

INVITATION TO BID



cogta

Department:
Co-operative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL

DESCRIPTION: A SERVICE PROVIDER TO ASSIST THE DEPARTMENT WITH MUNICIPAL DEBT AND INDIGENT MANAGEMENT AT SIXTY – ONE MUNICIPALITIES OVER A THREE YEAR PERIOD

Bid No. : **ZNT1909/2013- LG**

COMPANY NAME : _____

Type of Bidder (Tick One Box)

One-person Business/Sole Trader	
Close corporation	
PTY (Ltd)	
Private Company	
Partnership	
Consortium/Joint Venture	
Co-operative	
Participation Capacity (Tick One Box)	
Prime Contractor	
Supplier/Sub-Contractor	

RETURN OF PROPOSAL

Proposal must be deposited in the **Bid box** situated at **Department of Co-operative Governance and Traditional Affairs, Lift Area, 13th floor, North Tower, Natalia Building, 330 Langalibalele Street, Pietermaritzburg, 3201.** or received by post to The Senior Manager: Supply Chain Management, Private Bag X 9078, Pietermaritzburg, 3200 Tel: (033) 395 2131 before **11h00 on 02 August 2013**

*A compulsory briefing session will take place on **19 July 2013** at 10:00am at **1st Floor, Auditorium, Natalia Building, 330 Langalibalele Street, Pietermaritzburg.** (see details inside bid document).*

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SBD 1
STANDARD BID DOCUMENTATION

SECTION A:
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF
THE DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

BID NUMBER: **ZNT1909/2013- LG** CLOSING DATE: **02 AUGUST 2013** CLOSING TIME: **11:00**

DESCRIPTION: **A SERVICE PROVIDER TO ASSIST THE DEPARTMENT WITH MUNICIPAL DEBT AND INDIGENT MANAGEMENT AT SIXTY – ONE MUNICIPALITIES OVER A THREE YEAR PERIOD**

CONTRACT PERIOD: **36 months**

VALIDITY PERIOD: **120 DAYS**

The successful bidder will be required to fill in and sign a written Contract Form (SBD 13.2)

BID DOCUMENTS MAY BE POSTED TO:

The Head SCM Unit,
Department Co-operative Governance and Traditional Affairs,
Private Bag X9078,
Pietermaritzburg, 3200

**NOTE: THE POST IS CLEARED FROM THE
PIETERMARITZBURG POST OFFICE BEFORE
10:00 ON DUE DATE**

OR

**BID DOCUMENTS DELIVERED BY HAND MUST BE DEPOSITED
IN THE BID BOX SITUATED AT:**

Department of Co-operative Governance and Traditional Affairs,
Lift Area, 13th floor, North Tower,
Natalia Building,
330 Langalibalele Street,
Pietermaritzburg

**THE BID BOX IS AVAILABLE ON THE
FOLLOWING DAYS AND TIME:**

**MONDAY TO FRIDAY (EXCLUDING PUBLIC
HOLIDAYS)
08:00 TO 16:00**

Bidders should ensure that bids are delivered timeously to the correct address. Late bids will NOT be accepted for consideration.

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.

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

NAME OF BIDDER

PROVINCIAL SUPPLIER DATABASE REGISTRATION NO:

POSTAL ADDRESS

STREET ADDRESS

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

CELLPHONE NUMBER

FACSIMILE NUMBER CODENUMBER.....

E-MAIL ADDRESS

VAT REGISTRATION NUMBER

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (Section B) YES ☐ NO ☐

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (Section F) YES ☐ NO ☐
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

[TICK APPLICABLE BOX]

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

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR..... ☐

A REGISTERED AUDITOR ☐

(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

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Department: Co-operative Governance and Traditional Affairs

Contact Person: Ms Gugu Dladla

Tel: 033 395 3066

Fax: 033 345 8330

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person: Mr R Ranjith telephone number: (033) 355 6272
e-mail: rajesh.ranjith@kzncogta.gov.za

SECTION B (SBD 2)**TAX CLEARANCE CERTIFICATE REQUIREMENTS**

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3 The original **Tax Clearance Certificate for Tender** must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. **Certified copies of the Tax Clearance Certificate, and Tax Clearance Certificate, for Good Standing will not be acceptable.**

4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.

6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

Jeyrel:\Mdk416-SBD2 tax clearance

I HAVE READ, UNDERSTOOD AND COMPLY WITH THE SPECIAL INSTRUCTIONS ABOVE:

.....
SURNAME AND INITIALS OF COMPANY REPRESENTATIVE

.....
DATE

.....
SIGNATURE

COMPANY OFFICIAL STAMP

SECTION C (SBD 3)**SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF BIDDING FORMS**

PLEASE NOTE THAT THIS BID IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE KWAZULU-NATAL SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK AND THE GENERAL CONDITIONS OF CONTRACT.

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and visa versa and with words importing the masculine gender shall include the feminine and the neuter.
2. Under no circumstances whatsoever may the bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
3. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
4. Bids submitted must be complete in all respects.
5. Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
6. Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
7. All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, the bid number ascertained, the envelope sealed and the bid number written on the envelope.
8. A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.
9. No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid documentation, and proof of posting will not be accepted as proof of delivery.
10. No bid submitted by telefax, telegraphic or other electronic means will be considered.
11. Bidding documents must not be included in packages containing samples. Such bids may be rejected as being invalid.
12. Any alteration made by the bidder must be initialed.
13. Use of correcting fluid is prohibited
14. Bids will be opened in public as soon as practicable after the closing time of bid.
15. Where practical, prices are made public at the time of opening bids.
16. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.

SECTION D

REGISTRATION ON THE PROVINCIAL SUPPLIERS DATABASE

1. In terms of the KwaZulu-Natal Supply Chain Management Policy Framework, all suppliers of goods and services to the Province of KwaZulu-Natal are required to register on the Provincial Suppliers Database.

2. If you wish to apply for registration, forms may be downloaded from the website, <http://www.kzntreasury.gov.za>, (click on "Document Library" and then choose "Forms") or obtained by phoning the toll free number **0800 201 049**. This number is also available for general enquiries relating to Provincial supply chain management issues..

3. If a business is registered on the Database and it is found subsequently that false or incorrect information has been supplied, then the Department may, without prejudice to any other legal rights or remedies it may have;

3.1 de-register the supplier from the Database,

3.2 cancel a bid or a contract awarded to such supplier, and the supplier would become liable for any damages if a less favourable bid is accepted or less favourable arrangements are made.

4. The same principles as set out in paragraph 3 above are applicable should the supplier fail to request updating of its information on the Suppliers Database, relating to changed particulars or circumstances.

DECLARATION THAT INFORMATION ON PROVINCIAL SUPPLIER DATABASE IS CORRECT AND UP TO DATE (To be completed by bidder)

THIS IS TO CERTIFY THAT I (name of bidder/authorized representative)

.....

WHO REPRESENTS (state name of bidder)

PROVINCIAL SUPPLIER DATABASE REGISTRATION NO:

AM AWARE OF THE CONTENTS OF THE KWAZULU-NATAL SUPPLIER DATABASE WITH RESPECT TO THE BIDDER'S DETAILS AND REGISTRATION INFORMATION, AND THAT THE SAID INFORMATION IS CORRECT AND UP TO DATE AS ON THE DATE OF SUBMITTING THIS BID.

AND I AM AWARE THAT INCORRECT OR OUTDATED INFORMATION MAY BE A CAUSE FOR DISQUALIFICATION OF THIS BID FROM THE BIDDING PROCESS, AND/OR POSSIBLE CANCELLATION OF THE CONTRACT THAT MAY BE AWARDED ON THE BASIS OF THIS BID.

.....
SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE

DATE :

SECTION E (SBD 4)
DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where:-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative:

2.2 Identity umber:.....

2.3 Position occupied in the Company (director, trustee, shareholder², member):

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

¹"State" means –

- (a) 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);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

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

2.7 Are you or any person connected with the bidder presently employed by the state? YES ☐ NO ☐

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? YES ☐ NO ☐

2.7.2.1 If yes, did you attach proof of such authority to the bid document? YES ☐ NO ☐
(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.)

2.7.2.2 If no, furnish reasons for non-submission of such proof:

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

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? YES ☐ NO ☐

2.8.1 If so, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? YES ☐ NO ☐

2.9.1 If so, furnish particulars.

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

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? YES ☐ NO ☐

2.10.1 If so, furnish particulars.

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

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? YES ☐ NO ☐

2.11.1 If so, furnish particulars:

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

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number / Persal Number

DECLARATION

I, _____ THE _____ UNDERSIGNED
(NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

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

.....
Name of bidder (Company Name)

.....
Signature

.....
Date

.....
Position

SECTION F(SBD 6.1)

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

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

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

1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the 80/20 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

	POINTS
1.3.1.1 PRICE	90
1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION	10
Total points for Price and B-BBEE must not exceed	100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

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

2.2 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;

2.3 **"B-BBEE status level of contributor"** means the B-BBEE status received by a measured entity based on its overall

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

- 2.4 “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 “**comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 “**consortium or joint venture**” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 2.8 “**contract**” means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 “**EME**” means any enterprise with an annual total revenue of R5 million or less;
- 2.10 “**Firm price**” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 “**functionality**” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 “**non-firm prices**” means all prices other than “firm” prices;
- 2.13 “**person**” includes a juristic person;
- 2.14 “**rand value**” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 “**sub-contract**” means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 “**total revenue**” bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 “**trust**” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 “**trustee**” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.

- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

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

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

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

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

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

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

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

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

- 7.1 B-BBEE Status Level of Contribution: = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

8 SUB-CONTRACTING

- 8.1 Will any portion of the contract be sub-contracted? **YES / NO** (delete which is not applicable)

- 8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted?%
- (ii) the name of the sub-contractor?
- (iii) the B-BBEE status level of the sub-contractor?
- (iv) whether the sub-contractor is an EME? **YES / NO** (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm :

9.2 VAT registration number :

9.3 Company registration number :

9.4 TYPE OF COMPANY/ FIRM [TICK APPLICABLE BOX]

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

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

9.6 COMPANY CLASSIFICATION [TICK APPLICABLE BOX]

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

9.7 Total number of years the company/firm has been in business?

9.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have :-
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution

WITNESSES:

1.....

2.....

.....
Bidder's signature:

.....
Date:

Address:.....
.....
.....

OWNERS/SHAREHOLDERS/PARTNERS/SOLE PROPRIETORS/TRUSTEES / BENEFICIARIES.

(This information is required for statistical purposes only)

FULL NAME	ID NUMBER	CAPACITY : MEMBER/PART NER/ PROPRIETOR/ SHARE- HOLDER/TRUS TEE/ BENEFICIARY	% OWNERSHIP/ PARTNERSHIP/ TRUST/ CO- OPERATIVE	MALE/ FEMALE	HANDI- CAPPED YES/NO	AFRICAN (A) / COLOURED (C) / INDIAN (I) WHITE (W)	YOUTH YES/NO	% OF TIME DEVOTED TO THE FIRM

CONDITIONS OF BID

1. I/We hereby bid to supply all or any of the supplies and/or to render all or any of the services described in the attached documents to the KwaZulu-Natal Provincial Administration (hereinafter called the "Province") on the terms and conditions and be in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and be incorporated into this bid) at the prices and on the terms regarding time for delivery and/or execution inserted therein.
2. I/we agree that:
 - (a) the offer herein shall remain binding upon me and open for acceptance by the Province during the validity period indicated and calculated from the closing time of the bid;
 - (b) this bid and its acceptance shall be subject to Treasury Regulations 16A issued in terms of the Public Finance Management Act, 1999, the KwaZulu-Natal Supply Chain Management Policy Framework, the Provincial Treasury issued Practice Notes, and the KwaZulu-Natal General Conditions of Contract, with which I/we am fully acquainted;
 - (c) if I/we withdraw my bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, the Province may, without prejudice to its other rights, agree to the withdrawal of my bid or cancel the contract that may have been entered into between me and the Province. I/we will then pay to the Province any additional expenses incurred by the Province having either to accept any less favourable bid or, if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable bid. The Province shall have the right to recover such additional expenditure by set-off against monies which may be due to me under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me or on my behalf for the due fulfilment of this or any other bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Province may sustain by reason of my default;
 - (d) if my bid is accepted, the acceptance may be communicated to me by registered post, and that the South African Post Office Limited shall be treated as delivery agent to me;
 - (e) the law of the Republic of South Africa shall govern the contract created by the acceptance of my bid and I choose *domicilium citandi et executandi* in the Republic at (full physical address) :
.....
.....
3. I/we furthermore confirm that I/we have satisfied myself as to the correctness and validity of my bid: that the price(s), rate(s) and preference quoted cover all of the work/item(s) and my obligations under a resulting contract, and I accept that any mistakes regarding the price(s) and calculations will be at my risk.
4. I/we hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement, as the Principal(s) liable for the due fulfilment of this contract.
5. I/we agree that any action arising from this contract may in all respects be instituted against me and I/we hereby undertake to satisfy fully any sentence or judgement which may be pronounced against me as a result of such action.
6. I/we confirm that I/we have declared all and any interest that I or any persons related to my business has with regard to this bid or any related bids by completion of the Declaration of Interest Section.

7. CERTIFICATION OF CORRECTNESS OF INFORMATION SUPPLIED IN THIS DOCUMENT

I/we, THE UNDERSIGNED, WHO WARRANT THAT I AM DULY AUTHORISED TO DO SO ON BEHALF OF THE BIDDER, CERTIFY THAT THE INFORMATION SUPPLIED IN TERMS OF THIS DOCUMENT IS CORRECT AND TRUE, THAT THE SIGNATORY TO THIS DOCUMENT IS DULY AUTHORISED AND ACKNOWLEDGE THAT:

- (1) The bidder will furnish documentary proof regarding any bidding issue to the satisfaction of the Province, if requested to do so.
- (2) If the information supplied is found to be incorrect and/or false then the Province, in addition to any remedies it may have, may:-
 - a) Recover from the contractor all costs, losses or damages incurred or sustained by the Province as a result of the award of the contract, and/or
 - b) Cancel the contract and claim any damages which the Province may suffer by having to make less favourable arrangements after such cancellation.

SIGNED ON THIS DAY OF 20 AT

.....
SIGNATURE OF BIDDER OR DULY
AUTHORISED REPRESENTATIVE

.....
FULL NAME (IN BLOCK LETTERS)

ON BEHALF OF (BIDDER'S NAME)

CAPACITY OF SIGNATORY

NAME OF CONTACT PERSON (IN BLOCK LETTERS).....

POSTAL ADDRESS:.....

..... POSTAL CODE.....

TELEPHONE NUMBER:

FAX NUMBER:

CELLULAR PHONE NUMBER:

E-MAIL ADDRESS:

SECTION H (SBD 11)
AUTHORITY TO SIGN A BID

A. COMPANIES

If a Bidder is a company, a certified copy of the resolution by the board of directors, personally signed by the chairperson of the board, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is before the closing time and date of the bid

AUTHORITY BY BOARD OF DIRECTORS

By resolution passed by the Board of Directors on 20.....,

Mr/Mrs whose signature appears below) has been duly authorised to sign all documents in connection with this bid on behalf of

(Name of Company).....

IN HIS/HER CAPACITY AS:

SIGNED ON BEHALF OF COMPANY:
(PRINT NAME)

SIGNATURE OF SIGNATORY: **DATE:**

WITNESSES: 1

2

B. SOLE PROPRIETOR (ONE - PERSON BUSINESS)

I, the undersigned..... hereby confirm that I am the sole owner of the business trading as

.....

SIGNATURE.....

DATE.....

C. PARTNERSHIP

The following particulars in respect of every partner must be furnished and signed by every partner:

Full name of partner	Residential address	Signature
----------------------	---------------------	-----------

.....
-------	-------	-------

.....
-------	-------	-------

.....
-------	-------	-------

We, the undersigned partners in the business trading as.....
hereby authorise to sign this bid as well as any contract
resulting from the bid and any other documents and correspondence in connection with this bid and /or
contract on behalf of (*company name*)

.....
SIGNATURE

.....
SIGNATURE

.....
SIGNATURE

.....
DATE

.....
DATE

.....
DATE

D. CLOSE CORPORATION

In the case of a close corporation submitting a bid, a **certified copy** of the Founding Statement of such corporation shall be included with the bid, together with the **resolution by its members authorising a member** or other official of the corporation to sign the documents on their behalf.

By resolution of members at a meeting on 20..... at.....

..... Mr/Ms....., whose signature
appears below, has been authorised to sign all documents in connection with this bid on behalf of (Name of
Close Corporation)

.....

SIGNED ON BEHALF OF CLOSE CORPORATION:.....
(PRINT NAME)

IN HIS/HER CAPACITY AS..... DATE:

SIGNATURE OF SIGNATORY:

WITNESSES: 1

WITNESS: - 2.....

E. CO-OPERATIVE

A certified copy of the Constitution of the co-operative must be included with the bid, together with the resolution by its members authoring a member or other official of the co-operative to sign the bid documents on their behalf.

By resolution of members at a meeting on 20..... at.....

Mr/Ms....., whose signature appears below, has been authorised to sign all documents in connection with this bid on behalf of (Name of cooperative).....

SIGNED ON BEHALF OF CO-OPERATIVE:.....
(PRINT NAME)

IN HIS/HER CAPACITY AS:.....DATE:.....

SIGNATURE OF AUTHORISED REPRESENTATIVE/SIGNATURE.....

WITNESSES: 1..... WITNESS:- 2

F. CONSORTIUM

If a bidder is a consortium, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of concerned enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the consortium must be submitted with this bid, before the closing time and date of the bid.

AUTHORITY TO SIGN ON BEHALF OF THE CONSORTIUM

By resolution/agreement passed/reached by the consortium on 20

Mr/Mrs.....

(whose signature appear below) have been duly authorised to sign all documents in connection with this bid on behalf of:(Name of Consortium).....

SIGNED ON BEHALF OF CLOSE CORPORATION:
(PRINT NAME)

IN HIS/HER CAPACITY AS.....DATE:

SIGNATURE OF SIGNATORY:

WITNESSES: 1..... WITNESS: 2.....

G. JOINT VENTURE

If a bidder is a joint venture, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of the enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the joint venture must be submitted with this bid, before the closing time and date of the bid.

AUTHORITY TO SIGN ON BEHALF OF THE JOINT VENTURE

By resolution/agreement passed/reached by the joint venture partners on.....20.....

Mr/Mrs.....,Mr/Mrs.....

Mr/Mrs.....and Mr/Mrs.....

(whose signatures appear below) have been duly authorised to sign all documents in connection with this bid on behalf of:(Name of Joint Venture).....

IN HIS/HER CAPACITY AS:

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SECTION I (SBD 8)

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions 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 disregarded if that bidder, or any of its directors have-
- 4 abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; or failed to perform on any previous contract.
- 5 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 <i>audi alteram partem</i> 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 pg	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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 outside of 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:.....		
4.4	Was any contract between the bidder and any 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"/>
4.4.1	If so, furnish particulars:.....		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) _____

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder(company)

SECTION J (SBD 9)
CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) 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 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD 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 (SBD 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.

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

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 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.
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

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.

**SECTION K
SPECIAL CONDITIONS OF CONTRACT**

SECTION 1: DEFINITION OF TERMS

1.1 SERVICE

The consultancy services to be rendered by professional service providers must be rendered in terms of this contract.

1.2 CONTRACTOR

The person or persons, partnership, close corporation, firm or company, whose bid for this service was accepted.

1.3 AGREEMENT

This comprises the agreement signed by parties, the conditions of bid, the bid and the specifications.

1.4 AGREEMENT PERIOD

The period during which the service is to be rendered and originally determined in the agreement, or as amended, extended or renewed in accordance with stipulations of the agreement.

1.5 PARTIES

The parties to this contract are The Head of Co-operative Governance and Traditional Affairs in the KwaZulu-Natal Provincial Administration and Contractor.

1.6 DEPARTMENT

KwaZulu-Natal department of Co-operative Governance and Traditional Affairs.

1.7 CURTAILMENT OF SERVICE

The Department reserves the right to withdraw from the service any part/s of the contract as a whole, with one month's written notification to the contractor. In a case such as this, the contract sum will be adjusted *pro rata* from the date of withdrawal.

SECTION 2: IMPORTANT INFORMATION TO NOTE

2.1 This bid is invited and will be awarded and administered in terms of the following:-

- 2.1 KwaZulu-Natal Supply Chain Management Policy Framework,
- 2.2 Section 217 of the Constitution,
- 2.3 The PFMA and its Regulations in general,
- 2.4 The Preferential Procurement Policy Framework Act,
- 2.5 National Treasury guidelines, and
- 2.6 Provincial Treasury's Supply Chain Management Practice Notes and guidelines.

2.2. The bidder shall ensure that all the required (compulsory) information is furnished; viz:-

- 2.2.1 Declaration that information on Provincial Supplier Database is correct and up to date (SECTION D)
- 2.2.2 Declaration of interest (SECTION E)
- 2.2.3 Tax Clearance Certificate Requirements (SECTION B),
- 2.2.4 Compulsory Briefing Session (SECTION M)
- 2.2.5 Authority to sign a bid (SECTION I),
- 2.2.6 Conditions of Bid (SECTION G)

- 2.2.7 The original Tax Clearance Certificate(s) (and not a copy thereof) must be submitted together with the bid document.
- 2.2.8 Each party to a Consortium/Group of sub-contractors must obtain separate Tax Clearance Certificate(s) and also be registered on the Suppliers Database.
- 2.2.9 Should a supplier have submitted an original Tax Clearance Certificate within the last twelve (12) months to the Department, it will not be necessary to resubmit it, however, same must be indicated in the bid document.
- 2.2.10 A valid certified copy of B-BBEE Status Level Verification Certificate/ Letter from an auditor confirming EME status must be submitted with the proposal.

NOTE: Failure to submit the required information may invalidate the entire proposal.

SECTION 3: SPECIAL CONDITIONS OF CONTRACT

3.1 ACCEPTANCE OF BID

- 3.1.1 This bid has been invited, and will be adjudicated in terms of the KwaZulu-Natal Supply Chain Management Policy Framework and the KwaZulu-Natal Provincial Treasury's Practice Notes. Co-operative Governance and Traditional Affairs' Bid Adjudication Committee is under no obligation to accept the lowest or any bid.
- 3.1.2 The financial standing of bidders and their ability to manufacture or to supply goods or render services may be examined before their bids are considered for acceptance.

3.2 APPEALS

Entities aggrieved by a decision of a departmental Bid Adjudication Committee or a delegate of an accounting officer, may appeal to the Bid Appeals Tribunal in the prescribed manner by the Supply Chain Management Policy Framework. Any appeals relating to this bid should to be faxed to;

Secretariat Bid Appeals Tribunal – 033 342 4238 or posted to
Secretariat Bid Appeals Tribunal
Private Bag X 9082
Pietermaritzburg
3200

3.3 AMENDMENT OF CONTRACT

Any amendment to or renunciation of the provisions of the contract shall at all times be done in writing and shall be signed by both parties subject to the Legal Services screening the amendment before it is signed.

3.4 CHANGE OF ADDRESS

Bidders must advise the Department should their address (*domicilium citandi et executandi*) details change from the time of bidding to the expiry of the contract.

3.5 COMPLETENESS OF BID

Bids will only be considered if correctly completed and accompanied by all relevant certificates and other necessary applicable information.

3.6 COMPLETION OF SPECIFICATION

Where specifications are designed in such a way that responses would be required from bidders, these forms must be completed and submitted as part of the bid document.

3.7 CONDITIONS OF BID

- 3.7.1 The successful Contractor must be in a position to assume duty on the date stipulated in the letter of acceptance.
- 3.7.2 No bid received by telegram, telex, or facsimile will be considered.
- 3.7.3 It shall be noted that the Department is under no obligation to accept the lowest or any bid.
- 3.7.4 The offer shall be made strictly according to the specification. No alternative offers will be considered.
- 3.7.5 Bidders must provide the following particulars about themselves as part of the bid:
- 3.7.5.1 Where they have their Headquarters
 - 3.7.5.2 Where they have their Regional Office.
 - 3.7.5.3 Name, address and telephone number of bankers together with their bank account number.
 - 3.7.5.4 The names, identity numbers and street addresses of all partners in cases where persons, a partnership, or a firm consists of a partnership.
- 3.7.6 In cases where a person or persons, a partnership, close corporation, firm or company enters business for the very first time, the following particulars shall be provided:
- 3.7.6.1 By whom, or with whose assistance, was the business plan drafted?
 - 3.7.6.2 By whom, or with whose assistance, were the bid prices calculated?
 - 3.7.6.3 Whose advice is relied on?
 - 3.7.6.4 Who will provide financial support?
- 3.7.7 A list of references must accompany this bid. Particulars shall be submitted regarding similar agreements completed successfully or of projects which the bidder is engaged in.

3.8 CONFIDENTIALITY

The contractor's staff that comes into contact with the Department's confidential information and documents may be required to sign confidentiality agreements so as to protect the Department's information.

3.9 CONTRACT PERIOD

- 3.9.1 The contract period shall remain in force for a period of **36 months** from date of signing of official contracts.
- 3.9.2 The Department of Co-operative Governance and Traditional Affairs reserves the right to terminate the contract with any contractor should the contractor fail to fulfil his/her contractual obligations in terms of the contract.

3.10 DETAILS OF CURRENT CONTRACTS HELD BY THE BIDDER

The bidder must furnish the following details of all current contracts:

- (i) Date of commencement of contract/s;
- (ii) Expiry date/s;
- (iii) Value per contract; and
- (iv) Contract details. That is, with whom held, phone number and address/s of the company.

3.11 EQUAL BIDS

In the event that two or more bids have equal total points, the successful bid will be the ones scoring the highest number of preference points for specified goals. Should two or more bids be equal in all respects, the Adjudication shall be decided by the drawing of lots.

3.12 EXECUTION CAPACITY

The bidder will be required to provide an efficient and effective service. Therefore, the bidder is required to submit proof that he/she has the required capacity to execute the contract tendered for successfully. The bidder must supply references or state his/her experience as a company to undertake the contract. References of past experience of owners/employees of new entities must accompany the bid document.

3.13 EXTENSION OF CONTRACT

An extension of contract may be considered. It is the normal policy that contracts are not extended. However, circumstances may arise whereby a contract cannot be renewed in time. If this is found to be the case, the right is reserved to approach existing contractor(s) to extend the contract for such period agreed to.

3.14 GENERAL EVALUATION CRITERIA

The Bid Evaluation Committee will assess offers and adhere to the following basic guidelines when evaluating.

- a) Whether all the required information called for in the bid document has been submitted by the bidder.
- b) Has the bidder supplied references or stated his/her experience as a Company to undertake the contract. References of past experience must accompany the bid document.
- c) The financial standing of the bidder and ability to render a service may be examined before an award of bid take place.
- d) Preferences will be taken into consideration by the Department in terms of the B-BBEE Scorecard.
- e) Documented reports received from an institution/s pertaining to past bad performance by a company who is tendering, may be taken into consideration.
- f) Did the bidder attend the site inspection?
- g) Will the bidder be in a position to successfully execute the contract?
- h) The 90/10 Point System will apply in the evaluation of this bid.

3.15 IRREGULARITIES

Companies are encouraged to advise the Department timeously of any possible irregularities which might come to their notice in connection with this or other contracts.

3.16 JOINT VENTURES

- 3.16.1 In terms of the Supply Chain Management Policy Framework, a consortium or joint venture may, based on the percentage of the contract value managed or executed by respective members.
- 3.16.2 Should this bid be submitted by a joint venture, a certified copy of the joint venture agreement **must** accompany the bid document before the closing date and time of bid. The joint venture agreement must clearly specify the percentage of the contract to be undertaken by each company participating therein.
- 3.16.3 A trust, consortium or joint-venture must obtain and submit **a consolidated B-BBEE Status Level Verification Certificate**. The non-submission of a consolidated B-BBEE Certificate by a company will result in preference points not being allocated to such company. Failure to submit the joint venture Agreement will result in preference points not being allocated to all companies participating in the joint venture.

3.17 LATE BIDS

- 3.17.1 Bids are late if they are received at the address indicated in the bid documents after the closing date and time.
- 3.17.2 A late bid shall not be considered and, where practicable, shall be returned unopened to the Bidder, accompanied by an explanation.

3.18 NOTIFICATION OF ADJUDICATION OF BIDDER & ADVERTISING OF RESULTS

Notification of the Adjudication of bid shall be in writing by a duly authorized official of Co-operative Governance and Tradition Affairs' Supply Chain Management unit and will be advertised in the Government Tender Bulletin as well as published

3.19 PRO RATA DECREASE OF COMPENSATION

Should the services not be rendered to the satisfaction of the Department and unsatisfactory items/ aspects/ events have already, in writing, been brought to the attention of the Contractor, the Department reserves the right in terms of paragraph **3.24** hereunder, to retain payment to the Contractor for as long as the unsatisfactory service continues.

3.20 PROVINCIAL SUPPLIERS DATABASE

- 3.20.1 A bidder submitting an offer must be registered on the Provincial Suppliers Database. A bidder who has submitted an offer and is not registered on the Provincial Suppliers Database will not be considered.
- 3.20.2 Each party to a Joint Venture/Consortium must be registered on the Provincial Suppliers Database at the time of submitting the bid.

3.21 SUBMISSIONS AND COMPLETION OF SBD 6.1 (SECTION F)

Bidders are to complete SBD 6.1 document where applicable. Failure by the bidder to submit a valid B-BBEE status level verification certificate will result in the bidder not being considered for preference points allocation. If the information required is not applicable to the business, clearly insert the symbols "N/A" in the appropriate space. If the space provided is left blank, it will be regarded as information that is still outstanding and the SBD 6.1 will not be processed further.

3.22 TERMINATION OF SERVICES

Should the Contractor fail to meet the conditions of this contract, or continue rendering unsatisfactory service, the Employer reserves the right to terminate the contract, after written notification has been served on the Contractor, with retention of the right to recover from the Contractor any losses which the Employer may suffer/ incur as a result of the failure, without prejudicing any other rights it may have.

3.23 TAX CLEARANCE CERTIFICATE

- 3.23.1 The original Tax Clearance Certificate must be submitted with the bid before the closing date and time of the bid. Failure to submit a valid Tax Clearance Certificate will invalidate your bid unless a valid, as at the closing date of this bid, original Tax Clearance Certificate is already in the possession of the Departments Supply Chain Management Unit. In this regard, a clear reference must be provided e.g. bid number.
- 3.23.2 Each party to a Joint Venture/Consortium must submit an original valid Tax Clearance Certificate together with the bid before the closing date and time of bid.

3.24 UNSATISFACTORY PERFORMANCE

Unsatisfactory performance occurs when performance is not in accordance with the contract conditions. Before any action is taken, the Department shall warn the contractor by registered or certified mail that action will be taken in accordance with the contract conditions unless the contractor complies with the contract conditions and delivers satisfactory supplies or services within a specified reasonable time (7 days minimum). If the contractor does not perform satisfactorily despite the warning the Department will:

- (a) take action in terms of its delegated powers
- (b) make a recommendation for cancellation of the contract concerned.

3.25 VALIDITY PERIOD AND EXTENSION THEREOF

The validity (binding) period for the bid must be **120** days from close of bid. However, circumstances may arise whereby this Department may request the bidders to extend the validity (binding) period. Should this occur, the Department will request bidders to extend the validity (binding) period under the same terms and conditions as originally tendered for by bidders. This request will be done before the expiry of the original validity (binding) period.

3.26 VAT

2.26.1 Bid prices must be inclusive of VAT.

2.26.2 A tax invoice shall be in the currency of the Republic of South Africa and shall contain the following particulars:

- (a) The name, address and registration number of the supplier;
- (b) the name and address of the recipient;
- (c) an individual serialized number and the date upon which the tax invoice is issued;
- (d) a description of the goods or services supplied;
- (e) the quantity or volume of the goods or services supplied;
- (f) either :—
 - (i) the value of the supply, the amount of tax charged and the consideration for the supply; **or**
 - (ii) where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.

3.29 REGISTERED ADDRESS

The Department provides the following:

Street address as it's *domicillium citandi et executandi* in respect of any lawsuit which might result from or bears relevance to this contract, as well as for purposes of notice to :

The Head SCM Unit, KwaZulu-Natal Co-operative Governance and Traditional Affairs

14 th floor, South Tower, Natalia Building. 330 Langalibalele Street PIETERMARITZBURG 3200	Private Bag X9078, PIETERMARITZBURG 3200
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SECTION L

COMPULSORY OFFICIAL BRIEFING SESSION CERTIFICATE

Site/building/institution involved: **CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

Bid No: **ZNT1909/2013-LG**

Service: **A SERVICE PROVIDER TO ASSIST THE DEPARTMENT WITH MUNICIPAL DEBT AND INDIGENT MANAGEMENT AT SIXTY – ONE MUNICIPALITIES OVER A THREE YEAR PERIOD**

THIS IS TO CERTIFY THAT (NAME):

ON BEHALF OF (COMPANY
NAME): _____

ATTENDED THE BRIEFING SESSION ON: **19 JULY 2013,**

VENUE: **1ST Floor, Auditorium, North Tower, Natalia Building, Pietermaritzburg.**

AND IS THEREFORE FAMILIAR WITH THE CIRCUMSTANCES AND THE SCOPE OF THE
SERVICE TO BE RENDERED.

.....
SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE
(PRINT NAME)

DATE:

.....
SIGNATURE OF DEPARTMENTAL REPRESENTATIVE
(PRINT NAME)

.....
DEPARTMENTAL STAMP:
(COMPULSORY)

DATE:

TERMS OF REFERENCE**A SERVICE PROVIDER TO ASSIST THE DEPARTMENT WITH MUNICIPAL DEBT AND INDIGENT MANAGEMENT AT SIXTY – ONE MUNICIPALITIES OVER A THREE YEAR PERIOD****1. OBJECTIVE**

The objective of the project is for the Department of Co-operative Governance and Traditional Affairs (CoGTA) to obtain the services of a competent service provider or consortium or joint venture to assist the Department with municipal debt and indigent management at sixty-one municipalities for a period of three years. The project must result in reducing municipal consumer debt, protecting and enhancing the municipalities' revenue collection potential and a streamlined indigent management system.

2. BACKGROUND

Section 229 of the Constitution of the Republic of South Africa requires municipalities to raise rates and impose surcharges on fees for services provided. In terms of the powers and functions of municipalities as contained in part B of Schedules 4 and 5 of the Constitution of the Republic of South Africa, municipalities are empowered to provide services such as water, electricity, refuse removal and sewer disposal. In the discharge of these functions, credit control and debt collection becomes an integral part of municipal business.

However, escalating municipal debt is a major threat to the financial sustainability of municipalities, particularly those that render limited services. Past experiences have shown that the situation has been compounded by a number of variables; some within the control of the municipality and others being outside their control.

Over the years various initiatives have been tried with varied levels of success. A fresh and comprehensive approach is therefore required.

Whilst chapter 9 of the Municipal Systems Act No. 32 of 2000 deals specifically with debt collection and credit control procedures and processes, there are a number of other important activities that should precede debt collection and credit control procedures and processes. It is against this background, and the need for a comprehensive strategy that reviewing the debtors and indigent management may be critical to reducing and managing municipal consumer debt and enhancing and protecting the municipalities' own revenue at the same time.

It is against this background that the Department wishes to undertake a debt and indigent management project.

3. DETAILED SCOPE OF WORK

It is envisaged that the programme would span over three years, with twenty municipalities being supported in each of the three years. The programme would commence during the 2013/14 financial year.

The successful service provider would therefore be required to undertake the underlisted as the scope of work at sixty municipalities over the three year period:

- 3.1 The review of the Indigent Policy and Register;
- 3.2 Alignment and cross checking of the indigent information with other stakeholders' consumer databases such as ESKOM, the district municipality, the beneficiaries' list of social grants as maintained by the South African Social Security Agency (SASSA), the database of SARS, RDP House Beneficiaries etc and other available databases to be defined in the proposal;
- 3.3 A review of the debt collection and control policies and by-laws (where applicable) and revenue and debt associated procedures, as outlined in legislation, specifically chapter 9 of the Municipal Systems Act, the Municipal Finance Management Act, and the Municipal Property Rates Act;
- 3.4 The reconciliation of the billing system with the municipal GIS/ municipal property valuation roll and the debtor book;
- 3.5 The review of the management of debtor accounts and unallocated receipts;
- 3.6 The development of a guide for the procedure to off-set the free basic service charges from the indigent grant (Equitable Share);
- 3.7 The refinement of the policies and procedures mentioned in 3.3 above to ensure alignment to legislation to ensure compliance;
- 3.8 The development of a tariff setting and modelling tool that would inform the revenue budget/adjustment budget;
- 3.9 Profiling of the municipal consumer debtors into recoverable and irrecoverable;

- 3.10 The identification of revenue losses (technical and financial) of the municipality with proposed remedial measures;
- 3.11 The development of operating manuals and training of staff;
- 3.12 the establishment of an efficient customer care management system;
- 3.13 Identifying National and Provincial organs of state which are in arrears with their consumer accounts;
- 3.14 Creating awareness amongst councillors, especially ward councillors, of the importance of efficient debt management and their role and responsibilities;
- 3.15 Guidance and advice on an efficient revenue billing and collection system;
- 3.16 The verification of customer and indigent information;
- 3.17 The establishment of a Revenue and Debt steering committee for the duration of the project; and
- 3.18 A communication strategy that would communicate the expectations of the municipality to the consumers of municipal services.

4. DELIVERABLES (MEASURABLE OUTPUTS)

The Department requires the following as key deliverables:

- 4.1 A detailed project plan;
- 4.2 Practical operational manuals for the Revenue/ Income staff in the Budget and Treasury Office;
- 4.3 Debtor data that been subjected to rigorous cleansing;
- 4.4 Enhanced/refined policies and procedures, such as Indigent and Credit Control and Debt Management policies, that would positively influence the municipalities' revenue value chain;
- 4.5 Councillors taking ownership of their respective ward debt; and
- 4.5 A close out report by the service provider on the lessons learnt, successes and challenges experienced during the duration of the project.

5. OUTCOMES

The project is expected to yield the following at the close-out stage of the project:

- Improved revenue collections with reduced consumer debt;
- An improved debtor and indigent management system;
- An overall reduction of consumer debt across municipalities in KwaZulu-Natal;
- Improved and streamlined revenue value chains at municipalities;
- More effective and efficient debtor and indigent management;
- An improved customer care management system;
- Reduction in revenue losses; and
- A more credible customer and indigent database.

6. SKILLS, EXPERTISE AND EXPERIENCE REQUIRED

It is envisaged that local government finance practitioners with current affiliation to professional body(ies) such as SAICA and IMFO would be the best suited to undertake this project. However, it is desirable that at least one engineer and a land use management specialist are part of the core team. This would enhance the functionality of the service provider as debt and indigent management is not exclusively a financial matter. These professionals would also need to demonstrate current affiliation to professional bodies.

The quality assurance would be through requesting written references from municipalities where the bidding service providers have undertaken work in the last three years.

Ideally, the service provider is expected to have the following skills, expertise and experience:

- Must have a minimum NQF level 7 qualification in the disciplines of accounting, economics, engineering and land use management i.e. Town Planner or Development Practitioner. Directors/employees of the service provider should be affiliated to professional bodies such as the Institute of Chartered Accountants and the Institute of Municipal Finance Officers (IMFO), Engineering Council of South African;
- The Project Leader must have a proven track record of working in the local government municipal finance environment;
- The service provider must have multi-disciplinary project management skills in the areas of debt management and revenue enhancement/protection and the ability to transfer skills to municipal and CoGTA staff;
- All experts must have detailed knowledge of the relevant legislation relating to local government; and
- Experience in the compilation of comprehensive progress reports, close-out reports, including a summary of highlights, achievements, challenges encountered, lessons learned and recommendations for future projects of this nature.

7. Contract Period

The contract duration is for thirty six months.

8. Validity Period

The bid price shall remain valid for a period of 120 days.

9. REMUNERATION

The appointment will be on a time and cost basis and a schedule reflecting the personnel shown and the tendered hourly charge-out rates per person, must be included in the proposal, as per the relevant pricing schedule contained in the standard bid document. It is to be noted that remuneration for any and all hours worked must be at the tendered hourly rates. The allocation of hours per personnel must be defined according to the deliverables of the project and no additional time will be allocated for defined deliverables.

10 CONTRACT CONDITIONS

The Department must remunerate the Service Provider in respect of its services in accordance with the appropriate conditions, provided that –

- (1) The Service Provider must submit a tax invoice to the Department for each month, and the Department must pay the Service Provider the amount stipulated in the invoice within 30 (thirty days) of receipt of an agreed invoice, provided that all supporting documents must be attached to the invoices submitted;
- (2) In the event that the Department is not satisfied with the performance of the Service Provider, the Department must give written notice to this effect to the Service Provider providing sufficient detail and a reasonable time frame to enable the Service Provider to rectify such performance;
- (3) In the event that the entire amount or a portion of the invoice is disputed by the Department, only that portion in dispute may be held for payment, until the dispute is resolved, and the undisputed portion must be paid to the Service Provider within the stipulated time frames; and
- (4) The Service Provider must immediately give notice of any circumstances preventing it from completing its obligations in terms of the contract.

11. FEES AND DISBURSEMENTS

Recoverable Costs

Recoverable costs will be reimbursed at the rates determined by the contract rates, and the agreed project plan.

12. INSTITUTIONAL ARRANGEMENTS

The service provider appointed will be accountable to the General Manager: Municipal Finance.

13. MONITORING, REPORTING REQUIREMENTS AND PERFORMANCE MANAGEMENT

The service provider will provide the Department with:

- (i) a project plan and clearly identifiable milestones at the commencement of the project;
- (ii) monthly reports indicating the progress against all milestones in the plan; and
- (iii) a comprehensive close-out report together with operating manual that will charter the way forward for debt and indigent management at municipalities.

14. EVALUATION CRITERIA FOR MEASURING FUNCTIONALITY

Pertaining to the evaluation of functionality the Department will measure such functionality as follows:

- (1) The service providers relevant experience for the assignment, the quality of the methodology proposed, the qualification of the key staff proposed, transfer of skills, etc.
- (2) The criteria referred to above will be weighted, and;

- (3) A value will be scored between 1 and 5 for each individual criteria. The value scored is as follows – 1 = poor, 2 = acceptable, 3 = good, 4 = very good and 5 = excellent.

Pertaining to the value scored the following scoring method will be applied for this bid:

Criteria	Weighting
NQF level 7 in disciplines of Accounting, Economics, engineering and land use management i.e Town Planner. Current affiliated to a professional bodies such as the Institute of Chartered Accountants and the Institute of Municipal Finance Officers (IMFO), Engineering Council of South Africa etc; must be demonstrated	20
Experience: Service provider will be rated on their years of experience in the municipal debt and credit control experience i.e. having worked at a municipality or have a track record of debt and credit control work performed at a municipality	20
Methodology and approach that will be utilised in addressing requirements of Department. The methodology must clearly propose an element of self- funding of the project through the municipal debt recovery. The methodology must also illustrate innovative practical databases that could be tapped into to verify indigent data.	50
Verifiable written reference from at least three municipalities confirming satisfactory past performance in municipal debt and indigent management, within the last three years	10
INDIVIDUAL EXPERIENCE Combined expertise in Accounting, Auditing, Information Technology and ICT Governance Projects and municipal revenue and debt management	10

NOTE : A service provider that scores less than 60% for functionality will be regarded as submitting a non-responsive bid and will be disqualified. All service providers that score 60% and more for functionality will be placed on the respective panel.

15. SUBMISSION OF BIDS

- 15.1 Bids must be submitted on the Standard Bid Documentation, and must be delivered to the address indicated thereon, on or before the time and date stipulated, in accordance with the advertised stipulations.
- 15.2 Late bids will not be considered.
- 15.3 Bidders must ensure that the totals of the various schedules are correctly brought forward to page 2 of the Final Summary in Section A – SBD 1.
- 15.4 The Department is not compelled to accept the lowest or any bid.
- 15.5 Bids must be submitted in sealed envelopes and only one bid may be submitted per envelope, and the name and address of the bidder on the front of the envelope with the name and address of the Department reflected on the reverse side of the envelope
- 15.6 Bids are to be deposited in the bid box, located at:
13TH FLOOR
NORTH TOWER
330 LANGALIBALELE STREET
PIETERMARITZBURG
- 15.7 Bids must be deposited in the tender box by no later than 11:00 on 02 August 2013, and only those bids deposited by the closing time will be considered.
- 15.8 Bidders must allow at least 30 minutes to enter the Natalia Building due to security measures
- 15.9 Bids will be opened in the Procurement Offices on the 13th Floor immediately after closing.

16 BRIEFING SESSION

- 16.1 There will be a compulsory formal briefing on 19 July 2013 at 10:00 am **1st Floor, Auditorium, Natalia Building, 330 Langalibalele Street, Pietermaritzburg.**
- 16.2 Bidders who are not aware of how to get to the venue for the briefing session must contact Mr Rajesh Ranjith on 033 3556272 for directions
- 16.3 Bidders must ensure that the briefing session certificate contained in the tender document is signed at the meeting, as the failure to do so will invalidate the bid.

17. PRICING OF BIDS

The Department reserves the right to contact bidders to –

- (1) obtain clarity where information is incomplete or where a lack of clarity exists about technical aspects of the bid;
- (2) obtain confirmation of prices in cases where it is obvious that a written, typed or transcription error, or an error in the unit price has been made.

18. Bid submission requirements

Service Providers are required to submit their proposals in two envelopes in the following format:

13.2.1 Envelope 1: Technical proposal

Marked with the name of the Service Provider;

titled 'Technical proposal: for **A SERVICE PROVIDER TO ASSIST THE DEPARTMENT WITH MUNICIPAL DEBT AND INDIGENT MANAGEMENT AT SIXTY – ONE MUNICIPALITIES OVER A THREE YEAR PERIOD**

This envelope must contain at least the following:

a.) A signed covering letter, covering the following:

- Accepting the rules of bidding, evaluation of bids, and bid evaluation criteria set out in the terms of reference;
- attaching a **tax clearance certificate for tenders** from South African Revenue Services for the Service provider/s and all South African firms to be subcontracted to it for this assignment, or all South African firms participating in a joint venture for purposes of this bid;
- providing full contact details of the Service Provider/s.

b.) Information on and motivation for the Service Provider/s, attaching:

His or her curriculum vitae, and setting out his or her personal, and his or her firm's:

- suitability for this assignment;
- relevant skills and experience: For each relevant area of experience cited, outline the precise role the Service provider/s played, the role of the firm, contract term, contract outcomes, and contract value
- availability to perform the work: This must be substantiated by listing the Service Provider/s other known professional commitments for the forthcoming six months.

13.2.2 Project comprehension and project management plan in line with the above, including:

- the Service Provider's understanding of the terms of reference, and any proposals for amendments to the terms of reference that would enhance desired outcomes
- how the Service provider proposes to manage the set of deliverables outlined in the terms of reference;

- addressing all elements covered in the scope of works and all deliverable documents;
- a proposed outline work plan with timetable for delivery;
- how the Service Provider members will be supervised;

any innovative ideas for how the whole assignment can best achieve its objectives.

17.2 Envelope 2: Price proposal

- Marked with the name of the service provider;
- titled: 'Price proposal: for **A SERVICE PROVIDER TO ASSIST THE DEPARTMENT WITH MUNICIPAL DEBT AND INDIGENT MANAGEMENT AT SIXTY – ONE MUNICIPALITIES OVER A THREE YEAR PERIOD**

This envelope must contain:

17.3 A signed covering letter, covering the following:

- Proposed remuneration for professional fees: a remuneration table giving a project cost breakdown per deliverable item and total for each part as indicated as per project deliverables table;
- VAT must be specified as a separate total for each of the deliverable as per the project deliverables table.

For Viewing Purposes Only

GENERAL CONDITIONS OF CONTRACT¹

THE NATIONAL TREASURY
Republic of South Africa



GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

1. The General Conditions of Contract will form part of all bid documents and may not be amended.
2. Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

¹ A copy of the complete document set containing the General Conditions of Contract is available on www.kzncogta.gov.za/bids

**GENERAL CONDITIONS OF CONTRACT
TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

APPENDIX 1

RETURNABLE DOCUMENTS

BIDDERS ARE REQUIRED TO SUBMIT THE FOLLOWING INFORMATION OR DOCUMENTS TOGETHER WITH THEIR PROPOSAL ON THE CLOSING DATE OF THE BID:

Certified Copy of a BBBEE Certificate.
Valid Tax Clearance Certificate
NQF level 7 in disciplines of Accounting, Economics, engineering and land use management i.e Town Planner. Current affiliated to a professional bodies such as the Institute of Chartered Accountants and the Institute of Municipal Finance Officers (IMFO), Engineering Council of South Africa etc; must be demonstrated
Methodology and approach that will be utilised in addressing requirements of Department. The methodology must clearly propose an element of self- funding of the project through the municipal debt recovery. The methodology must also illustrate innovative practical databases that could be tapped into to verify indigent data.
Verifiable written reference from at least three municipalities confirming satisfactory past performance in municipal debt and indigent management, within the last three years
INDIVIDUAL EXPERIENCE
Combined expertise in Accounting, Auditing, Information Technology and ICT Governance Projects and municipal revenue and debt management