



**MHLONTLO LOCAL MUNICIPALITY**

**TENDER DOCUMENT FOR THE DEVELOPMENT OF THE MHLONTLO LAND AUDIT**

**BID NOTICE NO: DM/LA/LEDPARD/2022-22MHLM**

Issued by: The Municipal Manager  
MHLONTLO LOCAL MUNICIPALITY

P.O. BOX 31  
QUMBU  
5180

96 General Mabindla Street  
QUMBU  
5180

Tel: +27(047) 553 7000  
Fax; +27(047) 553 0189

CSD NO. \_\_\_\_\_ SARS PIN \_\_\_\_\_

NAME OF BIDDER: \_\_\_\_\_

TENDER AMOUNT: \_\_\_\_\_

BBBEE LEVEL: \_\_\_\_\_

\_\_\_\_\_



## 1. ADVERTISEMENT

| <b>PROJECT NAME</b>                        | <b>CONTRACT NUMBER</b>           | <b>ADVERT DATE</b>      | <b>CLOSING DATE</b>                 |
|--|----------------------------------|-------------------------|-------------------------------------|
| THE DEVELOPMENT OF THE MHLONTLO LAND AUDIT | <b>DM/LA/LEDPARD/2022-22MHLM</b> | <b>14 December 2022</b> | <b>30 January 2023<br/>12:00 PM</b> |

Mhlontlo Local Municipality is requesting quotations from suitable qualified service providers to supply and delivery of Stationery for a contract of one year.

### 2. Specification:

#### OBJECTIVES

- To address accurate land ownership information that will guide decisions on land management and development.
- Undertake an accurate investigation and inquiries on land use for each erf, after which a comparison will be done to establish compliance with current zoning regulations.
- Determine current zoning, land use and extent of all properties and identify all properties that are in contravention with the land regulations.
- Analysis of vacant and under-utilised land. It will also be critical to determine ownership in order to develop strategies to ensure the best possible ways of utilising the land
- Identify underutilised government land and properties that could be better utilised by either the municipality or private developers.
- Identify properties that are not registered with Deeds office, as a result of lapsed layout plans, unsurveyed properties or various other reasons
- Identify all land that needs to be surveyed, for example commonage land that has been informally subdivided
- Identify all properties owned by the municipality that do not have title deeds.
- Identify all municipal land that is leased, with the intention to monitor the agreements.

- Initiate a filing system in which each erf has a file with all relevant documents such as, SG diagram, title deeds
- Identify erven with no building plans, with a view to starting a process of developing a data base for building plans for all erven.
- Resolve conflict between land owners, through the verification of displaced property pegs
- To add value to municipal valuation rolls
- To enhance revenue collection
- To have a clean and credible cadastral dataset

The land audit should cover **ALL** the properties within the Mhlontlo Local Municipality. The project involves the preparation of a complete and accurate cadastral data base for the Mhlontlo Local Municipality. A registered cadastral dataset contains only properties that are registered at the Registrar of Deeds (Deeds Office) and differs from the Surveyor-General (SG) cadastral dataset which contains all properties approved at the SG office irrespective of whether the property is registered or not. The cadastral dataset for the Mhlontlo Local Municipality should therefore be compiled by using information from both the SG Office and the Deeds Office

The type of cadastral land parcels that need to be audited to determine land ownership include the following categories:

- Parent farms and farm portions
- Agricultural holdings
- Erven
- Sectional Title Schemes
- All proclaimed townships within the Municipal area

The land ownership categories that are derived from a comprehensive land audit should include, **but not limited to**, at least the following:

- Privately-owned land
- State-owned enterprises (Eskom, Transnet, Telkom, etc)
- Municipal land (District and Local)

- Provincial Government land
- Republic of South Africa(State Land)
- Ecclesiastical (Churches, Mosques, etc)
- Traditional authorities

Other categories may exist that is not listed here.

### **PROBLEM STATEMENT AND SOLUTION PARAMETERS**

Some of the critical questions that need to be addressed in the project include the following:

- How much state land is vested with traditional authorities in Mhlontlo Local Municipality?
- Which areas in Mhlontlo are unsurveyed land (e.g. has no formal cadastral information)?
- How much land belongs to the state (RSA), private and the Mhlontlo Local Municipality etc
- The total amount of land that the municipality can not collect rates from as a result of undetermined or unsurveyed land.

### **PROJECT DESCRIPTIONS**

In consideration of these Specifications , Mhlontlo Local Municipality seeks to appoint a service provider who will conduct a brief literature review and technical investigation that will:

- Spatially identify land and give ownership information of land within the borders of Mhlontlo Local Municipality
- Conduct a comprehensive land audit of all properties within the borders of Mhlontlo Local Municipality
- Create a user friendly GIS database with ownership categories as specified in section 5 above with useful fields that will assist in planning and packaging of interventions.
- Create a land audit report, (with maps, tables and graphs, not limited to the listed) for Mhlontlo Local Municipality.

It is the responsibility of the service provider to source and obtain relevant information for this project.

- The project will entail fieldwork in order to identify communally worked/farmed fields, and recording some other important data. To avoid conducting transect walks, the imagery for the province will have to be used in mapping the fields. The centroid for each identified agricultural land will be generated through a desktop exercise to avoid physical visits so as to reduce costs of travelling.

## **RESEARCH AND INFORMATION GATHERING**

The service provider shall be responsible for sourcing the relevant information from the Deeds office and other sources for the land audit at own cost which may be included in the project proposal. The relevant information may include the following:

- Valuation Roll of Mhlontlo Local Municipality
- Deed information from national Deeds database including section title schemes
- Cadastral Information (erven, agricultural holdings, farms and farm portions, sectional titles) from surveyor General

(NB Not limited to only the above)

## **CONTENT OF PROJECT PROPOSAL**

A clear and concise project proposal covering the following areas is required:

- An executive summary
- A project plan
- The proposed methodology indicating list of data to be gathered and method of processing it. The project milestones that will be used to measure the project progress should also be indicated.
- Indication of the community consultative component that will involve traditional/community leadership and physically identifying active/fallow land to be captured in the agricultural database.
- Detailed information on human resource capacity that will be directly involved in the project and their respective roles. This must include but not limited to: short CV, indicating relevant qualifications and experience as required by this Terms of reference; full contact details (office, fax and cell-phone, and email). Staffing requirements identified on the beginning of the project shall remain unchanged for

the duration of the project, unless prior written consent has been granted by the Mhlontlo Local Municipality.

- An all-inclusive costing model.

## **PROJECT METHODOLOGY**

The following stages are envisaged for the project process.

### ➤ Phase 1 – Analysis

- Acquire cadastral information, zoning plans and all required information. Ensure that all erven have all relevant documents such as, SG diagram for all erven registered with Surveyor General as well as title deeds.
- Undertake a deeds search and acquire copies of title deeds and ensure that all registered properties owned by the municipality have got title deeds formulate proposals for those that are not registered
- Identify all municipal land that is leased to private individuals or companies
- Facilitate all sites to be registered with the deeds office. The Municipality should communicate with land owners and provide information on registration of properties. If ownership vests with the municipality, suggestions for appointment of conveyancers for registration, depending on the number of sites to be registered or townships to be re submitted for township establishment should be done.

### ➤ Phase 2 – Synthesis of Results

- Field Surveys - confirm land use is according to zoning.
- Comparison of current zoning with existing land use.
- Acquire information of all newly surveyed sites from Surveyor General and identify all unsurveyed

land which needs to be surveyed.

- Create a register for all sites with all information stated above in the form of a hard cover glossy finish A4 sized-book.
- Advise municipality on existing problems regarding residents land ownership.
- Ensure conformance with tariff charges for each property as per zoning and extent.  
–Comparison of land use and zoning with billing information.

➤ Phase 3 – Proposals

- Proposals to be done for the municipality's execution as per identified challenges.
- Prioritised list of projects
- Recommendations relating to the institutional arrangements to be put in place
- Phase 4 - Implementation Plan

It will be important to advise the municipality of strategies to implement in order to resolve the identified challenges, short and long term suggestions for the municipality going forward.

### **KEY DELIVERABLES**

- The SG approved Cadastral spatial information as polygon coverage in ArcView shapefile format
- \*All ArcView shapefiles to be compatible with Arcview 10.1 version upwards)**
- The Registered Cadastral spatial information as a polygon coverage in ArcView shapefile format
  - The unregistered Cadastral layer in ArcView shapefile format
  - Spatial GIS layers containing servitudes that have been approved by the SG Office.
  - A spatial GIS layer containing Leases that have been approved at the SG Office
  - Database tables containing Deeds Office attribute information for properties.
  - Database tables containing Deeds Office attribute information for sectional titles
  - The signed declaration of a professional land surveyor.
  - A detailed report of the project methodology, the findings and their analysis
  - Point and polygon shapefiles with comprehensive attribute information of every identified fallow/active agricultural land.
  - Land audit database with DEEDS and valuation roll information for the whole town, settlement, farms, farm portions, agricultural holdings, cluster homes and complexes.
  - Land audit report containing methodology and land audit findings and recommendations



- An AO map with an overlay of these land parcels with agricultural potential and environmental status dataset
- 6 copies each of DVDs/CDs with GIS spatial datasets (WGS84 esri shapefiles) of the above.
- Metadata that will make it easy to understand the methodology and updating the study in future

## **SPECIFICATIONS**

- Datasets Required
  - An ArcView shapefile containing the most recent SG approved cadastral properties
  - An ArchView shapefile containing all currently registered cadastral properties
  - An ArchView shapefile containing currently unregistered cadastral properties
  - Two ArcView shapefiles, one for polygon coverage and one for a polyline coverage, containing servitudes that have been approved by the SG Office
  - An ArcView shapefile containing leases that have been approved at the SG Office
  - An MS Access database containing current Deeds Office attribute information for sectional title complex units
- GIS Data Layers

The GIS data layers that must be created as polygon coverages are the following:

- Registered cadastral
- Unregistered cadastral
- SG approved cadastral
- Leases.
- Servitudes that are defined by polygons
- The SG approved cadastral and the registered cadastral must be contiguous wall-to-wall polygon coverages over the whole municipality with no gaps between the polygons. If there are areas within the municipality that have not been subject to a land survey and there are no records for these areas in the SG Office, then these areas must have polygons created for them and flagged in the GIS database as being

“Unalienated State Land”. The unregistered cadastral, the leases and the servitude layers will not be contiguous wall-to-wall coverages.

- All datasets must and delivered in the WGS84 coordinate system.
  
- Spatial Accuracy
  - All cadastral property vertices captured off SG diagrams that were framed using absolute coordinates in either metric or imperial units of measure must lie within 0.3 metres of the coordinate position provided on the SG diagram
  
  - All cadastral property vertices captured off SG diagrams that were framed using old local coordinate systems must lie within 5 metres of the coordinate position provided on the diagram.
  
  - There must be no overlaps between polygons in any of polygon layers other than the servitude polygon layer.
  
  - There must be no empty spaces between polygons in the SG approved cadastral and in the registered cadastral.
  
  - Curvilinear boundaries which include rivers and cliff edges must be digitised off the latest aerial photography available for the area if the aerial photography was done subsequent to the framing of the SG diagram. If there is no aerial photography available for the area or if the diagram was framed subsequent to the aerial photography being done then the curvilinear boundary must be digitised off the SG diagram.
  
  - A check on the accuracy of property sizes must be done on the registered cadastral layer by comparing the area of the property polygon calculated in the GIS to the area contained in the Deeds Office database. A margin of difference tolerance is allowed in this comparison. To determine this tolerance for each registered property in the GIS,

the property polygon must be buffered both on the inside and outside to create inner and outer polygons. The buffer distance to use is 0.3 metres for coordinated properties or 5 metres for properties on local systems. The area of the resulting inner and outer polygons must be both calculated in the GIS and a check must be done to ensure that the Deeds Office area of the property lies within the areas of the inner and outer polygons created for the property.

- If the Deeds Office area does not lie within the areas of the inner and outer buffered polygons created then these cases must be investigated and commented upon in the GIS cadastral database.
  
- Cadastral and Ownership match
  
- All ownership records for all properties and sectional title complex units that lie with the municipality must be ordered from the Deeds Office. This must be done by listing the names of all the SG township allotment areas, the farm numbers of all the parent farms and the names of all sectional title complexes that lie within the municipality and sending these lists off to the Deeds Office in prescribed Deeds Office request format.
  
- All properties that are in the registered cadastral layer must have a match to a record in the Person table of the Deeds Office ownership database. If there are cases where there is a valid reason for a property to be contained in the registered cadastral layer with no match to a record in the Person table of the Deeds Office database then these reasons must be added to the comment field of the property in the registered cadastral layer. Some of the cases where this may occur are the following:
  - ❖ A sectional title complex lies on the property.
  
  - ❖ The property was never registered and does not have any underlying ownership and is therefore deemed to be Unalienated State Land.

- ❖ The property was never registered and its underlying registered parent property has ceased to exist. These cases are mainly the roads which are formed by the remainder of townships and are deemed to vest in the ownership of the municipality.
- ❖ Required ownership information that was not captured or was captured with an incorrect property description in the Deeds Office database.
- All records in the Person table of the Deeds Office ownership database must have a match to a property in the registered cadastral layer. If there are cases of errors or anomalies in the Person table of the Deeds Office database then these must be investigated and flagged on the Person table of the Deeds Office database.

## 9 Time Frame and Budget

The project should be completed over a period of six (6) months. The service provider may be penalised if he/she fails to meet the required timeframe without valid reasons being put forward in writing.

The schedule of work until completion must be indicated together with the detailed budget breakdown (refer to table below). This will also serve as payment milestones.

| Phase   | Activity  | Period  |
|---------|---|---------|
| Phase 1 | Preparation of Inception Report<br><br>Formation of Project Steering Committee & Technical Committees | 2 weeks |
| Phase 2 | Data Collection/Situation Analysis  | 7 weeks |
| Phase 3 | Draft Land Audit  | 7 weeks |
| Phase 4 | Public / Stakeholder  | 4 weeks |

|              |                          |                 |
|--------------|--------------------------|-----------------|
|              | Participation            |                 |
| Phase 5      | Finalisation & close out | 4 weeks         |
| <b>TOTAL</b> |                          | <b>24 weeks</b> |

## **PROJECT MANAGEMENT**

The project will be facilitated by a steering committee composed of relevant personnel from the Mhlontlo Local Municipality, OR Tambo DM, provincial offices of Department of Rural Development and Land Reform (Spatial Planning and Information), Department of Local Government and Traditional Affairs (Spatial Planning) and other personnel and departments with core competencies.

## **SKILLS AND EXPERIENCE REQUIREMENTS**

The service provider is expected to have the following skills among its staff:

- i. Good GIS experience (database development) and imagery processing
- ii. Proven experience in conducting of land audits
- iii. Thorough understanding of cadastral data and Deeds information
- iv. Rural planning experience will be an added advantage but not necessary
- v. Research, analytical, writing and communication skills
- vi. Good experience in capture and analysis of agricultural development data
- vii. Professional Registration with SACPLAN or other Urban and Regional Planning Professional Organisations
- viii. A Professional land-surveyor or services of such should form part of the project team.

## **CAPACITY BUILDING AND SKILLS TRANSFER**

The process should ensure that skills development and transfer is achieved within the Mhlontlo Local Municipality. Proposals should indicate how skills development and transfer would be achieved within the Municipal planning staff.

## **FINANCIAL PENALTIES**

Financial penalties shall be imposed for agreed upon milestones, targets, and deadlines not met without providing:

- Timely notification of such delays
- Valid reasons for the delays
- Supporting evidence that the delays were outside of the influence of the service provider

Payments will be made only for work performed to the satisfaction of Mhlontlo Local Municipality. Financial penalties will be imposed if the output produced does not meet the agreed upon deliverables criteria as stipulated in the General Conditions of Contract.

Original invoices which indicate the purpose and which will substantiate all costs must be provided. No copies or e-mailed invoices will be processed.

#### **UNDUE DELAY REMEDIES**

The service provider will incur penalties for unreasonable delays in terms of the agreed time period. The service provider shall forfeit the total payment per milestone in the case of the project being delayed for longer than 30 days after the milestone due date. However the service provider may apply to the local Municipality for an extension on the delivery date on any milestone and give valid reason(s) to the sole satisfaction of the MLM.

#### **REPORTING AND ACCOUNTABILITY**

- During the execution of the project, the service provider must submit regular progress reports and attend meetings at intervals as determined by the project team managing the service provider.
- Copyright of all deliverables will vest with the Municipality. All electronic and hard copy information captured/utilized to provide the output of the project remains the property of Mhlontlo local Municipality. The data should be surrendered to the Municipality at the end of the project. As the property of the municipality it cannot be used or shared, whether for profit or otherwise with any other party without written permission from the municipality .
- The project will be signed off by the Senior Manager: LED upon the delivery all the end products have been delivered and the Municipal Manager is satisfied that all requirements have been met.

### **3. Availability of Funds.**

Funds are available from Equitable Share

### **4. Points Allocation**

Preferential Procurement Policy Framework Act points will be awarded as follows

|        |            |
|--------|------------|
| Price  | 80 points  |
| B-BBEE | 20 points  |
| Total  | 100 points |

### **5. DURATION FOR CLOSING DATE AND TIME**

Closing date will be 30/01/2023 at 12:00 PM in Qumbu foyer.

### **6. SUPPORTING DOCUMENTS NEEDED.**

- 6.1. Central Supplier Database Number
- 6.2. Tenderers are required to submit the Company Profile with contactable references.
- 6.3. Tenderers must submit certified copy for B-BBEE certificate to be considered for equity points and must be **SANAS approved/SWORN affidavit**
- 6.4. Proof of Municipal rates, not later than one month or lease agreement
- 6.5. SARS Tax compliance status pin.
- 6.6. All MBD Forms from 1 TO 9 must signed by directors

Failure to supply all supplementary information may result in the tender being deemed an incomplete tender and may not be considered forward.

### **7. CONDITIONS OF THE TENDER**

- Mhlontlo Local Municipality Supply Chain Policy Management will apply.
- The Council is not bound to accept the lowest or any tender and or part thereof 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 the tender box as prescribe in this notice will not be considered as well.
- Mhlontlo local Municipality does not bind itself to accept the lowest proposal.

## **8. METHOD OF PROCUREMENT**

It should be competitive bidding because of estimated budgeted amount.

## **9. Evaluation Criteria**

Received Responsive bids will be evaluated based on the following:

- Stage 1- Functionality
- Stage 2- Price and preferential points

The 80/20 preference system will be used as per SCM policy, where 80 points will be for price and 20 for BBBEE.

### **9.1. FUNCTIONALITY ASSESSMENT:**



| CRITERIA  | WEIGHT    | MAXIMUM POSSIBLE SCORES |
|---|-----------|-------------------------|
| <p><b>CAPACITY AND EXPERTISE</b></p> <ul style="list-style-type: none"> <li>• Attach B-Tech. or BSC. (NQF Level 7) Town and Regional Planning and CV of the Project Leader showing experience in leading similar projects</li> <li>• NB: 0 points will be claimed where the</li> </ul>  | 20        | 30                      |
| <ul style="list-style-type: none"> <li>• Project team/resources to be utilized in the execution of the project:</li> <li>• Town Planner: 3 Points</li> <hr/> <li>• Land Surveyor: 3 Points</li> <hr/> <li>• Engineering Professionals: 2 Points</li> <hr/> <li>• Conveyancing Attorney: 2 Points</li> </ul> <p>Attach Identity documents and minimum NQF level 6 Qualification for each team member.</p>                            | 10        |                         |
| <b>EXPERIENCE</b>   |           |                         |
| <ul style="list-style-type: none"> <li>• Atleast three Reference letters from satisfied previous clients that have been serviced in the past should be provided, the submission must be on the relevant client's letter head and signed.</li> <li>• Landline telephone details of clients should be also provided Signed</li> <li>• NB: 0 points will be claimed where submitted clients/ references cannot be contacted</li> </ul> | 30        | 30                      |
| <p><b>Accreditation Certificate</b></p> <ul style="list-style-type: none"> <li>• Attached- Project leader's proof of registration with South African Council for Planners (SACPLAN) as a "<b>Professional planner</b>".</li> </ul>  | 20        | 20                      |
| <p><b>Methodology</b></p> <p>Gantt Chart and/ or detailed project implementation plan.</p>  | 20        | 20                      |
| <b>TOTAL</b>  | <b>70</b> | <b>100</b>              |

**NOTE: Only bidders who scored 70% and more on stage 1 to be evaluated further on price evaluation.**

Failure to supply all supplementary information may result in the tender being deemed an incomplete tender and may not be considered forward

Bids submitted are to hold good for a period of 90 days and Must be deposited in the tender Box at the Mhlontlo Local Municipality 96 church Street Qumbu 5180, by no later than the closing date 30/01/2023 at 12:00PM. Faxed or electronic submission of documents will not be accepted.

Mhlontlo Local Municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it.

The Municipality does not bind itself to accepting the lowest tender or any tender

### **ENQUIRES**

Any SCM queries for further information relating to this advert must be directed to Ms N. Tukwayo at 071 687 2331 email [ntukwayo@gmail.com](mailto:ntukwayo@gmail.com) and SCM queries to be forwarded to Ms B Jara/ N Budaza email [scm@mhlontloim.gov.za](mailto:scm@mhlontloim.gov.za) at 047 553 7000.

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**MR L. NDABENI**

**ACTING MUNICIPAL MANAGER**

## INVITATION TO BID

MBD 1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MHLONTLO LOCAL MUNICIPALITY

BID NUMBER **DM/LA/LEDPARD/2022-22MHLM**

CLOSING DATE: **30/01/2023**

CLOSING TIME: **12:00 PM**

DESCRIPTION: THE DEVELOPMENT OF THE MHLONTLO LAND AUDIT .

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

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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 .....

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**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Municipality / Municipal Entity:** Mhlontlo Local Municipality

**Department:** SCM

**Contact Person:** Mr M Nomsobo and B Jara

**Tel:** 066 485 7564

**Email:** scm@mhlontlilm.gov.za

**Fax:** 047 553 0189

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

**Contact Person:**

Ms N. Tukwayo

079 529 8352

Email: ntukwayo@mhlontlilm.gov.za

**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**

\_\_\_\_\_

\* 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;

3.6.1 If so, furnish particulars.

.....  
.....

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.

.....  
.....

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(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.



3.8 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.**

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**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 The value of this bid is estimated to exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

|  | <b>POINTS</b> |
|--|---------------|
| <b>1.3.1.1 PRICE</b>                                     | .....         |
| <b>1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION</b>       | .....         |
| <b>Total points for Price and B-BBEE must not exceed</b> | <b>100</b>    |

- 1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.5 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

## 2. DEFINITIONS

2.1 **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

2.2 **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad

-Based Black Economic Empowerment Act;

2.3 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based

on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic

Empowerment Act;

2.4 **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic

Empowerment Act, 2003 (Act No. 53 of 2003);

2.6 **“comparative price”** means the price after the factors of a non-firm price and all unconditional

discounts that can be utilized have been taken into consideration;

2.7 **“consortium or joint venture”** 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;

- 2.8 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less.
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **“non-firm prices”** means all prices other than “firm” prices;
- 2.13 **“person”** includes a juristic person;
- 2.14 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **“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;
- 2.16 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### **3. ADJUDICATION USING A POINT SYSTEM**

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have

scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.

- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

**4. POINTS AWARDED FOR PRICE**

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

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

**80/20 or 90/10**

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

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

**5. Points awarded for B-BBEE Status Level of Contribution**

- 5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| <b>B-BBEE Status Level of Contributor</b> | <b>Number of points (80/20 system)</b> |
|---|--|
| 1   | 20                                     |
| 2   | 18                                     |
| 3   | 14                                     |

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

5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA’s approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.

5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

**6. BID DECLARATION**

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

**7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1**

7.1 B-BBEE Status Level of Contribution:..... = .....(maximum of 20 points)

**(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Sworn Affidavit.**

**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.....

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. ....  
.....
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:

| <b>Currency</b> | <b>Rates of exchange</b> |
|-----------------|--------------------------|
| 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 (PPPFA), 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> <p><input type="checkbox"/></p> | <p>No</p> <p><input type="checkbox"/></p> |



| 4.1.1 | If so, furnish particulars:   |                                 |                                |
|-------|---|---------------------------------|--------------------------------|
| 4.2   | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?<br><br><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> | Yes<br><input type="checkbox"/> | No<br><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<br><input type="checkbox"/> | No<br><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<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 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:

---

(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 consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder