

# KUMKANI MHLONTLO LOCAL MUNICIPALITY

96 LG Mabindla street  
Qumbu  
5180  
Eastern Cape

PO Box 31  
Qumbu  
5180



(047) 553 7000

(047) 553 0189

[www.mhlontloim.gov.za](http://www.mhlontloim.gov.za)

[info@mhlontloim.gov.za](mailto:info@mhlontloim.gov.za)

## REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS (RFQ) (PROCUREMENT LESS THAN R300 000 INCLUDING VAT

### ADVERTISEMENT

|  |  |
|--|--|
| <b>REFERENCE NUMBER:</b>                           | COMM/SIA/2024/2025/KMLM  |
| <b>DESCRIPTION:</b>                                | <b>Security Impact assessment terms of reference for<br/>Kumkani Mhlontlo Local Municipality Properties</b>  |
| <b>ADVERTISEMENT DATE:</b>                         | 22/10/2024   |
| <b>CLOSING DATE:</b><br><b>CLOSING TIME:</b>       | 31/10/2024<br>12H00:PM   |
| <b>VALIDITY PERIOD OF<br/>QUOTATION:</b>           | 90 days  |
| <b>SUBMISSION OF QUOTATIONS:</b>                   | Tender Box, Mhlontlo Local Municipality offices<br>Mhlontlo Local Municipality<br>96 LG Mabindla<br>Qumbu  |
| <b>CONTACT PERSON SCM FOR<br/>ENQUIRIES:</b>       | <b>Name:</b> Ms T Gomo<br><b>Tel :</b> 066 4777 147<br><b>Email:</b> <a href="mailto:scm@mhlontloim.gov.za">scm@mhlontloim.gov.za</a>                |
| <b>CONTACT PERSON FOR<br/>TECHNICAL ENQUIRIES:</b> | <b>Name:</b> Mr L Lutshetu<br><b>Tel:</b> 071 689 4389<br><b>Email:</b> <a href="mailto:llutshetu@mhlontloim.gov.za">llutshetu@mhlontloim.gov.za</a> |

### To be completed by bidder:

|  |  |
|--|--|
| <b>NAME OF BIDDER:</b>                     |  |
| <b>CSD SUPPLIER NUMBER:</b>                |  |
| <b>SARS TAX COMPLIANCE<br/>STATUS PIN:</b> |  |
| <b>TELEPHONE NUMBER:</b>                   |  |
| <b>CELL NUMBER:</b>                        |  |
| <b>PHYSICAL ADDRESS:</b>                   |  |

|                          |          |
|--------------------------|----------|
| <b>EMAIL ADDRESS:</b>    |          |
| <b>QUOTATION AMOUNT:</b> | <b>R</b> |

## SECTION 1: COMPULSORY RETURNABLE DOCUMENTS AND SCHEDULES

Bidders must complete and/or submit the returnable documents and schedules listed below, together with their quotations.

| No. | Returnable document / schedule  | Compulsory<br>(Yes / No) | Non-submission will<br>render quotation<br>non-responsive<br>(Yes / No) |
|-----|---|--------------------------|---|
| 1.  | CSD report of CSD no.   | Yes                      | Yes   |
| 2.  | SARS status pin   | Yes                      | Yes   |
| 3.  | Proof of Municipal rates not later than one month/lease agreement   | Yes                      | Yes   |
| 4.  | Original or certified BBBEE certificate from SANAS accredited provider  | Yes                      | No<br>(However, zero points will be allocated for BBBEE status level)   |
| 4.1 | A sworn affidavit confirming annual total revenue and level of black ownership, if bidder is an Exempted Micro Enterprise (EME) or Qualified Small Enterprise (QSE) | Yes                      | No<br>(However, zero points will be allocated for BBBEE status level)   |
| 4.2 | Original or certified consolidated BBBEE scorecard, if bidder is a trust, joint venture or consortium that is an unincorporated entity                              | Yes                      | No<br>(However, zero points will be allocated for BBBEE status level)   |
| 5.  | MBD 1 Invitation to bid - completed and signed  | Yes                      | Yes   |
| 6.  | MBD 4 declaration form – completed and signed   | Yes                      | Yes   |
| 7.  | MBD 6.1, 6.2 8 and 9 forms – completed and signed   | Yes                      | Yes   |
| 8.  | Register to Municipal Data base   | Yes                      | No  |
| 9.  | Bidders must attach ID copy   | Yes                      | No  |
| 10. | Bidder must attach Proof of residence   | Yes                      | No  |
| 11. | Medical certificate for disability  | Yes                      | No  |

|     |   |     |    |
|-----|---|-----|----|
| 12. | Company registration (CK)   | Yes | No |
| 13. | <b>NOTE: That specific goals:100% ownership in order to claim full points</b> | Yes | No |

### **Verification of bidder's documentation on the Central Supplier Database (CSD)**

The municipality will verify on the CSD, the following documentation submitted by bidders:

- (i) Business registration status, including details of directorships and membership
- (ii) Tax compliance status
- (iii) Identity numbers of directors, shareholders, partners, members
- (iv) Proof of bank account registration
- (v) Tender defaulters and restrictions status
- (vi) Whether any director, manager, principal shareholder or stakeholder of the bidder is in the service of the state.

### **SECTION 2: PROCEDURE FOR SUBMISSION OF QUOTATIONS**

1. No quotation will be considered unless submitted on this RFQ document.
2. Telephonic, telegraphic, facsimile or emailed submissions, or any other electronic submissions, will not be accepted, unless indicated otherwise in this document.
3. Submissions must be marked with the RFQ description and reference number, sealed and deposited in the tender box on or before the closing date and time for submissions.
4. Submissions deposited in the tender box after the closing time or closing date will be considered to be late.
5. Late submissions will not be accepted, and where practicable, shall be returned unopened to the bidder.
6. Mhlontlo Local Municipality accepts no responsibility for ensuring that RFQ submissions are placed in the correct box, and submissions placed in the incorrect box will not be accepted.
7. Bidders are entitled to submit one quotation only, either as a single tendering entity or as a member of a joint venture or consortium.
8. Bidders are responsible for all costs incurred in the preparation and submission of their quotation.
9. The RFQ submission must be signed by a person or persons duly authorised to do so.
10. Once the quotation is awarded, all purchases will be made through an official Mhlontlo Local Municipality purchase order.
11. No goods or services must be delivered or provided before an official order has been sent to, and accepted by the successful bidder.

## **SECTION 3: TEST FOR RESPONSIVENESS**

### **Invalid submissions**

Quotations shall be invalid if:

1. The submission is not completed in non-erasable ink.
2. The bidder, if he or she is a natural person, is in the service of the state, or if not a natural person, a director, manager, principal shareholder or stakeholder of the bidder is in the service of the state.
3. The bidder is listed on the National Treasury Register of Tender Defaulters and / or List of Restricted Suppliers and is restricted from doing business with the public sector.
4. The bidder has been restricted from doing business with Mhlontlo Local Municipality in terms of its supply chain management policy and procedures.

### **Non-responsive submissions**

Quotations will be declared as non-responsive and eliminated from further evaluation in the following instances:

1. The submission does not comply with the mandatory requirements of the RFQ, if any, including any minimum evaluation criteria.
2. The bidder's tax matters are found not to be in order upon verification by the Municipality on CSD, and the bidder fails to ensure that its tax matters are in order within such timeframe as may be granted by the municipality.
3. Where the bidder is not registered on CSD.
4. Where the bidder is not registered on the municipal supplier database, or does not meet the listing criteria for accredited suppliers specified in the municipality's SCM Policy, and does not register on the database or meet the listing criteria within such timeframe as may be granted by the municipality.

## SECTION 4: EVALUATION OF QUOTATIONS

### Evaluation of quotations

1. Quotation submissions will be evaluated on the criteria specified in this document, if any.
2. Submissions will be evaluated in accordance with the 80/20 price and preferential procurement points system.
3. Unless stated otherwise in this document, the quotation will be awarded to the bidder who meets all the requirements of the RFQ and who scores the highest total price and specific goals.

| Specific Goals                    | Means of verification:<br>NB : 100% ownership in order to claim full points   | Points allocation |
|-----------------------------------|---|-------------------|
| HDI -Equity ownership             | The municipality is going to use <b>RACE OR NATIONALITY</b> as means of verification and thus prospective service providers will be required to provide a copy of <b>ID COPY</b> as a proof in order to claim points for specific goals   | 10                |
| Youth-Enterprise 0-35 years (MLM) | The municipality is going to use <b>AGE</b> as means of verification and thus prospective service providers will be required to provide a copy of <b>ID COPY AND CSD</b> as a proof in order to claim points for specific goals   | 2                 |
| Women-Equity ownership            | The municipality is going to use <b>GENDER OR SEX</b> as means of verification and thus prospective service providers will be required to provide a copy of <b>ID COPY, CK and CSD</b> as a proof in order to claim points for specific goals   | 2                 |
| Disability-Equity ownership       | The municipality is going to use <b>MEDICAL CERTIFICATE</b> as means of verification and thus prospective service providers will be required to provide a copy of <b>MEDICAL CERTIFICATE and CSD</b> as a proof in order to claim points for specific goals   | 2                 |
| Military veterans                 | The municipality is going to use <b>STAMPED CONFIRMATION LETTER FROM OFFICE OF MILITARY VETERANS</b> as means of verification and thus prospective service providers will be required to provide a copy of <b>ID COPY AND CSD</b> as a proof in order to claim points for specific goals                | 2                 |
| Rural Enterprise                  | The municipality is going to use <b>PROOF OF RESIDENCE FROM TRADITIONAL LEADER OR WARD COUNCILLOR OR</b> as means of verification and thus prospective service providers will be required to provide a copy of <b>PROOF OF RESIDENCE AND CSD</b> as a proof in order to claim points for specific goals | 2                 |

## SECTION 5: SPECIFICATIONS AND EVALUATION CRITERIA

### Security Impact assessment terms of reference for Kumkani Mhlontlo Local Municipality Properties

#### 1. Background

The Kumkani Mhlontlo local municipality is, in view of the nature of its mandate, vision and mission, exposed to security risks, threats and vulnerabilities. These contingencies and vulnerabilities on the premises or offices of the KMLM necessitate conducting a security impact assessment for effective and efficient safeguarding of human lives, property, personal belongings, KMLM assets and information. Kumkani Mhlontlo Local Municipality intends to procure services of a suitable qualified service provider for the Security impact Assessment in Qumbu and Tsolo municipal properties. The municipality accordingly invites interested parties to submit bids/proposals in order to be considered for the appointment as service provider.

#### 2. OVERVIEW OF THE WORKS.

The purpose of the project is to identify the internal and external threats that could cause a disruption and further develop a proposed action plan

#### 3. EXTENT OF THE WORKS

The appointed bidder will be required to do security impact assessment and mainly focus on the following topics. This will include amongst other things coming up with mitigating actions on all areas of vulnerability identified.

1. Risk Management
2. Policies
3. Physical security
4. Access control
5. Employee security
6. Material security
7. Information security
8. Emergency Response

#### 4. PROJECT DURATION

The appointed service providers will be required to start immediately after receiving an order and the duration of the project is a maximum of 30 days

### 4. EVALUATION CRITERIA

**5.1.** The 80/20 preference points system as prescribed in the Preferential Procurement Policy Framework Act (PPPFA) will be applied to evaluate this bid. The lowest acceptable bid will score 80 points for price and maximum of 20 points will be awarded for attaining the Specification.

**5.2** This bid shall be evaluating in two stages. On first stage bids will be evaluated on functionality, second stage in accordance with 80/20 preference points system as stipulated above.

**1. PROVEN EXPERIENCE OF THE COMPANY IN DOING SECURITY IMPACT ASSESSMENT** (Attach tangible references of services which has been rendered). If the bidder cannot demonstrate the necessary relevant experience via at least one (1) successfully completed similar projects, then the bid will be deemed non-responsive and will be rejected).

#### 2. PROFESSIONAL REGISTRATION OF COMPANY AND TEAM MEMBERS

Company professional registration and curriculum vitae of all team members indicating relevant experience and knowledge.

#### 3. Bidder Methodology:



The bidder will be required to develop a detailed methodology as per the extent of works.

|   |
|---|
| Should have the following topics: (80 points) with at least 5 metrics per topic and 10 points per topic |
| 1. Risk Management  |
| 2. Policies   |
| 3. Physical security  |
| 4. Access control   |
| 5. Employee security  |
| 6. Material security  |
| 7. Information security   |
| 8. Emergency response   |

**Note:**

1. All prices quoted must include VAT, if the bidder is a registered VAT vendor.
2. Prices quoted must include delivery costs and goods must be delivered to the address provided.
3. All prices submitted must be firm. Firm prices are deemed to be fixed prices, which are only subject to statutory changes.

|  |
|--|
| <b>SECTION 7: CONDITIONS OF CONTRACT</b> |
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The contract between the municipality and the appointed bidder will be administered in accordance with the General Conditions of Contract 2010 as issued by National Treasury. A copy of the General Conditions of Contract may be obtained from the National Treasury website – [www.treasury.gov.za](http://www.treasury.gov.za)

**PROTECTION OF PERSONAL INFORMATION: GARDEN EQUIPMENT FOR ENTREPRENEURIAL SUPPORT FOR 12 LEARNING CENTRES**

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

**PART A  
INVITATION TO BID**

**MBD 1**

|   |   |               |            |               |          |
|---|---|---------------|------------|---------------|----------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF MHLONTLO LOCAL MUNICIPALITY</b>              |   |               |            |               |          |
| RFQ NUMBER:   | COMM/SIA/2024/2025/K<br>MLM   | CLOSING DATE: | 31/10/2024 | CLOSING TIME: | 12:00 PM |
| DESCRIPTION   | <b>Security Impact assessment terms of reference for Kumkani Mhlontlo Local Municipality Properties</b> |               |            |               |          |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b> |   |               |            |               |          |

RFQ RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

|   |  |  |   |   |  |
|---|--|--|---|---|--|
| <b>96 LG MABINDLA</b>   |  |  |   |   |  |
| <b>QUMBU</b>  |  |  |   |   |  |
| <b>5180</b>   |  |  |   |   |  |
| <b>SUPPLIER INFORMATION</b>   |  |  |   |   |  |
| NAME OF BIDDER  |  |  |   |   |  |
| POSTAL ADDRESS  |  |  |   |   |  |
| STREET ADDRESS  |  |  |   |   |  |
| TELEPHONE NUMBER  | CODE   |  | NUMBER  |   |  |
| CELLPHONE NUMBER  |  |  |   |   |  |
| FACSIMILE NUMBER  | CODE   |  | NUMBER  |   |  |
| E-MAIL ADDRESS  |  |  |   |   |  |
| VAT REGISTRATION NUMBER   |  |  |   |   |  |
| TAX COMPLIANCE STATUS   | TCS PIN:   |  | OR  | CSD No:   |  |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No  | B-BBEE STATUS LEVEL SWORN AFFIDAVIT                                      |   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No                               |  |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> |  |  |   |   |  |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF]  | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? |   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No<br>[IF YES, ANSWER PART B:3 ] |  |
| TOTAL NUMBER OF ITEMS OFFERED   |  | TOTAL BID PRICE  |   | R   |  |
| SIGNATURE OF BIDDER   | .....  | DATE   |   |   |  |
| CAPACITY UNDER WHICH THIS BID IS SIGNED   |  |  |   |   |  |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>  |  |  | <b>SKILLS DEVELOPMENT INFORMATION MAY BE DIRECTED TO:</b> |   |  |
| DEPARTMENT  | SCM DEPARTMENT   | CONTACT PERSON   | Community services  |   |  |
| CONTACT PERSON  | T Gomo   | TELEPHONE NUMBER   | L Lutshetu  |   |  |
| TELEPHONE NUMBER  | 066 4777 147   | FACSIMILE NUMBER   | 071 689 4389  |   |  |
| FACSIMILE NUMBER  |  | E-MAIL ADDRESS   | Llutshetu@mhlontloim.gov.za                               |   |  |
| E-MAIL ADDRESS  | <a href="mailto:scm@mhlontloim.gov.za">scm@mhlontloim.gov.za</a><br><a href="mailto:tgomo@mhlontloim.gov.za">tgomo@mhlontloim.gov.za</a> |  |   |   |  |

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

**MBD1**

|  |  |
|--|--|
| <b>1. BID SUBMISSION:</b>  |  |
| 1.1.   | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.  |
| 1.2.   | <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</b>  |
| 1.3.   | THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.                                |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b>  |  |
| 2.1  | BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.   |
| 2.2  | BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.  |
| 2.3  | APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> . |
| 2.4  | FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.   |
| 2.5  | BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.   |
| 2.6  | IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.   |
| 2.7  | WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.  |
| <b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>   |  |
| 3.1.   | IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>  |
| 3.2.   | DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>  |
| 3.3.   | DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>   |
| 3.4.   | DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>  |
| 3.5.   | IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</span>   |
| <b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b> |  |

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.  
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER:.....

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

DATE:.....

**DECLARATION OF INTEREST**

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

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

3.2 Identity Number: .....

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

3.4 Company Registration Number: .....

3.5 Tax Reference Number: .....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars.....  
.....

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

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

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

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

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

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

3.10.1 If yes, furnish particulars .....  
.....

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

3.11.1 If yes, furnish particulars.....  
.....

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

3.12.1 If yes, furnish particulars .....  
.....

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

3.13.1 If yes, furnish particulars.....  
.....

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

3.14.1 If yes, furnish particulars .....  
.....



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

| Full Name | Identity Number | State Employee Number |
|-----------|-----------------|-----------------------|
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

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

This preference form must form part of all bids invited.

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

**1. GENERAL CONDITIONS**

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

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

1.2

- a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- b) The 80/20 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

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

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

|                       | POINTS     |
|-----------------------|------------|
| <b>PRICE</b>          | 80         |
| <b>SPECIFIC GOALS</b> | 20         |
| <b>TOTAL</b>          | <b>100</b> |

1.5 Failure on the part of a bidder to submit proof of specific goals together with the bid, will be interpreted to mean that points for specific goals are not claimed.

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

**2. POINTS AWARDED FOR PRICE**

**2.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS**

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

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

80/20
or
90/10

Where

- P<sub>s</sub> = Points scored for price of bid under consideration
- P<sub>t</sub> = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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

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

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

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

**1. BID DECLARATION**

1.1 Bidders who claim points in respect of specific goals must complete the following:

**2.**

2.1 Specific goal: . = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

**3. SUB-CONTRACTING**

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

*(Tick applicable box)*

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

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted ..... %
- ii) The name of the sub-contractor.....
- iii) Specific goals.....
- iv) Whether the sub-contractor is an EME or QSE

*(Tick applicable box)*

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

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

| Designated Group: An EME or QSE which is at least 51% owned by:   | EME | QSE |
|---|-----|-----|
|   | √   | √   |
| Black people  |     |     |
| Black people who are youth  |     |     |
| Black people who are women  |     |     |
| Black people with disabilities                                    |     |     |
| Black people living in rural or underdeveloped areas or townships |     |     |
| Cooperative owned by black people                                 |     |     |
| Black people who are military veterans                            |     |     |
| <b>OR</b>   |     |     |
| Any EME   |     |     |
| Any QSE   |     |     |

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

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

**Municipality where business is situated:** .....

**Registered Account Number:** .....

**CSD Number:** .....

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

8.9 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 contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

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

WITNESS:

1. ....

2. ....

.....  
SIGNATURE(S) OF BIDDER(S)

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](http://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:** \_\_\_\_\_

**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><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p> | <p>Yes</p> <input type="checkbox"/> | <p>No</p> <input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:  |                                     |                                    |
| 4.2   | <p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>   | <p>Yes</p>                          | <p>No</p>                          |
| 4.2.1 | If so, furnish particulars:  |                                     |                                    |
| 4.3   | <p>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?</p>  | <p>Yes</p>                          | <p>No</p>                          |

|             |  |                                 |                                |
|-------------|--|---------------------------------|--------------------------------|
| 4.3.1       | If so, furnish particulars:  |                                 |                                |
| <b>Item</b> | <b>Question</b>  | <b>Yes</b>                      | <b>No</b>                      |
| 4.4         | Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months? | Yes<br><input type="checkbox"/> | No<br><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<br><input type="checkbox"/> | No<br><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 IS 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 bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

---

(Quotation Number and Description)

in response to the invitation for bids made by:

**Mhlontlo Local Municipality**

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

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

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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
  
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid, which does not meet the specifications and conditions of this invitation; or
  - (f) submitting a bid 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 bid.

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

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder