



Mhlontlo Local Municipality

Tender No: MLM/INEP/2024-27

FRAMEWORK CONTRACT FOR MHLONTLO MUNICIPAL ELECTRIFICATION PROGRAMME

TENDER DOCUMENT

(Based on NEC3 Engineering and Construction Contract)

April 2024

Issued by:

Mhlontlo Local Municipality

PO Box 31

Qumbu

5180

Name of Tenderer: _____

MHLONTLO LOCAL MUNICIPALITY

TENDER NO: MLM/INEP/2024-27



FRAMEWORK CONTRACT FOR MHLONTLO MUNICIPAL ELECTRIFICATION PROGRAMME

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**MHLONTLO LOCAL MUNICIPALITY
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T1.1 TENDER INVITATION

PROJECT NAME	CONTRACT NUMBER	CIDB GRAIDING	SITE INSPECTION DATE	TENDER ADVERT DATE	TENDER CLOSING DATE
Framework Contract to Undertake Turnkey Electrification Programme over 36 months Period	MLM/INEP/2024-27	8 EP	Tenderers are advised to utilize the attached layout plan and visit the site at their own time.	22 April 2024	6 th June 2024

Suitable qualified, capable and experienced tenderers are hereby invited to submit proposal on the turnkey Electrification Programme for the above mentioned project. The project will be implemented over the period of three years based on the INEP allocations towards the municipality. One of the key condition of the contract is that the cost should be broken down into a cost per connection all inclusive of planning and construction cost. The above project is situated in Mhlontlo Local Municipality within O.R. Tambo District . Scope of works generally involves connection of an estimated number of three thousand (3000) households of infills and extensions from various wards of Mhlontlo Local Municipality. The locality map has been attached to give a little bite of a detail about the size and diversity of the area. Bidders must take particular note of the following.

- Must submit proposal for the proposed scope of works
- Must be registered and in good standing with central supplier database
- Tenderers must declare performance guarantee as per contract or for the duration of the contract
- Tenderers are required to be registered for vat and must submit SARS pin in order to be considered.
- Tenderers are required to submit company profile with work experience and attached proof of completion.

Tender document will be available on www.mhlontloim.gov.za

Service providers must return the tender document together with following documents attached

- Project proposal extracted from the project scope of works with project estimates (professional fees inclusive of additional services and construction costs)
- Costing to include the P&G that will cater for 2 years since the budget will be available over three financial years.
- Project methodology based on the proposed project scope but not limited to provide data and estimated time frames,
- Proposed project team which will serve for the duration of the contract
- Plan to assist Mhlontlo Municipality emerging service providers

Evaluation criteria

Tenderers will be evaluated for functionality and those who score equal or more than 70% will be considered for price and equity.

COMPETENCE	TOTAL SCORE	REQUIRED EVIDENCE	SCORE
Availability of plant and equipment Note: Proof of ownership the firm's equipment must be attached and failure to do so will result in forfeiting the plant points	20	ROCKDRILLER	5
		TLB X1	5
		Crane Truck	5
		Firms number of LDVs X2	5
		Leasing with proof of all the above	10
		None of the above	0
Company experience in terms of projects completed	30	Four (6) projects upwards	30
		Four projects	20
		Three projects	15
		Two projects	10
		One Project	5
		None of the above	0
Key personnel and qualification	20	Professional Engineer (NQF level 7 and above with ECSA registration older than 10 years)	
		Project manager/ contractor Manager (ND Electrical Eng. Or Equivalent	6
		Health and safety officer (OHS Cert)	6

		None of the above	0
Quality of methodology relevant to assignment step by step with time frames	30	A fully detailed methodology aligned to the terms of reference with clear milestone and time frames	30
		Basic methodology with time frames	10
		Unclear methodology with no time frame	0
TOTAL	100	MINIMUM	70

Preferential procurement regulations, 2017 pertaining to the MFMA will apply.

90 Points for price

10 points for Specific goals

Sealed tenders, endorsed with the corresponding tender and description must be placed in the tender box at Mhlontlo Local Municipality in Qumbu offices not later than 12H00 on the 6th June 2024, after which the tenders will be opened in public. Bidders are advised to familiarise themselves with locality within the municipal space so that they may be in a better position to formulate a tender.

All tenders shall hold good for 90 days after tender closing date. The council is not to accept the lowest or any tender and or part therefore and the council reserves the right to accept any tender in whole or in part. All electronic, telegraphic, telefax, e-mail and late tenders will not be considered and tenders not deposited in tender box as prescribed in this notice will not be considered as well.

For enquiries regarding bid documents, please contact Ms B. Jara at 047 553 7000.

For technical enquiries please contact the technical services of mhlontlo of Mhlontlo Local Municipality

Mr M. Mqeke

Tel: 047 553 7000/047 542 001

Municipal Manager

Mr L Ndabeni

Mhlontlo Local Municipality

P.O. Box 31

Qumbu

5180



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T1.2 Tender Data

The conditions of tender are the latest edition of SANS 10845-3, *Construction Procurement – Part 3: Standard conditions of tender*.

SANS 10845-3 makes several references to the Tender Data for details that apply specifically to this tender. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the provisions of SANS 10845-3.

Each item of data given below is cross-referenced to the clause in SANS 10845-3 to which it mainly applies. These standards should be read in conjunction with the National Treasury’s Standard for Infrastructure Procurement and Delivery Management (SIPDM).

The Standard Conditions of Tender make several references to the Tender Data for details that apply specifically to this tender. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the Standard Conditions of Tender.

Clause number	Tender Data
3.1	The Employer is the Mhlontlo Local Municipality
3.2	The Tender Documents issued by the Employer comprise the documents listed on the contents page.
3.4	The employer’s agent is : Mr. M. M. Mqeke Tel No. 047 553 7000 email:
3.4	The language for communications is English
4.1	Only those tenderers who have been represented by one of their full time employees at the compulsory clarification meeting , who satisfy the following eligibility criteria and who provide the required evidence in their tender submissions are eligible to submit tenders and have their tenders evaluated: 1. The tenderer:

	<ol style="list-style-type: none"> 2. Is not an unincorporated joint venture; and 3. Is registered in terms of the Companies Act, 2008 (Act 71 of 2008) or Close Corporation Act, 1984, (Act No. 69 of 1984) or, if a partnership, has in place a partnership agreement that enables the partnership to continue to function in the event of a death or withdrawal of one of the partners; 4. The tenderer is registered with and active on the Construction Industry Development Board (CIDB) for Grading 8 EP and above 5. The tenderer has as a full time employee who is a suitably qualified electrical engineer or technologist who will either provide the service or who will direct the services which are to be provided, and who is registered either as a Professional Engineer or a Professional Engineering Technologist in terms of the Engineering Profession Act. 6. The tenderer has as a full time employee who is one of the SACPCMP registered professionals to be allocated as resources to these projects as such in the schedule of key personnel. 7. Proof of good standing with the Compensation for Occupational Injuries and Diseases (COID) 8. Audited financial statements for the preceding 3 financial years which are in accordance with legislative requirements, together with the associated audit report 9. The tenderer can provide contactable client references for the delivery of electrification projects, particularly rural electrification, which include planning & design, construction supervision up to completion, with a minimum project value of R 15 million which have been satisfactorily completed during the last five years. 10. The tendering entity has professional indemnity insurance cover issued by a reputable insurer in an amount of not less than R 5,0 million in respect of a claim without limit to the number of claims.
4.7	<p>The arrangements for a compulsory clarification meeting are as stated in the Tender Notice and Invitation to Tender.</p> <p>A full time employee of the tenderer must sign the attendance register in the name of the tendering entity. Addenda will be issued to and tenders will be evaluated from only from those tendering entities appearing on the attendance list.</p>
4.12	No alternative tender offers will be considered
4.13.1	Parts of each tender offer communicated on paper shall be submitted as an original only.

4.13.5 4.15	<p>The employer's details and address for delivery of tender offers and identification details that are to be shown on each tender offer package are:</p> <p>Location of tender box: Mhlontlo Local Municipality Reception area</p> <p>Physical address: 96 LG Mabindla Qumbu 5180</p> <p>Identification details: Tender no, Title of Tender and the closing date and time for tenders</p> <p>The tender box is only open on weekdays between 08:00 and 16:30</p>
4.13.4	<p>The tenderer is required to submit with his tender:</p> <ol style="list-style-type: none"> 1) SARS Tax Compliance Status document with pin; 2) a copy of the tenderer's professional indemnity insurance; and 3) a copy of Engineering Council of South Africa registration certificate for the Principal Consultant (key person)
4.13.6	Telephonic, telegraphic, telex, facsimile or e-mailed tender offers will not be accepted.
4.15	The closing time for submission of tender offers is as stated in the Tender Notice and Invitation to Tender.
4.16	The tender offer validity period is 90 days.
5.1	The employer will respond to requests for clarification received up to 3 working days before the tender closing time.
5.1	The employer may issue addenda until 3 working days before tender closing time.
5.4	Tenders will be opened in public immediately after the closing time for tenders.
5.11.1	The financial offer derived from the bill of quantities will only be used for comparative basis .

5.11.5	<p>The procedure for the evaluation of responsive tenders is Method 4</p> <p>The total number of tender evaluation points (TEV) shall be determined in accordance with the following formula.</p> $TEV = 0,4 NFO + NP + 0,6 NQ$ <p>NFO is the number of tender evaluation points awarded for the financial offer made in accordance with 5.11.7 of SANS 10845-3 where the score for financial offer is calculated using Formula 2 and W1 equals 80.</p> <p>NP is the number of tender evaluation points awarded for preferences claimed in accordance with the Preferencing Schedule</p> <p>NQ is the number of tender evaluation points awarded for quality offered in accordance with 5.11.9 where W2 = 100.</p> <p>Up to 100 minus W1 tender evaluation points will be awarded to tenderers who complete the preferencing schedule and who are found to be eligible for the preference claimed.</p>									
5.11.7	<p>Score the financial offers using the following formula: $NFO = W1 \times A$ where NFO is the number of tender evaluation points awarded for the financial offer; W1 is the maximum possible number of tender evaluation points awarded for the financial offer as stated in the tender data; A is the number calculated using the relevant formula described in Table 1, as stated in the tender data</p> <p>Table 1 — Formulae for calculating the value of A</p> <table border="1" data-bbox="276 1227 1433 1373"> <thead> <tr> <th>Formula number</th> <th>Basis for comparison</th> <th>Formula</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Highest price or discount</td> <td>P/Pm</td> </tr> <tr> <td>2</td> <td>Lowest price or percentage commission or fee</td> <td>Pm/P</td> </tr> </tbody> </table> <p>Pm is the comparative offer of the most favourable comparative offer. P is the comparative offer of the tender offer under consideration</p>	Formula number	Basis for comparison	Formula	1	Highest price or discount	P/Pm	2	Lowest price or percentage commission or fee	Pm/P
Formula number	Basis for comparison	Formula								
1	Highest price or discount	P/Pm								
2	Lowest price or percentage commission or fee	Pm/P								
5.11.8	<p>Confirm that tenderers are eligible for the preferences claimed in accordance with the provisions of the tender data and reject all claims for preferences where tenderers are not eligible for such preferences. Calculate the total number of tender evaluation points for preferences (NP) claimed in accordance with the provisions of the tender data.</p>									

5.11.9	The quality criteria and maximum score in respect of each of the criteria are as follows:		
CRITERIA	POINTS	VALUE	SCORE
<p>EXPERIENCE Experience in the successful implementation of similar projects in the past five (5) years. Completion Certificates or Reference letters for each project completed must be submitted.</p> <ul style="list-style-type: none"> • Five electrification projects with a minimum value of R15 million and above completed. 5 Points • Four electrification projects with a minimum value of R15 million and above completed. 4 Points • Three electrification projects with a minimum value of R15 million and above completed 3 Points • Two electrification projects with a minimum value of R15 million and above completed 2 Points • One electrification project with a minimum value of R15 million and above completed 1 point 		Max 5	40 Points
<p>EXPERTISE</p> <ul style="list-style-type: none"> • Registered Engineer or Technologist with a minimum of 3 years registered as a professional with the Engineering Council of South Africa (ECSA). Zero points for experience less than 3 year 10 Points • Linesman with a valid certification in line construction. 2 Points per year • Safety officer must have experience in electrical construction projects 2 Points per year • Project Manager with experience in electrical construction projects 2 Points per year 		Max 5	40 Points
<p>METHODOLOGY Tenderer is required to submit with his tender a methodology detailing the anticipated deliverables associated with the implementation of electrification projects from feasibility up to</p>			10 Points
<p>COMMERCIAL EVALUATION</p> <ul style="list-style-type: none"> • Financial Guarantee above R20 million available to execute the project 10 Points • Financial Guarantee above R15 million up to R20 million available to execute the project 5 Points • Financial Guarantee above R10 million up to R15 million available to execute the project 4 Points • Financial Guarantee of R10 million available to execute the project 3 Points 			

	<p>Each evaluation criteria will be assessed in terms of five indicators – no response, poor, satisfactory, good and very good. Scores of 0, 40, 70, 90 or 100 will be allocated to no response, poor, satisfactory, good and very good, respectively. The scores of each of the evaluators will be averaged, weighted and then totalled to obtain the final score for quality.</p> <p>The minimum number of evaluation points for quality is 70.</p>
5.13	<p>Tender offers will only be accepted if:</p> <ol style="list-style-type: none"> a) The tenderer submits a valid SARS Tax Clearance Certificate or a tax compliance status document reflecting the pin for the Employer to verify that the tenderer is in good standing; b) The tenderer is registered with and active on the Construction Industry Development Board (CIDB) for Grading 8 EP and above c) The tenderer submits a proof of good standing with the Compensation for Occupational Injuries and Diseases (COID) d) The tenderer has as a full time employee who is a suitably qualified electrical engineer or technologist who will either provide the service or who will direct the services which are to be provided, and who is registered either as a Professional Engineer or a Professional Engineering Technologist in terms of the Engineering Profession Act. e) The tendering entity has professional indemnity insurance cover issued by a reputable insurer in an amount of not less than R 5,0 million in respect of a claim without limit to the number of claims. f) the tenderer is registered on the Central Supplier Database (CSD) for the South African government (see https://secure.csd.gov.za/) unless it is a foreign supplier with no local registered entity g) the tenderer or any of its directors/shareholders is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector; h) the tenderer has not: <ol style="list-style-type: none"> i) abused the Employer’s Supply Chain Management System; or ii) failed to perform on any previous contract and has been given a written notice to this effect; and i) The tenderer has completed the Compulsory Declaration and there are no conflicts of interest which may impact on the tenderer’s ability to perform the contract in the best interests of the employer or potentially compromise the tender process. j) the tenderer is not more than three months in arrears in its municipal rates and taxes or municipal service charges, if applicable
5.17	<p>The number of paper copies of the signed contract to be provided by the employer is one.</p>



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1 Documentation to demonstrate eligibility to have tenders evaluated (see F2.1)

- Practice declaration

Note: Failure to complete this documents will result in the tender not being eligible to be evaluated

2 Returnable Schedules required for tender evaluation purposes

The tenderer must complete the following returnable schedules as relevant:

- Compulsory Enterprise Questionnaire
- Attendance of compulsory clarification meeting
- Record of Addenda to Tender Documents
- Preferencing Schedule: Broad Based Black Economic Empowerment Status, if preference claimed
- Practice Declaration
- Evaluation schedule

The Tenderer's attention is drawn to the eligibility criteria which require the tenderer to provide the required evidence in their tender submissions in order to be eligible to have their tenders evaluated. Tenderers who fail to provide the required documentation will not have their tenders evaluated.

3 Other documents required for tender evaluation purposes

The tenderer must provide the following returnable documents:

- Verification certificate from a verification agency accredited by SANAS and recognized as an Accredited B-BBEE Verification Agencies (see www.sanas.co.za/directory/bbee_default.php) or a registered auditors approved by IRBA if preference points are claimed in respect of Broad-Based Black Economic Empowerment.
- Tax Compliance Status document with pin.
- A copy of the entity's professional indemnity insurance certificate
- A copy of Engineering Council of South Africa registration certificate for the Principal Consultant (key person)
- Three sets of Suitable financial statements for the preceding financial year within 12 months of the financial year end which are in accordance with legislative requirements
- Proof of membership of Consulting Engineers South Africa, if applicable
- A statement of municipal account which is not older than three months

4 Returnable Schedules that will be used for tender evaluation purposes and be incorporated into the contract

None

5 Other documents that will be incorporated into the contract

C1.1 Offer portion of Form of Offer and Acceptance

C1.2 Contract Data (Part 2)

Failure to sign the form of offer and acceptance will render the tender “non-responsive”.

Compulsory Enterprise Questionnaire

The following particulars must be furnished. In the case of a joint venture, separate enterprise questionnaires in respect of each partner must be completed and submitted.

Section 1: Name of enterprise:

Name of contract person for the purpose of this tender:

..

Email: **Postal address:**

.

Telephone

.

Fax **Physical address:**

.

.....

Section 2: VAT registration number, if any:

..

Section 3: CIDB registration number:

Section 4: Particulars of companies and close corporations

Company registration number

Close corporation number

Tax reference number

Section 5: Particulars of principals

principal: means a natural person who is a partner in a partnership, a sole proprietor, a director or voting members of a company established in terms of the Companies Act, 2008 (Act 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984), who jointly and severally with his other partners, co-directors or co-members, as the case may be, bears the risk of business and takes responsibility for the management and liabilities of the partnership, company, or close corporation

Full name of principal	Identity number	Personal income tax reference number	State employee number / Persal number

Attach separate page if necessary

Section 6: Record in the service of the state

Indicate by marking the relevant boxes with a cross, if any principal is currently or has been within the last 12 months in the service of any of the following:

- | | |
|--|--|
| <input type="checkbox"/> a member of any municipal council | <input type="checkbox"/> an employee of any department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999) |
| <input type="checkbox"/> a member of any provincial legislature | <input type="checkbox"/> a member of an accounting authority of any national or provincial public entity |
| <input type="checkbox"/> a member of the National Assembly or the National Council of Province | <input type="checkbox"/> an employee of Parliament or a provincial legislature |
| <input type="checkbox"/> a member of the board of directors of any municipal entity | |
| <input type="checkbox"/> an official of any municipality or municipal entity | |

If any of the above boxes are marked, disclose the following:

Name of principal	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

*insert separate page if necessary

Section 7: Record of spouses, children and parents in the service of the state

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of a sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months been in the service of any of the following:

- | | |
|---|--|
| <input type="checkbox"/> a member of any municipal council | <input type="checkbox"/> an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act |
| <input type="checkbox"/> a member of any provincial legislature | |
| <input type="checkbox"/> a member of the National Assembly | |

- or the National Council of Province (1 of 1999)
- a member of the board of directors of any municipal entity
- a member of an accounting authority of any national or provincial public entity
- an official of any municipality or municipal entity
- an employee of Parliament or a provincial legislature

Name of spouse, child or parent	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

*insert separate page if necessary

Section 8: Record of termination of previous contracts with an organ of state

Was any contract between the tendering entity including any of its joint venture partners terminated during the past 5 years for reasons other than the employer no longer requiring such works or the employer failing to make payment in terms of the contract.

- Yes No (Tick appropriate box)

If yes, provide particulars (interest separate page if necessary)

Section 9: Declaration

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the tendering entity confirms that:

- i) neither the name of the tendering entity or any of its principals appears on:
 - a) the Register of Tender Defaulters established in terms of the Prevention and Combating of Corrupt Activities Act of 2004
 - b) National Treasury’s Database of Restricted Suppliers (see www.treasury.gov.za)
- ii) neither the tendering entity or any of its principals has within the last five years been convicted of fraud or corruption by a court of law (including a court outside of the Republic of South Africa);
- iii) any principal who is presently employed by the state has the necessary permission to undertake remunerative work outside such employment;
- iv) the tendering entity is not associated, linked or involved with any other tendering entities submitting tender offers
- v) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity

regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc) or intention to not win a tender;
vi) has no other relationship with any of the tenderers or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest; and
vii) the contents of this questionnaire are within my personal knowledge and are to the best of my belief both true and correct.

Signed

Name _____ Date _____
Position _____
Enterprise name _____

NOTE 1 The Standard Conditions of Tender contained in SANS 10845-3 prohibits anticompetitive practices (clause 3.1) and requires that tenderers avoid conflicts of interest, only submit a tender offer if the tenderer or any of his principals is not under any restriction to do business with employer (4.1.1) and submit only one tender either as a single tendering entity or as a member in a joint venture (clause 4.13.1). Clause 5.7 also empowers the Employer to disqualify any tenderer who engages in fraudulent and corrupt practice. Clause 3.1 also requires tenderers to comply with all legal obligations.

NOTE 2: Section 30(1) of the Public Service Act, 1994, prohibits an employee (person who is employed in posts on the establishment of departments) from performing or engaging remunerative work outside his or her employment in the relevant department, except with the written permission of the executive authority of the department. When in operation, Section 8(2) of the Public Administration Management Act, 2014, will prohibit an employee of the public administration (i.e. organs of state and all national departments, national government components listed in Part A of Schedule 3 to the Public Service Act, provincial departments including the office of the premier listed in Schedule 1 of the Public Service Act and provincial departments listed in schedule 2 of the Public Service Act, and provincial government components listed in Part B of schedule 3 of the Public Service Act) or persons contracted to executive authorities in accordance with the provisions of section 12A of the Public Service Act of 1994 or persons performing similar functions in organs of state from conducting business with the State or to be a director of a public or private company conducting business with the State. The offence for doing so is a fine or imprisonment for a period not exceeding 5 years or both. It is also a serious misconduct which may result in the termination of employment by the employer.

NOTE 3: Regulation 44 of Supply Chain Management regulations issued in terms of the Municipal Finance Management Act of 2003 requires that organs of state and municipal entities not award a contract to a person who is the service of the state, a director, manager or principal shareholder in the service of the state or who has been in the service of the state in the previous twelve months.

NOTE: 4: Regulation 45 of Supply Chain Management regulations requires a municipality or municipal entity to disclose in the notes to the annual statements particulars of any award made to a close family member in the service of the state.

NOTE: 5 Corrupt activities which give rise to an offence in terms of the Prevention and Combating of Corrupt Activities Act of 2004) include improperly influencing in any way the procurement of any contract,

the fixing of the price, consideration or other moneys stipulated or otherwise provided for in any contract and the manipulating by any means of the award of a tender.

NOTE: 6 Section 4 of the Competition Act of 1998 prohibits restrictive horizontal practice including agreements between parties in a horizontal relationship which have the effect of substantially preventing or lessening competition, directly or indirectly fixing prices or dividing markets or constitute collusive tendering. Section 5 also prohibits restrictive vertical practices. Any restrictive practices that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties.

Attendance of compulsory clarification meeting

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the tendering entity, confirms that the following full time employee attended the compulsory site clarification meeting and signed the attendance register:

Name:

Identity number:

Telephone no:

Job description:

.

Signed	_____	Date	_____
Name	_____	Position	_____
<i>Tenderer</i>	_____		

Record of Addenda to tender documents

We confirm that the following communications received from the Employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer:		
	Date	Title or Details
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Attach additional pages if more space is required.

Signed

Date

Name

Position

Tenderer

Preferencing schedule: Broad Based Black Economic Empowerment Status

Preamble

Section 10(b) of the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003) states that *“Every organ of state and public entity must take into account and, as far as is reasonably possible, apply any **relevant code of good practice** issued in terms of this Act in developing and implementing a preferential procurement policy:”*

A number of codes of good practice have been issued in terms of Section 9(1) of the B-BBEE Act of 2003 including a generic code of good practice (see Government Gazette No 29617 of 9 February 2007) and various sector codes including the Construction Sector Code (see Government Gazette No 32305 of 5 June 2009) which applies to entities which conducts construction related activities provided that the majority of that entity’s turnover is as a result of construction activities.

The sector codes vary the metrics, weightings and targets used in the generic code of good practice to establish the overall performance of an entity and its B-BBEE status. The thresholds relating to Micro Exempt and Small Qualifying Enterprises have been adjusted in the Construction and Tourism Sector Codes.

The B-BBEE status needs to be assessed in accordance with the preferential procurement policy framework act, 2000:
preferential procurement regulations, 2017.

1 Conditions associated with the granting of preferences

Tenderers who claim a preference shall provide sufficient evidence of their B-BBEE Status in accordance with the requirements of section 2 in respect of the applicable code as at the closing time for submissions, failing which their claims for preferences will be rejected.

2 Sufficient evidence of qualification

2.1 Exempted micro enterprises (EMEs) or qualifying small business enterprise (QSE)

2.1.1 Sufficient evidence of qualification as an Exempted Micro-Enterprise or Qualifying Small Business Enterprise qualification contributor is an auditor’s certificate or similar certificate issued by an accounting officer in respect of the entity’s last financial year or a 12 month period which overlaps with its current financial year or a certificate issued by a verification agency and which is valid as at the closing date for submissions.

2.1.2 Sufficient evidence of qualification for a higher B-BBEE status in terms of the small qualifying scorecard shall be as stated in 2.2.

2.2 Enterprises other than exempted micro enterprises (EMEs) and qualifying small business enterprises (QSE)

Sufficient evidence of B-BBEE Status is a certificate issued by a verification agency or registered auditors approved by Independent Regulatory Board for Auditors (IRBA) in terms of National Treasury’s Implementation Guide: Preferential Procurement Regulations, 2011, Pertaining to the Preferential Procurement Policy Framework Act, and which is valid as at the closing date for submissions.

3 Tender preferences claimed

Stage 2: Evaluation on Price and Mhlontlo specific goals

Received Responsive bids will be evaluated based on the following stages:

Stage 1- functionality and those who score equal or more than 70% will be considered for price and equity.

- Stage 2- Price and MHLM Specific Goals

the Maximum points for this bid are allocated as followed

100 % ownership in order to claim full points of each specific goal	Means of verification	Points allocation
HDI -Equity ownership	The municipality is going to use RACE OR NATIONALITY as means of verification and thus prospective service providers will be required to provide a copy of ID COPY as a proof in order to claim points for specific goals	5
Youth-Enterprise 18-35 years (MLM)	The municipality is going to use AGE as means of verification and thus prospective service providers will be required to provide a copy of ID COPY AND CSD as a proof in order to claim points for specific goals	1
Women-Equity ownership	The municipality is going to use GENDER OR SEX as means of verification and thus prospective service providers will be required to provide a copy of ID COPY, CK and CSD as a proof in order to claim points for specific goals	1
Disability-Equity ownership	The municipality is going to use MEDICAL CERTIFICATE as means of verification and thus prospective service providers will be required to provide a copy of MEDICAL CERTIFICATE and CSD as a proof in order to claim points for specific goals	1
Rural Enterprise	The municipality is going to use PROOF OF RESIDENCE FROM TRADITIONAL LEADER OR WARD COUNCILLOR OR as means of verification and thus prospective service providers will be required to provide a copy of PROOF OF RESIDENCE AND CSD as a proof in order to claim points for specific goals	1

Failure of a bidder to submit proof of specific goals claimed will be interpreted to mean that preference points for specific goals are not claimed.

4 Declaration

The tenderer declares that

- a) the tendering entity is a Level contributor as at the closing date for tenders
- b) the tendering entity has been measured in terms of the following code (*tick applicable box*)
 - Generic code of good practice
 - Forest Sector Code
 - Integrated Transport Sector Codes
 - Tourism Sector Code
 - Construction Sector Code
 - Chartered Accountancy Sector Code
 - Other – specify
- c) the contents of the declarations made in terms of a) and b) above are within my personal knowledge and are to the best of my belief both true and correct

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the tenderer confirms that he / she understands the conditions under which such preferences are granted and confirms that the tenderer satisfies the conditions pertaining to the granting of tender preferences.

Signature :

Name :

Duly authorised to sign on behalf of :

Telephone :

Fax: Date :

Name of witness signature of witness

Note: 1) Failure to complete the declaration will lead to the rejection of a claim for a preference
 2) Supporting documentation of the abovementioned claim for a preference must be submitted with the tender submission to be eligible for a preference

Practice Declaration

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the tenderer confirms that:

1) The tenderer is not an unincorporated joint venture and is (tick appropriate box):

- a close corporation – ck no
- a company – company no
- a partnership

(Attach Proof of company registration in terms of the Companies Act, 2008 (Act 71 of 2008) or Close Corporation Act, 1984, (Act No. 69 of 1984) or partnership agreement as applicable)

2) The tenderer has in their full time employ the following Principal Consultant Registered Professional Engineer/Technologist (or key person whose name is stated as such in Part 2 of the Contract Data) i.e. the person who will provide the service or under whose direction the service is to be provided (see scope of work):

Name:

Identity number or passport number

Type of professional registration: professional engineer / professional engineering technologist
(**delete** registration type that does not apply)

Professional registration number:

(Attach copy of the ECSA registration certificate)

3) The tenderer confirms that professional indemnity cover is in place in an amount of not less than R5,0 million without a limit to the number of claims

(Attach a copy of the professional indemnity professional cover)

4) Audited financial statements for the preceding 3 financial years which are in accordance with legislative requirements, together with the associated audit report

5) The tenderer can provide contactable client references for the delivery of electrification projects, particularly rural electrification, which include planning & design, construction supervision up to completion, with a minimum project value of R 15 million which have been satisfactorily completed during the last five years:

Project description (identity name of project and briefly describe the electrification works, particularly rural electrification)	Project Duration	Project value	Contactable client references

	Start Date: Completion Date		Name of organization Name of contact person Tel no(s) of contact person
	Start Date: Completion Date		Name of organization Name of contact person Tel no(s) of contact perso
Project description (identity name of project and briefly describe the electrification works, particularly rural	Project Duration	Project value	Contactable client references

electrification)			
	Start Date:		Name of organization
	Completion Date		Name of contact person
			Tel no(s) of contact person

Project description (identity name of project and briefly describe the electrification works, particularly rural electrification)	Project Duration	Project value	Contactable client references
	Start Date:		Name of organization
	Completion Date		Name of contact person
			Tel no(s) of contact person

Project description (identity name of project and briefly describe the electrification works, particularly rural electrification)	Project Duration	Project value	Contactable client references
	Start Date: Completion Date		Name of organization Name of contact person Tel no(s) of contact person

I hereby declare that the contents of this Declaration are within my personal knowledge, and save where stated otherwise are to the best of my belief both true and correct.

Signed _____ Date _____
 Name _____ Position _____
 Tenderer _____

Evaluation schedule

The experience of the tenderer as a company (as opposed to key staff members) in terms of the electrical construction project in Rural electrification as a main contractor over the last five (5) years:

Tenderers must list design and construction management of Electrification projects undertaken in the last five years (with a minimum project value of R15 million) with documented proof of appointment and completion certificates or progress report if current. The municipality will conduct an intense due diligence which may include inspection of the claimed experience of the five (5) highly preferred bidders

Tenderers should on the **Practice Declaration Schedule** very briefly describe his or her experience in this regard, emphasising the nature of the works and complexity and attach this to this schedule.

CRITERIA	POINTS	VALUE	SCORE
EXPERIENCE Experience in the successful implementation of similar projects in the past five (5) years. Completion Certificates or Reference letters for each project completed must be submitted. <ul style="list-style-type: none"> • Five electrification projects with a minimum value of R15 million and above completed. • Four electrification projects with a minimum value of R15 million and above completed. • Three electrification projects with a minimum value of R15 million and above completed • Two electrification projects with a minimum value of R15 million and above completed • One electrification project with a minimum value of R15 million and above completed 	5 Points 4 Points 3 Points 2 Points 1 point	Max 5	40 Points
EXPERTISE <ul style="list-style-type: none"> • Registered Engineer or Technologist with a minimum of 3 years registered as a professional with the Engineering 	10 Points		40 Points

<p>Council of South Africa (ECSA). Zero points for experience less than 3 year</p> <ul style="list-style-type: none"> • Linesman with a valid certification in line construction. • Safety officer must have experience in electrical construction projects • Project Manager with experience in electrical construction projects 	<p>2 Points per year</p> <p>2 Points per year</p> <p>2 Points per year</p>	<p>Max 5</p>	
<p>METHODOLOGY Tenderer is required to submit with his tender a methodology detailing the anticipated deliverables associated with the implementation of electrification projects from feasibility up to</p>			<p>10 Points</p>
<p>COMMERCIAL EVALUATION</p> <ul style="list-style-type: none"> • Financial Guarantee above R20 million available to execute the project • Financial Guarantee above R15 million up to R20 million available to execute the project • Financial Guarantee above R10 million up to R15 million available to execute the project • Financial Guarantee of R10 million available to execute the project 			<p>10 Points</p> <p>5 Points</p> <p>4 Points</p> <p>3 Points</p>

Each evaluation criteria will be assessed in terms of five indicators – no response, poor, satisfactory, good and very good. Scores of 0, 40, 70, 90 or 100 will be allocated to no response, poor, satisfactory, good and very good, respectively. The scores of each of the evaluators will be averaged, weighted and then totalled to obtain the final score for quality.

**MBD 1
INVITATION TO BID**

**FRAMEWORK CONTRACT FOR MHLONTLO MUNICIPAL ELECTRIFICATION
PROGRAMME**

BID NUMBER: MLM/INEP/2024-27

CLOSING DATE: 6th June 2024

CLOSING TIME: 12:00 pm

DESCRIPTION: Electrification of households from different wards of Mhlontlo local municipality

The successful bidder will be required to fill in and sign a written Contract Form (MBD 7).

BID DOCUMENTS MAY BE POSTED TO:

MHLONTLO LOCAL MUNICIPALITY

P.O. BOX

QUMBU

5180

OR

DEPOSITED IN THE BID BOX SITUATED AT (*STREET ADDRESS*)

96 Church Street

Qumbu

5180

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (as defined in Regulation 1 of the Local Government: Municipal Supply Chain Management Regulations)

THE FOLLOWING PARTICULARS MUST BE FURNISHED

(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER.....

POSTAL ADDRESS.....

STREET ADDRESS.....

TELEPHONE NUMBER CODE.....NUMBER.....

CELLPHONE NUMBER.....

FACSIMILE NUMBER CODE.....NUMBER.....

E-MAIL ADDRESS.....

VAT REGISTRATION NUMBER.....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN ATTACHED? (MBD 2) YES/NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (MBD 6.1) YES/NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY? _____

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)

A REGISTERED AUDITOR

□

(Tick applicable box)

(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)

ARE YOU THE ACCREDITED REPRESENTATIVE?

IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED?

YES/NO
(IF YES)

ENCLOSE PROOF)

SIGNATURE OF BIDDER

DATE.....

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE.....

TOTAL NUMBER OF ITEMS OFFERED

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Municipality / Municipal Entity: Mhlontlo Local Municipality

Department: Infrastructure services Directorate

Contact Person: MS B JARA/Ms Gomo(SCM)

Tel: 047 553 7000

Fax: 047 553 0189

Email: scm@mhlontloim.gov.za

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person: Mr M. Mqeke/Ms Z. Petse

Tel: 047 553 7000

Fax: 047 553 0189

Email: Mqekem@yahoo.com

MBD 4

DECLARATION OF INTEREST

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

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

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

3.1 Full Name:

3.2 Identity Number:

3.3 Company Registration Number:

3.4 Tax Reference Number:

3.5 VAT Registration Number:

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

3.6.1 If so, furnish particulars.

.....

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

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

.....

3.7 Have you been in the service of the state for the past
twelve months?

YES / NO

3.7.1 If so, furnish particulars.

.....

.....

3.8 Do you, have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?

3.8.1 If so, furnish particulars.

.....

.....

3.9 Are you, aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?

3.9.1 If so, furnish particulars

3.10 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state?

YES / NO

3.10.1 If so, furnish particulars.....

.....

3.11 Are any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in service of the state?

YES / NO

3.11.1 If so, furnish particulars.....

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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, 2011.

1. GENERAL CONDITIONS

MBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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

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

2. GENERAL CONDITIONS

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

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

2.2 To be completed by the organ of state

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the **90/10** preference point system.

- b) The applicable preference point system for this tender is the **80/20** preference point system.

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

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

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

2.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

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

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

3. DEFINITIONS

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

4. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

$$80/20 \quad \text{or} \quad 90/10$$

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

$$80/20 \quad \text{or} \quad 90/10$$

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

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

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

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

The specific goals allocated points in terms of this tender (100 % ownership in order to claim full points)	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Tender Price			90	80
HDI -Equity ownership			5 points	10 points
Youth-Enterprise 18-35 years (MLM)			1 point	2 points
Women-Equity ownership			1 point	2 points
Disability-Equity ownership			1 point	2 points
Rural Enterprise			1 point	2 points
Military Veterans			1 point	2 points
SUB-TOTAL (SPECIFIC GOALS)			10	20
TOTAL			100	100

8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted?.....%
- (ii) the name of the sub-contractor?
- (iii) the B-BBEE status level of the sub-contractor?.....
- (iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm :

9.2 VAT registration number :

9.3 Company registration number :

:

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated

Registered Account Number

Stand Number

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?.....

9.9 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 contribution indicated in paragraph 7 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 paragraph 7, 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 contribution 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) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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

WITNESSES:

1.

SIGNATURE(S) OF BIDDER(S)

5.

DATE:.....

ADDRESS:.....

.....

.....

.....

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

1. General Conditions

1.1. Preferential Procurement Regulations, 2011 (Regulation 9.(1) and 9.(3) make provision for the promotion of local production and content.

1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

1.3. Regulation 9.(3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.

1.4. Where necessary, for bids referred to in paragraphs 1.2 and 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.

1.5. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

1.6. The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \left(\frac{x}{y} \right) \times 100$$

Where

x imported content

y bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

1.7. A bid will be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and
- this declaration certificate is not submitted as part of the bid documentation.

2. Definitions

2.1. **“bid”** includes advertised competitive bids, written price quotations or proposals;

2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);

2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;

2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial

policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).

2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;

2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and

2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

3. The stipulated minimum threshold(s) for local production and content for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

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

YES / NO

4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.6 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za. Indicate the rate(s) of exchange against the appropriate currency in the table below:

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID No.

ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):
.....

NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, (full names),
do hereby declare, in my capacity as

of(name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.
- (c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y)	R
Imported content (x)	R
Stipulated minimum threshold for Local content (paragraph 3 above)	
Local content % as calculated in terms of SATS 1286	

If the bid is for more than one product, a schedule of the local content by product shall be attached.

- (d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Policy Framework Act (PPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

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. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
------	----------	-----	----

4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</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>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	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:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS
DECLARATION FORM TRUE AND CORRECT.**

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

.....

.....

Signature

Date

.....

.....

Position

Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;

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

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

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

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

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

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

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;

5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

- (a) has been requested to submit a bid in response to this bid invitation;
- (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
- (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

MBD 9

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

- (a) prices;
- (b) geographical area where product or service will be rendered (market allocation)
- (c) methods, factors or formulas used to calculate prices;
- (d) the intention or decision to submit or not to submit, a bid;
- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
- (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

MBD 9

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....



MHLONTLO LOCAL MUNICIPALITY
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FRAMEWORK CONTRACT FOR MHLONTLO MUNICIPAL ELECTRIFICATION
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C1.1 Form of Offer and Acceptance

Offer

The Employer, identified in the Acceptance signature block, has solicited offers to enter into a contract for the provision of services as described in Part 1 of the Contract Data.

The tenderer, identified in the Offer signature block, has examined the documents listed in the Tender Data and addenda thereto as listed in the Returnable Schedules, and by submitting this Offer has accepted the Conditions of Tender.

By the representative of the tenderer, deemed to be duly authorised, signing this part of this Form of Offer and Acceptance the tenderer offers to perform all of the obligations and liabilities *Contractor* under the contract including compliance with all its terms and conditions for an amount to be determined in accordance with the conditions of contract identified in the Contract Data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VAT AND EXPENSES is in accordance with the *conditions of contract*.

This Offer may be accepted by the *Employer* by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document including the Schedule of Deviations (if any) to the tenderer before the end of the period of validity stated in the Tender Data, or other period as agreed, whereupon the tenderer becomes the party named as the *Contractor* in the conditions of contract identified in the Contract Data.

Signature(s)

Name(s)

Capacity

**For the
tenderer:**

Name &
signature of
witness

*(Insert name and address of
organisation)*

Date

Acceptance

By signing this part of this Form of Offer and Acceptance, the Employer identified below accepts the tenderer's Offer. In consideration thereof, the Employer shall pay the Contractor the amount due in accordance with the *conditions of contract* identified in the Contract Data. Acceptance of the tenderer's Offer shall form an agreement between the Employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

- Part C1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)
- Part C2 Pricing Data
- Part C3 Scope of Work

and drawings and documents (or parts thereof), which may be incorporated by reference into the above listed Parts.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Returnable Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the Employer during this process of offer and acceptance, are contained in the Schedule of Deviations attached to and forming part of this Form of Offer and Acceptance. No amendments to or deviations from said documents are valid unless contained in this Schedule.

The tenderer shall within two weeks of receiving a completed copy of this agreement, including the Schedule of Deviations (if any), contact the Employer's agent (whose details are given in the Contract Data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the *conditions of contract* identified in the Contract Data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

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

Signature(s)

Name(s)

Capacity

**for the
Employer**

.....
Mhlontlo Local Municipality
96 L.G Mabindla Street

PO Box 31
Qumbu
5180
.....

Name &
signature of
witness

.....

Date:

Schedule of Deviations

1 Subject
 Details

2 Subject
 Details

3 Subject
 Details

4 Subject
 Details

5 Subject
 Details

By the duly authorised representatives signing this agreement, the Employer and the Tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the Tender Data and addenda thereto as listed in the returnable schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the Tenderer and the Employer during this process of offer and acceptance.

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



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Part C1.2 Contract Data

The Conditions of Contract are the NEC3 Engineering and Construction Contract, June 2005 (ECC3) (with amendments June 2006) www.neccontract.com/useful_downloads/NEC_Amendments_June_2006.asp.

Each item of data given below is cross-referenced to the clause in the NEC3 Engineering and Construction Contract to which it mainly applies.

Part one - Data provided by the Employer

1	General
10.1	The <i>Employer</i> is the Mhlontlo Local Municipality: Address: 96 L.G Mabindla Street, Qumbu, 5180 Tel No. 047 553 7000 Fax No. 047 553 0189 Email:
11.2(2)	The <i>completion date</i> included in a Work Package is as stated in the Package Order. The <i>completion date</i> for the issuing of Package Orders is TBA
11.2(9)	The Price List is in the document called Part 2: Pricing Data
11.2(11)	The <i>works</i> are Mhlontlo municipality electrification projects.
11.2(12)	The Site Information is in the document called Part 4: Site Information.
11.2(12)	The <i>site</i> is as described in the Site Information. Work Package specific Site Information is in the Package Order.
11.2(13)	The Works Information is in the document called Part 3: Scope of Work. Work Package specific Works Information is in the Package Order.
12.2	Local production content as per s8 of the PPPFA 2017 will be applicable during the issuing of the Package Order
13.2	The <i>period for reply</i> is 2 weeks
14.4	The <i>Employer's delegate</i> is as stated in the Package Order

14.4	The <i>Employer's</i> delegate is delegated to carry out all the actions of the <i>Employer</i> in this contract with the exception of those required by clauses 51.1, 81.1
2	The Contractor's main responsibilities No data is required for this section of the <i>conditions of contract</i> .
3	Time
30.1	The <i>starting date</i> is the date of the acceptance of the appointment letter The <i>starting date</i> for a Work Package is as stated in the Package Order
4	Testing and Defects
40	The <i>defects date</i> is 52 weeks after Completion of the <i>works</i> associated with a Work Package.
41.3	The <i>defect correction period</i> is two week
5	Payment
50.1	The <i>assessment day</i> is on or before the 20 th day of each month.
50.5	The <i>delay damages</i> for Completion of the <i>works</i> are as stated in the Package Order
50.6	The retention is 10%
51.2	The interest rate on late payment is the prime lending rate of the Employer's bank
6	Compensation events
63.1	The percentages for overheads and profit are as stated in the Contract Data provided by the Contractor
7	Title No data is required for this section of the <i>conditions of contract</i> .
8	Indemnity, Insurance and Liability

- 82.1 The *Contractor* provides these insurances:
- 1 Liability for death of or bodily injury to employees of the *Contractor* arising out of and in the course of their employment in connection with this contract for any one event is R5 million
 - 2 Loss or damage to Equipment, Plant and Materials for a sum sufficient to provide for their replacement.
 - 3 SASRIA Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials

The amounts of insurance and the periods for which the *Contractor* maintains insurance are

Event	Cover	Period following Completion of the of the services or e termination
failure by the <i>Contractor's Engineer</i> to use the skill and care normally used by professionals providing services similar to the <i>services</i>	R 5 million in respect of each claim, without limit to the number of claims	For as long as the Consultant remains business
death of or bodily injury to a person (not an employee of the <i>Contractor</i>) or loss of or damage to property resulting from an action or failure to take action by the <i>Contractor</i>	R 5 million in respect of each claim, without limit to the number of claims	0
death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract	That which is prescribed by the Compensation Injuries and Diseases Act No. 130 of 1993 as amended and whatever the <i>Contractor</i> deems desirable in addition	0

The *Contractor's* total liability to the *Employer* for all matters arising under or in connection with this contract, other than the excluded matters, is limited to the amount of the insurance cover which this contract requires

9 Termination and dispute resolution

93.1 The *Adjudicator* is the person selected by the Parties in terms of the relevant Z Clause from the Panel of NEC Adjudicators

93.4 The *tribunal* is arbitration

93.4 The *arbitration procedure* is as set out in the Rules for the Conduct of Arbitrations Fifth Edition 2005 published by the Association of Arbitrators (Southern Africa)

The place where arbitration is to be held is Ntabankulu

The person or organisation who will choose an arbitrator

- if the Parties cannot agree a choice or
- if the *arbitration procedure* does not state who selects an arbitrator, is the Chairman of the Association of Arbitrators (Southern Africa)

The *additional conditions of contract* are: Z1 to Z10 always apply.

Z1 Cession delegation and assignment

Z1.1

The Contractor does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the Employer.

Z1.2

Notwithstanding the above, the Employer may on written notice to the Contractor cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry and the Electricity Distribution Industry.

Z2 Joint ventures

Z2.1

If the Contractor constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations then these persons or organisations are deemed to be jointly and severally liable to the Employer for the performance of this contract.

Z2.2

Unless already notified to the Employer, the persons or organisations notify the Project Manager within two weeks of the Contract Date of the key person who has the authority to bind the Contractor on their behalf.

Z2.3

The Contractor does not substantially alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the Employer having been given to the Contractor in writing.

Z3 Confidentiality

Z3.1

The Contractor does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the Contractor, enters the public domain or to information which was already in the possession of the Contractor at the time of disclosure (evidenced by written records in existence at that time). Should the Contractor disclose information to Others in terms of clause 25.1, the Contractor ensures that the provisions of this clause are complied with by the recipient.

Z3.2

If the Contractor is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the Project Manager.

Z3.3

In the event that the Contractor is, at any time, required by law to disclose any such information which is required to be kept confidential, the Contractor, to the extent permitted by law prior to disclosure, notifies the Employer so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the Contractor may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.

Z3.4

The taking of images (whether photographs, video footage or otherwise) of the works or any portion thereof, in the course of Providing the Works and after Completion, requires the prior written consent of the Project Manager. All rights in and to all such images vests exclusively in the Employer.

Z3.5

The Contractor ensures that all his subcontractors abide by the undertakings in this clause.

Z4 Waiver and estoppel: Add to core clause 12.3:

Z4.1

Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the Project Manager, the Supervisor, or the Adjudicator does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

Z5 Health, safety and the environment: Add to core clause 27.4

Z5.1

The Contractor undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the works. Without limitation the Contractor: accepts that the Employer may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2003 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Site; warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules,

guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of works; and undertakes, in and about the execution of the works, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the Contractor's direction and control, likewise observe and comply with the foregoing.

Z5.2

The Contractor, in and about the execution of the works, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the Contractor's direction and control, likewise observe and comply with the foregoing.

Z6. Provision of a Tax Invoice and interest. Add to core clause 51

Z6.1

Within one week of receiving a payment certificate from the Project Manager in terms of core Clause 51.1 the Contractor provides the Employer with a tax invoice in accordance with the Employer's procedures stated in the Works Information, showing the amount due for payment equal to that stated in the payment certificate.

Z6.2

If the Contractor does not provide a tax invoice in the form and by the time required by this contract, the time by when the Employer is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the Employer in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.

Z6.3

The Contractor (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the Employer's VAT number on each invoice he submits for payment.)

Z7 Notifying compensation events

Z7.1

Delete from the last sentence in core clause 61.3, "unless the Project Manager should have notified the event to the Contractor but did not".

Z8 Employer's limitation of liability

Z8.1

The Employer's liability to the Contractor for the Contractor's indirect or consequential loss is limited to R0.00 (zero Rand)

Z8.2

The Contractor's entitlement under the indemnity in 83.1 is provided for in 60.1(14) and the Employer's liability under the indemnity is limited to compensation as provided for under the compensation events stated in this contract.

Z9 .Termination: Add to core clause 91.1, at the second main bullet point, fourth subbullet point, after the words "against it":

Z9.1 or had a judicial management order granted against it.

Z10 Addition to secondary Option X7 Delay damages (if applicable in this contract)

Z10.1

If the amount due for the Contractor's payment of delay damages reaches the limits stated this contract Data for Option X7(Delay damages for not meeting the sectional completion date are **R 1000.00 per day up to a limit of 10% of the contract value R400.00 per connected MVA hour lost (for outages returned late)** R2-50 per non-energised connection per day,R2-50 per energised connection per day, the Employer may terminate the Contractor's obligation to Provide the Works using the same procedures and payment on termination as those applied for reasons R1 to R15 or R18 stated in the Termination Table.

Z11 Selection and appointment of the *Adjudicator*

Add the following paragraph to clause 93.3

Within 2 weeks after declaring a dispute and if the *Adjudicator* was not yet appointed with a previous dispute, the notifying Party notifies the other Party of the names of two persons he has chosen from the Panel of NEC Adjudicators, whose availability to act as the *Adjudicator* the notifying Party has confirmed. The other Party selects one of the two persons chosen to be the *Adjudicator* within four days of receiving the notice, failing which the person chosen by the notifying Party will be the *Adjudicator* for the Contract. The Parties appoint the selected *Adjudicator* under the NEC3 Adjudicator's Contract (Third edition with amendments up to and including April 2013).

Z12 Tax invoices

The *Contractors* invoice

Z2.1 The *Contractor* submits original valid tax invoices satisfying the requirements of the law and the Works Information together with his application for payment in terms of clause 50.2.

Z2.2 Where the *Contractor* does not submit the Tax Invoices within the time required:

- the period within which payment is made in terms of clause 51.1 and
- the time allowed in clause 90.4

are extended by the length of time from the date when the *Contractor* should have submitted the Tax Invoices to the date when he does submit it.

Z13 Acts or omissions by mandatories

In terms of Section 37(2) of the Occupational health and Safety Act of 1993 (Act 85 of 1993), the *Contractor* hereby agrees that the *Employer* is relieved of any and all of its liabilities in terms of Section 37(1) of this Act in respect of any acts or omissions of the *Contractor* and his employees to the extent permitted by this Act, and that this contract comprises the written agreement between the *Employer* and the *Contractor* contemplated in section 37(2).

Z14 Subcontractors

The *Contractor* submits the name of each proposed subcontractor to the *Employer's* delegate for acceptance. A reason for not accepting the subcontractor is that his appointment will not allow the Contractor to Provide the Works. The Contractor does not appoint a proposed subcontractor until the *Employer's* delegate has accepted him. .

Z15. Performance bond

The Contractor gives the Employer a performance bond, provided by a bank or insurer for the amount _____ of 5 (five) percent of the total of Prices inclusive of VAT in respect of each Package Order and in the form set out in the document C1.3 Securities. A reason for not accepting the bank or insurer is that the commercial position is not strong enough to carry the bond. If the bond was not given by the date that the contract came into existence, it is given to the Employer within four weeks of the date that the contract came into existence.

Add the following to clause 90.3 of the Conditions of Contract after Reason 4:

Not provided a bond which this contract requires (Reason 9)

Z16 Low performance damages

If a Defect notified to the *Contractor* after Completion which shows low performance with respect to a performance level stated in the Contract Data for a Package Order, the *Contractor* pays the amount of low performance damages stated in the Contract Data for the Package Order.

Z17 Weather events

Replace "one seventh of the total number of days" in the first sentence of 60.1 (10) with "one fourteenth of the total number of days"

Z18 Vendor registration

The Contractor registers on the Employer's Database by completing the relevant Vendor Registration Form and providing all the required information.

One hundred percent of the Prices for Services Provided to Date is retained in assessments of the amount due until the Contractor has registered on the Employer's Procurement Database.



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The *Contractor* is advised to read the NEC3 Engineering and Construction Contract (Second edition with amendments issued up to and including April 2013) and the relevant Guidance Notes and Flow Charts, published by the Institution of Civil Engineers, in order to understand the implications of this Data which is required. Copies of these documents may be obtained from Engineering Contract Strategies (telephone (27) 011 803 3008).

Each item of data given below is cross-referenced to the clause in the NEC3 Engineering and Construction Contract to which it mainly applies.

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option	
	dispute resolution Option	B: Priced Bill of Quantities
	and secondary Options	W1: Dispute resolution procedure
		X2: Changes in the Law
		X7: Delay damages
		X16: Retention
		X18: Limitation of liability
		Z: Additional conditions of contract
	of the NEC3 Engineering and Construction Contract, June 2005 (ECC3) (with amendments June 2006)	

Part two - Data provided by the Contractor

Clause	Statement
10.1	The <i>Contractor</i> is (Name):

Address

Tel No.

Fax No.

Email:

10.1 The *Contractor's key persons* is:
11.2(11)

1 Name:

Job:

Responsibilities: provide the *services* or direct the *services* provided

Qualifications: see CV provided in tender

Experience: See CV provided in tender



MHLONTLO LOCAL MUNICIPALITY
TENDER NO: MLM/INEP/2024-27
FRAMEWORK CONTRACT FOR MHLONTLO MUNICIPAL ELECTRIFICATION
PROGRAMME

Pro forma Performance Bond – Demand Guarantee

(to be reproduced exactly as shown below on the letterhead of the Bank providing the Bond / Guarantee)

[Insert Contractor’s name and registered address]

Bank reference No.

Date:

Dear Sir,

Performance Bond – Demand Guarantee for *[insert name of Contractor]* required in terms of contract *[insert Contractor’s contract reference number or title]*

1. In this Guarantee the following words and expressions shall have the following meanings:-

1.1	“Bank” means	<i>[Insert name of Bank, Branch (if applicable) and Registration Number]</i>
1.2	“Bank’s Address” means	<i>[Insert physical address of Bank]</i>
1.3	“Contract” means	the written agreement relating to providing the <i>works</i> , entered into between the <i>Employer</i> and the <i>Contractor</i> , on or about the day of 20... <i>(Insert Contract Reference No.)</i> as amended, varied, restated, novated or substituted from time to time;

1.4	“Contractor” means	(insert name of Contractor) , a company registered in accordance with the laws of the Republic of South Africa under Registration No (insert registration number) .
1.5	“Employer” means	(insert name of Employer) , a company registered in accordance with the laws of the Republic of South Africa under Registration Number (insert registration number)
1.6	“Expiry Date” means	the earlier of <ul style="list-style-type: none"> • the date that the Bank receives a notice from the <i>Employer</i> stating that Completion has been achieved and all notified Defects within two months of Completion have been corrected, or • the date that the Bank issues a replacement Bond for such lesser or higher amount as may be required by the <i>Employer</i>.
1.7	“Guaranteed Sum” means	the sum of R. (in figures) andin words
1.8	“works” means	[insert details from Contract Data part 1]

2. At the instance of the *Contractor*, we the undersigned _____ and _____, in our respective capacities as _____ and _____ of the Bank, and duly authorized thereto, confirm that we hold the Guaranteed Sum at the disposal of the *Employer* as security for the proper performance by the *Contractor* of all of its obligations in terms of and arising from the Contract and hereby undertake to pay to the *Employer*, on written demand from the *Employer* received prior to the Expiry Date, any sum or sums not exceeding in total the Guaranteed Sum.
3. A demand for payment under this guarantee shall be made in writing at the Bank’s address and shall:
 - be signed on behalf of the *Employer* by a director of the *Employer*;
 - state the amount claimed (“the Demand Amount”);
 - state that the Demand Amount is payable to the *Employer* in the circumstances contemplated in the Contract.
4. Notwithstanding the reference herein to the Contract the liability of the Bank in terms hereof is as principal and not as surety and the Bank’s obligation/s to make payment:
 - is and shall be absolute provided demand is made in terms of this bond in all circumstances; and
 - is not, and shall not be construed to be, accessory or collateral on any basis whatsoever.
5. The Bank’s obligations in terms of this Guarantee:
 - shall be restricted to the payment of money only and shall be limited to the maximum of the Guaranteed Sum; and
 - shall not be discharged and compliance with any demand for payment received by the Bank in terms hereof shall not be delayed, by the fact that a dispute may exist between the *Employer* and the *Contractor*.
6. The *Employer* shall be entitled to arrange its affairs with the *Contractor* in any manner which it sees fit, without advising us and without affecting our liability under this Guarantee. This includes, without limitation, any extensions, indulgences, release or compromise granted to the *Contractor* or any variation under or to the Contract.

7. Should the *Employer* cede its rights against the *Contractor* to a third party where such cession is permitted under the Contract, then the *Employer* shall be entitled to cede to such third party the rights of the *Employer* under this Guarantee on written notification to the Bank of such cession.
8. This Guarantee:
 - shall expire on the Expiry Date until which time it is irrevocable;
 - is, save as provided for in 7 above, personal to the *Employer* and is neither negotiable nor transferable;
 - shall be returned to the Bank upon the earlier of payment of the full Guaranteed Sum or expiry hereof;
 - shall be regarded as a liquid document for the purpose of obtaining a court order; and
 - shall be governed by and construed in accordance with the law of the Republic of South Africa and shall be subject to the jurisdiction of the Courts of the Republic of South Africa.
 - will be invalid and unenforceable if any claim which arises or demand for payment is received after the Expiry Date.
9. The Bank chooses *domicilium citandi et executandi* for all purposes in connection with this Guarantee at the Bank's Address.



MHLONTLO LOCAL MUNICIPALITY
TENDER NO: MLM/INEP/2024-27
FRAMEWORK CONTRACT FOR MHLONTLO MUNICIPAL ELECTRIFICATION
PROGRAMME

C2: Pricing Data

C2.1 Pricing assumptions (Option B)

C.2.1.1 General

Pricing Data associated with a Package Order is established in the associated Package Order. The price list on this tender document will only be used for comparative basis during the evaluation of the tender submissions. The price list on this tender document is based on a house per connection.

The tenderer is required to include all deemed expenses and costs of electrifying a household as the Employer will not incur any other costs over and above the tendered cost per household. The cost tendered should be inclusive of all materials, labour and construction equipment and tools required to electrify a household.

TENDER BILL OF QUANTITIES (FOR COMPARATIVE REASONS ONLY)					
HOUSEHOLD ELECTRIFICATION					
Bill No.	Description	Engineering Fees	Supply	Labour	Total
1	Preliminaries and General	R	R	R	R
2	Overhead Support and Excavations	R	R	R	R
3	MV Overhead System	R	R	R	R
4	MV Equipment and Switchgear	R	R	R	R
5	LV ABC	R	R	R	R
6	LV Open Wire	R	R	R	R
7	Split Meters				
8	House Service Connections	R	R	R	R
9	Design Fees	R	R	R	R
10	Survey Fees	R	R	R	R
11	Pre-marketing (GPS)	R	R	R	R
12	Engagement with Eskom at Planning & Handover stages	R	R	R	R
SUMMARY TOTAL FOR OFFER (COMPARATIVE)					R



MHLONTLO LOCAL MUNICIPALITY
TENDER NO: MLM/INEP/2024-27
FRAMEWORK CONTRACT FOR MHLONTLO MUNICIPAL
ELECTRIFICATION PROGRAMME

C3: Scope of work

1 Employer's objectives

The *scope* of this Framework Contract is the electrification of Mhlontlo municipality projects on a turnkey solution over a period of 36 months. The works anticipated is predominantly that of rural household electrification (infills and extensions from various wards of Mhlontlo LM). Task or Package Orders will be issued on an as and when required basis based on the Employer's short-term and medium-term needs.

The Contractor is required to provide all required personnel, materials, equipment and plant required for Electrification of rural areas and associated works as instructed through a Package Order within the Mhlontlo Local Municipality

The *Contractor* will furthermore be required to at least subcontract 30% of the Works with local businesses to develop them over the framework period to enable them to raise their CIDB grading.

Each Package Order will specify its own Works Information with the necessary details applicable for the construction of that Work Package. This will include but not be limited to reporting, invoicing, technical details, drawings, location, Site Information as well as people employment requirements.

3.1 The scope of work to be undertaken is to:

- Construction of new household connections as per targets set out.
- Implementation of completed existing designs and provide permanent works in accordance with the contract
- Establishment and mobilization of project construction and commission
- Certifying completed work for payment
- manage risks associated with health, safety and the environment on the site
- Electrification design for the next year/s implementation
- Electrification Design Management – comprising pre-marketing, survey management construction drawings, bill of quantities and project design work-plans and approvals by Eskom and MLM

3.1.1 Construction of new household connections as per targets set out:

- Site establishment;

- Contractors' work programme;
- Recruitment/mandating of programme management team
- Physical construction on site as per approved design
- Construction done in compliance with relevant health and safety requirements
- Quality of workmanship observed during construction

3.1.2 Electrification design for the next year/s implementation:

- Project is planned, designed and bill of quantities is produced
- A work-plan is developed;
- Design and Plan approved by client and relevant authorities (Eskom)
- Identify electrification backlog of MLM for future planning
- Acquire existing electrification information from MLM and Eskom
- Door to door visit to all households within MLM wards to get customer information and GPS location of each household
- Create GIS database of all information obtained

3.1.3 Procure and appoint subcontractor

- Selected subcontractor by the contractor jointly with the employer in terms of the requirements of the contract.
- The Contractor is required to in conjunction with the employer to subcontract 30% of the works
- Provided that he submits the names of such Contractors to the Project Manager for acceptance.
- The Project Manager may reject the proposed subcontractor on the grounds that it will not allow the Contractor to provide the work in accordance with the stated requirements.
- The Contractor is nevertheless responsible for providing the works as if he had not subcontracted.

3.2.4 Deliverables:

Construction of new household connections as per targets set out

- Work programme
- Contractor site established for construction work
- Work completed as per approved work programme
- Quality inspection reports on completed work
- All households connected and energised
- Commissioning and handover documentation
- Final marketing

3.2.5 Electrification design for the next year/s implementation

- Approved final design package by Eskom and MLM
- Approved plan
- Surveyed Designs
- Pegs installed
- Bill of quantities

1. Management of the agreement

The *Employer* and *Contractor* will meet to discuss the management of this agreement at least on a monthly basis and when either Party requests such a meeting.

The contact person for the *Employer* for these meetings will be nominated from electricity section or the senior accounting officer of the Municipality.

The *Contractor* will report on a Monthly basis to the *Employer* the status of the local business development as required in section 2 above.

5. The quotation procedure

The *Employer* will specify the specific requirements that the selected *Contractor* needs to adhere to for the quotation for a specific Package Order.

- a) The quotation request will **at least consist of**:
 - The quotation instructions;
 - The completed Package Order Contract Data for the specific package order;
 - The detailed Works Information and Site Information for the specific package order; and
 - Any other relevant information.
- b) The quotation instructions will **at least** indicate:
 - The time and place for submission of a quotation;
 - The information required as part of the quotation;
 - The proposed timeline for the execution of the Package Order;
 - The intended appointment date; and
 - The person who can be contacted.
- c) After submission of the quotation by the *Contractor/s*, the *Employer* may
 - 1) Accept the quotation by issuing a Package Order to the successful *Contractor*;
 - 2) Revise the Work Package and request a revised quotation; or
 - 3) Decides that the Work Package should not be carried out.

Issuing of Package Orders

- 6.1 The Employer will issue Package Orders in accordance with the provisions of the National Treasury Standard for Infrastructure Procurement and Delivery Management for framework agreements (see clause 14.3). (<http://www.treasury.gov.za/legislation/pfma/TreasuryInstruction/Annexure%20A%20-%20Standard%20for%20Infrastructure%20Procurement%20and%20Delivery%20Management.pdf>)
- 6.2 Performance in achieving and exceeding developmental targets and undertakings may form part of the justifiable reasons for awarding a Package Order to a particular framework contractor.

7 General specifications for materials

The Contractor shall only incorporate in the works materials (substances that can be incorporated into the works), products (item manufactured or processed for incorporation into the works),

components (products manufactured as distinct units to serve a specific function or functions) and assemblies (set of related components attached to each other) which are:

- a) fit for their intended purpose; and
- b) capable of fulfilling required functions under intended use conditions or when in use, with planned maintenance, under the influence of the environmental actions or a result of a self-ageing process for a period of time within industry accepted norms.

8 Promotion of developmental procurement objectives

8.1 Local direct employment goal

8.1.1 The Contractor shall achieve or exceed in the performance of the Package Order the contract local direct employment goal (CLDEG) established in Scope of Work associated with a Package Order where:

- a) contract local direct employment goal (CLDEG) means the percentage of the total number of equivalent person days worked by people employed by the Contractor or a Subcontractor for the performance of the works who are local people;
- b) equivalent person-days means the total time worked by people within the Working Area divided by 8 hours;
- c) local people means people who reside in the Mhlontlo Municipal area, within 20 km of the site

8.1.2 Credits towards the contract local direct employment goal shall be assessed and granted by the Employer's delegate, based on information provided by the Contractor whenever the amount due to the Contractor in terms of the contract is assessed.

8.1.3 The Contractor shall submit to the Employer's delegate in a format acceptable to the Employer's delegate the name, identity number, gender, youth, residential address, occupation and equivalent-person days employment in respect of each and every employee of the Contractor and subcontractors whenever the amount due to a Contractor in terms of the contract is assessed.

8.1.4 Credits towards the contract local direct employment goal shall be denied where:

- a) the wages and conditions of employment for local people are less favourable than those set by an applicable bargaining council, relevant sectoral determinations made by the Minister of Labour or, in the absence of any applicable bargaining council or sectoral determination, the local wages and conditions of employment for unskilled workers; and
- b) people work outside of the site.

8.1.5 The contractor shall also commit to sub-goals for women and youth (persons 16 – 35 years of age)

9.2 Development of local subcontractors

9.2.1 The Contractor shall at least subcontract 30% of the Works with local businesses to develop them over the framework period to enable them to raise their CIDB grading.

8.2.2 A local subcontractor is an enterprises who has the skill and expertise to provide services and the responsibility for the management and supervision relating thereto, in the discharge of a contractual obligation, from a building together with its land and outbuildings located within the Mhlontlo Local Municipality and which can provide proof of ownership of such premises or a valid rental agreement with the owner of such premises.

8.2.3 The Contractor shall provide the Employer with a proposed bill of quantities strategy and method statement for the development of local subcontractors whenever the contractor submits a quotation for a Package Order.

9.2.4 The Contractor shall report on a monthly basis to the Employer the progress made in developing subcontractors

C4: Site Information

The Mhlontlo Local Municipality has 26 wards that covers 3 000 of O.R Tambo District Municipality. It is bordered by King Sabata Dalindyebo Local Municipality to the South, Nyandeni Local Municipality to the East, both under OR Tambo District Municipality, Umzimvubu Local Municipality to the North, and Ntabankulu Local Municipality to the North East both under Alfred Nzo District Municipality and Elundini Local Municipality to the West which is under Joe Gqabi District Municipality. The Municipal Departments and Council Chambers are located in Qumbu with satellite offices in Tsolo. An official in a level of an Assistant Manager has been dedicated to manage the satellite offices in Tsolo.

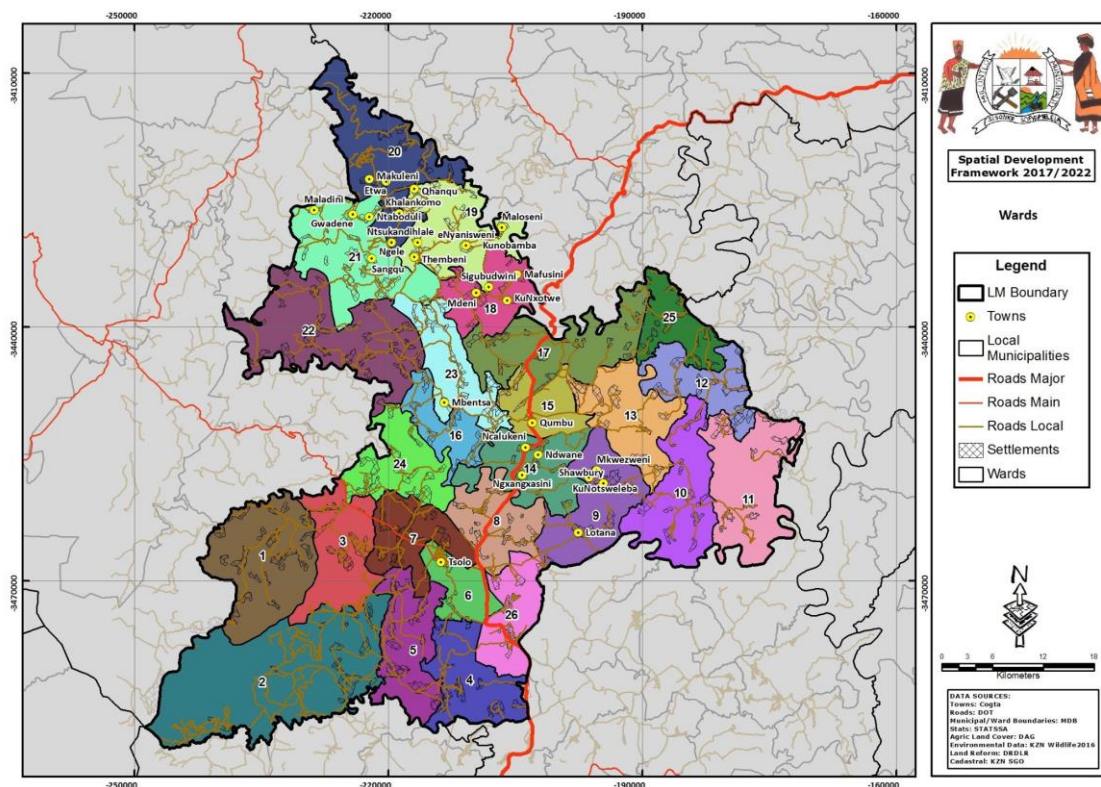


Figure 1: Mhlontlo Local Municipality

The Mhlontlo Local Municipality's mission is to achieve highest economic status through:

- Promoting and sustaining integrated service delivery that enhances and supports the municipality to achieve growth and development for its communities.
- Delivering a high standard of essential services anchored in agriculture, tourism and industrialisation.
- Enhancing revenue base.

The O.R Tambo District Municipality is responsible for water and sanitation as well as all the bulk water infrastructure.

The Mhlontlo Local Municipality is responsible for the provision of access roads, roads within town, social infrastructure such as sports fields, early childhood development centres, community halls and solid waste disposal.

Mhlontlo Municipality is only responsible for the maintenance of the streetlights and highmast lights within the town of Qumbu and Tsolo. Eskom is responsible for the provision of electricity in the entire municipal area

ADDENDUM TO THE CONTRACT: POPIA OBLIGATION

1. PROTECTION OF PERSONAL INFORMATION

1.1. Processing limitations

It is recorded that, pursuant to its obligations under this Agreement, Service Provider will process Personal Information in connection with and for the purposes of the provision of the Services for or on behalf of Mhlontlo LM and will act as Mhlontlo LM's Operator for purposes of Protection of Personal Information Act (POPIA) no.4 of 2013. Unless required by law, Service Provider shall process the Personal Information only:

- 1.1.1.** On behalf of Mhlontlo LM and in compliance with its instructions and this Agreement;
- 1.1.2.** For the purposes connected with the provision of the Service Provider services or as specifically otherwise instructed or authorised by Mhlontlo LM in writing; and
- 1.1.3.** Service Provider shall treat the Personal Information that comes to its knowledge or into its possession as confidential and shall not disclose it without the prior written consent of Mhlontlo LM.

1.2. Security measures

1.2.1. Service Provider warrants that it shall secure the integrity of the Personal Information in its possession or under its control by taking appropriate, reasonable technical and organisational measures to prevent:

- (a) Loss of, or damage to, or unauthorised destruction of the Personal Information; and
- (b) Unlawful access to or processing of the Personal Information.

1.2.2. Service Provider shall take reasonable measures to:

- (a) Identify all reasonable foreseeable internal and external risks to the Personal Information in its possession or under its control;
- (b) Establish and maintain appropriate safeguards against the risk identified;
- (c) Regularly verify that the safeguards are effectively implemented;
- (d) Ensure that the safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards; and

- (e) Shall notify Mhlontlo LM of the risks identified and the safeguards established and implemented from time to time.

1.2.3. Service Provider shall:

- (a) Have due regard to generally accepted information security practices and processes which may apply to it;
- (b) Comply with Mhlontlo LM's information security practices and procedures and applicable industry or professional rules and regulations, of which Mhlontlo LM undertakes to keep Service Provider informed from time to time; and
- (c) Within five (5) business days of a request from Mhlontlo LM, Service Provider shall provide to Mhlontlo LM a written explanation and full details of the appropriate technical and organisational measures taken by or on behalf of Service Provider to demonstrate and ensure compliance with this clause.

1.3. Service Provider's general obligations with regards to Personal Information

1.3.1. In addition to the other obligations set out in this clause, Service Provider shall:

- (a) Take reasonable steps to ensure the reliability of any of its employees who have access to the Personal Information;
- (b) Limit access to the Personal Information only to those employees who need to know to enable Service Provider to perform the services and ensure that employees used by Service Provider to provide the Services have undergone training in the care and handling of the Personal Information;
- (c) Deal promptly and properly with all reasonable inquiries from Mhlontlo LM relating to its Processing of the Personal Information and provide to Mhlontlo LM copies of the Personal Information in the format reasonably specified by Mhlontlo LM;
- (d) Promptly inform Mhlontlo LM of its inability to comply with Mhlontlo LM's instructions and this clause, in which case Mhlontlo LM is entitled to suspend the processing of Personal Information and/or terminate this Agreement;
- (e) Provide Mhlontlo LM with full co-operation and assistance in relation to any requests for access or correction or complaints made by Data Subjects; and
- (f) At the request of Mhlontlo LM or any regulatory body, submit its Personal Information Processing facilities for audit of the Processing activities covered by this Agreement.

1.4. Notifications

1.4.1. Service Provider must notify Mhlontlo LM in writing:

- (a) Within 1 (one) business day or otherwise as soon as reasonably possible if any Personal Information has been or may reasonably believe to have been accessed or acquired by an unauthorised person or if a breach has occurred with reference to its use of the Personal Information under this Agreement. The notification must provide sufficient information to allow affected Data Subjects to take measures against the potential consequences of the

compromise, including, if known to Service Provider, the identity of the unauthorised person who may have accessed or acquired the Personal Information;

- (b) Within 3 (three) business days of receipt thereof, of any request for access to or correction of the Personal Information or complaints received by Service Provider relating to Mhlontlo LM's obligations in terms of POPIA and provide Mhlontlo LM with full details of such request or complaint; and
- (c) Promptly of any legally binding request for disclosure of Personal Information or any other notice or communication which relates to the Processing of the Personal Information from any supervisory or governmental body.

1.5. Return or destruction of Personal Information

Upon termination of this Agreement or upon request by Mhlontlo LM, Service Provider shall return any material containing, pertaining or relating to the Personal Information disclosed pursuant to this Agreement to Mhlontlo LM. Alternatively, Service Provider shall, at the instance of Mhlontlo LM, destroy such material and shall certify to Mhlontlo LM that it has done so, unless the law prohibits Service Provider from doing so. In applying this destruction alternative, the Service Provider shall provide Mhlontlo LM with the Certificate of Destruction to confirm that the destruction was done in a manner that the Personal Information cannot be reconstructed to its original format. In that case, Service Provider warrants that it will guarantee the confidentiality of the Personal Information and will not actively process the Personal Information any further.

1.6. Warranties

Service Provider warrants that in addition to the warranties stated in the rest of this Agreement, it shall comply with all regulatory and statutory requirements which impact on or relate to Service Provider and the Services, including, but not limited to, POPIA.

1.7. Indemnities

Service Provider hereby indemnifies and holds harmless Mhlontlo LM from any and all penalties, claims, loss or damage arising from any claim or action brought against Mhlontlo LM and arising from or due to Service Provider's breach of its information protection obligations set out in this clause.

1.8. Ownership of Information

- 1.8.1.** Service Provider acknowledges and agrees that Mhlontlo LM retains all right, title and interest in and to the Personal Information.
- 1.8.2.** Service Provider shall not possess or assert any lien or other right against or to such Personal Information and no such Personal Information shall be sold, assigned, leased or otherwise disposed of to third parties by Service Provider or commercially exploited by or on behalf of Service Provider or its employees

SIGNED AT _____ ON THIS _____ DAY _____ 2024

FOR AND ON BEHALF OF MHLONTLO
LOCAL MUNICIPALITY

FULL NAMES: MR L. NDABENI
CAPACITY: MUNICIPAL MANAGER

WITNESS 1:

WITNESS 2:

Names: _____

Names: _____

SIGNED AT _____ ON THIS _____ DAY OF _____ 2024

FOR AND ON BEHALF OF COMPANY NAME

FULL NAMES _____
CAPACITY :COMPANY DIRECTOR

WITNESS 1:

WITNESS 2:

Names: _____

Names: _____