96 LG Mabindla street
Qumbu
5180
Eastern Cape

PO Box 31
Qumbu
5180

(047) 553 7000
(047) 553 0189
www.mhlontlolm.gov.za
info@mhlontlolm.gov.za

KUMKANI MHLONTLO LOCAL MUNICIPALITY

TENDER DOCUMENT FOR PROVISION OF SECURITY SERVICES FOR QUMBU FOR A CONTRACT OF ONE (1) YEAR

BID NOTICE: SEC/COMM/QUM/2026/2027

Issued by: The Municipal Manager
KUMKANI 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: _____

PROJECT NAME	CONTRACT NO.	ADVERT DATE	COMPULSORY BRIEFING	CLOSING DATE
SECURITY SERVICES FOR QUMBU FOR A CONTRACT OF ONE (1) YEAR	SEC/COMM/QUM/2026/2027	08/09/2026	30/09/2026 At 10:00 am New Qumbu town hall	21/10/2026 At 12:00 pm

Service providers are invited to tender for provision of security services for Qumbu sites contract of 1 year, Bid document may be obtained on Kumkani Mhlontlo Local municipality website www.mhlontolm.gov.za and etender portal

TERMS OF REFERENCE

3. SCOPE OF WORKS

TERMS OF REFERENCE FOR PROVISION OF SECURITY SERVICES FOR ONE YEAR

Requirements/References

The Provision of Security services for one year with the following statutory provisions as the manner of reference in this regard:

❖ In terms of regulation made under the Private Security Industry regulator act, 2001 (Act. 56 of 2001).

❖ All provision in the different sets of regulators in the improper Conduct Regulation Enquiries, 2003 published under Government Gazette 24971 of 28 February 2003.

❖ All the provision of Section 332 of the Criminal Procedure Act (Act 51 of 1977) except for subsection (5), (7) and (9).

❖ Comply and be accredited with the provision of Firearms Control Act 60 of 2000 and provide all Competency Certificate, licenses, permits or authorization.

BACKGROUND.

❖ The Kumkani Mhlontlo Local Municipality seeks to appoint the suitable professional service provider, to provide the security management services at Qumbu magisterial district sites. The successful bidder will enter one (1) year contract.

❖ Kumkani Mhlontlo Local Municipality has total of 14 Sites as per deployment plan of sites that are spread across the area of Qumbu. And the proposal is at least of deployment of 57 security officers to ensure maximum security is always taken care of, unless the prospective service provider has any proposal number to render the expected as per the required deliverables and sites.

❖ All the officers are to be on Grade C

1. Purpose

The purpose of the assignment is appointment for Provision of Security Services for the provision of multidisciplinary security services at

Qumbu Pound

Qumbu Offices and old Town hall

Traffic Department

Qumbu Landfill site

Qumbu Town Cemetery

Qumbu New Homes Cemetery

Qumbu Stadium

Mvumelwano Stadium

Tsitsa Falls

Qumbu Library

Sulenkama Library

New Qumbu Town Hall and offices

Toleni Community Development Centre

And any other sites that may be identified during the contract period

2. Description of Work

2.1 The department of Community Services is committed to ensure a high-performance working environment and quality of work life within a conducive environment by providing security services to the municipal buildings.

2.2 It is crucial for KMLM to ensure that the building is secured in accordance with the Access Control to Premises and Vehicle Act, 53 of 1985, Minimum Physical Security Standards (MPSS) ..which are applicable in the Public Service.

3. SCOPE of WORK

- Security guarding and armed response services.
- VIP Protection, Crowd Control, Strike Management as and when the is a need the service provider must quote the rate in case the municipality needs the service, but it must not be included in the total bid price

I. The suitable professional service provider should be fully compliant and registered with PSIRA (Private Security Industry Regulator Authority. The bidder must be able to provide a valid Public liability/insurance certificate.

II. Compulsory to have control room facility responsible for monitoring and analysing the Kumkani Mhlontlo Local municipality's security position on an ongoing basis.

III. To appoint the Manager and supervisor at a cost of the service provider.

IV. Provision of private security, physical access control, patrolling on various municipality offices and sites and security related risk management services.

V. Production and submission of monthly reports.

VI. To develop incident report for each occurrence and produce a report to the Municipality for each incidence.

VII. The service Provider and personnel must be able to respond to any emergency within a specified period upon each request.

VIII. The Council subscribes to a "GUN FREE ZONE". No firearms will be allowed on the premises except authorized personnel. A list of persons exempted will be provided to the service provider to ensure compliance with Council policy provisions during deployment of the service provider on during event or deployment.

IX. Upon appointment all sites must be inspected for assessment, and detailed security plan must be provided by the successful Service provider at no extra cost to the municipality.

X. Supervisors to visit the sites daily for monitoring and reporting of findings.

XI. The Security services provider shall be expected to work a 24-hour shift system (day and night) or otherwise indicated.

4. DURATION

Contract period will be for one year (12 months)

5. Objectives

Kumkani Mhlontlo Local Municipality is in the process of appointing a Private Security Services which will be safeguarding our assets for a period of one year for achieving the following objectives:

• Securing or guarding of Kumkani Mhlontlo Local Municipality projects' infrastructure,

assets and inventory.

• Safeguarding of personnel against any potential harm or danger;

• Provision of the best and modern security systems and equipment;

• Easy access to professional security systems and equipment maintenance services;

and

• Provision of the best security related advice and information.

6. Business Requirements

The Kumkani Mhlontlo Local Municipality has the following business requirements in order to address the above objectives:

• Appointment of the Provision of Security Services for the provision guiding services and other multi-disciplinary security services, as and when there is a need basis, this may include VIP protection, event management and industrial strike management.

• One (1) Service Provider will be awarded for all disciplines of security services, based on

their qualification and accreditations.

• Security Service Provider will be appointed for a period of one year.

• The selection process will be based on the Functionality capacity

• Security Service Providers should be registered with professional regulatory authority /

organization, e.g. the Private Security Industry Regulatory Authority.

• Kumkani Mhlontlo Local Municipality requires experienced service providers hence the selection criteria will favour those who will submit proof of relevant contracts appointments.

• Service Providers should have well skilled / qualified personnel and resources.

• Service Providers should have / be eligible for relevant Professional Indemnity Insurance

cover;

• PSIRA compliance

• Compulsory Briefing Session

8. REQUIRED SECURITY SERVICES DISCIPLINES

• VIP Protection, Crowd Control, Strike Management,

Security guarding services.

• Other related corporate security services not covered above

3. Points allocation

Preferential Procurement Policy Framework Act points will be awarded as follows

Price	80 points
KMLM specific Goals	20 points
Total	**100 points**

4. Availability of funds

Funds are available from Equitable Share

5. DURATION FOR CLOSING DATE AND TIME

Closing date will be 21/10/2026 at 12:00 PM in Qumbu foyer.

6. SUPPORTING DOCUMENTS NEEDED.

1. Tenderers are required to submit the Company Profile with contactable references.
2. Tenderers must submit certified copy for B-BBEE certificate only SANAS approved or SWORN affidavit.
3. Statement of Municipal accounts/proof of rates not older than one month or lease agreement
4. CV's and qualifications of project team
5. Proof of company registration with PSIRA
6. Proof of Company director registration with PSIRA
7. Proof of good standing with compensation of occupational injuries and diseases (COID) OR a letter to tender from labor department.
8. Submission of SARS tax pin.
9. CSD report/CSD Number
10. Annual financial statements for auditing, their audited annual financial statements— for the past three years

For Joint venture, the following documents are mandatory.

11. Joint venture agreement
12. Letter of signatory
13. Joint B-BBEE certificate

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

7. CONDITIONS OF THE TENDER

- Kumkani 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.
- Kumkani Mhlontlo local Municipality does not bind itself to accept the lowest proposal.

8.METHOD OF PROCUREMENT

- Competitive bidding.

9. Evaluation Criteria

Received Responsive bids will be evaluated based on the following:

- Stage 1- Functionality
- Stage 2- Price and KMLM Specific Goals

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

9.1 PRICING SCHEDULE

QUOTE AS FOLLOWS:

Please complete the tables below for the cost per area calculation for Grade C Guards.

SPECIFICATION FOR QUMBU:

Office	**Shift**	**Number of guards needed**	**Grading required**	**Total No of Guards**	**Price per Guard**	**Total Amount per Month**
Qumbu Pound	**Day x 2 (Unarmed)** **Night x 3 (armed)**	**5**	**C** **C**			
Qumbu Offices and old Town hall	**Day x 2 (Unarmed)** **Night x 3** **(armed)**	**5**	**C** **C**			
Traffic Department	**Day x 2** **(Unarmed)** **Night x 3** **(Armed)**	**5**	**C** **C**			
Qumbu Landfill site	**Day x2** **(Unarmed)** **Night x 2** **(armed)**	**4**	**C** **C**			

Qumbu Cemetery	**Day x 2** **(Unarmed)** **Night x 2** **(Armed)**	**4**	**C** **C**			
Qumbu New Homes Cemetery	**Day x 2** **(Unarmed)** **Night x 2** **(Armed)**	**4**	**C** **C**			
Qumbu Stadium	**Day x 2** **(Unarmed)** **Night x 2** **(Armed)**	**4**	**C** **C**			
Mvumelwano Stadium	**Day x 2** **(Unarmed)** **Night x 2** **(Armed)**	**4**	**C** **C**			
Tsitsa Falls	**Day x 2** **(Unarmed)** **Night x 4** **(Armed)**	**6**	**C** **C**			

Qumbu Library	**DayX1** **(Unarmed)** **Night x 2 (armed)**	**3**	**C** **C**			
Sulenkama Library	**DayX1** **(Unarmed)** **Night x 2 (armed)**	**3**	**C** **C**			
New Qumbu Town hall and offices	**Day x 2** **(Unarmed)** **Night x 2** **(Armed)**	**4**	**C** **C**			
Toleni Community Development Centre	**Day x 2** **(Unarmed)** **Night x 2** **(Armed)**	**4**	**C** **C**			
Vehicle Access Control Scanners rate	**Two Sites (Main Offices Qumbu & New Offices)**					

TOTAL PER MONTH VAT INCLUSIVE	
TOTAL FOR 12 MONTHS INCLUSIVE (VAT)	

1. **Total number of armed guards = 31**
2. **Total number of unarmed = 24**
3. **Total number of guards = 55**
4. **Amount in words**

   ……
   ……
   ……
   ……
   ……
   ……
   ……..

ADHOC SERVICES AS AND WHEN REQUIRED (ONLY RATES, NOT TO BE INCLUDED IN THE TENDER PRICE)

VIP Protection	VIP protection services for identified persons per guard	Rate per month (Vat Inc)

		_____
Industrial Strike Management	Coordinate and assist in industrial strike actions As required per guard	Rate per day(Vat Inc) _____
Event security services	Provide special event security inclusive of event security risk assessment, guarding and access control As required per guard	Rate per day(Vat Inc) _____

NOTE: That specific Goals: 100% ownership in order to claim full points.

The Maximum points for this bid are allocated as followed

NOTE: That specific Goals: 100% ownership in order to claim full points.	**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	10
Youth-Enterprise 0-35 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	2

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	2
Disability-Equity ownership	the municipality is going to use MEDICA**L** 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
Military veterans	the municipality is going to use **Stamped Confirmation letter from Office of Military Veterans** 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	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.

10. FUNCTIONALITY AS SESSMENT

Functional Category & Description	Weight	Maximum possible scores
Experience as security provide appointment letters with reference letters/orders		**40**
• Minimum of 5 years' Experience as security services provider:	40	
• Minimum of 4 years' Experience as security services provider:	30	
• Minimum of 3 years' Experience as security services provider:	20	
• Minimum of 2 years' Experience as security services provider:	10	
• Minimum of 1 years' Experience as security services provider:	5	
• Minimum of 0years' Experience as security services provider:	0	
PSIRA Certificate	**20**	**20**
Qualification	**10**	**10**
• Company director must have Grade (A) Security Officer and firearm competence	5	
• Supervisor: must have a minimum of Grade (B) and firearm competence.	5	
Armed Response/Vehicle, Staff	**10**	**10**
• Please attach a license disk for company vehicle with branded Pictures.	5	
• Proof of staff warning company uniform (pictures) CV and certificates.	5	

• No proof	0	
Office and equipment:	**20**	**20**
• Must have telephone and email addresses. • Proof of office address • Pictures of company office	10 5 5	
Total	**100**	**100**

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

The advert is 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 Kumkani 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. Kumkani 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.

Any queries for further information relating to this advert must be directed to Mr GP Ngcangula 082 788 9299 email (gngcangula@mhlontlolm.gov.za) and SCM queries to be forwarded to Ms T Gomo 047 553 7000 email(tgomo@mhlontlolm.gov.za)

_____

MR X JIKELA

ACTING MUNICIPAL MANAGER

ADDENDUM TO THE CONTRACT: SECURITY SERVICES FOR QUMBU FOR ONE YEAR.

1. PROTECTION OF PERSONAL INFORMATION

1.1. Processing limitations

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

1.1.1. On behalf of Kumkani Mhlontlo LM and in compliance with its instructions and this Agreement;

1.1.2. For the purposes connected with the provision of the Service Provider services or as specifically otherwise instructed or authorised by Kumkani Mhlontlo LM in writing; and

1.1.3. Service Provider shall treat the Personal Information that comes to its knowledge or into its possession as confidential and shall not disclose it without the prior written consent of Kumkani Mhlontlo LM.

1.2. Security measures

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

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

1.2.2. Service Provider shall take reasonable measures to:

(a) Identify all reasonable foreseeable internal and external risks to the Personal Information in its possession or under its control;

(b) Establish and maintain appropriate safeguards against the risk identified;

(c) Regularly verify that the safeguards are effectively implemented;

(d) Ensure that the safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards; and

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

1.2.3. Service Provider shall:

(a) Have due regard to generally accepted information security practices and processes which may apply to it;

(b) Comply with Kumkani Mhlontlo LM's information security practices and procedures and applicable industry or professional rules and regulations, of which Kumkani Mhlontlo LM undertakes to keep Service Provider informed from time to time; and

(c) Within five (5) business days of a request from Kumkani Mhlontlo LM, Service Provider shall provide to Kumkani Mhlontlo LM a written explanation and full details of the appropriate technical and organisational measures taken by or on behalf of Service Provider to demonstrate and ensure compliance with this clause.

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

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

(a) Take reasonable steps to ensure the reliability of any of its employees who have access to the Personal Information;

(b) Limit access to the Personal Information only to those employees who need to know to enable Service Provider to perform the services and ensure that employees used by Service Provider to provide the Services have undergone training in the care and handling of the Personal Information;

(c) Deal promptly and properly with all reasonable inquiries from Kumkani Mhlontlo LM relating to its Processing of the Personal Information and provide to Kumkani Mhlontlo LM copies of the Personal Information in the format reasonably specified by Kumkani Mhlontlo LM;

(d) Promptly inform Kumkani Mhlontlo LM of its inability to comply with Kumkani Mhlontlo LM's instructions and this clause, in which case Kumkani Mhlontlo LM is entitled to suspend the processing of Personal Information and/or terminate this Agreement;

(e) Provide Kumkani Mhlontlo LM with full co-operation and assistance in relation to any requests for access or correction or complaints made by Data Subjects; and

(f) At the request of Kumkani Mhlontlo LM or any regulatory body, submit its Personal Information Processing facilities for audit of the Processing activities covered by this Agreement.

1.4. Notifications

1.4.1. Service Provider must notify Kumkani Mhlontlo LM in writing:

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

(b) Within 3 (three) business days of receipt thereof, of any request for access to or correction of the Personal Information or complaints received by Service Provider relating to Kumkani Mhlontlo LM's obligations in terms of POPIA and provide Kumkani Mhlontlo LM with full details of such request or complaint; and

(c) Promptly of any legally binding request for disclosure of Personal Information or any other notice or communication which relates to the Processing of the Personal Information from any supervisory or governmental body.

1.5. Return or destruction of Personal Information

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

1.6. Warranties

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

1.7. Indemnities

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

1.8. Ownership of Information

1.8.1. Service Provider acknowledges and agrees that Kumkani Mhlontlo LM retains all right, title and interest in and to the Personal Information.

1.8.2. Service Provider shall not possess or assert any lien or other right against or to such Personal Information and no such Personal Information shall be sold, assigned, leased or

otherwise disposed of to third parties by Service Provider or commercially exploited by or on behalf of Service Provider or its employees

SIGNED AT_____ONTHIS_____DAY _____2026

FOR AND ON BEHALF OF KUMKANI MHLONTLO LOCAL MUNICIPALITY

FULL NAMES: MR X. JIKELA

CAPACITY: ACTING MUNICIPAL MANAGER

WITNESS 1:

WITNESS 2:

Names:_____

Names:_____

SIGNED AT _____ ON THIS _____DAY OF _____2026

FOR AND ON BEHALF OF COMPANY NAME

FULL NAMES ----------

CAPACITY: COMPANY DIRECTOR

WITNESS 1:

WITNESS 2:

Names: _____ Names: _____

MBD 1

INVITATION TO BID

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

BID NUMBER: SEC/COMM/QU/2026/2027 **:** CLOSING DATE: 21/10/2026

CLOSING TIME: **12:00 pm**

DESCRIPTION: SECURITY SERVICES FOR QUMBU FOR A CONTRACT OF ONE (1) YEAR

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

BID DOCUMENTS MAY BE POSTED TO:

KUMKANI MHLONTLO LOCAL MUNICIPALITY

P.O. BOX

QUMBU

5180

OR

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

96 LG Mabindla 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 SOUITH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS) □

A REGISTERED AUDITOR □

(Tick applicable box)

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: Kumkani Mhlontlo Local Municipality

Department: SCM

Contact Person: Ms T Gomo

Tel: 047 553 7000

Email: tgomo@mhlontloIm.gov.za

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Department: Com Services

Contact Person: Mr GP Ngcangula

Tel: 082 788 9299

Email: gngcangula@mhlontlolm.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 –

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.

……

……

3.9.1 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?

(i) any municipal council;
(ii) any provincial legislature; or
(iii) the national Assembly or the national Council of provinces;

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

3.10 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 5

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

1 Are you by law required to prepare annual financial statements for auditing?

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years. ***YES / NO**

.....

.....

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

***YES / NO**

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

.....

.....

.....

.....

* Delete if not applicable

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? ***YES / NO**

3.1 If yes, furnish particulars

.....

.....

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? ***YES / NO**

4.1 If yes, 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

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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**

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.1. 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:

80/20 **or** **90/10**

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

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			5	10
Youth-Enterprise 18-35 years (MLM)			1	2
Women-Equity ownership			1	2
Disability-Equity ownership			1	2
Rural Enterprise			1	2
SUB-TOTAL (Specific goals)			**1**	2
TOTAL			**10**	**20**

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: ……

MBD 6.2

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:

Description of services, works or goods	Stipulated minimum threshold
_____	_____%
_____	_____%
_____	_____%

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	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? (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 *audi alteram partem* rule was applied). **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.**	Yes ☐	No ☐
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 ☐	No ☐
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 ☐	No ☐

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 ☐	No ☐
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 ☐	No ☐
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**

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

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

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

a. take all reasonable steps to prevent such abuse;

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

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

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

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

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

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

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:_____that:

(Name of Bidder)

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

   (a) has been requested to submit a bid in response to this bid invitation;

   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and

   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] 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