditions in respect of a contract, such special conditions must be contained in the specifications of the contract and be supplementary to the General Conditions mentioned here-in; provided that the special conditions shall apply when it is contradictory to the General Conditions.

3.3 Subject to the provisions of the foregoing sub-clauses, the Bidder may qualify any of the said conditions; but no qualification of a condition shall, if his bid is accepted, form part of his contract with the Council unless at the time of bidding it is indicated in writing specifically in relation to each and every condition and the exact extend to which it is qualified.

4. ASSIGNMENT

4.1 This contract is personal to the contractor and the contractor shall not subject, assign or make over the contract or any part thereof, or any share or interest therein, to any other person without the written consent of the Council and on such condition as it may approve.

4.2 This clause shall not apply to sub-contracts given to regular suppliers of the contractor for materials and minor components relating to the goods to be supplied. The Council reserves the right to demand from the contractor to submit the names of any such sub-contractors for its approval.

5. SHORTCOMINGS

If discrepancies, contradiction or default of agreement seems to be present in the description, the measurements, the qualities or the quantities mentioned in the contract, the contractor must, before proceeding with the execution of the contract or part thereof in which the aforementioned shortcomings see to appear, refer the matter to the Council's representative for decision.

6. QUALITY AND GUARANTEE

6.1 All goods supplied shall be equal in all respect to samples, patterns, or specifications where such are provided.

6.2 If the Council should after acceptance of the bid and/or during the manufacture of the specified goods, decide on recommendation from the Bidder or otherwise to modify or change the specification in the Council's favour, such modification or change shall be implemented by the contractor to the Council's satisfaction.

6.3 Tests and analysis may be made as deemed necessary, and the costs thereof shall be borne by the Council provided it is proved that the goods are of the stipulated quality, failing which the cost shall be defrayed by the contractor; the Council to have the right to deduct such cost from the payments due to the contractor or otherwise to recover the same from him.

6.4 The contractor shall not be relieved of his obligations in respect of the sufficiency of the materials and workmanship and the quality of the goods by reason of no objection having been raised thereto by the Council's representative at the time the goods were delivered.

6.5 If at any time but not exceeding six months after delivery, or within the period laid down in any supplementary or special conditions of contract, the Council proves that the goods or any part or parts thereof is/are faulty or of inferior quality or workmanship or of poor design, or on account of the goods not being in strict accordance with the contract, the contractor shall immediately remedy the said defect free of cost to the Council.

Should the contractor delay remedial work in excess of the time stipulated by the Council's representative, the Council may have such remedial work executed at the contactor's expense. Should the Council decide that the defect is such that it cannot be remedied, the goods may be rejected and held at the risk and expense of the contractor and shall, on request of the Council, immediately remove the goods after notification that it is rejected. The contractor shall be responsible for any loss the Council may sustain by reason of such action as the Council may take in terms of this clause.

6.6 The risk in respect of all goods purchases by the Council under the contract shall remain with the contractor until such goods have been delivered to and received by the Council.

6.7 The principal feature of the goods and works are described in the specification but the specification does not purport to indicate every detail of construction or arrangement of goods and work necessary to meet the requirements. Omission from the specification of references to any part or parts shall not relieve the contractor of his responsibility for carrying out the work as intended by the contract.

6.8 If any dispute shall arise between the Council and the contractor in connection with the quality and guarantee of the goods, either of the parties may notify the other in writing, of the existence of such dispute, which shall thereupon be referred for the arbitration in South Africa of a person to be mutually agreed upon. Such submission for arbitration takes place in terms of the arbitration laws in force in the Republic.

7. ALTERNATIVES

The Bidder may submit alternatives which, in his opinion, are to the Council's advantage economically and technically.

8. VARIATIONS

In the event of bids being offered for goods differing or varying from requirements of the specification, al such differences or variations shall be clearly indicated and describes in the bid.

9. DEFAULT

Should it appear to the Council that the contractor is not executing the contract in accordance with the true intend and meaning thereof, or that he is not carrying on the work at such rate of progress as to ensure delivery by the date of delivery or that the time has expired within which delivery should have taken place or in the event of any other failure or default by the contractor, then and in any of such events the Council may give notice in writing to the contractor to make good the failure or default, and should the contractor fail to comply with the notice within the period specified therein, then and in such case the Council shall, without prejudice to any of its rights under the contract, be at liberty forthwith to perform such work as the contractor may have neglected to do, or to take the contract wholly or in part out of the contractor's hands and order from any other person. The

contractor shall be responsible for any loss the council may sustain by reason of such action as the Council may take in terms of this clause.

10. PATENTS

10.1 The Council accepts that the contractor that there will be no violation to patent or other commercial rights or privileges from this contract or due to the use of any article being part of the contract.

10.2 If and when notice is given to the contractor by the Council, the contractor shall

10.2.1 defend any claim or lawsuit instituted against the Council in regard to alleged violation or the non-payment of patentee shares at his costs;

10.2.2 Pay or repay the Council any or all moneys payable or paid by the Council for patentee shares or otherwise, as well as any expense, legal costs, loss or damage concluded or sustained by the Council for such claims or lawsuit.

11. PACKING

All goods shall, at the cost of the contractor, be crated or packed according to commercial custom. Unless otherwise specified, packing cases and packing materials are included in the contract price and shall be and remain the property of the Council.

12. PAYMENT

Except otherwise determined in the additional or special contract specifications, payment shall take place as follows:

The Council shall pay for material supplied by the contractor within thirty days following the month the delivery took place on condition that a statement is delivered by the contractor to the Council within such time that it is readily possible to make such payment timeously.

13. PARTICULARS TO BE SUPPLIED

13.1 Proof must be submitted before appointment whether or not the goods offered comply with the specification.

13.2 Required particulars not furnished, may result in non-compliance to the specification.

13.3 Bidders must state the country of origin and the name of the manufacturer of the goods, or any part thereof, offered. Documentary proof must be produced by the Bidder if required by the Council.

14. FIRM BIDS

Bidders may submit firm bids which shall be free from all price fluctuations.

15. QUALIFIED/UNQUALIFIED TENDERS (PREFERENCE)

The Council may, whilst considering the bids:

15.1 render preference to bids of which qualifications and conditions are most favourable;
15.2 render preference to firm bids;
15.3 (where bids are subject to price fluctuations) render preference to bids where:

15.3.1 the price factor controlling the selling price is such that any fluctuations in the price can be easily proved;
15.3.2 labour costs are excluded as a factor controlling price fluctuations.

16. PREFERENTIAL SCALES

16.1 Where goods, produced, manufactured or assembled on South Africa competes with goods imported, such goods will be preferred when bids are compared on a basis as determined by the Administrator from time to time.

A separate certificate on local contents and SABS markings are attached hereto. Bidders must note that the Council is bound to take local preference in consideration.

16.2 Certification of local content preference claimed

Any Bidder who claims preference for goods wholly or partially produced, manufactured or assembled in South Africa, shall certify the percentage of preference he is entitled to and ensure that the costs are fully and accurately determined to his best knowledge, belief and experience and in accordance with the genuine local

content. The Council may at any time if he so wishes, demand that a sworn statement and documentary proof to this effect be submitted. In the event of a contract allocated to a Bidder as a result of preference claimed and it is later proved that the preference claimed were too big, the Council may besides any legal means it possesses:

16.2.1 recover all costs, losses or damages suffered by the Council, for such acceptance of the bid, form the Bidder;
16.2.2 impose a fine not exceeding 5% of the contract price;
16.2.3 recover all costs, losses and damage mentioned in paragraph (a) from the Bidder and impose a fine mentioned in paragraph (b)

16.3 Where preference is claimed in terms of Historically Disadvantaged Individual (HDI), such claims will be considered by the Council on a basis as determined by Preferential Procurement Policy Framework Act (Act 5 of 2000)

Separate certificates on preference claimed for HDI and Declaration by Bidder are attached hereto. Preference claims hereunder shall only be considered if these two documents are completed and signed.

16.4 In the event of a contract allocated to a Bidder as a result of preference claimed under 3 above and it is later proved that the preference claimed were not correct the Council may, besides any legal means it possesses;

16.4.1 recover all costs, losses or damages incurred or sustained by the Council as a result of the contract; and/or
16.4.2 cancel the contract and claim any damages which the Council may suffer by having to make less favourable arrangements after such cancellation; and/or
16.4.3 impose a penalty not exceeding 5% of the contract price.

17. CONTRACT PRICE SETTLEMENT

If the Bidder wishes to place the risk of a rise or fall of certain cost items on the Council, it should be specifically mentioned on which items or factors this risk is applied to and at what tariff is calculated.

Failing to mention any factors or items reserved according to this clause (except clause 27) it will be accepted that the bidding price is a fixed delivery price.

In all cases of price fluctuations, documentary proof to the Council's satisfaction should be submitted for all items and prove of prices the Bidder paid for such items shall be forwarded irrespective whether an increase is claimed or otherwise.

If the Bidder fails to deliver the goods or to execute the contract within the specified time or the extended period according to clause 22 (c), he is not entitled to claim any additional costs for labour and/or material, but the Council reserves the right to deduct any benefit due to him in the event of a decrease in prices of items subject to price fluctuations.

18. SEQUESTRATION OR SURRENDER OF CONTRACTOR'S ESTATE

In the event of the provisional of final sequestration of the contractor's estate, being ordered or if application for such an order is being made, or in the event of the contractor making application for the surrender of his estate, or if he shall enter into, make or execute any deed of assignment or other composition benefit of his creditors, or purport to do so, or if the Court shall make an order for the liquidation of the contractor being a company, and without recourse to law, to terminate the contract without payment of any compensation to the contactor for any damages sustained by it in consequence of one or other of the aforementioned events.

19. PERIOD FOR WHICH BID HOLDS GOOD

The submission to the Council of a bid, constitute an agreement between the Bidder and the Council whereby such bid shall remain open for acceptance by the Council for the period mentioned in the bid, during which period the Bidder agrees not to withdraw the same or impair or derogate from its effect. If no period is mentioned, the bid shall remain open for acceptance for a period of 90 days.

20. FORMAL CONTRACT AND SURETY SHIP

The contractor shall, when required by the Council, conclude a formal contract and surety ship compiled by the Council within seven days from the date that the document are ready and if necessary also be signed by his surety. All costs, stamp duty and other advances shall be born by the contractor.

The security requires by the Council in terms of this clause shall not exceed ten percent (10%) of the total contract value.

21. GENERAL

21.1 The quantities of all goods offered or delivered are to be nett weights and metric measures according to South African Standards.

21.2 All prices shall be quoted in South African currency. Any discount or brokerage allowed to the Council must be stated in the form of bid.

21.3 The lowest or any bid will not necessarily be accepted and the Council reserves the right to accept part of any bid only

21.4 Should there be any difference or discrepancy between the prices or particulars contained in the official form of bid and those contained in the covering letter of the bid the prices or particulars contained in the official form of bid shall in all circumstances prevail.

21.5 The bid must be submitted on the form of bid and forwarded in a sealed envelope addressed and endorsed as indicated on the said form of bid and in the advertisement calling for bids.

21.6 Bids must be placed in the Tender Box that is provided for the reception of bids, or posted to reach the City Secretary not later than the advertised closing date and time.

22. DELIVERY

22.1 Bidders shall state in their bids and in the form of tender the minimum time required to fulfil the contract. Delivery shall be made in accordance with the requirements set out in the special conditions of the contract or the specification.

22.2 The delivery of goods and the execution of works arising from this bid shall be done by the Bidder only upon receipt by the Bidder of an official order issued by the Council. Delivery shall be made free of all charges to the Council.

23. MARKING OF GOODS

All goods shall be clearly marked in accordance with business practice or in the manner stipulated in the specifications.

24. LAW TO APPLY

The contract shall in all respects be constructed in accordance with the law of the Republic of South Africa, and any differences that may arise between the Council and the contractor, in regard to the contract shall be settled in the Republic of South Africa at Musina.

25. IMPORT CONTROL

Goods imported are subject to conditions imposed by the Director of Import and Export at date of bid and the Council shall not necessarily undertake to support any applications for import permits.

26. CANCELLATION OF BID AND/OR CONTRACT

When it is found that a Bidder or Contractor:

26.1 a promised to pay or paid any compensation, fee, bonus, discount or other remuneration to anybody handling a bid or contract for the acquisition of a contract;

b executes a contract unsatisfactorily;

c is guilty of disfiguration to provisions of the General Conditions or any other special Contract Conditions or any other special Contract Conditions that applies;

d act in a deceptive way or "mala fide" towards the Council or Municipal Department.

The Council may, taking into account all the circumstances and without prejudice to any of the legal remedies it possesses towards

i any loss and/or damage sustained,
ii any additional cost or expense in the event of new bids being called for, or al less favourable bid be accepted.

Immediately disqualify the Bidder or cancel the contract.

e fail to provide an acceptable guarantee on the pre-determined date.

f fail to commence or deliver on the agreed commencement or delivery date.

26.2 The Local Municipality reserves the right to call for new bids for goods/work referred to in this bid documents if the price of any goods/work increases for any reason whatsoever after the Council has accepted the bid.

27. AMENDMENTS TO RAIL TARIFFS

Any amendment to rail tariffs between the bidding date and delivery date will be for the account of the Council on condition that the goods are delivered on delivery dates.

MUSINA LOCAL MUNICIPALITY

PREFERENCE POINT EXPLANATION

NB: BEFORE COMPLETING THIS CERTIFICATE, BIDDERS MUST CAREFULLY STUDY THE GENERAL CONDITIONS AND GENERAL DEFINITIONS AS WELL AS THE DEFINITIONS AND DIRECTIVES APPLICABLE TO EQUITY OWNERSHIP BY HISTORICALLY DISADVANTAGED INDIVIDUALS IN AN ENTERPRISE.

1. GENERAL CONDITIONS:

1.1 The preference point system is applicable to all local manufacturers/ suppliers/service providers.

1.2 Failure on the part of a Bidder to fill in and/or to sign the certificate will be interpreted to mean that point preference is not claimed.

1.3 The Musina Local Municipality reserves the right to require of a Bidder, either before a bid adjudicated or at any time subsequently, that he/she should substantiate any claim in regard to preference, n any manner required by the Council.

2. GENERAL DEFINITIONS:

The defined words and expressions printed in **bold** letter, shall have the meanings herby assigned to them unless such meanings are inconsistent with the context of a particular tender or contract:

2.1 **Control:** The possession and exercise of legal authority and power to manage the assets. Goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.

2.2 **Commercially useful Function:** The performance of real actual work, or the provision of services, in the execution of any contractual obligation which the business has the skill and expertise to undertake and the responsibility of management and supervision.

2.3 **Equity ownership:** The percentage ownership and control, exercised by individuals within an enterprise determined in accordance with par 3.

2.4 **Owned:** Having all the customary elements of ownership, including the right of decision making and sharing all the risks and profits

commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.

2.5 **Historically disadvantaged individuals (HDI):** All South African Citizens:

(1) who, due to the apartheid policy that has been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act 200 of 1993) ("the Interim Constitution") and/or
(2) who is a female; and/or
(3) who has a disability

Persons who obtained South African citizenship after the first democratic elections in April 1994, cannot qualify for preference as a HDI

3. ESTABLISHMENT OF HIS EQUITY OWNERSHIP IN AN ENTERPRISE

3.1 Equity ownership shall be equated to the percentage of an enterprise which is owned by individuals, or in the case of a company, the percentage shares that are owned by individuals who are actively involved in the management and daily business operations of the enterprise and exercise control over the enterprise, commensurate with their degree of ownership.

3.2 Where individuals are not actively involved in the management and daily business operations and do not exercise control over the enterprise commensurate with their degree of ownership, equity ownership **may not be claimed.**

4. ADJUDICATION USING A POINT SYSTEM

4.1 Responsive bids will be adjudicated by the Council using a system which awards points on the basis of :

< The Bidding Price
< Equity Ownership

4.2 The Bidder with the highest number of points will not necessarily be awarded the contract.

4.3 The preference point system should be calculated on the comparative price only.

4.4 Points scored will be rounded off to 2 decimal places.

4.5 In the event of equal points scored, the bid will be awarded to the Bidder scoring the highest number of points for equity owned by historically disadvantaged individuals.

5. POINTS AWARDED FOR PRICE

The following point system is prescribed in the Regulation of the Act. (All references to **regulations** and/or **sub-regulations**, referred to the Regulations in terms of Section 5 of Act 5 of 2000.)

5.1 The 80/20 preference point system

The following formula must be used to calculate the points for price in respect of bids / procurement with a Rand value equal to, or below R50 000 000(inclusive of all applicable taxes)

$$Ps = 80\left(1 - \frac{(Pt - P\,min)}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Rand value of offer tender consideration

Pmin = Rand value of lowest acceptable bid

- A maximum of 20 points may be awarded to a Bidder for being an HDI and/or subcontracting with an HDI and/or achieving any of the specified goals stipulated in the regulation.
- The points scored by a Bidder in respect of the goals contemplated in sub-regulation (2) must be added to the points scored for price.
- Only the bid with the highest number of points scored may be selected.

5.2 The 90/10 preference point system

The following formula must be used to calculate the points for price in respect of bids/procurement with a Rand value above R50 000 000(inclusive of all applicable taxes)

$$Ps = 90\left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$$

Where

Ps = Points scored for price of bid under consideration.

Pt = Rand value of bid under consideration.

Pmin = Rand value of lowers acceptable bid

- A maximum of 10 points may be awarded to a bidder for being an HDI and/or subcontracting with an HDI and/or achieving any of the specified goals stipulated in the regulation.

- The points scored by a Bidder in respect of the goals contemplated in sub-regulation (2) must be added to the points scored for price.

5.3 The 80/20 preference point system for disposal or leasing of state assets and income generating procurement

The following formula must be used to calculate the points for price in respect of bids with a Rand value equal to, or above R50 000 000 and which relate to income generating contracts.

$$Ps = 80\left(1 + \frac{(Pt - Pmax)}{Pmax}\right)$$

Where
Ps = Points scored for prices of tender under consideration
Pt = Rand value of bid under consideration
Pmax = Rand value of highest acceptable bid

- A maximum of 20 points may be awarded to a Bidder for being an HDI and/or subcontracting with an HDI and/or achieving any of the specified goals stipulated in the regulation.

- The points scored by a Bidder in respect of the goals contemplate in sub-regulation (2) must be added to the points scored for price.

- Only the bid with the highest number of points scored may be selected.

5.4 The 90/10 preference point system for disposal or leasing of state assets and income generating procurement

The following formula must be used to calculate the points for price in respect of bids with a Rand value above R50 000 000 and which relate to the income generating contracts

$$Ps = 90\left(1 + \frac{(Pt - Pmax)}{Pmax}\right)$$

Where
Ps = Points scored for price and tender under Consideration
Pt = Rand value of bid under consideration

Pmax = Rand value of highest acceptable bid

- A maximum of 10 points may be awarded to a Bidder for being an HDI and/or subcontracting with an HDI and/or achieving any of the specified goals stipulated in the regulation.

- The points scored by a Bidder in respect of the goals contemplated in sub-regulation (2) must be added to the points scored for price.

6. POINTS AWARDED FOR EQUITY OWNERSHIP BY HDI'S

(1) Preference points stipulated in respect of a bid must include preference points for equity ownership by HDI's

(2) The equity ownership contemplated in sub-regulation (I) must be equated to the percentage of an enterprise of business owned by individuals or in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the bid.

(3) In the event that the percentage of ownership contemplated in sub-regulation (2) changes after the closing date of the bid, the Bidder must notify the relevant organ of state and such Bidder will not be eligible for any preference points.

(4) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise of business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

(5) Subject to sub-regulations (1), (2), (3) and (4), all claims made for equity ownership by an HDI must be considered according to the following criteria:

(a) Equity within private companies must be based on the percentage of equity ownership.

(b) Preference points may not be awarded to public companies and tertiary institutions;

(c) The following formula must be applied to calculate the number of points for equity ownership by an HDI;

$$NEP = NOP \times \frac{EP}{100}$$

Where

NEP = Points awarded for equity ownership by an HDI
NOP = The maximum number of points awarded for equity ownership by an HDI
EP = The percentage of equity ownership by an HDI within the enterprise or business, determined in accordance with sub-regulations (1), (2), (3), and (4)

(6) Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.

(7) Documentation to substantiate the validity of the credentials of the trustees contemplated in sub-regulation (6) must be submitted to the relevant organ of state

(8) A Consortium of Joint Venture may, based on the percentage of the contract value managed or executed by their HDI members, be entitled to equity ownership in respect of an HDI.

(9) The number of points scored for a Consortium or Joint Venture must be added to the number of points scored for achieving specified goals.

(10) The points contemplated in sub-regulation (9) must be added to the points scored for price, in order to establish the total number of points scored.

(11) Subject to regulations 9 and 10, the contract must be awarded to the bid which scores the highest points.

(12) A person awarded a contract as a result of preference for contracting with, or providing equity ownership to, an HDI, may not subcontract more than 25% of the value of the contract to a person who is not an HDI or does not qualify for such preference.

7. TOTAL BIDDING ADJUDICATION POINTS

7.1 The total number of bidding adjudication points awarded (N), is the sum of:

Np + Nep (Not to exceed 100)

8. BID DECLARATION

8.1 Bidders who wish to claim points in respect of Equity Ownership **must complete** the Declaration of Interest form.

MUSINA LOCAL MUNICIPALITY
Form A

(To be completed by Bidder)

FORM OF BID

TO: Municipal Manager
Musina Local Municipality
Musina

Sir,

BID NO: _____

DESCRIPTION: _____

I/We the undersigned, hereby did and should this bid be accepted in whole or in part, undertake to supply and deliver in good order and condition the material and/or equipment and/or to perform the works to be done to my/our ability and in conformity with the conditions, stipulations and quantities set out in the bid specifications and schedules attached hereto, in accordance with the order(s) which the Council may place in consideration of the price or rates set out in the said price schedule.

I/We hereby declare that I/We have read the said documentation and that I/We am/are fully acquainted with the contents thereof, and have signed all documents.

Witnesses

1. _____ _____
SIGNATURE

2. _____ _____
FIRM

_____
ADDRESS

Where the Bidder is a Company, Corporation or Firm, it must be stated by what authority the person signing does so i.e. by Articles of Association, Resolution, Power of Attorney or otherwise.

MUSINA LOCAL MUNICIPALITY
Form B

(To be completed by Bidder)

SIGNATORY AUTHORISATION

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

_____
(Name of Firm)

by virtue of _____ dated _____

Certified copy of the above authorisation is attached to this bid.

WITNESSES:

1. _____ _____
Signature(s)

_____
Full name of signatory

_____
Firm

2. _____ _____

_____
Address

PLEASE NOTE: **Failure** to complete all blank spaces on this form or to attend to other details mentioned therein will render the bid liable to rejection.

MUSINA LOCAL MUNICIPALITY

Form C

(To be completed by Bidder)

DECLARATION OF INTEREST

1. Information:

1.1 Name of firm : ……..
1.2 Postal address :……
……..
……..
……..
1.3 Physical address : ……..
……..
……..
……..
1.4 Telephone No. ……..
1.5 Fax No. : ……..
1.6 Contact Person : ……..
1.7 Company/enterprise ……..
1.8 Income tax reference No. ……..
1.9 VAT Registration No. ……..
1.10 Company registration No. ……..
1.11 Municipal Services Account No (if any) ……

***{Attached original copy of Tax Clearance Certificate from SARS or other suitable arrangement document issued by the SARS at the back of the bid document, as prescribed by the Preferential Procurement Policy Framework Act (5 of 2000).}**

2. Type of firm □

□ Partnership
□ One person business/sole trade
□ Close Corporation
□ (Pty) Limited
□ Trust
□ Other

(Tick one box)

3. Describe principal business activities

……

……

4. Company classification

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

(Tick one box)

5. Total number of years the firm has been in business?
……

6. Street addresses of all facilities used by the firm (e.g. warehouses, storage spaces, offices, etc.)

6.1 ……..
6.2 ……..
6.3 ……..

7. Do you share any facilities? □Yes □No (Tick on box)

If yes, which facilities are shared? ……..
With whom do you share facilities {name of firm(s)/individual(s)}
……
……
……
What is the other firm's principal business activities?
……
……

Are you affiliated with a professional body/organisation?

□ Yes □ No (Tick on box)

If yes, please state these affiliations
……
……
……

……
……
……
……
……

8. List all partners, proprietors and shareholders etc. by name, Identity number, citizenship, HDI* status and ownership, as relevant.

Refer to paragraph 3.1 and 3.2 of Preference Point Explanation document.

Name	Status of Company	Identity Number	Citizen-Ship	HDI Status (Yes/No)	Date of ownership	% Owned by HDI's	Gender	Disability

NOTE: Where owners are themselves a company or partnership, identify the ownership of the holding firm.

- Refer to paragraph 2.5 of Preference Point Explanation.

9. Equity ownership claimed

- HDI Equity Ownership …….% = ……. Points out of 20.
  (<R1 000 000)

10. How many permanent staff members are employed by the firm:
……..

10.1.1 List all individuals responsible for daily management and business decisions (Board, senior management team and responsibility) Attach separate list if necessary

Name	HDI (Y/N)	Gender	Responsibility	Length of service

11. List **All Contractors joint venture partners for this tender.**

11.1 CONTRACTS

Name of contractor and subcontractor	HDI (Y/N)	Gender	Percentage of work by each	Rand value
Total contract value			100%	R

Please submit copy of agreement(s) of subcontractors or joint ventures.

11.2 CORPORATE FINANCIAL STATUS

Audited financial statements from the most recent fiscal year, and the preceding two financial years.

11.3 COMPULSORY

Please submit copy of agreements I/We (1)……(2)…..…… (names) hereby certify that to the best of my/our knowledge the information, facts and representations are correct and that I/We are duly authorized to sign on behalf of the tenderer

12 I/We, the undersigned, who warrants that he/she is duly authorized to do so on behalf of the firm certifies that the item(s) mentioned in part of the foregoing certificate qualifies/qualify for the preference(s) shown and acknowledge(s) that:

12.1 The information furnished is true and correct.

12.2 The Equity Ownership claimed is in accordance with the General Conditions.

12.3 Not more than 25% of the value of the contract at the time of award, exclusive of VAT and all allowances for contingencies and escalation, will be subcontracted to other parties.

12.4 In the event of a contract being awarded as a result of preferences claimed as shown in paragraph 9, the contractor may

be required to furnish documentary proof to the satisfaction of the Musina Local Council that the claims are correct.

12.5 If the claims are found to be incorrect, the Council may, in addition to any other remedy it may have and be virtue of the authority conferred by Act 5 of 2000 –

- Recover all costs, losses or damages incurred or sustained by the Council as a result of the contract; and/or
- Cancel the contract and claim any damages which the Council may suffer by having to make less favourable arrangements after such cancellation; and/or
- Impose a penalty not exceeding 25% of the contract price.

A credible black economic empowerment deal should contain the four main aspects but not limited to:

• Ownership	:	Equity participation
	:	Asset ownership
	:	Acquire rights to and obligations
• Control	:	Ability to exercise legal rights associated with ownership
	:	51% shareholding or majority shareholding Control of the Board
• Management	:	HDI's day-to-day running of the business
• Transfer of skills	:	Capacity transfer
	:	Skill transfer
	:	Employee training

……...
SIGNATURE(S) BIDDER(S)

Print
Name(s):……...
……..

DATE:…… ADDRESS:……

WITNESSES:

A …… ……

B ……

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state[1].

2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

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

3.2 Identity Number:
……

3.3 Position occupied in the Company (director, trustee, hareholder[2]):……..

3.4 Company Registration Number:
……

3.5 Tax Reference Number:……

3.6 VAT Registration Number:
……

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

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

3.8.1 If yes, furnish particulars.
……

[1]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.

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

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

3.9.1 If yes, furnish particulars.……..……
……

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

3.10.1 If yes, furnish particulars.
……
……

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

3.11.1 If yes, furnish particulars
……
……

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

3.12.1 If yes, furnish particulars.

……
……

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

3.13.1 If yes, furnish particulars.

……
……

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

3.14.1 If yes, furnish particulars:

……..
……..

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

Full Name	**Identity Number**	**State Employee Number**

…….. ……..
Signature **Date**

…… ……
Capacity **Name of Bidder**

MBD 6.1

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

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

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

1. GENERAL CONDITIONS

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

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

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

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

1.3 Points for this tender 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:

80/20 or 90/10

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

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:

80/20 **or** **90/10**

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

Table 1: Specific goals for the tender and points claimed are indicated per the table below.
(80/20 preference point system is applicable, corresponding points must also be indicated as such.
Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Points for HDI status (At least 51% Black owned)	10	
Points for 51% Women's Equity	4	
Points for black person with Disability	3	
Points for 51% owned Youth firm	3	
Form not completed or submitted	0	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm……….

4.4. Company registration number: ……..

4.5. TYPE OF COMPANY/ FIRM

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

[Tick applicable box]

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

i) The information furnished is true and correct;
ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process;
(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
(d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
(e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: .....

DATE: .....

ADDRESS:

.....

.....

.....

MBD8

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1 This Municipal Bidding Document must form part of all bids invited.

2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3 The bid of any bidder may be rejected if that bidder, or any of its directors have:

a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
b. been convicted for fraud or corruption during the past five years;
c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

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

Item	Question	Yes	No
4.1	**Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?** (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied). **The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.**	Yes ☐	No ☐
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)? **The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.**	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		

Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

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

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

……... **……..**
Signature **Date**

……. **……..**
Position **Name of Bidder**

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

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

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

a. take all reasonable steps to prevent such abuse;

b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and

c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

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

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

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

_

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:_____that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

    (a) has been requested to submit a bid in response to this bid invitation;
    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However

communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
    (a) prices;
    (b) geographical area where product or service will be rendered (market allocation)
    (c) methods, factors or formulas used to calculate prices;
    (d) the intention or decision to submit or not to submit, a bid;
    (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
    (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

…… ……

Signature Date

…… ……

Position Name of Bidder

MUSINA LOCAL MUNICIPALITY

Form D

(To be completed by Bidder)

CERTIFICATE OF PREFERENCE CLAIMED BY BIDDER FOR LOCAL CONTENT AND SABS MARK

1. The attention of Bidders is directed to the preferences summarized in Section 35 of the Local Government Ordinance of 1939. The preferences are quoted hereunder to facilitate reference.

2. Bidders, offering goods in respect of which these preferences may be claimed, and who in fact do claim these preferences, are required to quote the number of the contract item or to describe the article under the heading "No of Contract Item/Description" opposite the relevant preference classification and to complete paragraph 5 of the certificate.

3. Bidders claiming preference are further required to state, in the column provided hereunder the country of origin of goods wholly imported or the local content of goods manufactured of both South African and imported components.

Preference Classification	No. of contract Item/Description of Article	Country of origin
a) 1% - where the local content in relation to the bid price is not more than 5%		
b) 2% - where the local content in relation to the bid price is more than 5% but not more than 10%		
c) 3% - where the local content in relation to the bid price is more than 10% but not more than 20%		
d) 4% - where the local content in relation to the bid price is more than 20% but not more than 30%		

e) 5% - where the local content in relation to the bid price is more than 30% but not more than 40%		
f) 6% - where the local content in relation to the bid price is more than 40% but not more than50%		
g) 7% - where the local content in relation to the bid price is more than 50% but not more than 60%		
h) 8% - where the local content in relation to the bid price is more than 60% but not more than 70%		
i) 9% - where the local content in relation to the bid price is more than 70% but not more than 80%		
j) 10% - where the local content in relation to the bid price is more than 80%		
k) 2,5% - on goods manufactured in South Africa and bearing the stamp of the SABS where such goods are offered in competition with other goods manufactured in South Africa, but without the stamp of the SABS and such preference shall be calculated on the bidding price and shall be in addition to any preference allowed under a) to j) above.		
l) 1% - where imported goods are offered in competition with other imported goods, from stock held in South Africa		

4. INTERPRETATION OF TERMS

For the purpose of paragraph 3 –

"local content" shall mean that portion of the bidding price which is not included in the definition "imported content" shall mean the delivered cost at the factory in the Republic of South Africa, of that portion of the bidding price which is imported or to be imported irrespective whether imported or to be imported by the Bidder, or his suppliers or sub-contractors.

"delivered cost at the factory" shall mean the overseas costs plus direct import cost such as freight, landing costs, dock dues and import duty at the South African port of entrance as well as transport and handling cost to the

factory in the Republic of South Africa where the goods offered are manufactured or assembled.

5. I/We certify that I/We fully and accurately examined the cost and that to the best of my/our knowledge, belief and experience the preference rate claimed by me/us is correct and in accordance with the true local content.

Name of Bidder (in full) _____

Address _____

_____

_____

_____ Date: _____

Signature of person/s authorised to sign this certificate on behalf of the Bidder:
……..

Witnesses

1._____ 2._____

MUSINA LOCAL MUNICIPALITY
Form E

(To be completed by Bidder)

CONTRACT BETWEEN THE EMPLOYER AND BIDDER IN TERMS OF SECTION 37(2) OF THE OCCUPATIONAL HEALTH AND SAFETY ACT

The Employer and the Bidder hereby agree, in terms of the provisions of Section 37(2) and Section 10 of the Occupational Health and Safety Act (Act 85 of 1993), hereinafter referred to as the Act, that the following arrangement and procedures shall apply between them to ensure compliance by the Tenderer with the provisions of the Act, namely:

1. The Bidder undertake to acquaint the appropriate officials and employees, including temporary employees, of the Bidder with all relevant provisions of the Act and the Regulations promulgated in terms of the Act.

2. The Bidder undertakes that all relevant duties, obligations and prohibitions imposed in terms of the Act and Regulation will be fully complied with.

3. The Bidder hereby accepts sole liability for such due compliance with the relevant duties, obligations and prohibitions imposed by the Act and Regulations and expressly absolve the Musina Local Municipality from itself being obliged to comply with any of the aforesaid duties, obligations and prohibitions.

4. The Bidder agrees that all duly authorised officials of the Musina Local Municipality shall be entitled, although not obliged, to take such steps as may be necessary to ensure that the Bidder has complied with his undertakings as set our more fully in paragraphs 1 and 2 above, which steps may include, but will not be limited to, the right to inspect and appropriate site or premises occupied by the Bidder, or to inspect any appropriate records held by the Bidder.

5. The Bidder shall be obliged to report forthwith to the Musina Local Municipality any investigation, complaint or criminal charge which

may arise as a consequence of the provisions of the Act and Regulations, pursuant to work performed in terms of this Contract, and shall, on written demand, provide full details in writing of such investigation, complaint or criminal charge.

Contract Number:……

Description:
……
……

SIGNED ON BEHALF OF THE MUSINA LOCAL MUNICIPALITY:

DATE: ……

SIGNATURE: …..……..

DESIGNATION: ……

ADDRESS: PRIVATE BAG X611
MUSINA

SIGNED ON BEHALF OF THE BIDDER:

DATE: ……

SIGNATURE: ……

DESIGNATION: ……

ADDRESS: ……..

……..

……..