



FRANCES BAARD DISTRICT MUNICIPALITY

INVITATION TO BID

BID 08/21: SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF A FINANCIAL MANAGEMENT SYSTEM

Frances Baard District Municipality (FBDM) hereby invites qualified service providers to submit proposals for the above-mentioned project.

This bid will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Regulations, 2017 pertaining to the PPPF Act (No 5 of 2000) and the Supply Chain Management Policy of Frances Baard District Municipality. FBDM is not bound to accept the lowest bid. FBDM reserves the right to partial acceptance of one or more bids.

The closing date for submissions is 28 October 2021 at 12h00. Bids will be opened in public immediately after the stated closing time.

Proposals should be clearly marked: **BID 08/21: SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF A FINANCIAL MANAGEMENT SYSTEM** and submitted to **The Municipal Manager, Frances Baard District Municipality, Private Bag X 6088 Kimberly, 8300**, or hand delivered to the Frances Baard District Offices: 51 Drakensberg Avenue, Carters Glen, Kimberley (for attention Mr. P. Souden).

Bid documents are obtainable at FBDM's offices during working hours or on the FBDM Website (www.francesbaard.gov.za). Enquiries on technicalities may be directed to Ms. O. Moseki at tel. (053) 838 0911 and for supply chain matters to Mr. P. Souden at tel. (053) 838 0948 during office hours.

If no response is received in ninety (90) days after the closing date, consider your proposal unsuccessful.

MUNICIPAL MANAGER
Ms. M. Bogatsu

FRANCES BAARD DISTRICT MUNICIPALITY



TERMS OF REFERENCE (TOR)

**BID 08/21: SUPPLY, DELIVERY, INSTALLATION AND
COMMISSIONING OF A FINANCIAL MANAGEMENT SYSTEM**

BIDDER:

ADDRESS:

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TEL:

FAX:

BID AMOUNT (VAT Incl.)

1. INTRODUCTION

All the municipalities are required to implement the Municipal Standard Charts of Accounts (mSCOA) regulations with effect 1 July 2017, to transact across the seven segments of mSCOA with subsystems seamlessly integrating to the core financial system. This is a standard chart of accounts that ensures uniformity in the financial reporting of all the municipalities to National Treasury. Frances Baard District Municipality is a Category C municipality which does not provide direct basic services (water, electricity, etc.) to the community as result, requires minimum billing system.

2. SCOPE OF THE PROJECT

- The municipality requires the supply, delivery, installation and commissioning of a Financial Management System that complies with mSCOA in line with National Treasury Regulations.
- The detailed specifications of the tender are attached as **Annexure C**.
- Bidders must, if shortlisted, at their own cost provide a presentation on the functionality of the financial system tendered as per specifications **Annexure C**. The presentation must include a live demonstration of actual data from one of the district municipalities (non-billing) utilizing the financial system.
- Detailed costing of the financial system, including the yearly licensing fees. The municipality reserves the right to purchase and implement the financial system as a whole or partially, depending on the needs and or availability of funds of the municipality.
- The successful bidder will be responsible for the installation, set-up, configuration of the financial system. As well as translation and transfer of data from the current to the new financial system.
- Provide an implementation plan of training and transfer of skills to Frances Baard District Municipality employees.
- The service provider will provide full information about the availability of a daily desktop support that will be readily available when required.

- The system must be maintained to keep in touch with all the Latest New National Treasury updates and guidelines.
- The Service Provider must provide online backup system and full recovery plan.

3. DELIVERABLES

- Fully operational financial system that is compliant to MSCOA regulations in line with National Treasury Regulations.

4. PROPOSED METHODOLOGY / APPROACH

- 4.1 A clearly quantified proposal on the various benefits shall be outlined by the service provider as well as the cost implications which shall include the administration costs. The service provider shall outline their proposed methodology / approach.
- 4.2 A capacity statement, stating the service provider's capacity, qualifications and experience in delivering the abovementioned services;
- 4.3 Detailed description of work experience with traceable references;
- 4.4 An overview on how the service provider intends to engage with the team when undertaking the above-mentioned work;
- 4.5 The detailed budget specifying all the costs required to undertake the scope of work described above. The cost breakdown should include:
 - Cost quotation of the financial system as a whole;
 - Cost quotation per module of the financial system;
 - Annual license fees;
 - Training costs;
 - All relevant monthly, quarterly and/or yearly costs;
 - Update and upgrade fees; and
 - Annual increase percentages.
- 4.6 Timetable and activity plan for the assignment.

5. REQUIRED EXPERTISE AND COMPETENCIES

The service provider's proposal must outline the expertise and competencies on offer and should expressly detail their previous experience in dealing with projects of this nature. This will also be supported by the presentations of the selected bidders and CV's of the team or lead consultants. (Kindly note that failure to fully cover this in your proposal may result in your proposal being rejected without further consideration).

6. SERVICE LEVEL AGREEMENT

The municipality will enter into a formal Service Level Agreement with the successful service provider to provide the services described below. The Terms of Reference (ToR) would serve to guide the process of selecting and appointing a qualified service provider by ensuring a match between the project requirements, knowledge and experience of the service provider.

- 6.1. The acceptance of any proposal is only valid with the conclusion of a written service level agreement between Frances Baard District Municipality and the successful service provider, in terms of which the rights and duties of the parties are recorded, where agreement shall regulate the relationship between Frances Baard District Municipality and the successful service provider.
- 6.2. Until such time that an appropriate service level agreement has been concluded between Frances Baard District Municipality and the successful service provider, no rights shall be conferred nor shall any legitimate expectations be conferred to the successful service provider to carry out the works or services provided for in this call for proposals.

Note: The contract of the successful bidder will be terminated for non-compliance to the mSCOA financial systems' audit in line with Treasury MFMA circulars 98 (paragraph 3.2.3) and 107 (paragraph 4.5).

Proposed evaluation

The evaluation of this bid will be conducted in the following two (2) stages.

Firstly, the assessment of functionality will be done in terms of the evaluation criteria and the minimum threshold. A bid will be disqualified if it fails to meet the minimum threshold for functionality as per the bid invitation.

Thereafter, only those qualifying bids will be evaluated in terms of the 80/20 preference points systems, where the 80 will be used for price **ONLY** and the 20 for points awarded for **B-BBEE status level of contribution**.

Only service providers that can demonstrate the required experience and skills relating to the execution of this project will be considered. The following criteria will be taken into account for appointment of a successful service provider:

FUNCTIONALITY CRITERIA

Criteria to be used for functionality (see attached functionality evaluation criteria checklist).

CRITERIA	MAX POINTS (%)
Experience on specific project and expertise of key personnel	20
Approach and methodology (proposal)	20
Project management and quality of the product	10

NB: Bidders that score less than 30 points for functionality will be deemed non-compliant with the bid specification

Evaluation criteria (price)

Price	80
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Points awarded for B-BBEE status level of contribution

B-BBEE status level of contributor	Number of points (80/20 system)
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

NB: In order to claim for these points, bidders are required to submit an original valid B-BBEE status level verification certificates or certified copies thereof together with their bids to substantiate their B-BBEE rating claims (see MBD 6.1 section 5).

Statutory and general

The following conditions will apply:

- Price (s) quoted must be valid for at least ninety (90) days from date of your offer.
- Price quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- CSD summary report indicating that all requirements are in order (valid).
- Proof of municipal account.

This Proposal will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Regulations, 2017 pertaining to the PPPF Act (No 5 of 2000) and Supply Chain Management Policy of Frances Baard District Municipality (NB: MDB forms are obtainable at FBDM Office during working hours as well as on the FBDM website: www.francesbaard.gov.za):

- MBD 1 Invitation to bid
- MBD 2 Application for tax clearance certificate (**original valid tax certificate**)
- MDB 3.3 Pricing schedules
- MBD 4 Declaration of interest
- MBD 6.1 Preference claim in terms of the Preferential Procurement Regulations
- MBD 7.2 Contract form
- MBD 8 Past Supply Chain management practice
- MBD 9 Certificate of independent bid determination

Disqualification factors:

- **Non-submission or incomplete Annexure C;**
- **All bids that do not submit an original valid tax clearance certificate or status verification PIN;**
- **All bids that do not submit a proposed work plan (functionality);**
- **All bids that are received late;**
- **Failure to complete all required bid documents;**
- **Terms and conditions that are not within this bid documents specifications; or**
- **All bids that are faxed, e-mailed or telegraphed.**

Frances Baard District Municipality reserves the right to accept a portion of a tender, and the lowest and/or any tender will not necessarily have to be accepted.

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ANNEXURE C

System / Applications minimum functionality

- . Ability to obtain base transactional information 'View Only' ability.
- . Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organisational structure, payroll, cost centre, project, source of funding, other segmented transactions or other system objects needed
- . Issue audit findings and risk registers and invoke consequence management procedures.
- . Escalation and classification of matters influencing auditor's opinion.

Audit trials

- . Online approval and authorisation with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units.
- . Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customise this for enhanced analysis and
- . Additionally, the audit trail on all activities on the system, date, time and responsible user stamped.
- . This must be done to the extent that an activity log can be drawn from the system, outlining a
- . Monthly period closure and certification within the statutory reporting dates. No back-dating of transactions is allowed.
- . Balancing of the sub-system with control accounts must be a condition of any period closure.

Annual financial statements

- . Provide the financial statements with regulated reporting requirements regarding the municipal councillors' outstanding debtor account details.
- . Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year.
- . Finalisation and submission of annual financial statements (AFS) period 13 results in opening balance transactional transfer of only the transactions of period 13.
- . Audit periods with allowed audit approved journals occur in period 14 and result in opening balance transfer
- . Accommodate a period 15 for prior period errors (GRAP 3).
- . Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.
- . Period closing, finalisation and audit period corrections are opening balance transactions in the current open period as well as normal transactions in the audit periods.

Sub-systems and procedural manual

- . Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system.
- . Enable drill down from the general ledger (GL) to sub-system source transactions to transactional level.
- . Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).
- . The System must include an online procedural manual facility that allows for the recording and updating of all relevant processes to aid the users of the system.
- . The manual must be context specific and accessible from any input screen in the system.
- . Functionality is required to permit a duly authorised user to maintain the user manual.

- Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc.
- financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers.

Nonwithstanding the above and due to probable packet loss, a routine, is required to ensure that the general ledger and sub-ledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed.

- Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems for an audit trail.

Recording of transactions

- The solution must include the online recording of all transactions with a unique transactional identifier and a date/time stamp format which records transactions in all systems.
- It is
- impo
- However, duly authorised users may view or report on logically deleted records.
- Logically deleted records MAY NOT be reactivated. (If a record was 'flagged for deletion' in error, it will require recapturing).

Training

- End User Training which includes both theoretical as well as practical training.

Strategies and procedures

- Deployment of an IT strategy for maintenance and future developments.
- Complete Solution Hand Over to Municipal Project Team including full documentation.
- Data backup procedures must be continuous and roll back. Recovery should be at the maximum extent possible and not cause system down time "RAID configuration".
- Disaster recovery sites are either off site at the municipality or cloud-based solutions that are to be tested regularly.
- Daily, weekly, monthly and yearly backups must be documented and signed-off.

Municipal website

- The legislative framework lists the minimum information that should be placed on the municipality's website:
- Integrate from the core financial budget module;
- The annual and adjustments budgets and all budget-related documents;
- All budget-related policies;
- Annual financial statements (AFS) and Annual reporting tools BI modules;
- The annual report;
- Performance management, supply chain and asset management modules;
- section 57(1) of the Municipal Systems Act, 2000;
- All quarterly reports tabled in the council in terms of MFMA section 52(d).
- All performance agreements required in terms of :
- All service delivery agreements;
- All long-term borrowing contracts;
- All supply chain management contracts above a prescribed value;
- An information statement containing a list of assets over a prescribed value that have been disposed of in terms of MFMA section 14(2) or (4) during the previous quarter;

- . Contracts to which MFMA section 33(1) apply, subject to section 33(3) of that section;
- . Public-private partnership agreements envisaged in MFMA section 120; and
- . Municipal Budget and Reporting Regulations (MBRR) and mSCOA Regulations reporting templates as generated by the Core Financial system. The report writer should have a user configurable application utility like Sequel server reporting server (SSRS). This must include sample reports configured as well as standard reports. This will allow for consistency in reporting and best of client base reports that can be shared in the whole-of-municipal
- . Alternatively, an effective, flexible report-writing facility with access to the database dictionary is required;

Reports

- . Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments;
- . Allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.
- . Statutory submission to the National Treasury local government Database (LG Database);
- . The annual procurement plan - actual versus budget;
- . The asset maintenance plan - actual versus budget;
- . Annual Financial Statements (AFS);
- . Annual report;
- . VAT returns 201 reconciliations;
- . PAYE AND 501 reconciliations;
- . IRP5; and
- . Unemployment Insurance Fund (UIF) forms.
- . Journal capturing capabilities (including reversible and recurring journals) including electronic approval.
- . Reporting functionality for all financial reports in the full mSCOA segmented transactions.

Budgetary requirements

- . Must have budgeting capabilities in that the budget are informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations,
- . System must support budgeting cycles across the medium-term revenue and expenditure framework (MTREF) (3-year budget) of the municipality.
- . The system should be able to link budgeting to final integrated development plan (IDP) priorities.
- . Budgeting on the factual elements of typical work streams.
- . Budgeting on the factual elements of municipal operational and running cost.
- . Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).
- . Incorporation of the sub module's elements.
- . Tracking of the budget process plan and timetable.
- . Automated workflow for departments' submissions as per budget guideline documents.
- . Comparison capabilities for department budget submissions, scenario's & recommendations.
- . Planning of secondary costing i.e. Departmental charges, internal recoveries and activity-based charges.
- . The system should be able to link Expenditure and Revenue to All segments of mSCOA.
- . Track, compare and report on budget versus actual amounts for year 1 of the medium-term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement
- . Enable what-if inter-operability and modelling between the municipality's main budget module and the sub-budget modules.
- . The statutory budget submission to the National Treasury local government Database (LG Database);
- . Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) port
- . Allow the municipality to budget for its full organogram (organisational structure).

- . Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.
- . Ensure that the planned positions are budgeted for pro-rata to when the expected appointment can be done.
- Supply the general ledger's main budget module with counts of the actual and planned positions
- . (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.
- . Allows budgeting for "new capital" projects requested in the integrated development plan (IDP).
- . Anticipates completion and subsequent operational costs of these "new capital" projects.
- . Calculates existing and anticipates new planned assets' maintenance, insurance and a percentage of "un-planned" maintenance.
- . Calculates depreciation, taking into account the impact of major repairs.
- . Calculates profit or loss on planned disposals.
- . Provides for a (contract) retention payment schedule.
- . Provides for grant and work-in-progress (WIP) or contract management payment schedules to assist the main budget module with its forecasting and cash flow management.
- Supplies the general ledger's main budget module planned budgets with the full mSCOA segments as a budget line. This functionality should be able to provide this for both expenditure and balance sheet
- . Provide the asset maintenance plan.
- Allow the public to provide comments on the budget electronically via the municipality's website. These
- . comments together with the comments received from public sessions to be populated/consolidated
- . Automate the virement process as per the virement policy.
- . Provide the annual procurement plan.
- . Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments.
- A comprehensive project module that allows for integrated development plan (IDP) objectives to be
- . transferred into the project module for planning, budgeting and ultimately reporting purposes.
- . The municipal budget module must be aligned to the project module.
- . Projects registered in the project module must be aligned to the mSCOA Project segment.
- All segmentation of mSCOA must be incorporated into the project module, whereby a project-based
- . budget is produced, informed by the integrated development plan (IDP) and giving input to the annual service delivery- and budget implementation plan (SDBIP).
- . Operating budget items such as operating expenditure on repairs and maintenance, operational costs and typical work streams must originate from the project module.
- . Project management and stakeholder inputs must be controlled by clear business processes and user access controls.
- . Projects not completed within a financial year must be carried over and work-in-progress (WIP) items registered.
- . Project managers should have full access to their projects within the limitations of the budget and internal policies.
- . Workflow processes must assist in project maintenance.
- . Strict budget control as per the approved integrated development plan (IDP) must be maintained.
- . Must be able to support the generation of mandatory budget pricing at the beginning of the project and the maintenance thereof.
- . Budget control and management of virement requirements.
- . Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation.

Supply chain management and management of payables

- . Creating a supplier database.
- . Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates.

- . Make payments and part payments. Allow for future and scheduled payments.
- . Align suppliers with debtors and HR modules.
- . Goods received notes for full or partial deliveries aligned to authorised issued purchase orders. Goods return notes with debit and credit orders;
- . Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers;
- . Selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution;
- . Sundry payments generated from payroll, billing or manual S&T transactions;
- . Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments;
- . Retention register with auto mated update, pay-out and balancing;
- . A cession register linked to the PMU with automated allocations;
- . Age analysis of creditors with supporting reports;
- . Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts);
- . The option to scan and store invoices and other documents on the supplier;
- . A web portal for suppliers to enquire on payment status and uploading/submitting of invoices.
- . Electronic payment of creditors and salaries.
- . Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation.
- . Interface to SARS efilling for automated reconciliations and submissions of disclosure.
- . Trace all financial asset transactions to the asset level.
- . Ensure that all asset transactions are aligned with mSCOA Regulations.

A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore it will be necessary to ensure direct link to Provisioning and payroll modules exist etc. through the application of internal billing departmental charges or activity based recoveries.

- . Funds management and budget availability control.
- . Allow for requisition from the annual procurement plan;
- . Align requisition to be project based;
- . Supplier rotation management (parameter driven);
- . Supply Chain Deviation Management Facility in terms of legislation;
- . Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;
- . Electronically manage the invitation, bid closure and adjudication process with a full document management server unpinning the cycle;
- . Record and electronically store the bid adjudication committee's meeting minutes and store the minutes on the document management server;
- . Different requisition origination such as online, manual, stores and other modules.
- . Project based requisition forms.
- . Follow accepted project management methodology through workflow and document management.
- . Allow for incentives, penalties and returns.
- . Evaluate supplier performance in accordance with contract deliverables.
- . Update incentives and penalties to supplier database.
- . Automate notification alerting relevant system users when a supplier's BEE certificate and tax certification reach expiry dates.
- . Maintain a Request for quote, quotations and proposals database linked to suppliers.
- . Automated notification of price differences outside of approved variance.
- . Automated evaluating of quotations with parameters.
- . Comparative tables for allocation of bids.
- . Automated notification and ordering system.

- . Workflow and document management in quotation process.
- . Allow for automated purchase orders from approved requisitions.
- . Electronic authorising and signing of purchase orders (PO's) through workflow process.
- . Automated sending of purchase orders (PO's) to supplier through email and/or fax.
- . Processing of partial order deliveries with automated reminders of outstanding items.
- . Automated transfers of outstanding orders to future periods with budget controls.
- . Align purchase order (PO) deliverables to the annual service delivery- and budget implementation plan (SDBIP).
- . All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc. In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow
- . management to control the consumable items in an effective and controlled manner.
- . The stores module must seamlessly integrate and balance with the core financial system.
- . Where a full stores module is operational, high value items should annually be measured to establish whether any of these items should be capitalised as 'assets'.
- . Normal functions should be included as standard best practice and should include but not be limited to:
 - . Warehouse management;
 - . Acquisitions;
 - . Stock Level Management;
 - . Disposals;
 - . Automated consumable stores stock count sheets (departmental stores).
- . Provide for a grant register linked to ledger accounts.

Safety and health

- . A Safety, Health and Environmental (SHE) module to comply with general Health and Safety Regulations should be incorporated within the system. (For example the Construction Regulations, the Occupational Health and Safety (OHS) Act, 1993, General Administrative Regulations, General Safety Regulations and the National Environmental Management Act, 1998)
- . Regulatory Safety, Health and Environmental (SHE) documentation must be available in a document management tool with defined check lists and milestones.
- . Health and safety incidents must be recorded and managed on the system and reported as per legislation.

Cash book, receipts and receivable management.

- . Automated receipting of bank deposits received.
- . Automated passing of journals for interest and other bank charges.
- . Management reporting on all charges should be available for reports as well as dashboard information.
- . Allow for multiple bank accounts and sweeping between accounts;
- . Automated receipting of debtor payments and other monies received;
- . Automated passing of journals for interest and other bank charges;
- . Automated clearing of system generated transactions such as payments; and
- . Automated clearing of cash received in the general ledger (GL) to the bank account;
- . Automated reconciliation of bank statements to the ledger and supplying supporting documentation for management.
- . Forecasting of cash must be available on a dashboard.
- . Support mSCOA segmentation in the cashbook module.
- . A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.
- . Internal cash receipt with drawdown of petty cash.

- . Automated payment requests with user authorisation and access control.
- . Interest Received and interest expense reconciliation.
- . Cash Flow Management which includes forecasting and analysis and full integration with the budget and financial accounting modules.
- . Must be able to easily integrate with banks. Seamless upload of payroll information.

Legislation

- . Adhere to the municipality's delegation of duties and authority levels;
- . Ensure the service level agreement (SLA) and allocation letters are electronically archived prior to any payment being made;
- . Enforce where applicable retention enforcement and manage retention registers;
- . Ensure tax clearance management for the duration of the contract;
- . Integrate with the asset management system;
- . Ensure that all payments are made within 30 days of receipt of an invoice therefore; and
- . Ensure that full accrual is done at month-end and year-end cut-off periods.
- . Contract management through workflow and audit trail.

Asset management

- . Support and maintain a asset register according to the specifications of GRAP 17
- . Manage the full asset life cycle;
- . Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP);
- . Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components;
- . Enable table-to-floor inspection sheets (electronic devices are preferred) as well as floor-to-table look-up methodologies;
- . Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);
- . Compile and monitor expenditure against the asset maintenance plan;
- . Integration to billing systems to monitor investment properties and valuation inconsistencies;
- . Utilise the billing system functionality to ensure ownership of land and buildings to the deeds register;
- . Capital acquisition, maintenance and replacements must be driven from the project module.

Payments and payroll

- . Direct invoice payment such as Eskom;
- . Travel claims Management.
- . Ad hoc payroll runs must reflect in the Financial Management System.
- . Must cater for pensioners' benefits.
- . Provision to record allowance details against a post and employee (e.g., Telephone allowance, categories, amounts, telephone number, etc.)
- . Must provide a facility to automate the update of tax tables whenever changes occur.
- . History of previous tax tables must be retained on the system for an indefinite period.
- . The system must cater for all requirements of the South African Revenue Services (SARS).
- . The system must be able to cater for more than 1 payroll type (e.g. staff, pensioners, etc.)
- . Narrative type pay slips must be provided.
- . Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT).
- . Provide a payment hold facility.
- . Third Party deduction and payments in terms of schedules or ad hoc basis.
- . Variance reporting.
- . Creation of "invoices" for 3rd parties, SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds;
- . Support multiple payrolls with different pay structures.

Budgetary Control

- . The system should be able to control the budget so that the budget is not exceeded right at the point of approving purchase orders or purchase orders;
- . The system should allow for the revision of the budget to cater for an adjustment budget;

- . The system should at any time be able to give budget reports indicating variances between budget and expenditure to date;
- . The system should be able to show budget per vote taking into account outstanding purchase orders at time of ordering;
- . The system should be able to monitor budgets per project in addition to general ledger budgets;
- . The system must be able to conform to National Treasury's all budget versions as and when update required;
- . The system must always be able to draw the budget schedules directly on and from the system;
- . The system must be able to operate on at least 7 financial business process;
- . The system must have an option of the virement process as per the virement policy;
- . A comprehensive project module that allows for integrated development plan (IDP) objectives to be transferred into the project module for planning, budgeting and ultimately reporting purposes; (full budget tool according to the specifications of National Treasury) and
- . The municipal budget module must be aligned to the project module

General Ledger

- . The system should conform to the Standard Chart of Accounts, this include the hosting of the mSCOA structure, and its associated detail as contained in the 7 defined segments;
- . The system should be able to produce a general ledger and Trial Balance for all the votes
- . (Consolidated) or for a Function/Sub Function i0e0 must be able to accommodate and operate the classification framework across all 7 segments at a transactional level;
- . Full Audit Trails at transaction level, should be shown, when required system or reports should show who posted transactions into the ledger, date and time;
- . The system should allow for full segregation of duties between originating entries and posting them to them as well as just viewing the transactions;
- . The system should allow for enquiry at general ledger account level;
- . The System should be able to produce a Statement of Financial Performance as per GRAP 1 and Treasury reporting Requirements;
- . The System should be able to produce a Statement of Financial Position per GRAP 1 and as required by Treasury;
- . The system must be able to do automated back-ups should the appointed system administrator experience difficulties of performing such on-site;
- . The system should allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications;
- . The system must have journal capturing capabilities (including reversible and recurring journals) including electronic approval;
- . The system must be able to provide a full asset register according to the prescriptions of general recognized accounting practice
- . The system must have a full debtors management system0 (Esme should be able to give more detail about receipting and age analysis
- . Must be able to handle a stores function
- . Should be able to cater for the whole supply chain management functions and creditors function and age analysis
- . Cash book and bank reconciliation functions
- . Must provide for 13th period to cater for audit journals as well as a journal function on all the sub systems
- . System must be able to drill down on all transactions, onscreen and be able export to any electronic medium
- . Electronic submission of order requisitions and petty cash requisitions, and electronically approved by the responsible manager / HOD
- . Asset verification system must be part of the system and not an external system which integrates and exports
- . Full integration of the monthly payroll Journal as per Mscoa Requirements
- . Creation of daily Payment file of creditors and Sundry payments into any banking system for payment
- . Email of all debtor statements at month end
- . Email of remittance advices to supplies after payment
- . Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes
- . when applicable0 This creates a temporary total liability of the payroll balance on the integration control

Grant Accounting

The system should be able to account for grants according to GRAP Standards on accounting for

- Revenue from Non-Exchange Transactions and be able to produce Grant Reports/ Registers showing
- . Grant Opening Grant Received, Expenditure per Grant, Balance Unrealised Grants.
- . Automate receipt allocation of grants.
- . Automate payment allocations.
- . Link to mSCOA funding source with budget control.
- . Provide for reporting in accordance with the mSCOA Regulation and internal control.

MFMA Section 71&72, Treasury Budget Returns

- . The system should automate the production of all MFMA and treasury reports without requiring these reports to be recaptured by hand; and
- . The system should be able to reconcile the section 71, 72, all budget schedules and returns to the mSCOA data strings;
- . Seamless integration between the different sub systems. (payroll, debtors, creditors, assets)

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE FRANCES BAARD DISTRICT MUNICIPALITY					
BID NUMBER:	BID 08/21	CLOSING DATE:	28 OCTOBER 2021	CLOSING TIME:	12H00PM
DESCRIPTION	SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF A FINANCIAL MANAGEMENT SYSTEM				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX
SITUATED AT (STREET ADDRESS)

Frances Baard District Offices (Tender Box)					
51 Drakensberg Avenue					
Carters Glen					
Kimberley					
8301					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		<input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE		R
SIGNATURE OF BIDDER		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	FINANCE – SCM		CONTACT PERSON	Mr. S. Suliman	
CONTACT PERSON	MR. P. SOUDEN		TELEPHONE NUMBER	053 838 0911	
TELEPHONE NUMBER	053 838 0948		FACSIMILE NUMBER	053 861 1538	
FACSIMILE NUMBER	053 861 1538		E-MAIL ADDRESS	onneile.moseki@fbdm.co.za	
E-MAIL ADDRESS	Phillip.souden@fbdm.co.za				

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:										
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED) OR ONLINE 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.										
2. TAX COMPLIANCE REQUIREMENTS										
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS. 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA. 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3. 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID. 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER. 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.										
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>	3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO									

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:BID: 08/21

CLOSING TIME 12:00

ON: 28 October 2021

OFFER TO BE VALID FOR **90** DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED TAX</u>
------------	-------------	--

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of VAT for the project.

R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION

HOURLY RATE

DAILY RATE

R-----

R-----

R-----

R-----

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

R-----

----- days

R-----

----- days

R-----

----- days

R-----

----- days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED

RATE

QUANTITY

AMOUNT

R.....

R.....

R.....

R.....

TOTAL: R.....

Name of Bidder:

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	R.....
.....	R.....
.....	R.....
.....	R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid
 7. Estimated man-days for completion of project
 8. Are the rates quoted firm for the full period of contract?
 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

Any enquiries regarding bidding procedures may be directed to the –

SUPPLY CHAIN MANAGEMENT
 Mr. P. Souden
 Tel: 053 838 0946

Or

for technical information –
 Ms. O. Moseki
 Tel: 053 838 0911

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**

3.6.1 If so, furnish particulars.

.....

.....

3.7 Have you been in the service of the state for the past twelve months? **YES / NO**

3.7.1 If so, furnish particulars.

.....

.....

3.8 Do you, have any relationship

* MSCM Regulations: "in the service of the state" means to be –

(a) a member of –

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

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(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.

(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?

YES / NO

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?

YES / NO

3.9.1 If so, furnish particulars

.....

3.10 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state?

YES / NO

3.10.1 If so, furnish particulars.

.....

3.11 Are any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in service of the state?

YES / NO

3.11.1 If so, furnish particulars.

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE. (A FALSE DECLARATION MAY RESULT IN CANCELLATION OF CONTRACT AND BLACK LISTING)

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

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, 2017.

1. GENERAL CONDITIONS

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

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

1.2

- a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the **80/20** preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 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) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“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 goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

P_{min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (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	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 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 or QSE

(***Tick applicable box***)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

Designated Group: An EME or QSE which is at least 51% owned by:	EME √	QSE √
Black people	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are youth	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are women	<input type="checkbox"/>	<input type="checkbox"/>

Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name _____ of
company/firm:.....

8.2 VAT _____ registration
number:.....

8.3 Company _____ registration
number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated:

.....

Registered Account Number:

Stand Number:.....

8.8 Total number of years the company/firm has been in
business:.....

8.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 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 paragraphs 1.4 and 6.1, 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 contributor 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) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

CONTRACT FORM - RENDERING OF SERVICES**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I..... in my capacity as.....
accept your bid under reference numberdated.....for the rendering of
services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of
the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1

2

DATE:

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>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)?</p> <p>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.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>

4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME)
CERTIFY THAT THE INFORMATION FURNISHED ON THIS
DECLARATION FORM TRUE AND CORRECT.**

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

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

- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

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

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:_____that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js9141w 4

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

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.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- 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.

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

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

	(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	<p>31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice</p> <p>31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.</p>
32. Taxes and duties	<p>32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.</p> <p>32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.</p>
33. National Industrial Participation Programme (NIP)	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	<p>34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).</p> <p>34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.</p>

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.