



MHLONTLO LOCAL MUNICIPALITY

**TENDER DOCUMENT FOR THE REVIEW OF MHLONTLO SPATIAL DEVELOPMENT
FRAMEWORK**

BID NOTICE NO: RSDF/LEDPARD/2022/23MHLM

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

PROJECT NAME	CONTRACT NUMBER	ADVERT DATE	CLOSING DATE
THE REVIEW OF MHLONTLO SPATIAL DEVELOPMENT FRAMEWORK	RSDF/LEDPARD/2022 /23MHLM	14 December 2022	30 January 2023 12:00 PM

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:

THE OBJECTIVES OF THE PROJECT.

- The main objective of the project is to review the Mhlontlo Spatial Development Framework prepared in 2018 that will respond to the current dynamics of the area of Mhlontlo Local Municipality the Mhlontlo Spatial Development Framework should meet the required standards set by the Eastern Cape Provincial Government through the implementation of the Comprehensive SDF Guidelines developed by DRDLR in 2017. This objective shall be achieved by the development of an urban-rural-specific reviewed Mhlontlo SDF for the municipality in compliance with the provisions of these guidelines. These Comprehensive SDF Guidelines are therefore a component of these Terms of Reference and provide the necessary details thereof. The Review of the Mhlontlo SDF shall be amended accordingly and made credible
- To establish a bulk infrastructure framework for the entire Municipality to act as a blueprint for rolling out bulk services throughout the Municipality
- Compliance with the following provisions of the Municipal Systems Act and the Municipal Planning and Performance Management Regulations, 2001 as provided for in the Draft SDF National Guidelines in terms of SPLUMA is Mandatory:

- development of a Spatial vision and objective of the IDP and the whole municipality;
- development of a conceptual scenario for envisaged spatial form;
- development of a Micro-spatial Plan for the core areas;
- setting out of objectives that reflect the desired spatial form of the rural municipality;
- contain strategies, policies and plans which must-
 - (i) Analyse the opportunities and constraints within the municipality concerning the heritage, economy, agriculture, environment, infrastructure, tourism and social development;
 - (ii) Delineate the agricultural land that has high potential;
 - (iii) Indicate desired patterns of land use within the municipality;
 - (iv) Identify existing and future land reform projects;
 - (v) Address the spatial reconstruction of the location and nature of development within the municipality including desired settlement patterns; and
 - (vi) Provide strategic guidance in respect of the location and nature of development within the municipality;
- set out a basic framework for the development of a land use management system in the municipality;
- set out a capital investment framework for the municipality's development programs within a prioritisation matrix
- (Prioritised list of development interventions and spatial locations)
- address sustainable bioregional planning
- analysis and clarification of how sector departments will implement the Reviewed Mhlontlo SDF;
- contain a strategic assessment of the environmental impact;
- identify programs, interventions and projects for the development of land within the municipality;
- be aligned with the SDFs of neighbouring municipalities and the Draft Provincial Spatial Development Plan;

- provide a visual representation of the desired spatial form of the municipality, which
 - (i) must indicate where public and private land development and infrastructure investment should take place;
 - (ii) must indicate all cross boarder issues, challenges and alignment of programmes shared with neighbouring municipalities, provinces and countries
 - (ii) must indicate desired or undesired utilisation of space in a particular area;
 - (iii) must delineate the Peri-urban edge for the (in terms of NEMA);
 - (iv) must identify areas where strategic intervention is required; and
 - (v) must indicate areas where priority spending is required.
 - (vi) Identify existing and proposed nodal areas for the development of infrastructure and social services.

- The reviewed Mhlontlo SDF must give effect to the development principles contained in the Spatial Planning & Land Use Management Act of 2013 including:
 - (i) Spatial Justice;
 - (ii) Spatial Sustainability;
 - (iii) Efficiency;
 - (iv) Spatial Resilience; and
 - (v) Good Administration

- This must also read and give effect to the Municipal Spatial Planning and Land Use Management Act and the Mhlontlo Local Municipality Land Use Scheme.

Proposals are requested from suitably qualified and experienced service providers to review the 2018 SDF for the Municipality in line with the National

SPLUMA SDF Guidelines, Bylaw and Draft Mhlontlo Land Use Management Scheme.

One service provider or a consortium may tender for the Review of MSDF according to capacity, skills and competence.

CRITICAL MILESTONES

The following five critical milestones/phases are stipulated in the Department of Rural Development and Land Reform Spatial Development Framework Guidelines to assist in the review of the current Mhlontlo Spatial Development Framework so it shall be deemed as to be a credible and SPLUMA compliant document:

- Phase 1: **Policy Context and Vision Directives;**
- Phase 2: **Spatial Challenges & Opportunities;**
- Phase 3: **Spatial Proposals;**
- Phase 4: **Implementation Framework; and**
- Phase 5: **Final Reviewed MSDF**

Details pertaining to the relevant deliverables for each milestone are contained in the SDF SPLUMA guidelines document. Each service provider is expected to consult the guideline document while preparing the proposals and when executing the project and in line with the LUMS.

Policy Context and Vision Directives

- Agree on the scope of work with sector stakeholders and include it in a Service Level Agreement and Memorandum of Understanding with the service provider (Inception and status quo)

- Synthesise the legislative and policy context through considering relevant national and provincial policy directives
- Involve sector departments through discussions on relevant sector plans and policies.
- Outline the spatial directives emanating from the national, provincial and municipal spatial policy review
- Hold initial discussions with client on the key spatial issues that need to be addressed to discuss and collaboratively develop a draft vision for the municipal area.

Spatial Challenges & Opportunities

- Review the recent IDP as well as all relevant municipal sector plans and surrounding (sector plans in terms of the strategic focus and the key challenges identified).
- Documentation and mapping of biophysical spatial challenges and opportunities.
- Conduct a strategic analysis of the socio-economic situation of the municipality in terms of legacy, current and future challenges
- Conduct a strategic analysis of the built environment elements of the municipality in terms of legacy, current and future challenges.

Spatial Proposals

- To move towards the vision aspired to, a conceptual framework needs to be formulated based on the synthesis of the key challenges and opportunities from Phase 2.
- Update the draft vision as developed during Phase 1 to align with the spatial concept (if required).
- Develop spatial strategies which support the spatial concept and are in line with the vision for the municipal area that redress/address/mitigate against the challenges and unlock the opportunities identified in Step P2
- Combine the spatial strategies into a composite MSDF map.
- Develop more detailed proposals for settlements within the municipal

jurisdiction based on the SDF strategies after developing the composite MSDF.

- Compile all of the elements of P1, P2 and P3 into a draft MSDF report.

Implementation Framework

- Develop a set of policies that will support the implementation of the spatial proposals as contained within the MSDF.
- Develop a set of guidelines that will support the implementation of the spatial proposals as contained within the MSDF.
- Develop a capital investment framework that identifies priorities, institutional arrangements and implementation requirements.
- Compile the supporting policies and guidelines as well as the capital investment framework into a consolidated draft implementation framework.

Final Reviewed MSDF

- Refine, update and finalise the draft MSDF and implementation framework based on stakeholder engagement during Phase 3 and 4.
- Prepare summary brochures, pamphlets or posters of the key spatial proposals contained within the MSDF report.
- Submit the final MSDF report and brochures to the local municipal officials and Council for approval.
- Facilitate follow-up discussions with the relevant municipal departments to discuss required alignment interventions to ensure that the MSDF proposals are incorporated into all relevant sector plans.
- Initiate the delineation and implementation of the required local area plans or precinct plans as set out in the capital investment framework.
- Ensure that the key proposals contained within the capital investment framework is fed into the next review of the IDP through facilitating discussions with relevant municipal officials.

OUTCOMES AND DELIVERABLES.

- The Reviewed MSDF should respond to the government strategic priorities (National Spatial Development Plan , Provincial Spatial Development Framework and District Spatial Development Framework) .
- The Reviewed MSDF must be both a vertical and a horizontal alignment tool for government-wide activities, plans, policies and legislation. It must be a tool to facilitate structured implementation of programmes, and be an effective decision-making instrument.
- Improved Comprehensive National SDF guidelines are expected out of the process of formulating each of the Reviewed MSDF:
- All objectives of the project as stipulated in these Terms of Reference should be met. A document with clear deliverables is expected, and should be moulded around what is stipulated under. The Reviewed MSDF documents should indicate all cross-border issues, challenges and alignment of programmes shared with neighbouring municipalities and provinces.
- Submissions should be in the form of both hard and electronic versions of the Reviewed MSDF. All spatial information collected should be submitted in GIS capable file format (shape-files, layer files, mxd files) (The service provider can only submit in shape files/ feature classes because layers are the same as shape files and mxd can only be accessed through CAD which we do not have) for use in a GIS environment. The shape-files must have clear non-spatial data/attribute information and metadata. The project steering committee (including but not limited to Municipal Officials and DRDLR, COGTA, District Officials) will comment on the review of MSDF and send them to the service provider for amendment purposes.
- It is recommended that more visual representation (maps, graphics and photographs) form the bulk part of the spatial analysis/current reality and the conceptual framework section of the MSDF (What is exactly recommended?). A text box or other mechanisms may be used to provide an explanation, relevant information or analysis.
- Required copies of the MSDF document for consultation purposes shall be

prepared by the service provider. The copies shall be distributed a week prior to the meeting taking place.

- The Service provider would be expected to submit a final consolidated report which consists of:
 - MSDF textual document including all maps, tables and figures in both hardcopy (printed) and softcopy (electronic as MS word document); A0 Draft SDF Plan, a separate Executive Summary Document and a public participation report.
 - All maps contained in the MSDF textual document as electronic image files (eg. JPEG, windows Bitmap, GIF, etc.).

PROJECT DURATION AND COST

It is expected that the project be completed in a period of 8 months effective from the date of appointment. The target dates for each milestone (as well as the associated deliverable) and the amount of financial compensation for the work done is scheduled under Table 1.

Due to the urgency of the project it is critical that timeframes are strictly adhered to. Financial penalties will be imposed for any delay or non-compliance with time and quality requirements.

TABLE 1: PROJECT COST AND TIME FRAME

Phases	% Payable	Time Frames	Submission/ Output
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<p>Phase 1: Policy Context and Vision Directives</p> <p>*Start Up</p> <p>*Review And Synthesise Legislative & Policy Context</p> <p>*Formulate Draft Spatial Vision</p>	20%	2 months	<p>*Service Level Agreement;</p> <p>*Legislative & Policy synthesis;</p> <p>*Vision statement</p>
<p>Phase 2: Spatial Challenge & Opportunities</p> <p>*IDP & Sector Plans Inputs</p> <p>*Analysis Of Built Environment</p>	20%	2 month	<p>*Summary of sector plans;</p> <p>* and mapping of biophysical spatial challenges and opportunities;</p> <p>*Documentation and mapping of socio-economic spatial challenges and opportunities;</p> <p>*Documentation and mapping of built environment spatial challenges and opportunities</p>
<p>Phase 3: Spatial Proposals</p> <p>*Spatial Strategies</p> <p>*DRAFT MSDF</p>	20%	2 months	<p>*Spatial Concept diagram and supporting text Final vision statement</p> <p>*Spatial Strategies maps and supporting text</p> <p>*Draft MSDF report and maps</p>
<p>Phase4: Implementation Framework</p>	15%	2 months	<p>*Draft set of policies</p> <p>*Draft set of guidelines</p>

* Supporting Policies *Supporting Guidelines *Capital Investment Framework *Draft Implementation Framework			*Draft Capital Investment Framework *Draft Implementation Framework
Phase 5: Final Reviewed MSDF *Final MSDF *Sector Plan Alignment *Priority Local Plans *Capital Investment Framework Into IDP	10%	1 months	*MSDF final report, Executive Summary, brochures, pamphlets or posters *Sector plan alignment proposals and discussions *Identified and delineated local plans/ precinct plans *IDP and SDF alignment proposals and discussions
RETENTION	15%		APPROVED SDF
Total	100%		

- An amount for the final draft is payable upon ratification by the municipality as well as by the Standing Committee for LED and Development Planning /EXCO/ council of the municipality.

- 15% retention will be paid once proof of approval of the Reviewed Mhlontlo SDF as part of the IDP by the Municipal Council is provided and service provider will be required to report via a written and electronic report

RELEVANT SKILLS AND EXPERIENCE.

Below is a summary of Mandatory requirements:

- Project leader must hold a ***tertiary qualification in Town and Regional Planning or equivalent qualification***, and must be registered with SACPLAN in terms of the Planning Profession Act, 2002 as a Professional Planner (a Copy of valid certificate and proof of payment of fees up to date is to be attached).

Skills and abilities required in the team to execute the project include the following:

- Town and Regional / Development Planning;
- Thorough understanding of SDF, strategic planning process, and urban design;
- Proven SDF, Precinct / Nodal Plan compilation experience;
- Understanding of the interrelationship amongst the following: social, economic, land use, transport and environmental issues;
- Geography and hands on GIS (at least at Technician Level);
- Project Management;
- Facilitation;
- Research, analytical, writing and communication skills;
- Strategic planning.

It is therefore recommended that the service provider ensures that people with relevant skills are part of the project. A list of people containing, among other things, names, qualifications and experience who will be directly involved in the project must be submitted. This should clearly indicate what roles each team member will play.

A company / team profile containing, among other things, names, qualifications and experience of persons who will be **directly** involved in the project must be included.

All team members that will be directly involved in the project will be expected to attend all progress report meetings as scheduled and agreed upon by both parties. The selected team members shall stay the same for the duration of the project and cannot be changed without prior discussions with and approval from the municipality.

(It should be the spatial planner led by the project team leader who will be attending the steering committee meetings)

CAPACITY BUILDING AND SKILLS TRANSFER.

- The municipality must consider skills development as an integral part of the out sourcing process. The process should ensure that skills development and transfer is achieved within the municipality. Proposals should indicate how skills development and transfer would be achieved in the municipality.

INFORMATION GATHERING

- The successful Service Provider is expected to make contact with all the relevant Planning officials and units within the local and provincial spheres of government to obtain relevant information that is required for the project. Existing information on SDFs which are available within the municipality/plans will be made available to the successful service provider.
- In the light of the event that the service provider needs a letter to confirm the motive for requesting information from the different spheres of government or parastatals, the municipality will provide the requested letter.

However, the responsibility for collecting information necessary for the successful execution of the project remains entirely with the service provider.

TERMS AND CONDITIONS OF THE BID

General

- Awarding of the bid will be subject to the Service Provider's express acceptance of the municipal Supply Chain Management general contract conditions.
- The municipality and Service Provider will sign a Services Level Agreement upon appointment.
- Staffing requirements will be identified on the onset of the project and shall remain unchanged for the duration of the project, unless prior written consent has been granted by the Department municipality (Same as 8.4)
- No material or information derived from the provision of the services under the contract may be used for any other purposes except for those of the municipality, except where duly authorized to do so in writing by the municipality.
- Copyright in respect of all documents and data prepared or developed for the purpose of the project by the Service Provider shall be vested in municipality.
- The successful Service Provider agrees to keep all records and information of, or related to the project confidential and not discloses such records or information to any third party without the prior written consent of municipality.
- The municipality reserves the right to terminate the contract in the event that there is clear evidence of non-performance and non compliance with the contract.
- The short-listed service providers may be required to do a presentation in person to the municipality; at their own cost should it be deemed necessary to do so.

Format of Proposal

All proposals are to respond to requirements as per the Terms of Reference

All proposals should be clearly indexed and easy to read

FINANCIAL PENALTIES

Financial penalties shall be imposed for agreed upon milestones, targets, and deadline 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 the municipality. The Project Steering Committee will need to take a resolution concerning the work undertaken by the service provider. This resolution will then be reflected in the minutes of the meeting. The minutes will be submitted as part of the documentation required in order to process payment.

Financial penalties will be imposed if the outputs produced do not meet the agreed upon deliverables criteria as stipulated in the General Conditions of Contract.

Original copies of invoices to substantiate all costs must be provided. The service provider's invoices should include the municipality order number that will be provided to the selected service provider upon acceptance of the bid.

A pricing schedule, **submitted on a separate sheet from the technical proposal for ease of evaluation.** The pricing schedule should include the following:

- The names of the persons nominated to be used on the project;
 - The number of hours allocated to each nominated person for the duration of the project;
- The hourly tariff applicable to each nominated person;
- All monetary amounts must be in South African Rand;
- Disbursements must be indicated separately and inclusive; and
- VAT must be included.

UNDUE DELAY REMEDIES

Should it be found that the delay of the project in terms of the agreed time period is unreasonable then for every 5 (five) days or other stipulated time frame there shall be a penalty in terms of percentages which will be deducted from the payment as indicated below

Milestone	% Payment	5 days overdue	10 days overdue	15 days overdue	30 days overdue	More than 30 days overdue
Phase 1: Policy Context and Vision Directives	20%	10%	25%	50%	75%	100%
Phase 2: Spatial Challenges & Opportunities	20%	10%	25%	50%	75%	100%
Phase 3: Spatial Proposals	20%	20%	40%	60%	80%	100%

Phase 4: Implementation Framework	15%	20%	40%	60%	80%	100%
Phase 5: Final Reviewed MSDF	10%	10%	25%	50%	75%	100%
Retention	15%					
Total	100%					

RETENTION

The municipality shall retain 15% of the total project cost in the case of late or non-delivery of the Council approved SDF.

The service provider shall forfeit the total payment per milestone in the case of the project being delayed for longer than 30 days after milestone due date.

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>Previous Experience with similar projects</p> <ul style="list-style-type: none"> • 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. • NB: 0 points will be claimed where submitted clients/ references cannot be contacted 	<p>30</p> <p>0</p>	<p>30</p>
<p>Expertise, and Experience of proposed team</p> <ul style="list-style-type: none"> • Project leader must hold a <i>tertiary qualification in Town and Regional Planning or equivalent qualification</i>, and must be registered with SACPLAN in terms of the Planning Profession Act, 2002 as a Professional Planner (a Copy of valid certificate and proof of payment of fees up to date is to be attached). • Proven SDF, Precinct / Nodal Plan compilation experience 	<p>20</p> <p>10</p>	<p>30</p>
<p>Methodology</p> <ul style="list-style-type: none"> • Gantt Chart and/ or detailed project implementation plan 	<p>40</p>	<p>40</p>
	<p>70</p>	<p>100</p>

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 and SCM queries to be forwarded to Ms B Jara/ N Budaza email scm@mhlontlolm.gov.za at 047 553 7000.

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: : **RSDF/LEDPARD/2022/23MHLM**

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

CLOSING TIME: **12:00 PM**

DESCRIPTION: THE REVIEW OF MHLONTLO SPATIAL DEVELOPMENT FRAMEWORK.

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

BID DOCUMENTS MAY BE POSTED TO:

MHLONTLO LOCAL MUNICIPALITY

P.O. BOX

QUMBU

5180

OR

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

96 Church Street

Qumbu

5180

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will

not be accepted for consideration.

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

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

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

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

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER.....

POSTAL ADDRESS.....

STREET ADDRESS.....

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

CELLPHONE NUMBER.....

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

E-MAIL ADDRESS.....

VAT REGISTRATION NUMBER.....

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

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

IF YES, WHO WAS THE CERTIFICATE ISSUED BY? _____

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

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

A REGISTERED AUDITOR

(Tick applicable box)

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

ARE YOU THE ACCREDITED REPRESENTATIVE

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

YES/NO
(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER

DATE.....

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE.....

TOTAL NUMBER OF ITEMS OFFERED

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Municipality / Municipal Entity: Mhlontlo Local Municipality

Department: SCM

Contact Person: Mr M Nomsobo and B Jara

Tel: 066 485 7564

Email: scm@mhlontloim.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@mhlontloim.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;

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.

.....
.....

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

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

3.8.1 If so, furnish particulars.

.....

.....

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

3.9.1 If so, furnish particulars

3.10 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state? **YES / NO**

3.10.1 If so, furnish particulars.....

.....

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

3.11.1 If so, furnish particulars.....

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

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

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

1. GENERAL CONDITIONS

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:

	POINTS
1.3.1.1 PRICE
1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION
Total points for Price and B-BBEE must not exceed	100

- 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-BBEE Status Level of Contributor	Number of points (80/20 system)
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.

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 (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>The Database of Restricted Suppliers now resides on the National Treasury’s website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	<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)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

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

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf

of: _____ that:

(Name of Bidder)

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

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

MBD 9

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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