



MHLONTLO LOCAL MUNICIPALITY

**TENDER DOCUMENT FOR COMPILATION AND MAINTENANCE OF GENERAL AND
SUPPLEMENTARY VALUATION ROLLS**

BID NOTICE NO: GV-REV-MHLM2023

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: _____

ADVERTISEMENT

PROJECT NAME	CONTRACT NUMBER	Advert date	CLOSING DATE
Compilation and maintenance of General and supplementary valuation rolls	GV-REV-MHLM2023	3 April 2023	26 May 2023 @12H00 PM At Qumbu Mhlontlo Local Municipality.

MHLONTLO LOCAL MUNICIPALITY

TERMS OF REFERENCE FOR COMPILATION AND MAINTENANCE OF GENERAL AND SUPPLEMENTARY VALUATION ROLLS

FOR 5 YEARS (2023-2029)



Issued and Prepared by:

Mhlontlo Local Municipality

Budget and Treasury Department

96 L.G Mabindla Avenue

Qumbu

5180

Municipal Manager: Mr. L.Ndabeni

BTO (Revenue section) : Ms L Dyomfana :047 553 7000

SCM Contact Person : Ms B. Jara

Property Valuer: Mrs Penny Lindstrom

Tel: 047 553 7063

SERVICE PROVIDER:

BID AMOUNT:.....

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1. INTRODUCTION

The municipality must appoint a service provider for the Compilation and Maintenance of General and Supplementary Valuation Rolls. The municipality recognise that in order to collect rate tariffs lawfully, a general valuation must be caused in accordance with the Municipal Property Rates Act 6 of 2004 read together with Act 29 of 2014 as amended.

The Valuation process will include all rateable and some (unregistered properties) non rateable properties with in the Mhlontlo jurisdiction, which include Qumbu, Tsolo, Libode, Ntabankulu.

These terms of reference serve as communication between the service provider and the municipality for the valuation process.

2. BACKGROUND

In terms of the Municipal Property Rates Act, No 6 of 2004 read in conjunction with Amendment Act 29 of 2014, the Municipality intending to levy a rate on property must in accordance with this act cause a general valuation of all properties to be made.

3. PURPOSE

Mhlontlo Local Municipality must appointed a competent service provider who must show a sound working knowledge of the valuation process both on paper as well as at presentation stages. The appointed service provider must be in a position to display work experiences and contactable references.

The service provider will be tasked to undertake the Compilation and Maintenance of General and Supplementary Valuation Rolls for a period of five years and any other valuation related service as may be required by the municipality.

4. OBJECTIVES

The main objectives of this project are to:

- a) Put a market value on all rateable and non-rateable properties, thus creating a General Valuation roll.
- b) Attend to the objections of property owners in a reasonable period of time.
- c) Update the General Valuation roll through supplementary valuation rolls
- d) Engage in Public Participation as required by the act
- e) Perform any other valuation function as may be required by the act

This development in turn allows the municipality to:

- a) Lawfully rate all rateable properties in its jurisdiction
- b) Gives the municipality and property owners a rough idea of the market values on the ground
- c) Can serve as an indicator on where municipality could focus its efforts in order to increase revenues and avoid revenue leakages.
- d) Ensures that property owners are happy with the valuation outcomes.

5. MONITORING AND SUPPORT

- i) A Project Team will be established for this project consisting of various relevant municipal departments and offices.
- ii) The Project Team will be chaired by either the Chief Financial Officer, Revenue Assistant Manager, or the Property Valuer depending on availability.
- iii) The Municipality and the appointed Service Provider will enter into a service level agreement.
- iv) The appointed service provider shall report to the Property Valuer.
- v) The service provider shall not act in isolation from the municipalities' project plan.

6. APPROACH

The terms of reference are the municipality's point of reference to engage the appointed service provider. The Municipality expects the successful consultant to undertake the project in line with legislation and policies guiding the Property Valuers Profession. The service provider is also expected to provide recommendations to the municipality on the suitable implementation approaches.

7. SCOPE OF WORK

The scope of work for the Compilation and Maintenance of General and Supplementary Valuation Rolls is as follows:

7.1 DATE OF VALUATION

27 May 2023

7.2 DATE OF IMPLEMENTATION

1st July 2023

7.3 DATA COLLECTION (10 July 2023 - 16 August 2023)

In the data collection process, the Municipal Valuer must consider the following

- Documentation of desktop data collection
- Market survey and market conditions
- Field work
- Data Capture
- Quality control

7.4 DATES OF SUBMISSION OF PROGRESS REPORTS

The service provider must submit progress reports

- First draft valuation Roll 1st November 2023
- Second draft valuation Roll 4th December 2023

7.5 DETERMINATION OF MARKET VALUE AND VARIOUS TYPES OF PROPERTIES (14 AUGUST 2023 TO 31 OCTOBER 2023)

The service provider should utilise this time to consider changes noted by himself and the municipality as well as putting values on:

- Properties missed through field work or any other causes
- Residential
- P.S.I
- Agricultural properties

- Commercial Properties
- Public services purpose properties
- Vacant land
- Municipal properties
- Small holdings
- Properties owned by Public Benefit Organisation

7.6 PUBLIC PARTICIPATION AWARENESS PROGRAM (1 FEBRUARY 2024 TO 1 MARCH 2024)

The service provider must explain to communities on how he derived his market valuations.

7.7 SUBMISSION OF CERTIFIED VALUATION ROLL (5 DECEMBER 2023 TO 31 JANUARY 2024)

- Prepare draft valuation roll
- Edit valuation roll

Submit certified valuation roll

7.8 ADJUDICATION OF OBJECTIONS (15 March 2024 to 31st May 2024)

It is difficult to predict how many objections a municipality will receive, however the below must be considered during this period:

- o The receipt of objections by the service provider
- o The attendance to objections by the service provider.
- o Depending on the number of objections, this matter can be put to bed
- o immediately or prolonged and done simultaneously with other commitments of the valuer

7.9 SUPPLEMENTARY VALUATIONS

The need for supplementary valuations, will arise and be attended to on an annual basis however, this is subject to change depending on the demand for it.

Key Milestones:

- a) Development of the General Valuation Roll b) Attend to objections c) Preparation of Supplementary Valuation Rolls**

1. DELIVERABLES

The following deliverables are expected on completion of the projects:

Phase 1

- Preparation of the General Valuation roll in the first year

Phase 2

- Attend to Objections after submission of the Certified Valuation Roll

Phase 3

- Preparation of supplementary valuation rolls

2. PROJECT LIFE CYCLE/PHASES

The Project is expected to last for a period of five years.

- The first year will be for the compilation of the General Valuation Roll
- The second year will focus on objections simultaneous to the supplementary valuation
- The third, fourth and fifth year will be for supplementary valuation and other valuation related services as requested by the municipality

8. METHODOLOGY

The valuer is expected to use only the prescribed five main valuation approaches to determine values namely;

- Residential/Market Approach
- Commercial Approach
- Depreciated Cost Method
- Profit Method
- Residual Approach

The Service Provider must undertake to:

- Provide quality progress reports on the prescribed dates.

- Timeous submission of invoices and documentation for payment on completion of project milestones.
- Provide variance reports against the Project Programme and planned project expenditure and milestones during the project life cycle.
- Adhere to project milestones and expenditure.

The Service Provider shall advise the Municipality on matters relating to the approved Scope of work.

The Service Provider shall conduct its activities in accordance with best practices and the following issues must be taken into consideration:

- The implementation of the allocated project with the set indicators is paramount and should be approached as such;
- All documents submitted and/or produced shall become the property of Mhlontlo Local Municipality; The service provider undertakes to provide the professional resources required to attain the project objectives.

○ PROJECT IMPLEMENTATION PLAN AND PAYMENT SCHEDULE

To be determined by the SLA

➤ QUALIFICATION AND EXPERIENCE OF KEY PERSONNEL

13.1 The project leader must be a registered Professional Valuer/ Professional Associated Valuer and the following mandatory requirements are key:

- Knowledge and experience in undertaking and completing similar projects

- Proof of similar projects undertaken
- Property Valuation experience
- Ability to read and interpret property data and information
- Research, analytical, writing and communication skills

13.2 The following key legislative prescripts shall guide the process:

- South African Constitution, 1996
- Municipal Property Rates Act 6 of 2004
- Act 29 of 2014 Amendment
- All relevant COGTA guidelines and circulars

13.3 All team members that will be directly involved in the project will be expected to attend all meetings as scheduled and agreed upon by both parties. It will be compulsory for the Municipal Valuer to attend these meetings.

➤ ***CAPACITY BUILDING AND SKILLS TRANSFER***

14.1 The municipality considers skills development as an integral part of the outsourcing process for all of its projects. The process should ensure that skills development and transfer is achieved within the municipality especially for those officials whose departments are directly affected by the project where necessary.

➤ ***COST ESTIMATE VALIDITY PERIOD***

All submitted quotations/cost estimates should be valid for Ninety (90) days.

SPECIAL NOTES:

- i) All project quotations must include VAT (if registered for vat) and all disbursements.**

- ii) All quotes must first indicate the professional fees total before adding VAT and also the VAT amount before adding them for the final project amount (inclusive of Vat).**

GENERAL CONDITIONS OF THIS CONTRACT

- General conditions of the contract and principles of contract law will apply.

- Awarding of the bid will be subject to the Service Provider's express acceptance of the municipal Supply Chain Management special contract conditions.

- The Municipality and Service Provider will sign a Services Level Agreement upon appointment.

- No material or information derived from the provision of services under this 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 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.

SPECIAL CONDITIONS OF THE CONTRACT

- Replacement of candidates for this assignment will not be allowed except in extreme cases and the new candidates should possess the same educational qualifications and experience or higher than their predecessors.

This must be communicated in writing through the Project Management Committee for approval of the Municipal Manager or his/her delegate.

- Payment will be affected for each milestone achieved and payment will be made within 30 days after the Municipality has been issued with a correct invoice and the report on the work done
- Service providers must include a schedule of resources to be committed to the project, including curriculum vitae's (CVs) of team members and their anticipated role on the project.
- The Service Provider should structure the budgets in such a way that it includes all expenses such as VAT, workshop costs, fees and all additional costs.

○ The Service Provider must structure the budget in such a way that the under-mentioned information is clearly identified:

- Professional fees
- Disbursements

NB:

- All proposals are to respond to the requirements as set out in the Terms of Reference.
- All proposals should be clearly indexed and easy to read.
- Completed and binded documents should be submitted to the tender box in a sealed envelope with the bin number and project title **at 96 L.G. Mabindla Avenue, Qumbu Offices, 5180 or posted to P. O. Box 31, Qumbu. 5180**

Evaluation of Functionality

The evaluation of the functionality will be evaluated individually in accordance with the below functionality criteria and weighting.

EVALUATION	CRITERIA
PRICE	80
SPECIFIC GOALS	20
TOTAL	100

Bidders must take note of the following minimum requirements in order to progress in the selection process

CRITERIA	DESCRIPTION	TOTAL SCORED
EXPERIENCE	Five similar projects (compilation and maintenance of the general and supplementary valuation rolls conducted with municipalities)	30
	Four-three similar projects (compilation and maintenance of the general and supplementary valuation rolls conducted with municipalities)	20
	Two-one similar projects (compilation and maintenance of the general and supplementary valuation rolls conducted with municipalities)	10
	No similar project	0

	The valuer must submit appointment letter and confirmation reference letters. The letter must be signed and officially stamped by an authorised person	
QUALIFICATIONS	NQF level 6 registered as a Professional/Associated Valuer with the South African Council for the Property Valuers Profession SACPVP (certified copy)	20
METHODOLOGY	In line with our project plan	10
QUALITY ASSURANCE	Appointment letter for quality assurance of GV roll. The letter must be signed and officially stamped by an authorised person	20
BANK RATING	Grade C	20

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

PROPOSALS TO BE ACCOMPANIED BY THE FOLLOWING:

- A detailed cost breakdown including incidentals
- A company profile
- Curriculum vitae of proposed members of the team
- Proof of registration with the relevant authorities
- SARS Tax Pin
- Company registration

SUPPORTING DOCUMENTS NEEDED.

1. Central Supplier Database Number (CSD Number)
2. Tenderers are required to submit the Company Profile with contactable references.
3. Tenderers must submit certified copy for B-BBEE certificate must be **SANAS approved/SWORN affidavit**
4. Proof of Municipal rates, not later than one month or lease agreement
5. SARS Tax compliance status pin.
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.

The Maximum points for this bid are allocated as followed

	Means of verification	Points allocation
HDI -Equity ownership	the municipality is going to use RACE OR NATIONALITY as means of verification and thus prospective service providers will be required to provide a copy of ID COPY as a proof in order to claim points for specific goals	6
Youth-Enterprise 18-35 years (MLM)	the municipality is going to use AGE as means of verification and thus prospective service providers will be required to provide a copy of ID COPY AND CSD as a proof in order to claim points for specific goals	6
Women-Equity ownership	the municipality is going to use GENDER OR SEX as means of verification and thus prospective service providers will be required to provide a copy of ID COPY, CK and CSD as a proof in order to claim points for specific goals	4

Disability-Equity ownership	the municipality is going to use MEDICAL CERTIFICATE as means of verification and thus prospective service providers will be required to provide a copy of MEDICAL CERTIFICATE and CSD as a proof in order to claim points for specific goals	2
Rural Enterprise	the municipality is going to use PROOF OF RESIDENCE FROM TRADITIONAL LEADER OR WARD COUNCILLOR OR as means of verification and thus prospective service providers will be required to provide a copy of PROOF OF RESIDENCE AND CSD as a proof in order to claim points for specific goals	2

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

PRICING

When pricing, the service provider should put amongst others, charges for the following;

- General Valuation Roll
- Supplementary Valuation Roll (rate per section 49 notice and maintenance of the GV including quarterly deeds downloads)
- Rate for Public Participation and appeal sittings
- Rate for objection Responses per property
 - Rate for other related valuation services (eg: rental opinions, valuation of investment properties etc.)

Also include all escalations on pricing for all quoted amounts subjected to annual escalations.

COMPALITION OF ADVERT

The advert should be compiled by the SCM officer after the approval of specification. Bids submitted are hold 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 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

ENQUIRE: any queries for further information relating to this advert must be directed to Ms L Dyomfana on 082 8279 228 Budget and Treasury Department and SCM queries to be forwarded to Ms B Jara at 066 485 7564.

MR L NDABENI

MUNICIPAL MANAGER

INVITATION TO BID

MBD 1

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

BID NUMBER: GV-REV-MHLM2023

CLOSING DATE: 26 May 2023

CLOSING TIME: **12:00 pm**

DESCRIPTION: Compilation and maintenance of General and supplementary valuation rolls

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: BTO

Contact Person: MS B JARA (SCM)

Tel: 066 485 7564

Fax: 047 553 0189

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person: Mrs Dyomfana

Tel: 082 827 9228

Fax: 047 553 0189

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.

.....
.....

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

-
- (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.

3.10 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

MBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

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

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

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

(delete whichever is not applicable for this tender).

The applicable preference point system for this tender is the 90/10 preference point system.

The applicable preference point system for this tender is the 80/20 preference point system.

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

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
TOTAL POINTS FOR PRICE AND SPECIFIC GOALS	100

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

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

2. DEFINITIONS

- (a) **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- (b) **“bid”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation and “bid” has a corresponding meaning
- (c) **“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;
- (d) **“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;
- (e) **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;

- (f) **“EME”** means an Exempted Micro Enterprise as defines by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (g) **“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;
- (h) **“non-firm prices”** means all prices other than “firm” prices;
- (i) **“person”** includes a juristic person;
- (j) **“QSE”** means a Qualifying Small Enterprise as defines by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (k) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;
- (l) **“Reconstruction and Development Programme”** the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;
- (m) **“specific goals”** means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;
- (n) **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice; (o) **“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

- (p) **“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.
- (q) **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.
- (r) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions.

2. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

POINTS AWARDED FOR PRICE

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

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

80/20 or 90/10

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest acceptable tender

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

3.1.1. POINTS AWARDED FOR PRICE

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

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

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Tender Price			90	80
HDI -Equity ownership			3 points	6 points
Youth-Enterprise 18-35 years (MLM)			3 points	6 points
Women-Equity ownership			2 points	4 points
Disability-Equity ownership			1 point	2 points
Rural Enterprise			1 point	2 points
SUB-TOTAL(Specific goals)			20	20
TOTAL			100	100

DECLARATION WITH REGARD TO COMPANY/FIRM

- 4.3. Name of company/firm.....
- 4.4. Company registration number:
- 4.5. TYPE OF COMPANY/ FIRM
- Partnership/Joint Venture / Consortium
 - One-person business/sole propriety
 - Close corporation
 - Public Company
 - Personal Liability Company

- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

.....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

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