

# MOPANI DISTRICT MUNICIPALITY



## SUPPLY CHAIN MANAGEMENT

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BID NO : MDM 2018-031

BID DESCRIPTION : PANEL OF FINANCIAL SERVICE PROVIDERS TO ASSIST MOPANI DISTRICT MUNICIPALITY WITH THE PREPARATION OF ANNUAL, QUARTERLY FINANCIAL STATEMENTS, VAT RECONCILIATIONS; REVENUE RECONCILIATIONS AND ASSETS MANAGEMENT FOR 36 MONTHS FRAMEWORK CONTRACT

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BIDDER NAME : .....

CSD NO : .....

BID AMOUNT : RATES

FRAMEWORK CONTRACT / PANEL SELECTION

- PREPARATION OF ANNUAL, QUARTERLY FINANCIAL STATEMENTS
- ASSETS MANAGEMENT, ACCOUNTING AND RECONCILIATION OF ASSETS
- VAT RECONCILIATIONS
- REVENUE RECONCILIATIONS

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CLOSING DATE : 11 JUNE 2019 @ 12H00

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**MDB 1: Invitation/Advert**

# MOPANI DISTRICT MUNICIPALITY

Government Buildings, Main Road  
Private Bag X9687  
Giyani

Tel: +27 15 811 6300  
Fax: +27 15 812 4301  
Email: [basa@mopani.gov.za](mailto:basa@mopani.gov.za)

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MOPANI DISTRICT MUNICIPALITY</b>			
Bid number:	MDM 2018-031	Closing Date: 11 June 2019	Closing Time: 12H00
Description	Panel Of Financial Service Providers to assist Mopani District Municipality with the Preparation of Annual, Quarterly Financial Statements, Vat Reconciliations; Revenue Reconciliations and Assets Management for 36 Months Framework Contract		
Briefing Session	16 May 2019 @ 11H00 IN Tzaneen Disaster Centre / Fire Station		
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>			
Bid response documents with attachments should be deposited in the bid box situated at Mopani District Municipality's main office entrance of government building main street, Giyani A			
<b>SUPPLIER INFORMATION</b>			
Name of bidder			
Postal address			
Street/physical address			
Telephone number			
Cell phone number			
Facsimile number			
E-mail address			
Tax Income number			
Vat registration number			
Tax compliance status	<input type="checkbox"/> Yes <input type="checkbox"/> NO	TCS PIN:	CSD No:
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE] [TICK APPLICABLE BOX]</b>			
B-BBEE status Level:..... <input type="checkbox"/> Yes <input type="checkbox"/> NO	Verification certificate <input type="checkbox"/> Yes <input type="checkbox"/> NO	B-BBEE status level sworn affidavit <input type="checkbox"/> Yes <input type="checkbox"/> NO	
<b>Number of days takes to deliver after receiving Appointment Letter &amp; SLA</b>		<b>Contract Period</b>	<b>36 Months</b>
<b>Total number of items offered</b>		<b>TOTAL BID PRICE</b>	<b>R</b>
<b>Name of Authorise</b>		<b>Capacity under which this bid is signed</b>	
<b>Identity Document Number</b>			
<b>Signature of bidder</b>	.....	<b>Date</b>	
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			
Department	BTO	BTO (CFO)	BTO(Budget and Reporting)
Contact person	Oli Hlayisi	Kgatla Q	Pootona M.R
Telephone number	084 617 1445	015 811 6300	015 811 6300
Facsimile number	27 15 812 4301		
E-mail address	<a href="mailto:hlayisio@mopani.gov.za">hlayisio@mopani.gov.za</a>		
<b>Are you the accredited representative in South Africa for the goods /services /works offered?</b> <input type="checkbox"/> Yes <input type="checkbox"/> NO			
<b>Are you a foreign-based supplier or based outside MDM for the goods /services /works offered?</b> <input type="checkbox"/> Yes <input type="checkbox"/> NO			
[IF YES, ANSWER PART B:3 Foreign 3.4-6.5 / Outside MDM 3.6-3.7]			

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

**1. BID SUBMISSION:**

- 1.1. Bids must be delivered by the stipulated time to the correct address will be considered.
- 1.2. Late bids will not be accepted for consideration.
- 1.3. **All bids must be submitted on the official forms provided–(not to be re-typed) or online**
- 1.4. This bid is subject to the Preferential Procurement Policy Framework Act and the preferential procurement regulations, 2017, the general conditions of contract (GCC) and, if applicable, any other special conditions of contract.
- 1.5. Pre-requisite compliance: **Proof of Company registration with Accounting/Auditing Professional Body**; Valid Tax clearance certificate with status compliance pin; CSD compliance in term of MFMA circular 90 (Printed between advert-closing date); Certified copies of ID copies of all directors, Proof that municipal rates & taxes that are not in arrears for both company and director(s) (Not older than 3 months / letter from traditional authority Not older than 3 months; NB: where the business operates in a leased property, please attach a lease agreement.
- 1.6. Pre-qualified bidder shall be subjected to Functionality criteria: Proof of Company registration with Accounting/Auditing Professional Body. Functionality criteria: Company Experience 50 Points, key Personnel 30 Points; Locality 20 Points; Cut off 70 Points, functionality score card is provided below

**2. TAX COMPLIANCE REQUIREMENTS**

- 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 [www.sars.gov.za](http://www.sars.gov.za).
- 2.4 Foreign suppliers must complete the pre-award questionnaire in Part B3.
- 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 bidder must be registered on the central supplier database (CSD), provided CSD report printed between date of advertisement & closing date.

**3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| 3.1. Is the entity a resident of the Republic of South Africa (RSA)? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3.2. Does the entity have a branch in the RSA?                       | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3.3. Does the entity have a permanent establishment in the RSA?      | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3.4. Does the entity have any source of income in the RSA?           | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3.5. Is the entity liable in the RSA for any form of taxation?       | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3.6. Is the entity a residing of the Limpopo Provinces?              | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3.7. Is the entity a residing of the Republic of South Africa (RSA)? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

**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.**

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<b>4. Further condition</b>	
4.1	Bid will be evaluated/adjudicated in term of Mopani District Municipality’s SCM policy; Preferential Procurement regulation 2017; MFMA: SCM regulations & other Applicable legislations
4.2	Mopani District Municipality does not itself to accept the lowest or any bid; reserves right to appoint/cancel or accept whole or part of a bid or to negotiate further condition in term MFMA: SCM regulation 24, The valid period of the submitted bids is 90 days counting from opening/closing date,
4.3	Bidders shall complete & sign all Forms of Bid and initial each page; Agree/Accept General Conditions of Contracts, Special Conditions; Term of references, Specifications and any attachments which deemed to be condition of Contract between the parties.
4.4	Failure to complete all blank spaces in the forms and to attend to the other details mentioned herein will results into bid rejection/disqualified
4.5	Accounting Officer/Municipal Manager reserve right determine the size of panel;
4.6	listed on the panel does not guarantee work/future appointment;
4.7	Accounting Officer/Municipal Manager reserve right to invite competitive/close bidding process (selective project allocation) or single selection within framework contract or outside the panel;
4.8	Accounting Officer reserve right to give the preference or advance listed contractor(s) located with Mopani District Municipality in term of SCM Policy clause 34 during project allocation.

**Certificate of Authority**

Indicate the status of the Tenderer by ticking the appropriate box hereunder.

(I) COMPANY	(II) CLOSE CORPORATION	(III) PARTNERSHIP	SOLE PROPRIETOR	(IV) JOINT VENTURE

**Certificate for Joint Venture**

This Returnable Schedule is to be completed by joint ventures.

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorize Mr/Ms . . . . .  
 . . . . . , authorized signatory of the company . . . . .  
 . . . . . , acting in the capacity of lead partner, to sign all  
 documents in connection with the tender offer and any contract resulting from it on our behalf.

NAME OF FIRM	ADDRESS	%	DULY AUTHORISED SIGNATORY

Lead partner			Signature. .... Name ..... Designation
			Signature. .... Name ..... Designation

**Note : Note : This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Joint Venture as a whole.**

SIGNATURE OF BIDDER: .....

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

DATE: .....

**Certificate of Attendance at Clarification Meeting**

This is to certify that (*bidder name*)..... of

(*address*).....

.....authorise the person(s) named below to present above mention company at compulsory meeting held with all bidders at (*location*) .....

..... on (*date*)..... starting at (*time*) .....

**Particulars of person(s) attending the meeting:**

Name: ..... ID .....

Capacity: ..... Contact detail .....

E-mail: .....

I / We ..... representative of bidder acknowledge that have complete & signed attendance register circulated by the Employer; understand the purpose of the meeting is to acquaint myself / ourselves with the Tender requirement & specification in order for me / us to take account of everything necessary when compiling our tender,

**Attendance of the above person(s) at the meeting representing the bidder shall be confirmed by the Employer during bid evaluation process against the official attendance register circulated on meeting**

<b>1.6 FUNCTIONALITY CRITERIA / TESTING IN THIS CATEGORY)</b>				✓	
		<b>B</b>	<b>A</b>	✓	
<b>Company work Experience</b> in AFS or Financial Accounting Projects such as Vat recon, Revenue recon, Assets managements for the government sector (please attach copy of appointment letter / orders <b>not testimonial or reference letter</b> )	Previous relevant completed projects in the last 5 years (2014-2019) with a combined value of at least R10 million	5	<b>50</b>		
	Previous relevant completed projects in the last 5 years (2014-2019) with a combined value of at least R8 million	4			
	Previous relevant completed projects in the last 5 years (2014-2019) with a combined value of at least R6 million	3			
	Previous relevant completed projects in the last 5 years (2014-2019) with a combine value of at least R4 million	2			
	Previous relevant completed projects in the last 5 years (2014-2019) with a combined value less than 4million	1			
	No previous relevant completed projects in the last 5 years (2014-2019)	0			
<b>Key personnel</b>  Please submit a detailed CV and qualifications of the Project leader and supervisor of the project. (Certified ID copy, qualifications and professional accountant/auditor registration with accounting/auditing professional body of personnel must be attached to the CV)	<b>Contract Manager CA (SA) or IRBA Registered Auditor or Other professional designation</b>		<b>20</b>		
	➤ At least 7 year's experience	5			
	➤ At least 6 year's experience	4			
	➤ At least 5 year's experience	3			
	➤ At least 4 year's experience	2			
	➤ At least 3 year's experience	1			
	<b>Team Leader with BCOM honors</b>			<b>10</b>	
	➤ At least 7 year's experience	5			
	➤ At least 6 year's experience	4			
	➤ At least 5 year's experience	3			
	➤ At least 4 year's experience	2			
➤ At least 3 year's experience	1				
<b>Locality</b> (Proof of physical address attach Municipal Rates & taxes statement or letter from Tribal Authority / Headman).	Company located within the Mopani District Municipality area	5	<b>20</b>		
	Company located within the Limpopo Province area	3			
	Company located elsewhere in South Africa	1			
<b>TOTAL SCORE</b>	<b>Functionality criteria Formula:</b> Bid= $AxB/5$ All bidders with less than 70 points will be disqualified from further evaluation	<b>100</b>			

**2. INFORMATION REQUIRED FOR FUNCTIONALITY EVALUATION PURPOSES 2.1  
COMPANY EXPERIENCE**

Complete the below schedule regarding your company previous working experiences on this project.

Client	Project Number	Contract Value	Contract Period

**NB: applicable to experience bidder**

**2.2 FINANCIAL CAPACITY (All information must be completed and signed)**

The below schedule should be completed by your banker or by the financial institution where your company's bank account is held Main Bank account to be utilised on this bid details of Bidder

Account Holder: \_\_\_\_\_

Bank: \_\_\_\_\_

Account Type: \_\_\_\_\_

Account Number: \_\_\_\_\_

Branch Code: \_\_\_\_\_ Bank Rating \_\_\_\_\_

Date Bank stamp

**CONFIRMATION OF BANKING DETAILS BY BANK OFFICIAL**

Surname : \_\_\_\_\_

Designation of the official 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Work telephone no 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Bank fax no 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

E-mail address \_\_\_\_\_

SIGNATURE OF THE BANK OFFICIAL: \_\_\_\_\_ Date \_\_\_\_\_

Branch: \_\_\_\_\_

Addition Financial Accounts:

Name of Financial Institution	Type of Account	Account Number	Bank Rating

### 2.3 KEY PERSONNEL EXPERIENCE

**NB: Key person list for this project may not be by less qualified/inexperience personnel change during implementation of the project**

Name & Initial	ID No:	Position in your company	Qualifications	Number of years

2.3.1 **Curriculum Vitae of Key Personnel (please note that if separate CV are attached, use the format provided below) Curriculum Vitae of Key Personnel (Contract Manager)** Provide separate forms for each position listed in Form: Key Personnel

<b>Name:</b>		<b>Gender:</b>
<b>ID / Passport No:</b>		<b>Nationality:</b>
<b>Contact No:</b>		<b>Race:</b>
<b>Profession / Current position:</b>		<b>Years as Contract Manager:</b>
<b>Professional Registration Number:</b>		<b>Year obtained</b>
<b>Undergraduate Qualifications field:</b>		<b>Year obtained</b>
<b>Accreditation certificate in field:</b>		<b>Year obtained</b>
<b>Name of Employer (firm):</b>		<b>Years with firm:</b>
<b><u>Employment Record</u></b>		<b>Years with firm:</b>
<b>Company</b>	<b>Period</b>	<b>Capacity</b>
<b><u>Experience Record Pertinent to Required service: (Please list the projects, value and year)</u></b>		
<b>Project Name</b>	<b>Value</b>	<b>Year</b>

**Certification:**

I, the undersigned, certify that, to the best of my knowledge and belief, this data correctly describes me, my qualifications and my experience.

.....  
Signature of person named in the schedule

.....  
Date

**Curriculum Vitae of Key Personnel (Site Agent/facilitators)**

Provide separate forms for each position listed in Form: Key Personnel if employed by bidder

<b>Name:</b>		<b>Gender:</b>
<b>ID / Passport No:</b>		<b>Nationality:</b>
<b>Contact No:</b>		<b>Race:</b>
<b>Profession / Current position:</b>		<b>Years as Safety Officer:</b>
<b>Professional Registration Number:</b>		<b>Years obtained</b>
<b>High Qualifications in engineering field:</b>		<b>Years obtained</b>
<b>Name of Employer (firm):</b>		<b>Years with firm:</b>
<b><u>Employment Record:</u></b>		
<b>Company</b>	<b>Period</b>	<b>Capacity</b>
<b><u>Experience Record Pertinent to Required service</u></b>		
<b>Project Name</b>	<b>Value</b>	<b>Year</b>

**Certification:**

I, the undersigned, certify that, to the best of my knowledge and belief, this data correctly describes me, my qualifications and my experience.

.....  
Signature of person named in the schedule

.....  
Date

**2.5. TRIBAL AUTHORITY /MUNICIPAL ACCOUNT DECLARATION FORM**

Proof that municipal rates and taxes are not in arrears

<b>Company Property / Account</b>			
(Attach recent municipal statement/lease agreement/letter from tribal authority)			
<b>Tribal Authority /Municipal Name / description /address</b>	<b>Account Number</b>	<b>Property Owner / ID/ Account Type</b>	<b>Declaration Amount/ signature</b>
Name:		Account	Amount
address		ID No:	signature
Account Type			
<b>Members/director's Accounts (Attach recent municipal statement/tribal authority letter)</b>			
Name:		Account	Amount
address		ID No:	signature
Account Type			
Name:		Account	Amount
address		ID No:	signature
Account Type			
Name:		Account	Amount
address		ID No:	signature
Account Type			
Account Type			
Name:		Account ID No:	Amount
address			signature
Account Type		Account	Amount

We \_\_\_\_\_ (Bidder name) declare that above account(s) are not in arrears & undertakes to settle all municipal account/ account tribal authority, authorise MDM to verify all municipal account / tribal authority account of a company; members/director (excluded are of employer/association member) and understand that if account(s) is in arrears shall decline our bid at any SCM process stage; we acknowledge that information furnish above is accrete/correct and if not may render our bid invalid (duly sign by above members/director on signature column

SIGNATURE OF BIDDER: .....

DATE: .....

### 3. GENERAL CONDITIONS OF CONTRACT



#### GENERAL CONDITIONS OF CONTRACT THE NATIONAL TREASURY REPUBLIC OF SOUTH AFRICA

#### GOVERNMENT PROCUREMENT: MOPANI DISTRICT MUNICIPALITY GENERAL CONDITIONS OF CONTRACT JULY 2010

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
  - (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government. In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.
- The General Conditions of Contract will form part of all bid documents and may not be amended.
  - Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

#### TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards

5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
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13. Incidental services
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15. Warranty
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17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices
1. Definitions
  1. The following terms shall be interpreted as indicated:
    - 1.1 "Acceptable bid" means any bid, which, in all respects, complies with the specifications and conditions of the bid as set out in the bid document.
    - 1.2 "Bid" means a written offer in a prescribed or stipulated form in response to an invitation by an organ of State for the provision of goods, works or services.

- 1.3 “Black enterprise” means an enterprise that is 50,1% owned by black persons and where there is substantial management control. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise.
- 1.4 “Black empowered enterprise” means an enterprise that is at least 25,1% owned by black persons and where there is substantial management control. Ownership refers to economic interests. Management refers to executive directors. This is whether the black enterprise has control or not.
- 1.5 “Black people” includes all African, Coloured or Indian persons who are South African citizens by birth or by descent or who were naturalised prior to the commencement of the constitution in 1993. In addition, the term also includes black people who became South African citizens after the constitution’s commencement but who would have been able to be naturalised prior to this, were it not for the Apartheid laws which prohibited naturalisation of certain persons. This means that an African, Coloured or Indian person who was not a South African citizen before the commencement of the constitution in 1993 but who would have been entitled to apply to be naturalised prior to 1993, will also be considered a black person and therefore a beneficiary of BEE.
- 1.6 “Black woman-owned enterprise” means an enterprise with at least 25,1% representation of black women within the black equity and management portion.
- 1.7 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
- 1.8 “Comparative price” means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.
- 1.9 “Community or broad-based enterprise” means an enterprise that has an empowerment shareholder who represents a broad base of members such as a local community or where the benefits support a target group, for example black women, people living with disabilities, the youth and workers. Shares are held via direct equity, non-profit organisations and trusts.

Benefits from the shareholding should in a measurable sense be directed towards the uplifting of the community through job creation, welfare, skills development, entrepreneurship and human rights. At the same time, directors and management of groups should significantly comprise black persons.

These arrangements are appropriate in situations where the activities or operations of an enterprise or industry directly impact on a community or are located in a community, or may benefit a community. Notable examples are large industrial projects, mining and tourism. Other instances, which do assist in broadening the shareholder base, are employee share ownership schemes; these are a viable empowerment shareholder option. In this and other circumstances, these arrangements should not detract from the ability of the shareholder to exercise significant influence or control over the operations of the business.

- 1.10 “Consortium or joint venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- 1.11 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.12 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.13 “Control” means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate

- managerial authority and power in determining the policies and directing the operations of the business.
- 1.14 “Co-operative or collective enterprise” is an autonomous association of persons who voluntarily join together to meet their economic, social and cultural needs and aspirations through the formation of a jointly-owned enterprise and democratically controlled enterprise.
- 1.15 “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.
- 1.16 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.17 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.18 “Day” means calendar day.
- 1.19 “Delivery” means delivery in compliance with the conditions of the contract or order.
- 1.20 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
- 1.21 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.22 “Disability” means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.
- 1.23 "Dumping" occurs when a private enterprise abroad markets its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.24 “Equity Ownership” means the percentage ownership and control, exercised by individuals within an enterprise.
- 1.25 “Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.26 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.27 “GCC” means the General Conditions of Contract.
- 1.28 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.29 “Historically Disadvantaged Individual (HDI)” means a South African citizen -

1.29.1 who, due to the Apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993) (“the interim Constitution); and/or

1.29.2 Who is a female; and/or

1.29.3 Who has a disability?

provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI.

1.30 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.31 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.32 “Management” means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.

1.33 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.34 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.35 “Owned” means having all the customary elements of ownership, including the right of decisionmaking and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.

1.36 “Parliament” means Parliament of the Republic of South Africa as set out in Chapter Four of the Constitution.

1.37 “Person” includes reference to a juristic person.

1.38 “Project site” where applicable, means the place indicated in bidding documents.

1.39 “Purchaser” means the organization purchasing the goods.

1.40 “Rand value” means the total estimated value of a contract in Rand denomination that is calculated at the time of the bid invitations, and includes all applicable taxes and excise duties.

1.41 “Republic” or “RSA” means the Republic of South Africa.

1.42 “RFP” means Request for Bids.

1.43 “RFT” means Request for Tender.

1.44 “RFQ” means Request for Quotation.

1.45 “SCC” means the Special Conditions of Contract.

- 1.46 “Secretary” means the Secretary to Parliament.
- 1.47 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.48 “Specific contract participation goals” means the goals as stipulated in the Preferential Procurement Regulations, 2001. In addition to above-mentioned goals, the Regulations [12. (1)] also make provision for organs of State to give particular consideration to procuring locally manufactured products.
- 1.49 “Small, Medium and Micro Enterprises (SMMEs) bears the same meaning assigned to this expression in the National Small Business Act, 1996 (Act 102 of 1996).
- 1.50 “Sub-contracting” means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such a primary contractor in the execution of part of a project in terms of the contract.
- 1.51 “Trust” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 1.52 “Trustee” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
- 1.53 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
2. Application
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
3. General
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid can be accessed electronically from [www.mopani.gov.za](http://www.mopani.gov.za)
4. Standards
- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
5. Use of contract documents and information; inspection
- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed

- person shall be made in confidence and shall extend only as far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
6. Patent rights
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
7. Performance security
- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) A bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
- (b) A cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.
8. Inspections, tests and analyses
- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that 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 Parliament or an organisation acting on behalf of Parliament.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the 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 are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

- 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 analyzed 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 supplier 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 suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 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 supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size 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, specified in SCC, and in any subsequent instructions ordered by the purchaser.
10. Delivery and documents
- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2 Documents to be submitted by the supplier are specified in SCC.
11. Insurance
- 11.1 The goods supplied under the contract shall be fully insured by the bidder in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.
12. Transportation
- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.
13. Incidental services
- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) Furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) Furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

- (e) Training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.
14. Spare parts
- 14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and (b) In the event of termination of production of the spare parts:
    - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
    - (ii) Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.
15. Warranty
- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.
16. Payment
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier 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.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
18. Variation orders
- 18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.
19. Assignment
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
20. Subcontracts
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
21. Delays in the supplier's performance
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 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 quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties
- 22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.
23. Termination for default
- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) If the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) If the Supplier fails to perform any other obligation(s) under the contract; or
- (c) If the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
24. Anti-dumping and countervailing duties and rights
- 24.1 When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.
25. Force Majeure
- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.
26. Termination for insolvency
- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without

compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

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

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

(b) The purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

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

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

29. Governing language

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

30. Applicable law

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

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid, Parliament must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services (SARS).
- 33. Transfer of contracts
  - 33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser
- 34. Amendment of contracts
  - 34.1 No agreement to amend or vary 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.
- 35. Prohibition of restrictive practices
  - 35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.
  - 35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 Of 1998.
  - 35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned

#### GENERAL PROCEDURES

- 1. General Directives
  - 1.1 The following general procedures contained in this document have been laid down by the Council and are applicable to all bids, orders and contracts, unless otherwise approved by the Council prior to the invitation of the bids.
  - 1.2 Where applicable, special conditions or procedures are also laid down by the Council to cover specific supplies or services.
  - 1.3 Where such special conditions or procedures are in conflict with the general conditions and procedures, the special conditions or procedures shall apply.
  - 1.4 The bidder shall satisfy himself/herself with the conditions and circumstances of the bid. By bidding, the bidder shall deem to have satisfied himself/herself as to all the conditions and circumstances of the bid.

1.5 Formal contract are concluded with the contractors only where this requirement is stated in the bid invitation.

1.5 All bids with regard to the bidding of a service e.g. materials, cleaning services; professional services, etc. shall be subject to the negotiation of a Service Level agreement between the successful contractor and the Municipality. The acceptance of this Service Level Agreement is subject to the approval by the Council of the Municipality.

1.6 The written acceptance of bid shall be posted to the bidder or contractor concerned by registered or certified mail.

2. Process for competitive bidding Following are procedures for a competitive bidding process for each of the following stages:

2.1 Compilation of bidding documentation

(a) Take into account –

- The general conditions of contract;
- Any Treasury guidelines on bid documentation; and
- The requirement of the Construction Industry Development Board, in the case of a bid relating to construction, Replacement or refurbishment of buildings or infrastructure.
- Include evaluation and adjudication criteria, including any criteria required by other applicable legislation.
- Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted as MBD 4
- Require the bidders to furnish the following if the value of the transaction is expected to exceed R10 million (VAT included) or contract period exceed twelve months:
  - If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statement –  For the past three years; or
  - Since their establishment if establishment during the past three years
    - A certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payments is overdue for more than 30 days
    - Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract
    - A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic
    - Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

2.2 Issuing of bid documents

On the date that the advertisement appears in the Municipality's Bid Bulletin, and or media, prospective bidders may request copies of the bid documentation.

The Supply Chain Unit will keep a register and potential bidders should sign for receipt of the bid documentation. If a fee is payable, an official receipt must be issued before the bid document is handed to the bidder.

No bid responses from any Bidder should be accepted if sent via the Internet, e-mail or fax.

Only the Supply Chain Management Unit will have direct communication between the potential bidders and will facilitate all communication between potential bidders and the Municipality with regard to any advertised bid.

No line function staff should be allowed to communicate with potential bidders without the approval by the Chief Financial Officer: Supply Chain Management Unit.

The Supply Chain Management Unit will only consider request for the extension of the closing dates of advertised bid if the postponed date can be advertised in the media used to advertise before the original closing date. The closing time may be postponed only if all potential bidders can be advised of the postponed time, in writing, before the original closing time. The decision to extend the closing date or time rests with the Chief Financial Officer: Supply Chain Management Unit, who must ensure compliance with all relevant rules and regulations and must confirm prior to the action being taken.

2.3 Issuing / Payment of bid documents

The non - refundable fee of R350 (Mopani District Municipality reserve the right to increase non – refundable fee anytime) to be paid at Revenue offices before issuing bid document if started on bid Advert. SCM to ensure that only bona fide bidders collect documentation up on producing valid receipt, ensure that the information of bidder & receipt are recorded, and ensure recover on printing costs. NB: Bid documents will only be issued after payment of the above mention non Refundable amounts payable to Revenue office

#### 2.4 Public Invitation for competitive bids

The following are procedures for the invitation of competitive bids:

(i) Invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Bid Bulletin) and

(ii) Public advertisement must contain the following:

The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (Vat included) or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper; subject to (iii) below; and

(iii) Accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process

(iv) Bids submitted must be sealed.

(v) The following information must appear in any advertisement:

- \* Bid number & Description of the requirements
- \* Payable Non – Refundable fee where applicable to be paid before issuing bid documents
- \* The place where the bid documents can be obtained / submitted / open
- \* The date, time and venue where site inspection/briefing session will be (if applicable);
- \* Closing date and time;
- \* The name and telephone numbers of the contact person for any enquiries.
- \* Name of Municipal manager or Acting Accounting Officer

#### 2.5 Site meetings of briefing sessions

A fully explanatory site inspection must be conducted before the close of the bids to ensure that the bidders understand the scope of the project and that they can comply with the conditions and requirements.

It should be a condition that prospective bidders attend a site inspection and non- attendance should invalidate a bid, where a site inspection/briefing session is applicable.

#### 2.6 Handling of bids submitted in response to public invitation

##### (a) Closing of bids

All bids will close at 12H00 on a date as stipulated on the advertisement, which must be reflected in the bid document. Bids are late if they are received at the address indicated in the bid documents after the closing date and time. A late bid should not be admitted for consideration and where practical should be returned unopened to the bidder accompanied by an explanation.

##### (b) Opening of bids

Bids are opened in public as soon as possible after the closure by at least two Municipal Official in the presence of the Deputy Manager Supply Chain Management or his/her delegate. The official opening the bids should in each case read out the name of the bidder and the amount of the bid. The bid should be stamped with the official stamp of the Municipality and endorsed with the signatures of the persons opening it and of the person in whose presence it was opened. Bids should be recorded in a register kept for that purpose.

## 2.7 Validity of the bids

The validity periods should not exceed 90 (ninety) days and is calculated from the date of bid closure endorsed on the front cover of the bid document. Should the validity period expires on a Saturday, Sunday or Public holiday, the bid must remain valid and open for acceptance until the closure on the following working date. MDM reserve right to extend the valid period up - to 180day (6 months)

## 2.8 Consideration of bids

The Council takes all bids duly admitted into consideration.

- The Council reserves the right to accept the lowest or any bid received
- The decision by the Municipality regarding the awarding of a contract must be final and binding 2.9

### Evaluation of bids

The following are criteria against which all bids responses will be evaluated: a)

Compliance with bid conditions

- b) Bid submitted on time
- c) Bid forms completely filled, signed and each page initialled
- d) Proof of registration with CSD & printed current report
- e) Certified ID copies
- f) Proof of work experience (attach CV)
- g) Original or certified copy of B-BBEE Certificate (MBD 6.1)
- h) Proof of registration with accreditation body
- I) Submission of an Valid Tax Clearance Certificate with pin & CSD tax compliant, MBD 2
- J) Submission of Company Registration Certificate
- K) Submission of a Joint Venture Agreement, which has been properly signed by all parties
- L) submission Statement of municipal rates and taxes / tribal authority letter
- M) Meeting technical specifications and comply with bid conditions;
- N) Financial ability to execute the contract; and
- O) The number of points scored for achieving Government's Broad-Based Black Economic Empowerment objectives, points scored for price and / or points scored for functionality if applicable.
- P) Not listed on National treasury list of restricted suppliers/register & active on CSD

## 2.10 Evaluation of bids on functionality where applicable and then price I term of PPPFA regulation 2017

- (i) All bids where functionality is applicable will be evaluated first on functionality, only bidders' score required minimum points will qualify for second stage for further evaluation in term of started point scoring system on MBD 1 advert/invitation to bid
- (ii) Mopani District Municipality shall in the bid documents indicate if, in respect of a particular bid invitation that bids will be evaluated on functionality; price & B-BBEE.
- (ii) The total points allowed for price may, In respect of bids with an estimated Rand value above R50, 000,000.00, no exceed 90 points and less than R50 000 000.00 shall not exceed 80 points
- (iii) When evaluating bids contemplated in this item, the points for functionality must be calculated for each individual bidder
- (vii) The number of points scored for achieving Government's Broad-Based Black Economic Empowerment Objectives must be calculated separately and must be added to points of price. (iv) Only bid with the highest number of points be selected/recommended for award.

2.11 Acceptance of bids  
Successful bidders must be notified at least by registered post/fax/e-mail of the acceptance of their bids, but that acceptance however, will only take effect after completion of the prescribed contract form in term of MFMA section 116. Unsuccessful bids should not be returned to bidders, but should be placed on record for audit purposes. A register or records should be kept of all bids accepted

2.12 Cancellation and re-invitation of bids

- (i) MDM reserve the right to withdraw advertise bid at any time due to non-compliances
- (ii) In the event that in the application of the 80/20 preference point system as stipulated in the bid documents, all bids received exceed the estimated Rand Value of R50 ,000,000.00, the bid invitation must be cancelled.
- (iii) In the event that, in the application of the 90/10 preference point system as stipulated in the bid documents, all bids received are equal to or below R50,000,000.00, the bid must be cancelled.
- (iv) In the event that the Municipality has cancelled a bid invitation as contemplated in sub regulations (ii) and (iii) must re-invite bids and, must, in the bid documents stipulate the correct preference point system to be applied.
- (a) A bid may be cancelled before award if:  
Due to changed circumstances, there is no longer a need for the goods, works or services offered, or Funds are no longer available to cover the total envisaged expenditure, or No acceptable bids were received

2.12 Publication of bid information

The particulars of the successful bidders should be published in the Municipality's Bid Bulletin as well as the website; Notice board. Successful bidder shall be issued with appointment letter/official order where acceptance letter will be request from such bidder then service provider shall be required to enter in service level agreement (SLA) in of MFMA section 116 with MDM

2.13 Invoices and Payment

Up on completion of project / delivering goods or rendering services service provider shall submit detailed Tax Invoice to SCM office, such invoice will be stamp with dated official stamp and Mopani District Municipality to settle such Tax Invoice in 30 days counting from date of receive/stamp, MDM may notify the bidder wherever unable to settle Tax invoice within prescribe timeframe. Mopani District municipality does not bind itself the pay cession agreement or milestone of projects/services (No upfront/advance payment obligation) however bidder (s) are advice to contact government agencies such as LEDA; SEDA; LimDev; DBSA... or Financial institution for assistance on running cost of the project/goods/services.

## 2.14 PROCEDURE FOR ALLOCATION OF PROJECTS WITHIN FRAMEWORK AGREEMENT

### **Bid Committees**

Accounting Officer will establish bid committees in term of MDM Policy Clauses 26-29 (Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee) to consider allocations of projects within framework agreement. The composition of bid committees must be in line with the constitution and quorums as dictated by Mopani District Municipality's supply chain management policy and municipal supply chain regulations.

### **Negotiation procedure/Deviation**

Mopani District Municipality may solicit a tender offer from a single tenderer within the framework agreement who in the opinion of the municipality is the most suited to provide the work associated with the project. Reasons for selecting such a tenderer must be approved by the Accounting Officer. The tender offer from the selected tenderer must be evaluated by the

evaluation committee and adjudicated by the adjudication committee before approval and appointment by the Accounting Officer.

**Open procedure**

Mopani District Municipality will open competition amongst framework contractors participating in the framework agreements covering a particular scope of work. All framework contractors who qualify for and advertised project may submit their tender offers for consideration by Mopani District Municipality.

**Bids/ Allocation invitation**

The accounting Officer shall approve bid specification from bid specification committee and framework agreement advertisement in term of SCM policy clause 27: Framework agreement advertisement will be place on Mopani District Municipality’s website [www.mopani.gov.za](http://www.mopani.gov.za) and Notice board inviting qualified bidders listed on selected framework contract to bid

**Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement**

Activity	Key action		Person assigned responsibility to perform key action
1 FG1	Confirm justifiable reasons for selecting a framework contactor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	Municipal Manager
2 FG2	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Municipal Manager
3 FG3	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Chief Financial Officer
4FG4	Issue Task/Package Order	Issue draft task/package order to a contractor or issue quotation documents to all or selected contractors who have framework contracts.	Municipal Manager / Supply Chain management
5FG6	Authorise the issuing of the order Issue Task/Package Order	If applicable, review evaluation report and confirm or reject recommendations. Finalise order / Formally accept the offer in writing and issue the contractor with a signed copy of the order task	Municipal Manager / Supply Chain management

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## 6. TERMS OF REFERENCE

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### 6.1. PREPARATION OF ANNUAL, QUARTERLY FINANCIAL STATEMENTS

#### 6.1.1. INTRODUCTION

Mopani District Municipality spans a total area of 2 001 100 ha (20 011 km<sup>2</sup>). The district is a Water Service Authority and houses five (5) Local Municipality (Greater Giyani Municipality, Greater Tzaneen Municipality, Ba – Phalaborwa Municipality, Maruleng Local Municipality, and Greater Letaba Municipality).

#### 6.1.2. MDM DEMOGRAPHICS

Mopani District municipality is situated in the North-eastern part of the Limpopo Province, 70 km and 50km from Polokwane (main City of the Limpopo Province), along provincial roads R81 and R71 respectively. It is located, on global view, between the Longitudes: 29 52'E to 31 52'E and Latitudes: 23 0'S to 24 38'S, with 31 E as the central meridian.

#### 6.1.3. SPECIFICATION & OTHER REQUIREMENTS:

- A service provider to prepare and project manage the preparation of Annual Financial Statements;
- To produce financial statements which are in accordance with Standards of Generally Recognised Accounting Practice (GRAP Standards),
- To produce financial statements which are free from material adjustments;
- To assist with the consolidation of the individual trial balances and assist with correcting the imbalances (if applicable).
- To reconcile the control accounts and clear all the suspense accounts.
- To assist with the preparation of correcting journal entries and supporting documents.
- Bidder should provide Team with proven experience in preparation, review or audit of GRAP compliant annual financial statements
- Bidders should have proven experience where they have improved the audit opinion at any Municipality
- Bidders should provide details and references for work previously completed;
- Company should have proven experience in compiling GRAP Compliant annual financial statements and Please note that the personnel provided on the bid document should be the ones who will specifically execute this project or can only be replaced by a team with higher experience & qualifications.

#### 6.1.4. SCOPE OF THE PROJECT

In terms of section 122(1) of the MFMA, the municipality must prepare and submit annual financial statements which:

- a) fairly presented the state of affairs of the municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year.
- b) Includes all the required disclosures.

##### 6.1.4.1. The service provider will be expected to:-

- Identify all accounting policies to be included in the annual financial statements
- Review and perform an analysis of the trial balance, transactions, reconciliations and the general ledger to ensure accuracy and completeness
- Review the periodic reconciliations for accuracy and validity
- Ensure accuracy of opening balances and assist in implementation of the audit plan to ensure that all AGSA queries are addressed.
- Ensure validity of journal with audit trail
- Preparation and review of GRAP compliant annual financial statements
- Preparation and review of Quarterly Financial Statements

- Review all year end journals
- Timeously submit AFS to CFO, Internal auditors and Audit Committee for review
- Prepare a fully supported audit file for submission to the AGSA
- Provide audit support, and assist with responding to findings raised by AGSA
- Review significant balances and accounting transactions/records to ensure audit readiness
- Curriculum vitae of key staff to be engaged on this project, detailing municipal experience, GRAP experience and municipal accounting and auditing experience
- Clearly indicate qualifications and membership to registered professional bodies.

#### **6.1.4.2. Team Experience**

- Contract Manager /Engagement Leader –  
More than 5 years' Experience in preparation, review or audit of GRAP compliant annual financial statements
- Engagement Leader - Qualifications  
CA (SA) or IRBA Registered Auditor or Other professional designation
- **Team Leader**  
More than 5 years' Experience in preparation of GRAP compliant annual financial statements
- Team Leader – Qualifications  
Honors in BCOM (Accounting) Degree and Professional Designation
- **Other Team Members**  
More than 3 years' Experience in preparation of GRAP compliant annual financial statements  
All team members must have at least have a BCOM degree.  
Completed AGSA articles and/or CTA will be added advantage

#### **6.1.5. PROPOSAL**

- Bidder's understanding and knowledge of these terms of reference, with particular focus on the scope of the assignment and the deliverables.
- Previous and current contracts awarded to the bidder as well as client references.
- Bidder's logistical and administrative capacity, and skills to render the required services.
- Project plan with time frames to ensure compliance with the annual financial disclosure timelines for National Departments as prescribed by National Treasury in collaboration with the Auditor – General and to avoid negative audit outcome.

#### **6.1.6. PRICING OF THE PROSAL, INCLUSIVE OF:-**

- Estimated number of hours to be spent on the assignment by each member (which estimated number of hours will be deemed the maximum number of hours to do the work)
- Administrative costs (Offices, telecommunication, travelling to all CWP locations in villages with underprivileged road infrastructure, townships and informal settlements, etc. to be specified).
- Value added tax
- Ceiling price (all – inclusive capped total)

#### **6.1.7. SERVICE DURATION**

The municipality will enter into a framework contract with the services provider for a period of not more than 36 Months.

#### **6.1.8. BID ENQUIRIES**

Technical Enquiries relating to bid document should be directed to Pootona M.R (Budget and Reporting) @ 015 811 6300 or [PootonaMR@mopani.gov.za](mailto:PootonaMR@mopani.gov.za)

## 6.2. TERMS OF REFERENCE: ASSETS MANAGEMENT, ACCOUNTING AND RECONCILIATION OF ASSETS OF THE MDM

### 6.2.1. INTRODUCTION

Mopani District Municipality (MDM) hereby invites proposals from experienced service providers to bid for the Management and Accounting Reconciliation of all assets of the Municipality.

### 6.2.2 SCOPE OF THE PROJECT

The municipality is required in terms of GRAP 17 to accurately, identify, recognize, measure and appropriately report on all its assets.

The MFMA requires municipalities to comply with the standards of Generally Recognized Accounting Practice (GRAP), in line with international practice.

The following Standards of GRAP significantly impacts on the recognition and measurement of assets within the municipal environment:

GRAP 12 – Inventories

GRAP 13 – Leases and more specifically, deemed finance leases

GRAP 16 – Identification of items to be treated as Investment Properties

GRAP 17 – Property Plant and Equipment

GRAP 21 – Impairment of non-cash-generating assets

GRAP 26 – Impairment of cash-generating assets

GRAP 27 – Agriculture

GRAP 31 – Intangible assets and more specifically the treatment of items of software

GRAP 100 – Non-current assets held for sale and Discontinued Operations

GRAP 103 – Heritage assets

The municipality is also expected to unbundle all the Infrastructure Assets.

This process is aimed at identifying asset components to a level where significant components have differing useful life expectations to that of the parent asset, to enable more accurate and realistic depreciation charges to be set, and thus more accurately model their consumption for this process to be effective an asset hierarchy must be in place according to which componentization is done and component – level unit rates based on replacement costs, useful life expectations and residual values must be known

#### 6.2.2 Verification of all Movable and Immovable assets

- Setup and configuration of structures as well as project setup and planning.
- Physical verification, data capturing and condition assessment
- Quality control and data integrity checks
- Full time (on site) Project Manager for verification phase
- Printing and sign off of inventory sign off sheets for assets belonging to a specific owner (in duplicate)
- Produce and analysis report on the current issues that exist on the fixed asset register. This helps to try and close gaps within the register if possible.
- Reconciliation of newly verified asset register to the existing asset register.
- Consolidation of reconciled and valued FAR
- Depreciation calculations
- Produce Statutory financial disclosures for fixed assets
- The review of life to determine whether the life of the asset needs to be extended or reduced based on the determined condition of the asset from the verification. Includes assigning bar-code numbers.
- Obtaining all invoices for current year additions, capturing and unbundling them into a proper electronic format in order to add them to latest fixed asset register
- Reconciliation of specific GL control accounts to determine whether transactions for fixed assets have taken place in these accounts. If necessary, Journal entries will have to be made to transfer these assets to the correct asset control accounts.
- Unbundle all infrastructure Assets under construction and completed assets for the municipality.
- Assist in handling of any fixed asset related AG Queries.
- Skills transfer in line with the contract period.

#### 6.2.2.1 Updating infrastructure asset records

- Additions – all new capital projects
- Additions – maintenance, repairs and replacements to be capitalized
- WIP schedule compilation & updating
- Coordination of the Verification, Useful live & impairment testing process to be completed by the **Technical Sections.**
- Provide disclosure details for the AFS.
- **Updating of the properties of the municipality reflected in the FAR**
- Verify all municipal owned properties with official from MDM (desktop exercise)
- Data integrity testing
- Recon to properties on 2014/13 FAR and identify all movements for the year.
- Compile property register for 2012/13 FAR
- Attach asset categories per Council Resolution for properties held for sale. Differentiate between PPE and Investment Property.

#### **6.2.2.2 Updating of leased assets**

- Updating of Lease register for both instances where the municipality is the lessor and lessee.
- Provide disclosure details for the AFS.
- Updating of other asset categories
- Reconciliation of FAR to GL and assist the AFS preparation team to prepare quarterly financial statements.
- Updating of disclosure notes.
- Reconciliation, Financial Notes, Useful life review, Depreciation Calculations, review of residuals, Unbundling of Assets, Reconciliation to GL
- Preparation of asset journals for the preparation of the AFS
- Update the Municipality's Asset register master data with all the required information as per GRAP 17 standards. I.e. Locations, GPS – coordinates.

#### **6.2.3 PROPOSAL**

- Bidder's understanding and knowledge of these terms of reference, with particular focus on the scope of the assignment and the deliverables.
- Previous and current contracts awarded to the bidder as well as client references.
- Bidder's logistical and administrative capacity, and skills to render the required services.
- Project plan with time frames to ensure compliance with the annual financial disclosure timelines for National Departments as prescribed by National Treasury in collaboration with the Auditor – General and to avoid negative audit outcome.

#### **6.2.4 PRICING OF THE PROSAL, INCLUSIVE OF:-**

- Estimated number of hours to be spent on the assignment by each member (which estimated number of hours will be deemed the maximum number of hours to do the work)
- Administrative costs (Offices, telecommunication, travelling to all CWP locations in villages with underprivileged road infrastructure, townships and informal settlements, etc. to be specified).
- Value added tax
- Ceiling price (all – inclusive capped total)

#### **6.2.5 TEAM EXPERIENCE AND REQUIREMENTS**

- Contract Manager /Engagement Leader –  
More than 5 years' Experience in preparation, review or audit of GRAP compliant annual financial statements
- Engagement Leader - Qualifications  
CA (SA) and IRBA Registered Auditor  
Other professional designation
- **Team Leader**
- More than 5 years' Experience in preparation of GRAP compliant annual financial statements
- Team Leader – Qualifications  
Honors in BCOM (Accounting) Degree and Professional Designation

- **Other Team Members**
- More than 3 years' Experience in preparation of GRAP compliant annual financial statements and Asset Management reconciliation and unbundling Assets
- Accounting Team members must have a BCOM degree (Completed AGSA articles and/or CTA will be added advantage)
- Unbundling team members must be professional engineer registered with the ECSA

**6.2.6 SERVICE DURATION**

The municipality will enter into a framework contract with the services provider for a period of not more than 36 Months.

**6.2.7 BID ENQUIRIES**

Technical enquires relating to bid document should be directed to Mangena S (Assets) @ 015 811 6300 or [MangenaS@mopani.gov.za](mailto:MangenaS@mopani.gov.za)

## 6.3. REVENUE RECONCILIATIONS

### 6.3.1 Purpose

Mopani District Municipality is the water authority and has Five (5) Local Municipalities under it, which operate as water service provider. During the year, local municipalities operate as water service provider performs the following functions on behalf of Mopani District Municipality: Billing, Collection of revenue and recording of water and sanitation revenue. These transactions are maintained and accounted for by local municipality operate as water service provider in their financial systems. Mopani District Municipality seeks an accounting service provider who will verify and reconcile all water and sanitation transactions for accuracy for reporting in the annual financial statements of both Mopani District Municipality and local municipality operate as water service provider.

**Local Municipality which are Ba-Phalaborwa; Greater Giyani Municipality; Greater Letaba Municipality; Greater Tzaneen Municipality and Maruleng Municipality**

### 6.3.2 Scope/responsibility of service provider

Verification of water & sanitation financial, and distribution data at the local municipality,

Resolve prior year audit findings relating to water and sanitation transactions.

Calculations of provision for impairment and compiling journals.

Calculations of provision for Bonus, Leave, medical and post-employment benefit,

Reconcile all general ledger and balance sheet accounts that needs to be transferred to Mopani District Municipality and propose adjusting journals.

Assist the Mopani District Municipality to verify and process all required journal entries proposed by local municipality operate as water service provider.

Obtain and file signed off confirmation of balance from local municipality operate as water service provider.

Assist in obtaining accurate and complete supporting documents for all water and sanitation transactions from local municipality operate as water service provider.

Assist in handling any water and sanitation transactions related findings by Auditor General prior to, during and after audit process.

Provide on the job training and skills transfer to Mopani District Municipality personnel dealing with water and sanitation revenue management.

Quality control and data integrity checklist.

Compiling and audit file with approved reconciliations and verified supporting documents.

Calculating and compiling supporting documents of water consumption, distribution and losses,

Prepare and submit monthly, quarterly and annual financial reports to the Mopani District Municipality chief financial officer,

### 6.3.3 Team Experience

- Contract Manager /Engagement Leader –  
More than 5 years' Experience in preparation, review or audit of GRAP compliant annual financial statements
- Engagement Leader - Qualifications  
CA (SA) or IRBA Registered Auditor or Other professional designation
- **Team Leader**  
More than 5 years' Experience in preparation of GRAP compliant annual financial statements
- Team Leader – Qualifications  
Honors in BCOM (Accounting) Degree and Professional Designation
- **Other Team Members**

- More than 3 years' Experience in preparation of GRAP compliant annual financial statements  
All team members must have at least have a BCOM degree.  
Completed AGSA articles and/or CTA will be added advantage

#### **PRICING SCHEDULE**

**The price will be the prevailing published auditor general or professional body rates of the project and prices must be vat inclusive. Travel and disbursements will be in line with treasury instructions at the time of the project.**

#### **6.3.1. SERVICE DURATION**

The municipality will enter into a framework contract with the services provider for a period of not more than 36 Months.

#### **6.3.2. BID ENQUIRIES**

Technical Enquiries relating to bid document should be directed to Kgabi NT (Revenue) @ 015 811 6300 or [KgabiNT@mopani.gov.za](mailto:KgabiNT@mopani.gov.za)

## 6.4 VAT RECONCILIATION

### 6.4.1 CONDITION

**Team Leader must be a qualified person who belong to SARS recognised controlling body**

#### 6.4.2.1 SCOPE OF WORK – (VAT Recovery/Review)

VAT Recovery/Review – Time and Cost Based

**A: Validity – Output VAT on Debtors**

1. Reconcile VAT 201 to Output VAT control account:
2. Perform reasonability test between VAT balance as per debtors' analysis vs VAT due to SARS in respect of Output VAT account (in respect of debtors) for the financial years 2015/16, 2016/17, 2017/18, 2018/19 Year-to-Date as at 30 June 2019:
3. Perform Billing Integration Analysis on two complete financial years – 2017/18 and 2018/19 to determine whether financial accounting system (FAS) levies VAT correctly on standard rated consumer debtors:
4. Perform a sample test: trace the output VAT control account back to the income stream to determine the validity of output VAT declared on standard rated income:

**B: Output VAT Completeness Test on Sundry Income for the FY 2018/19, 2019/20, 2020/21, 2022/23**

1. Reconcile bank balance as per General Ledger to bank balance as per Annual Financial Statements:
2. Review completeness of Output VAT declared on VAT-able income received on all sundry income received as per AFS:
3. Quantification of total VAT liability of under declared Output VAT on standard rated sundry income:
4. In case of default on VAT assist with process of VDP with SARS:

**C: VAT Contingency Review: for the FY 2018/19, 2019/20, 2020/21, 2022/23: Contingency fee based Validity**

1. Do a high level review of apportionment ratio calculations:?
2. Reconcile VAT 201 to Input VAT control account.
3. On a sample basis identify any areas of exposure in respect of input VAT over claimed.
4. Review and amend the VAT coding of all votes utilized during the periods and advise any changes to the FAS VAT Coding of votes, i.e. 100% / apportionment claimable as well as zero rated / VAT disallowed

**D: COMPLETENESS**

1. Review input VAT claimed / not claimed on all transactions to determine completeness of input VAT claimed and calculate any possible input VAT under claimed, supported by detailed schedules, payment voucher copies and valid tax invoices.
2. Perform a detailed journal analyses to substantiate any under claimed input VAT as determined above:
3. Should any refund be claimed, you will be responsible to deal with SARS and supply all the necessary proof and documents to satisfy the SARS audit needs up to the point of the transfer of the SARS refund into the Municipality's bank account

**E: AD HOC ASSIGNMENTS**

1. These services in terms of this agreement do not include ad hoc assignments which may be required, during the period of this Agreement.
2. Any new requirements by Municipality will be subject to the terms and conditions of the Agreement to be signed with successful bidder, reduced to writing and attached to the Agreement as Addendum and such assignments shall be invoiced separately.

**F: METHODOLOGY**

A detailed description of how the bidder proposes to manage the project for the successful implementation of the project, various stages and milestones clearly indicated.

**G: SKILLS TRANSFER PLAN FOR MUNICIPAL OFFICIALS**

Explain how this will be done and measured.

**I: Pricing Instructions:**

- All prices shall be Tendered excluding VAT but including customs or excise duty and any other duty, levy, or other applicable tax.
- All prices shall be Tendered in accordance with the units specified in this schedule above.
- All prices Tendered must include all expenses, disbursements and costs (e.g. transport, overheads, accommodation etc.) that may be required in and for the execution of the work described in the Specification, and shall cover the cost of all general risks, liabilities and obligations set forth or implied in the Contract as well as overhead charges and profit (in the event that the tender is successful).
- All prices Tendered will be final and binding.
- All prices in the pricing schedule will be considered when awarding the tender

Pricing Schedule:	Period of tender 3 years
Pricing is based on a percentage based on monies recovered on behalf of the municipality and must be inclusive of all relevant overheads including planning, travel costs, excluding VAT%	%

**J SERVICE DURATION**

The municipality will enter into a framework contract with the services provider for a period of not more than 36 Months.

**K BID ENQUIRIES**

Technical Enquiries relating to bid document should be directed to Pootona M.R (Budget and Reporting) @ 015 811 6300 [MahumaniTT@mopani.gov.za](mailto:MahumaniTT@mopani.gov.za)

#### MBD 4 DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

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

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

2.2 Identity Number: .....

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

2.4 Company Registration Number: .....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below. <sup>1</sup>“State” means –

- (a) 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); (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

2.7 Are you or any person connected with the bidder presently employed by the state? YES / NO

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: .....

Name of state institution at which you or the person connected to the bidder is employed :  
.....

Position occupied in the state institution: .....

Any other particulars:.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?

2.7.2.1 If yes, did you attached proof of such authority to the bid document?

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....  
.....

2.8 Did you or your spouse, or any of the company’s directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? YES / NO

2.8.1 If so, furnish particulars:.....

.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.9.1 If so, furnish particulars

.....  
.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? YES/NO

2.10.1 If so, furnish particulars .....

.....

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? **YES/NO**

2.11.1 If so, furnish particulars

.....  
 .....

**3 Full details of directors / trustees / members / shareholders.**

Full Name	Identity Number	Personal Reference Number	Tax State Employee Number / Peral Number

**4 DECLARATION**

I, the undersigned (name)..... Certify that the information furnished in paragraphs 2 and 3 above is correct. I accept that the state may reject the bid or act against me in terms of paragraph 23 of the general conditions of contract should this declaration prove to be false.

.....  
 Signature

.....  
 Date

.....  
 Position

.....  
 Name of bidder

**MBD 5**

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

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

- 1 Are you by law required to prepare annual financial statements for auditing?
  - 1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years. \*YES / NO

.....
- 2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days? \*YES / NO

- 2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.
- 2.2 If yes, provide particulars.  
.....
- 3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? \*YES / NO
- 3.1 If yes, furnish particulars  
.....
- 4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? \*YES / NO
- 4.1 If yes, furnish particulars  
.....

**THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME**

This document must be signed and submitted together with your bid

**INTRODUCTION**

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

**1 PILLARS OF THE PROGRAMME**

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:
  - a) Any single contract with imported content exceeding US\$10 million or
  - b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million or
  - c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million or
  - d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.

- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis. 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.
- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

## **2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY**

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rand), submit details of such a contract to the DTI for reporting purposes.
- 2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rand) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

## **3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)**

- 3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.
- 3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1
- a) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rand), to contact and furnish the DTI with the following information:
- Bid / contract number.
  - Description of the goods, works or services.
  - Date on which the contract was accepted.
  - Name, address and contact details of the government institution.
  - Value of the contract.
  - Imported content of the contract, if possible.
- 3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 within five (5) working days after award of the contract. telephone (012) 394 1401, facsimile (012) 394 2401 for further details about the programme.

## **4 PROCESS TO SATISFY THE NIP OBLIGATION**

- 4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:
- a) the contractor and the DTI will determine the NIP obligation;

- b) the contractor and the DTI will sign the NIP obligation agreement;
  - c) the contractor will submit a performance guarantee to the DTI;
  - d) the contractor will submit a business concept for consideration and approval by the DTI;
  - e) upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
  - f) the contractor will implement the business plans; and
  - g) the contractor will submit bi-annual progress reports on approved plans to the DTI.
- 4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number: ..... Closing date:.....

Name of bidder.....

Postal address .....

.....

Signature..... Name (in print).....

Date.....

## MBD 6.1

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

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

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

---

#### 1. GENERAL CONDITIONS

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

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

1.2 Points for this bid shall be awarded for:

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

1.3 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.4 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.5 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

#### 2. DEFINITIONS

- (a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the BroadBased Black Economic Empowerment Act;
- (b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the BroadBased Black Economic Empowerment Act;

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

### 3. POINTS AWARDED FOR PRICE

#### 3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

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

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

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

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18

3	12
4	10
5	8
6	6
7	4
8	2
Non-compliant contributor	0

5. BID DECLARATION

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

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

6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points) (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

*(Tick applicable box)*

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

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the subcontractor.....
- iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE *(Tick applicable box)*

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

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

<b>Designated Group: An EME or QSE which is at last 51% owned by:</b>	<b>EME</b> ✓	<b>QSE</b> ✓
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		

Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans <b>OR</b>		
Any EME		
Any QSE		

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

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

**8.4 TYPE OF COMPANY/ FIRM**

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

[TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.6 COMPANY CLASSIFICATION**

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

[TICK APPLICABLE BOX]

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

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

- i) The information furnished is true and correct;

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

Name of bidder..... Signature.....

Postal address ..... Name (in print).....

..... Date.....

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

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

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to **Mopani District Municipality** in accordance with the requirements and specifications stipulated in bid number MDM ..... at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Technical Specification(s);
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of bidder’s past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE ..... NAME OF FIRM  
 .....

DATE .....

WITNESSES	
1	.....

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

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

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

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

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

	<p><b>WITNESSES</b></p> <p>1. ....</p> <p>2. ....</p>
--	---

## **Annexure B**

### **OCCUPATIONAL HEALTH AND SAFETY STANDARD SPECIFICATIONS.**

Mopani District Municipality is committed to the highest standards of safety, health and environmental protection and promotes a culture of “non-tolerance”. Hence occupational health and safety issues should be considered not only for employees but also for contractor’s employees performing work on site or within any facilities of the institution.

The Mopani District Municipality undertakes to ensure that any appointed service provider / contractual supplier in his capacity for the execution of services to the MDM accepts liability to comply/abide and execute contract in line with the provisions of the OHS Act No 85 of 1993 as amended comprising the regulations promulgated in terms thereof.

Contractual supplier shall provide all staff working under contract with personnel protective clothing/uniforms; branded name of the service provider clearly distinguished from other entity and where possible name badges before commencement of the initial work/contract...

Contractual supplier upon signing SBD7 shall furnish registration number with the office of the Compensation Commissioner, undertake responsible for its employees, and stakeholders; people affected by its operations in terms of the OHS regulations promulgated in terms of OHS Act No 85 of 1993 and its Regulations from commencement to the end of contract/projects; service provider shall submit valid letter of good standing and ensure that it remain valid for duration of contract (does not expire while executing the contract).

The service provider warrants that all employees/stakeholders included are employees of any subcontractor or any associate are covered in terms of the Compensation for Occupational Injuries and Diseases Act 13 of 1993 (“COIDA”) and that the cover shall remain in force / valid for the duration of the contract/projects.

#### **2. STANDARD ITEMS TO BE INCLUDED IN CONTRACTOR OR SUPPLIERS SAFETY FILE;**

- 2.1. SHE Policy
- 2.2. Safety Plan / SHE Specification
- 2.3. Fall Protection Plan
- 2.4. Company Organogram
- 2.5. Appointment Letters (OHS & Construction regulation)
- 2.6. Service Level Agreement (contract / Legal agreement)
- 2.7. Appointment Letter as Contractor
- 2.8. Risk Assessment

- 2.9. Emergency Evacuation / Preparedness Plan
- 2.10. OHS Act 85 of 1993: Section 37(2) Agreement
- 2.11. Construction regulation 5(3)(f) of the OHS Act 85 of 1993
- 2.12. Valid Letter of Good Standing
- 2.13. Notification of construction work
- 2.14. Contacts details of local Emergency Services
- 2.15. Inspection checklists
- 2.16. PPE Issue Register
- 2.17. Toolbox Talks / SHE Inductions
- 2.18. COID (Compensation for Occupational Injuries and Diseases Act)
- 2.19. Accident/Incident report (General Administrative Regulation 9(3) – Annexure 1
  - 2.19.1. Incident Reporting Procedure
  - 2.19.2. Incident Recording
- 2.20. Social Policies (HIV and AIDS, infection control and smoking policy awareness)
- 2.21. Personal information of company’s staff (i.e. I.D copies, qualifications and medical records)
- 2.22. EMP (Environmental Management Plan)
- 2.23. Procedures / Standards
  - 2.23.1. Waste Management
  - 2.23.2. Hand Tools
  - 2.23.3. Site Traffic Management
  - 2.23.4. Site Hygiene
  - 2.23.5. Motorised Equipment
  - 2.23.6. Symbolic safety signs

The contractual service provider has been mandated to submit an Occupational Health and Safety report weekly or monthly as per SLA to Mopani District Municipality (**OHS Office no: 52**)

I/we \_\_\_\_\_ as representative of \_\_\_\_\_  
 (firm name) undertake to comply with above OHS specification/requirement in executing thus contract

\_\_\_\_\_  
 Contractor/Firm signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Maponya P. P  
 Occupational Health and Safety Officer  
 Mopani District Municipality

\_\_\_\_\_  
 Date



**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 supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
  - a. abused the municipality’s / municipal entity’s supply chain management system or committed any improper conduct in relation to such system;
  - b. been convicted for fraud or corruption during the past five years;
  - c. wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - d. Been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><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 the bottom of the home page.</b></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p><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></p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.2.1	If so, furnish particulars:		

Item	Question	Yes	No
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION**

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

Js367bW

**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 number: .....

Bid Description: .....

In response to the invitation for the bid made by **Mopani District Municipality**

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

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

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

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

<sup>3</sup> **Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.**
  10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....

Signature

.....

Position

.....

Date

.....

Name of Bidder



## **RETURNABLE DOCUMENTS**

### **CHECKLIST ON MINIMUM REQUIREMENTS**

To assist you with your tendering process, see a checklist on minimum requirements below.

<b>No.</b>	<b>Minimum requirements</b>	<b>Tick</b>	<b>Comment if attached</b>
1.	Compulsory briefing session attended		
2.	Complete original bid document		
3.	Current CSD valid reports;		
4.	Valid Tax Clearance Certificate with PIN;		
5.	CK/Company registration;		
6.	Certified ID copies of the shareholders;		
7.	Proof of Residence: Municipal statement account / letter from headman/Tribal Authority		
8.	Active CIDB Grading 4-6		
9.	Company registration certificate showing percentage of shareholders / membership interest		
10.	Initial each page of the Conditions of Contact		
11.	All MBD Forms must be completed and signed		
12.	In case of a Joint Venture, Association or Consortium a formal contract agreement		
13.	MDM Copy of receipt/Proof of payment for the tender payment		
14.	Certified Qualification of Key personnel		
15.	Certified ID of Key personnel		
16.	CV's of the all the team members/Key personnel		
17.	Company Experiences: Contactable Reference list of previous and current projects with Appointment letter/official order		
18.	Responded as per the scope of work (compliance to specification/ conditions or term of references )		

\_\_\_\_\_  
Service Provider Representative

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature