

# Fetakgomo Tubatse Local Municipality



**FTM/T38/24/25**

**APPOINTMENT OF A PANEL OF EXPERTS TO PROVIDE TECHNICAL FINANCIAL ADVISORY, INTERNAL AUDIT, RISK, COMPLIANCE AND FORENSIC INVESTIGATION, FIXED ASSET MANAGEMENT AND PROFESSIONAL BUSINESS SUPPORT AS AND WHEN REQUIRED FOR A PERIOD OF THREE YEARS (36 MONTHS)**

<b>TECHNICAL ENQUIRIES</b>	<b>BIDDING RELATED ENQUIRIES</b>
<b>Manager Financial Reporting</b> <b>Mr JM Mphahla</b>  Fetakgomo Tubatse Local Municipality  1 Kastania Street Burgersfort Civic Centre 1150  Tel: (013) 231 1000	<b>Supply Chain Management</b> <b>Mrs LM Mohlala</b>  Fetakgomo Tubatse Local Municipality  1 Kastania Street Burgersfort Civic Centre 1150  Tel: (013) 231 1000

**NAME OF BIDDER (BIDDING ENTITY) :** .....

.....

**CSD NUMBER** : .....

**CLOSING DATE** : **29 APRIL 2025**

**CLOSING TIME** : **12H00**

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## FORM A

### **BID NOTICE**

**BID NO: FTM/T38/24/25**

**APPOINTMENT OF A PANEL OF EXPERTS TO PROVIDE TECHNICAL FINANCIAL ADVISORY, INTERNAL AUDIT, RISK, COMPLIANCE AND FORENSIC INVESTIGATION, FIXED ASSET MANAGEMENT AND PROFESSIONAL BUSINESS SUPPORT AS AND WHEN REQUIRED FOR A PERIOD OF THREE YEARS (36 MONTHS)**

Bid documents containing the Conditions of Bid can be downloaded and printed for free from Municipal website and eTender portal.

The completed bid document, must be fully priced and signed, sealed in an envelope - marked with the "BID number", and deposited in the tender box at the Fetakgomo Tubatse Local Municipality Head office – 1 Kastania Street, Burgersfort **OR** at the Apel Regional office - Stand No.1, Mashung, Ga-Nkwana, no later than **12H00 pm on 29 April 2025** **The municipality will not take any responsibility for lost documents due to poor packaging.**

Fetakgomo Tubatse Local Municipality is not compelled to accept the lowest or any bid. No late, faxed or telephonic bids will be accepted.

The Municipality shall evaluate and award the tender in accordance with the 80/20 - point system of the Preferential Procurement Regulations of 2022 - **where 80 points are allocated for the bid price and 20 points for specific goals**, the general conditions of contract (GCC) and, where applicable, any other special conditions of contract. Prospective bidders must accept that the bid price will be adjudicated according to market-related prices and/or prices as per legislation, where applicable. Bids will remain valid for **90** days.

Enquiries related to technical specifications should be addressed to **Mrs LM Mohlala** on the telephone number (013) 231 1000 or email [lmohlala@ftlm.gov.za](mailto:lmohlala@ftlm.gov.za)

**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)**

**MAGOOA RM  
ACTING MUNICIPAL MANAGER**

**MBD1****PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF FETAKGOMO TYUBATSE LOCAL MUNICIPALITY</b>					
BID NUMBER:	FTM/T38/24/25	CLOSING DATE:	29 April 2025	CLOSING TIME:	12H00 PM
DESCRIPTION	<b>APPOINTMENT OF A PANEL OF EXPERTS TO PROVIDE TECHNICAL FINANCIAL ADVISORY, INTERNAL AUDIT, RISK, COMPLIANCE AND FORENSIC INVESTIGATION, FIXED ASSET MANAGEMENT AND PROFESSIONAL BUSINESS SUPPORT AS AND WHEN REQUIRED FOR A PERIOD OF THREE YEARS (36 MONTHS)</b>				

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).**

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT

1 KASTANIA STREET		OR		STAND NO 1	
CIVIC CENTRE				MASHUNG	
BURGERSFORT				GA-NKWANA	
1150				0739	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]	
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE	R	
SIGNATURE OF BIDDER	.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT	Supply chain management		DEPARTMENT	Budget and Treasury	
CONTACT PERSON	Mrs LM Mohlala		CONTACT PERSON	Mr Mphahla JM	
TELEPHONE NUMBER	013 231 1130		TELEPHONE NUMBER	013 231 1000	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	Immohlala@ftlm.gov.za		E-MAIL ADDRESS	jmmphahla@ftlm.gov.za	

## PART B

### TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.  1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR ONLINE</b>  1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.  2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.  2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> .  2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.  2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.  2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.  2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span> 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>  IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

**NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....

**TERMS OF REFERENCE: APPOINTMENT OF PANEL EXPERTS TO PROVIDE TECHNICAL FINANCIAL ADVISORY, INTERNAL AUDIT, RISK, COMPLIANCE AND FORENSIC INVESTIGATION, FIXED ASSET MANAGEMENT AND PROFESSIONAL BUSINESS SUPPORT AS AND WHEN REQUIRED FOR A PERIOD OF THREE YEARS (36 MONTHS)**

**1. PROJECT**

Appointment of a panel of professional service providers for technical financial advisory and professional business support as and when required for a period of three years (36 months).

**2. BACKGROUND AND INTRODUCTION.**

The Fetakgomo Tubatse Local Municipality (FTLM) Budget and Treasury Office (BTO) is instrumental in ensuring financial sustainability, compliance, and the strategic allocation of municipal resources. As a fast-growing municipality, FTLM faces challenges, including skill gaps, compliance requirements, and a need to strengthen revenue collection, financial planning, and reporting.

The municipality seeks to engage a panel of professional advisors to address these challenges on an ad-hoc and need basis. The appointed service providers will assist in ensuring business continuity, addressing capacity gaps, and enabling compliance with statutory and governance requirements. The SCM and Assets Management have a high vacancy rate, thus limiting their operational efficiency and effectiveness.

**3. NEEDS ASSESSMENT**

Upon the conclusion of the panel, an assessment by the CFO identified the need for expertise or additional services from external Professional Service Providers for Technical Financial Advisory and Professional Business Support, in order to ensure that the municipality's service delivery and business strategy objectives are achieved. Some municipal functions from time to time will require additional or specialised services as the following challenges/capacity constraints still persist:

- The BTO requires specialised expertise to address capacity gaps in financial management, financial reporting, and compliance with the various legislative framework.
- The municipality seeks to upskill its workforce while maintaining operational continuity.
- The municipality established a Financial Reporting Unit in 2020, but the Unit was not fully staffed unit 2023 when the Financial Reporting Manager was appointed, along with some of the support staff (Senior Accountant - Operations & Compliance and Accountant) being appointed in 2024. The post of Senior Accountant - Financial Reporting is yet to be filled.
- The municipality is yet to fill the various vacant positions in the SCM Unit, and the AGSA has identified a high vacancy rate in the Unit during the 2023/2024 audit cycle. The high vacancy rate in the SCM Unit negatively impacts on the municipality's clean audit objectives.

- The municipality is also struggling with the internal management of the SCM Unit and Assets Unit, with the assets register being compiled by a Service Provider.
- The Municipality is still faced with capacity and adequate skills within Assets Management Unit.
- Increasingly stringent regulations under the MFMA, GRAP, and other frameworks demand precision in financial management and reporting.
- The municipality needs guidance to ensure adherence to these requirements and to mitigate risks of non-compliance
- Identifying, maximising, and securing sustainable revenue streams are critical for municipal operations and service delivery.
- The municipality requires expert assistance in benchmarking tariffs, forecasting revenue, and improving collection efficiency.
- To fund its ambitious development projects, the municipality must explore innovative and sustainable funding models.
- Coordination with funders and the preparation of compelling funding applications require specialised skills and experience.
- In the face of evolving challenges, such as economic pressures and increasing service delivery demands, external advisors can ensure uninterrupted financial and operational efficiency.

#### 4. SCOPE OF WORK

Qualifying professional service providers will be utilised on as and when the particular services are required, during the period of 36 months. The purpose of any contract/s resulting from the appointment of the panel will be to achieve the following (but not limited to):

- 4.1 augment the capacity of Municipality to develop strategic responses to challenges faced by the Municipality,
- 4.2 to take initiative and implement programmes which give effect to those responses, and to undertake specific tasks, either as part of strategies to be developed.
- 4.3 or as ad hoc responses to particular needs which may arise.

The following category of skills not limited to will be required by Municipality on an “as and when needed” basis:

Scope of Services
<ul style="list-style-type: none"> <li>• Long-term Financial Planning</li> <li>• Due Diligence on Procurement and Payments</li> <li>• Revenue Management Strategy and Support</li> <li>• Fund and Grants Mobilization</li> <li>• Accounting and Financial Reporting Advisory Services</li> <li>• MSCOA and Budget Management Support</li> </ul>

- Asset Management
- Business Support and Continuity
- Internal Control and Internal Audit
- Compliance
- Risk Management Services
- Forensic Investigations

In all cases, it is important that there is skills transfer to the staff of Fetakgomo Tubatse Local Municipality to ensure that they are empowered in the process of carrying out the assignment.

In order for the consulting firm to adequately and promptly assist the Municipal Accounting Officer and Management on matters/categories allocated, resources should be readily available to assist the municipality with such services immediately when the need arises.

The appointment of a panel of consulting firms will ensure availability of resources and will streamline the procurement of the services efficiently each time that the service is required.

### **Assets Management Scope Summary**

A winning bidder on this work stream will perform the following services but not limited to

- Asset verification,
- Conditional assessment classification,
- Review/valuation of GRAP compliance for movable and updating of immovable fixed asset properties,
- Review of useful life and residual values
- Preparation of the asset register for Fetakgomo Tubatse Local Municipality

**NB:** For Assets Management, the winning bidder is expected to have an office within the jurisdiction of the Fetakgomo Tubatse Local Municipality.

### **Internal Audit Scope Summary**

A winning bidder on this work stream will perform the following services but not limited to

- Internal Audit assurance services
- mSCOA Reviews
- CAATs
- Project Management
- Information, Communication and Technology (ICT)
- Supply Chain Management
- Assets Management
- AFS Review

## **Risk, Compliance and Forensic Investigation Scope Summary**

A winning bidder on this work stream will perform the following services but not limited to:

- Compliance
- Risk Management Services
- Forensic Investigations

## **Business and Supply Chain Management Support Scope Summary**

A winning bidder on this work stream will perform the following services but not limited to:

- Verify the completeness of the Unauthorised, Irregular, Fruitless and Wasteful expenditures
- Verify the completeness of the commitment register
- Verify the completeness of the deviations register
- Verify the completeness of the Contract register
- Due diligence on procurement and payments
- Business Support and Continuity

## **Accounting and Financial Reporting Services**

A winning bidder on this work stream will perform the following services but not limited to:

### **Long-Term Financial Planning**

- Develop and update comprehensive long-term financial plans aligned with the municipality's Integrated Development Plan (IDP) and strategic objectives.
- Conduct financial forecasting, scenario planning, and sustainability analysis to guide strategic financial decisions.
- Identify financial risks and propose effective mitigation strategies.
- Facilitate stakeholder consultations to ensure inclusive financial planning processes.

### **Fund and Grants Mobilization**

- Identify potential local, provincial, national, and international funding sources.
- Assist the municipality in preparing high-quality proposals and grant applications.
- Ensure compliance with grant conditions, reporting requirements, and timely utilization of funds.
- Establish efficient tracking and management systems for grants and funded projects.

### Accounting and Financial Reporting Advisory Services

- Provide expert advice on compliance with Generally Recognized Accounting Practices (GRAP), MFMA, and other applicable legislation.
- Review, improve, and ensure the accuracy and reliability of financial records and reporting processes.
- Assist with the review of Annual Financial Statements and audit support documentation on a quarterly and annual basis.
- Conduct regular capacity-building workshops for municipal finance staff to ensure sustainable improvement in accounting practices and financial reporting.
- Any other ad hoc budget and treasury related accounting and advisory services

### MSCOA and Budget Management Support

- Provide comprehensive advisory support on the effective implementation and management of mSCOA regulations.
- Assist in ensuring the municipality's financial systems and processes align fully with mSCOA standards.
- Support budget preparation, review, alignment, and adjustment processes to comply with MFMA regulations.
- Offer ongoing training and capacity-building initiatives for municipal staff on budget management and mSCOA compliance.

### Deliverables

- Detailed Long-term Financial Strategy Document.
- Quarterly Fund and Grant Status Reports.
- Review of Annual and Quarterly Financial Statements in accordance with GRAP and MFMA standards.
- Regular Training and Capacity-building workshops.
- Progress reports on mSCOA compliance and budget management.

## 5. WORK STREAMS

**N.BThe service provider must tick (X) one of the work stream applying for below:**

Work Stream	X
Accounting and Financial Reporting Services	
Fixed Assets Management	
Internal Audit Services	
Risk, Compliance and Forensic Investigation	
Business and Supply Chain Management Support	

## 6. DURATION OF THE CONTRACT

The Project shall be for a period of 36 (thirty-six) months on a fixed term contract. Allocation of work shall be done on an as and when basis.

## FORM C

### 7. RESPONSIVENESS AND EVALUATION

The following evaluation process and criteria will be used to evaluate all bids submitted:

All bids received shall be evaluated in terms of Municipal Supply Chain Management Regulations, Fetakgomo Tubatse Local Municipality Supply Chain Management Policy, The Preferential Procurement Regulations, 2022, and other applicable legislation. Bids with obvious deviations from the requirements/conditions, will be eliminated from further evaluation.

**NB: Approved professional rates will be used as a guideline for pricing upon allocation of work.**

The evaluation criteria consist of the following 2 phases:

Phase 1 – Administrative compliance

Phase 2 – Functionality

Bidders who meets the minimum threshold on functionality will be appointed onto the panel.

#### 7.1 ADMINISTRATIVE COMPLIANCE – PHASE 1

A bid not complying with the peremptory requirements stated below will be regarded as “non-responsive”, and as such will be disqualified. “Responsive” means any bid which, in all respects, complies with the conditions of the specifications as set out in the bid documents, including conditions as specified in the Preferential Procurement Policy Framework Act, 5/2000 and its amended regulations 2022.

#### Critical Criteria:

The following critical criteria have been identified for this bid and any non-compliance thereto will lead to the bid being regarded as non-responsive and disqualified from further evaluation on functionality. Bidders will be required to submit the following documents and other administrative compliance requirements as follows:

- Submission of bid document in its original form (refers to every page of the bid document as originally purchased or produced without any amendment or changes).
- All MBD forms must be Fully Completed and signed.
  
- Signing of the form of offer, completed in words and figures (with a bid price/amount) in full.
- Form of offer must be fully completed and signed.
- All pages of the bid document and General Condition of The Contract must be initialed.
- Completion of bid document must be in black ink. (Completion in pencil or red ink will disqualify the bid).
- Company Registration Documents-CK/CM Documents (If JV, for both)
- Joint Venture agreement, where applicable, the lead partner must have at least 51% or above shares in the company
- Certified copies of identity documents for all the directors of the bidding company must be attached.
- False or incorrect declaration on any of the MBD forms will result in disqualification.
- Submission of Municipal rates and taxes or municipal service invoice issued to the bidder and all directors, by any other municipality or municipal entity. The rates and taxes charges must not be in arrears for more than three months (90 days) for both the bidding company & its directors (If both companies and all their directors):

- I. If staying in a non-rate-able area, please attach original letter from the Tribal Authority / Chief or Headman / sworn affidavit or municipal proof of address
- II. If you are renting, attach a copy of a valid signed lease agreement.
- III. If the business is operating at the director's residence, a sworn affidavit must be attached stating such.

**Please note that all certified documents must be originally certified and not older than 6 months. Smart ID card must be printed on both sides.**

**NB: BIDDERS WHO FAIL TO COMPLY WITH EITHER OR ALL OF THE ABOVE-MENTIONED REQUIREMENTS SHALL BE AUTOMATICALLY DISQUALIFIED**

## **7.2 EVALUATION ON FUNCTIONALITY – PHASE 2**

The bidders who complied administratively are considered for further evaluation on ability to execute the project.

### **7.2.1 Accounting and Financial Reporting Services**

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
1	<b>Company experience</b>	40	Four (4) reference letters and corresponding appointment letters	40
	Attach reference letters with corresponding appointment letters from client/s on preparation of annual financial statements not older than five (5) years from closing date, at any municipality within South Africa			
			Three (3) reference letters and corresponding appointment letters	30
			Two (2) reference and corresponding appointment letters	20
			One (1) reference and appointment letter	10
	<b>NB The appointment letter(s) / reference Letter(s) must be on the letterhead of the previously serviced client, should at least reflect the name of the client, title of the related work conducted, year conducted and completed, contactable reference, and signed by the appropriate delegate.</b>			



### 7.2.2 Fixed Asset Management

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
1	<p><b>Company experience</b></p> <p>Attach reference letters with corresponding appointment letters from client/s on Asset Management projects not older than five (5) years from closing date, at any municipality within South Africa</p> <p><b>NB The appointment letter(s) / reference Letter(s) must be on the letterhead of the previously serviced client, should at least reflect the name of the client, title of the related work conducted, year conducted and completed, contactable reference, and signed by the appropriate delegate.</b></p>	40	<p>Four (4) reference letters and corresponding appointment letters</p> <p>Three (3) reference letters and corresponding appointment letters</p> <p>Two (2) reference and corresponding appointment letters</p> <p>One (1) reference and appointment letter</p>	<p>40</p> <p>30</p> <p>20</p> <p>10</p>
2	<p><b>Qualifications and experience of Key Personnel</b></p> <p><b>(Project key personnel (Must be working for the bidding company))</b></p> <p>Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body (Where applicable)</p> <p><b>N.B Foreign qualifications are required to be accompanied by a SAQA evaluation certificate</b></p>	20	<p>Professional Engineer</p> <ul style="list-style-type: none"> <li>• 5-9 years experience and NQF Level 7 related qualification</li> <li>• 1-4 years relevant experience and NQF Level 7 related qualification</li> </ul>	<p>20</p> <p>10</p>

3	<b>Project Manager</b>  <b>(Project Manager Must be working for the bidding company)</b>  Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body (Where applicable)  <b>N.B Foreign qualifications are required to be accompanied by a SAQA evaluation certificate</b>	20	Chartered Accountant  <ul style="list-style-type: none"> <li>• 5-9 years related experience and related accounting professional certificate.</li> <li>• 1-4 years related experience and related accounting professional certificate</li> </ul>	20
				10
4	Plan on skills transfer	15	Attach a skills transfer plan that details the following:  The Transfer plan must include: <ul style="list-style-type: none"> <li>• Timeline over three years</li> <li>• Skills to be transferred</li> <li>• Monitoring of skills transfer</li> </ul>	15
5	<b>Transformation and empowerment plan with the organization</b>  <b>(the bidder is expected to have at least five trainees within the municipality)</b>	05	The Bidder is required to submit an Empowerment and Transformation Plan indicating the following:  The Bidder's current Empowerment Plan and Initiatives	05
<b>TOTAL</b>		<b>100</b>		

**NB! The minimum cut off points for functionality is 70 points out of 100 points and any bidder scoring less than 70 points will not be considered for the panel**

### 7.2.3 Internal Audit Services

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
1	<p>Company experience</p> <p>Attach at least four (4) corresponding reference letters and appointment letters for conducting Internal Audit services project not older than five (5) years from closing date, at any municipality within South Africa</p> <p><b>N.B Reference letters from different clients as evidence of related services previously conducted per area of specialization applied for</b></p> <p>The Reference Letter(s) must be on the letterhead of the previously serviced client, should at least reflect the name of the client, title of the related work conducted, year conducted and completed, contactable reference, and signed by the appropriate delegate.</p>	40	<p>Four reference letters and corresponding appointment letters</p> <p>Three reference letters and corresponding appointment letters</p> <p>Two reference letters and corresponding appointment letters</p> <p>One reference letter and corresponding appointment letters</p>	<p>40</p> <p>30</p> <p>20</p> <p>10</p>
2	<p><b>Qualifications</b> and experience of Company Director</p> <p>N.B Foreign qualifications are required to be accompanied by a SAQA evaluation certificate.</p> <p>Failure to attach SAQA certificate the bidder will score zero.</p>	20	<p><b>Company Director</b></p> <ul style="list-style-type: none"> <li>• 5-9 local government finance or auditing experience and NQF Level 8 qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</li> <li>IIASA (Institute of Internal Auditors; South Africa) or</li> <li>ISACA (Information Systems Audit and Control Association)</li> <li>ACFE (Association of Certified Fraud Examiners) or</li> <li>IRMSA (The Institute of Risk Management South Africa)</li> <li>• 3-5 Years relevant experience and NQF Level 7 or higher qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</li> <li>IIASA (Institute of Internal Auditors; South Africa) or</li> <li>ISACA (Information Systems Audit and Control Association)</li> </ul>	<p>20</p> <p>15</p>

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
			<p>ACFE (Association of Certified Fraud Examiners) or IRMSA (The Institute of Risk Management South Africa)</p> <p>(Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body.)</p>	
	<p><b>Project Manager</b></p> <p>(Must be working for the bidding company)</p> <p>N.B Foreign qualifications are required to be accompanied by a SAQA evaluation certificate. Failure to attach SAQA certificate the bidder will score zero.</p>	<b>15</b>	<p>5 years or higher in local government finance or auditing experience and NQF Level 8 qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</p> <p>IIASA (Institute of Internal Auditors; South Africa) or</p> <p>ISACA (Information Systems Audit and Control Association)</p> <p>ACFE (Association of Certified Fraud Examiners) or</p> <p>IRMSA (The Institute of Risk Management South Africa)</p> <p>3 Years relevant experience and NQF Level 7 or higher qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</p> <p>IIASA (Institute of Internal Auditors; South Africa) or</p> <p>ISACA (Information Systems Audit and Control Association)</p> <p>ACFE (Association of Certified Fraud Examiners) or</p> <p>IRMSA (The Institute of Risk Management South Africa)</p> <p>(Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body.)</p>	<p><b>15</b></p> <p><b>10</b></p>

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
	<p><b>Snr Internal Auditor</b></p> <p>(Must be working for the bidding company)</p> <p>N.B Foreign qualifications are required to be accompanied by a SAQA evaluation certificate. Failure to attach SAQA certificate the bidder will score zero.</p>	<b>10</b>	<p>3 years or higher in local government finance or auditing experience and NQF Level 7 qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</p> <p>IIASA (Institute of Internal Auditors; South Africa) or</p> <p>ISACA (Information Systems Audit and Control Association) ACFE (Association of Certified Fraud Examiners) or IRMSA (The Institute of Risk Management South Africa)</p> <p>2 Years relevant experience and NQF Level 6 or higher qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</p> <p>IIASA (Institute of Internal Auditors; South Africa) or</p> <p>ISACA (Information Systems Audit and Control Association) ACFE (Association of Certified Fraud Examiners) or IRMSA (The Institute of Risk Management South Africa)</p> <p>(Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body.)</p>	<p>10</p> <p>5</p>
	<b>Internal Auditors</b>	<b>10</b>	<p>2 years or higher in local government finance or auditing experience and NQF Level 7 qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</p> <p>IIASA (Institute of Internal Auditors; South Africa) or</p> <p>ISACA (Information Systems Audit and Control Association) ACFE (Association of Certified Fraud Examiners) or</p>	10

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
			<p>IRMSA (The Institute of Risk Management South Africa)</p> <p>2 Years relevant experience and NQF Level 6 or higher qualification and Certified proof of professional memberships SAICA (South African Institute of Chartered Accountants) and</p> <p>IIASA (Institute of Internal Auditors; South Africa) or</p> <p>ISACA (Information Systems Audit and Control Association)</p> <p>ACFE (Association of Certified Fraud Examiners) or</p> <p>IRMSA (The Institute of Risk Management South Africa)</p> <p>(Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body.)</p>	5
4	Plan on skills Transfer	05	Detail and timeline of skills transfer plan	05
	<b>Total</b>	<b>100</b>		
	Minimum threshold	<b>70 points</b>		

**NB! The minimum cut off points for functionality is 70 points out of 100 points and any bidder scoring less than 70 points will not be considered for the panel**

## 7.2.4 Risk, Compliance and Forensic Investigation

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
1	<p><b>Company experience</b></p> <p>Attach reference letters with corresponding appointment letters from client/s on conducting Risk, Compliance and Forensic Investigation services within the last five (5) years from closing date.</p> <p><b>NB The appointment letter(s) / reference Letter(s) must be on the letterhead of the previously serviced client, should at least reflect the name of the client, title of the related work conducted, year conducted and completed, contactable reference, and signed by the appropriate delegate.</b></p>	45	<p>The bidder must have at least 3 projects in Compliance Consulting/Forensic Investigation/ Risk Management Services.</p> <ul style="list-style-type: none"> <li>• Less than 3 references provided in compliance Consulting/ Forensic Investigation/ Risk Management Services = Disqualification</li> <li>• 3 references provided in compliance Consulting/ Forensic Investigation/ Risk Management Services = 25 points</li> <li>• 4 references provided in compliance Consulting/Compliance Risk Management Services = 35 points</li> <li>• 5 references provided in compliance Consulting/Compliance Risk Management Services = 45 points</li> </ul> <p>NOTE:</p> <ul style="list-style-type: none"> <li>• FTLM reserves the right to contact these organizations, without giving prior notice to the bidder.</li> <li>• Reference letters for services other than Compliance Consulting/Compliance Risk Management Services will not be considered, and zero points will be awarded</li> </ul>	<p>0</p> <p>25</p> <p>35</p> <p>45</p>
2	<p><b>Qualifications and experience of Key Personnel</b></p> <p><b>(Project key personnel (Must be working for the bidding company))</b></p> <ul style="list-style-type: none"> <li>• Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body (Fraud Examiner (CFE) or a member of the institution for commercial forensic practitioner (ICFP) or Certified Risk Management Professional (CRMP)/ Certified Regulatory</li> </ul>	20	<p>Project Manager</p> <ul style="list-style-type: none"> <li>• More than Five years (5+) experience in conducting forensic investigation or Risk Management or Compliance in the public sector and NQF level 7 related qualification (Accounting / Auditing / Law / Forensic Accounting / Risk Management/ Compliance Certification)</li> <li>• 1 – 4 years' experience in conducting forensic investigation or Risk Management in the public sector and NQF level 7 related qualification (Accounting / Auditing / Law / Forensic Accounting / Risk Management/ Compliance</li> </ul>	<p>20</p> <p>10</p>



## 7.2.5 Business Consulting and SCM Support

Bidder evaluation criteria for functionality		Weight	Scores	Points allocation
1	<p><b>Company experience</b></p> <p>Attach reference letters with corresponding appointment letters from client/s in Business Consulting or SCM support not older than five (5) years from closing date, in public sector within South Africa</p> <p><b>NB The appointment letter(s) / reference Letter(s) must be on the letterhead of the previously serviced client, should at least reflect the name of the client, title of the related work conducted, year conducted and completed, contactable reference, and signed by the appropriate delegate.</b></p>	40	<p>Four (4) reference letters and corresponding appointment letters</p> <p>Three (3) reference letters and corresponding appointment letters</p> <p>Two (2) reference and corresponding appointment letters</p> <p>One (1) reference and appointment letter</p>	<p>40</p> <p>30</p> <p>20</p> <p>10</p>
2	<p><b>Qualifications and experience of Key Personnel</b></p> <p><b>(Project key personnel Must be working for the bidding company)</b></p> <p>Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body (Where applicable)</p> <p><b>N.B Foreign qualifications are required to be accompanied by a SAQA evaluation certificate</b></p>	20	<p>Partner or Project Leader</p> <p>with experience in Business Consulting or Supply Chain Management Support</p> <ul style="list-style-type: none"> <li>• 5-9 years relevant experience and NQF Level 8 related qualification (Accounting, Supply Chain Management or Auditing)</li> <li>• 1-4 years relevant experience and NQF Level 8 related qualification (Accounting, Supply Chain Management or Auditing)</li> </ul>	<p>20</p> <p>10</p>
	<p><b>Qualifications and experience of Senior SCM support</b></p> <p><b>(Senior SCM support Must be working for the bidding company)</b></p> <p>Attach a detailed CV, certified ID copy and Certified certificate qualifications and proof of registration as a member of a professional body (Where applicable)</p>	15	<p>Senior SCM support</p> <p>with experience in Business Consulting or Supply Chain Management Support</p> <ul style="list-style-type: none"> <li>• Four and above (4+) years relevant experience and NQF Level 7 related qualification (Accounting, Supply Chain Management or Auditing)</li> <li>• 1-3 years relevant experience and NQF Level 7 related qualification (Accounting, Supply Chain Management or Auditing)</li> </ul>	<p>15</p> <p>10</p>

	<b>N.B Foreign qualifications are required to be accompanied by a SAQA evaluation certificate</b>			
<b>3</b>	<b>Professional Affiliation</b>  Membership or Professional Affiliation of Lead partner / Director with a relevant professional body.	<b>10</b>	Proof of membership of lead partner / director with professional body (SAICA or CIPS)	10
<b>4</b>	<b>Plan on skills transfer</b>	<b>15</b>	Attach a skills transfer plan that details the following:  The Transfer plan must include: <ul style="list-style-type: none"> <li>• Timeline over three years</li> <li>• Skills to be transferred</li> <li>• Monitoring of skills transfer</li> </ul>	15
<b>TOTAL</b>		<b>100</b>		

**NB! The minimum cut off points for functionality is 70 points out of 100 points and any bidder scoring less than 70 points will not be considered for the panel**

## ANNEXURE A

### 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..... Bid Number: FTM/T38/24/25

Closing Time: 12H00

Closing Date: 29 April 2025

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

Required by:.....

- At:.....

- Does the offer comply with the specification(s)? \*YES/NO

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

- Period required for delivery .....  
\*Delivery: Firm/Not firm

- Delivery basis .....

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. \*Delete if not applicable

## ANNEXURE B

### MBD 4

#### DECLARATION OF INTEREST

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

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

3.2 Identity Number: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

.....

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

(a) a member of –

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

1.10.1 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**

**ANNEXURE C**  
**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 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) **90/10** 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:

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

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

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

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.**

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Nationally within RSA	20	

#### DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

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

## ANNEXURE D

### MBD 7.1

#### CONTRACT FORM - PURCHASE OF GOODS/SERVICES

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

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

1. I hereby undertake to supply all or any of the goods and/or services described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

(i) Bidding documents, viz

- Invitation to bid;
- Proof of Tax Compliance Status;
- Pricing schedule(s);
- Technical Specification(s);
- Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
- Declaration of interest;
- Declaration of bidder's past SCM practices;
- Certificate of Independent Bid Determination;
- Special Conditions of Contract;

(ii) General Conditions of Contract; and

(iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

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

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES

1 .....

2.....

DATE:

**MBD 7.1**

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

1. I..... in my capacity as..... accept your bid under reference number .....dated.....for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).

2. An official order indicating delivery instructions is forthcoming.

3. I undertake to make payment for the goods/services delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

ITEM NO.	PRICE(ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	TOTAL PREFERENCE POINTS CLAIMED	POINTS CLAIMED FOR EACH SPECIFIC GOAL

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP
----------------

WITNESSES	
1.	.....
	.
2.	.....
	.

**ANNEXURE E**  
**MBD 8**

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

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supplychain 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 anyimproper 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 publicsector contract during the past five years; or
  - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention andCombating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submittedwith the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed therestriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at thebottom of the home page.</b></p>	<input type="checkbox"/> Yes	<input type="checkbox"/> 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)? <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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**

## ANNEXURE F

### MBD 9

#### CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

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(Bid Number and Description)

in response to the invitation for the bid made by:

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(Name of Municipality / Municipal Entity)

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

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 authorised 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:
  - i has been requested to submit a bid in response to this bid invitation;
  - ii could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and

- iii provides the same goods and services as the bidder and/or is in the same line of business as the bidder
- 6 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
- 7 In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - a. geographical area where product or service will be rendered (market allocation)
  - b. methods, factors or formulas used to calculate prices;
  - c. the intention or decision to submit or not to submit, a bid;
  - d. the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
- 8 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 9 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- <sup>3</sup> **Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.**
- 10 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

## ANNEXURE G

### **FORM OF OFFER AND ACCEPTANCE**

The employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of: Project **Appointment of a panel of experts to provide technical financial advisory, internal audit, risk, compliance and forensic investigation, fixed asset management and professional business support as and when required for a period of three years (36 months)**

The tenderer, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorised, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

**\*THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS:**

.....**N/A**.....  
.....

(rands) (in words);

**R**.....**N/A**..... (in figures)

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the contractor in the conditions of contract identified in the contract data.

Signature Block: Tenderer	
Signature .....	Date.....
Name .....	
Capacity .....	
Name of organisation .....	
Address of organisation ..... .....	
Signature of witness .....	Date .....
Name of witness .....	

**BIDDERS HAVE TO COMPLETE THE OFFERED TOTAL OF THE PRICES IN WORDS AS WELL AS IN FIGURES**

### **Form of Acceptance**

By signing this part of this form of offer and acceptance, the employer identified below accepts the tenderer's offer. In consideration thereof, the employer shall pay the contractor the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the tenderer's offer shall form an agreement between the employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement. No amendments to or deviations from said documents are valid unless contained in this schedule.

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the contract data) for delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now contractor) within five working days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

<b>Signature Block: Employer</b>	
Signature .....	Date.....
Name .....	
Capacity .....	
<b>for the Employer</b>	Fetakgomo Tubatse Municipality P.O. Box 206, Burgersfort, 1150
Signature of witness .....	Date.....
Name of witness .....	

## **Schedule of Deviations**

Notes:

1. The extent of deviations from the tender documents issued by the Employer prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender,
2. A Tenderer's covering letter shall not be included in the final contract document. Should any matter in such, letter, which constitutes a deviation as aforesaid become the subject of agreements reached during the process of, offer and acceptance, the outcome of such agreement shall be recorded here,
3. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the Parties becomes an obligation of the contract shall also be recorded here,
4. Any change or addition to the tender documents arising from the above agreements and recorded here, shall also be incorporated into the final draft of the Contract,

1 Subject:

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Details:

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2 Subject:

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Details:

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3 Subject:

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Details:

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4 Subject:

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Details:

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By the duly authorized representatives signing this agreement, the employer and the tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the tender data and addenda thereto as listed in the tender schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.

## ANNEXURE H

### GENERAL CONDITIONS OF CONTRACT

#### Definitions

(1) The following terms shall be interpreted as indicated:

**“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.

**“Contracts”** means the written agreement entered into between the purchaser and the provider, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

**“Contract price”** means the price payable to the provider under the contract for the full and proper performance of his contractual obligations.

**“Corrupt practice,”** means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

**“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidised by its government and encouraged to market its products internationally.

- a) **“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 recognised new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- b) **“Day”** means calendar day.
- c) **“Delivery”** means delivery in compliance of the conditions of the contract or order.
- d) **“Delivery ex stock”** means immediate delivery direct from stock actually on hand.
- e) **“Delivery into consignees store or to his site”** means delivered and unloaded in the specified store or depot on the specified site in compliance with the conditions of the contract or order, the provider bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- f) **“Dumping”** occurs when a private enterprise abroad markets its goods on its own initiative in the RSA at lower prices than that of country of origin and which have the potential to harm the local industries in the RSA.
- g) **“Force Majeure”** means an event beyond the control of provider and not involving the provider's fault or negligence and is 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.
- h) **“Fraudulent practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of 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 bidders of the benefits of free and open competition.

- i) **“GCC”** means the General Conditions of Contract.
- j) **“Goods”** means all of the equipment, machinery, and/or other materials that the provider is required to supply to the purchaser under the contract.
- k) **“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 provider or his subcontractors) and which costs are inclusive of the costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- l) **“Local Content”** means that portion of the bidding price, which is not included in the imported content provided that local manufacturing does take place.
- m) **“Manufacture”** means the products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- n) **“Order”** means an official written order issued for the supply of goods or works or the rendering of a service
- o) **“Project site,”** where applicable, means the place indicated in bidding documents.
- p) **“Purchaser”** means the Fetakgomo Tubatse Local Municipality.
- q) **“Republic”** means the Republic of South Africa.
- r) **“SCC”** means the Special Conditions of Contracts.
- s) **“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 provider covered under the contract.
- t) **“Written”** or “in Writing” means hand-written in ink or any form of electronic or mechanical writing.

## (2) Application

These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (including 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.

1. Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
2. Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

### **(3) General**

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

Invitations to bid are usually published in locally distributed news media and in the institution's website.

### **(4) Standards**

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

### **(5) Uses of contract documents and information inspection**

The provider 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 provider in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.

The provider 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.

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

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

### **(6) Patent rights**

The provider 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.

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

### **(7) Performance Security**

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 Special Conditions of Contract.

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

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:

1. A bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
2. A cashier's or certified cheque

The performance security will be discharged by the purchaser and returned to the provider not later than thirty (30) days following the date of completion of the provider'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 account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the purchaser or an organisation 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 with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services accepted or not, the cost in connection with these inspections, tests or analysis shall be defrayed by the provider.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the provider, who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies, which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the provider's cost and risk. Should the provider fail to provide the substitute supplies forthwith, the purchaser may, without giving the provider further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the provider.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## **(9) Packing**

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

## **(10) Delivery and documents**

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

## **(11) Insurance**

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

## **(12) Transportation**

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

## **(13) Incidental services**

- a) The provider may be required to provide any or all of the following services, including additional services, if any:
- b) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- c) Furnishing of tools required for assembly and/or maintenance of the supplied goods; 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 these services shall not relieve the provider of any warranty obligations under this contract;
- e) Training of the purchaser's personnel, at the provider's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods; and

- f) Price charged by the provider 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 provider for similar services.

#### **(14) Spare parts**

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

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

#### **(15) Warranty**

- a The provider warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The provider 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 provider, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- b This warranty shall remain valid for twelve (12) months, or any portion thereof as the case may be, after goods 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.
- c The purchaser shall promptly notify the provider in writing of any claims arising under this warranty.
- d Upon receipt of such notice, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without cost to the purchaser.
- e If the provider, 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 provider's risk and expense and without prejudice to any other rights which the purchaser may have against the provider under the contract.

## **(16) Payment**

- a The method and conditions of payments to be made to the provider under this contract shall be specified.
- b The provider shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- c 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 provider.
- d Payments will be made in Rand unless otherwise stipulated.

## **(17) Prices**

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

### **Increase/ decrease of quantities**

In cases where the estimated value of the envisaged changes in purchase does not exceed 15% of the total value of the original contract, the contractor may be instructed to deliver the revised 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.

### **Contract amendments**

No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

### **Assignment**

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

### **Subcontracts**

The provider 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 provider from any liability or obligation under the contract.

## **(18) Delays in the provider's performance**

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

- 18.2 If at time during performance of the contract, the provider or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the provider shall promptly notify the purchaser in writing of the act of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the provider's notice, the purchaser shall evaluate the situation and may at his discretion extend the provider's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 18.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the provider's point of supply is not situated at or near the place where the supplies are required, or the provider's services are not readily available.
- 18.4 Except as provided under GCC clause 25, a delay by the provider in the performance of its delivery obligations shall render the provider liable to the imposition of penalties, pursuant to GCC clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 18.5 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quantity and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods not delivered later at the provider'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 provider.

## **(19) Penalties**

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

## **(20) Termination for default**

- a The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the provider, may terminate this contract in whole or in part:
- i If the provider 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
  - ii If the provider fails to perform any other obligation(s) under the contract;
  - iii If the provider, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract

- b In the event of the purchaser terminating 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 provider shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the provider shall continue performance of the contract to the extent not terminated.

#### **(21) Anti-dumping and countervailing duties and rights**

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 rights are increased in respect of any dumped or subsidised import, the Municipality 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 are abolished, or where the amount of such provisional payments or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the provider to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the provider in regard to supplies or services which he delivered or rendered, or is to be delivered or rendered in terms of the contract or any other contract or any other amount which may be due to him.

#### **(22) Force Majeure**

- a Notwithstanding the provisions of GCC clause 22 and 23, the provider 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.
- b If a force majeure situation arises, the provider shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the provider 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.

#### **(23) Termination for insolvency**

The purchaser may at any time terminate the contract by giving written notice to the provider if the provider becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the provider, 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.

#### **(24) Settlement of disputes**

- a If any dispute or difference of any kind whatsoever arises between the purchaser and the provider 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.
- b 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 provider 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.
- c Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- d Notwithstanding any reference to mediation and/or court proceedings herein.

- 1 The parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- 2 The purchaser shall pay the provider any monies due to the provider for goods delivered and / or services rendered according to the prescripts of the contract.

**(25) Limitation of liability**

- a Except in case of criminal negligence or willful misconduct, and in the case of infringement pursuant to clause 6:
- b The provider 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 provider to pay penalties and/or damages to the purchaser; and
- c The aggregate liability of the provider 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.

**(26) Governing language**

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.

**(27) Applicable laws**

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

**(28) Notices**

- a Every written acceptance of a bid shall be posted to the provider 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 noticed later by him in writing and such posting shall be deemed to be proper services of such notice.
- b 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.

**(29) Taxes and duties**

- a A foreign provider shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- b A local provider shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- c No contract 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.

**(30) Transfer of contracts**

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

**(31) Amendment of contracts**

No agreement to amend or vary a contract or order or the conditions, stipulations 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.

## ANNEXURE I

### **SPECIAL CONDITIONS OF THE CONTRACT:**

1. It is emphasized that a contract will not necessarily result from the responses received to this request for proposal. FETAKGOMO TUBATSE MUNICIPALITY reserves the right to enter into negotiations with any one or more of the respondents, should it be decided to proceed with the contract.
2. FETAKGOMO TUBATSE MUNICIPALITY reserves the right not to evaluate and /or consider any proposal that does not comply strictly with the requirements as set out in this request.
3. FETAKGOMO TUBATSE MUNICIPALITY reserves the right to make a decision/ selection based solely on the information received in the proposal to this request.
4. The bid price must remain valid for a period of 90 days calculated from the closing date.
5. Accept that the employer will not compensate the bidder for any costs incurred in the preparation and submission of a bid offer, including the costs to demonstrate that aspects of the offer satisfy requirements.
6. The Municipality may accept or reject any variation, deviation, bid offer or alternative bid offer, and may cancel the bid process and reject all bid offers at any time before the formation of a contract. The employer shall not accept or incur any liability to a bidder for such cancellation and rejection but will give written reasons for such action upon written request to do so.
7. **The Municipal Manager may reject the bid or quote of any person if that person or any of its directors has:**
  - i. Failed to pay municipal rates and taxes or municipal service charges and such rates, taxes and charges are in arrears for more than three months;
  - ii. Failed, during the last five years, to perform satisfactorily on a previous contract with the Fetakgomo Tubatse Local Municipality or any other organ of State after written notice was given to that bidder that performance was unsatisfactory;
  - iii. Abused the supply chain management system of the Municipality or have committed any improper conduct in relation to this system;
  - iv. Been convicted of fraud or corruption during the past five years;
  - v. Willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - vi. 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) or has been listed on National Treasury's database as a person prohibited from doing business with public sector.