

**TSWAING LOCAL MUNICIPALITY**



**PROVISION OF PREPAID VENDING MANAGEMENT SYSTEM SERVICES FOR 36 MONTHS**

**TENDER NO: SCM 008/2023/2024**

NAME OF TENDERER : .....

ADDRESS : .....

: .....

CSD MAAA NUMBER : .....

TENDER AMOUNT (VAT INCLUSIVE: .....

ISSUED BY:

The Municipal Manager  
Tswaing Local Municipality  
P.O.BOX 24  
Delareyville  
2770

Tel: (053) 948 9400  
Fax: (053) 948 1500

**Closing Date : 11/04/2024**  
**Closing Time : 12:H00**

## TSWAING LOCAL MUNICIPALITY

### 1. BID CHECKLIST

Bidders are to use this checklist to ensure that the bid documentation is complete for administrative compliance. The bidder is to indicate that the document is complete and included in the bid document by completing the table below.

Tick to indicate that the information is included

ITEM	DESCRIPTION	YES	NO	N/A
1.	Is your business registered as accredited prospective supplier on the CENTRAL SUPPLIER DATABASE?			
2.	Is the administration fee paid and a copy of the receipts attached to the bid document? Not applicable if the tender document is downloaded on the etender portal			
3.	Did you read and understand all pages of the bid document?			
4.	Did you complete the bid document in black ink?			
5.	Did you provide a certified copy of your business registration?			
6.	Did you provide a certified copy of the identity document of all the directors?			
7.	Did you provide registration certificate pertaining to the relevant industry e.g. (Electrical Contract Board) if applicable			
8.	Did you provide a covering letter?			
9.	Did you provide an original and valid tax clearance certificate? (MBD2)			
10.	Where applicable, is the resolution taken to the Board of Director/Members/Partners completed and signed? (Section 4)			
11.	Where applicable, is the resolution taken to the Board of Directors of a Consortium or Joint Venture completed and Signed?			
12.	Is invitation to Bid completed and signed? (MBD 1)			
13.	Is the Declaration of interest completed and signed? (MBD 4)			
14.	Is the Declaration of Bidder's Past Supply Management Practices completed and signed? (MBD 8)			
15.	Is the Certificate of independent Bid Determination completed and signed? (MBD 9)			
16.	Did you complete and sign the Previous Work experience of a similar Nature section.			
17.	Is the preference Points Claim form in Terms of the preferential Procurement Regulation 2022 completed and signed? ( MBD 6.1)			
18.	is the certified copy or original BBBEE status level contribution certificate provided in order to claim preferential points in terms of the Preferential Procurement Regulation 2022.			
19.	Does the product/service offered conform to the Bid Specifications?			
20.	Is Pricing Schedule Completed? (MBD 3.1)			
21.	Did you complete the contract Form? (MBD 7.1)			
22.	Where applicable, is the Declaration for Procurement Above R 10 Million (VAT included) completed and signed? (MBD 5)			
23.	Did you attach the annual financial statements as required in MBD? (For Procurements above R 10 million)			

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## TSWAING LOCAL MUNICIPALITY

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### LIST OF RETURNABLE DOCUMENTS

The following documentation must form part of tender submission: -

- Proof of Central Supplier Database (CSD) registration
- Valid Tax Clearance Certificates (**Original Document**) / Tax Compliance Status Pin in line with tax reforms
- Company Profile with references
- Registration with statutory bodies
- Proof of residence of all Directors of the Company or JV (**Not older than three months**);
- Proof of residence for the business premises (**Not older than three months**);
- Statement as Proof of payment of Municipal services for business properties (**Not older than three months**)
- Statement as Proof of payment of Municipal services for residential properties of all Directors of the company (**Not older than three months**);
- Original or Certified Copy of BBBEE certificates obtained from accredited agencies by SANAS or registered auditors approved by IRBA (Independent Regulatory Board of Auditors) or in case Exempted Micro Enterprises, the BBBEE certificate may be issued by registered Accountant as well.

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ PUBLIC ENTITY)**

BID NUMBER: SCM008/2023/24      CLOSING DATE: 11/04/2024      CLOSING TIME: 12h00

DESCRIPTION

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

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

**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			
TCS PIN:		OR	CSD No:
<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?			
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX		<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)
		<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)
		<input type="checkbox"/>	A REGISTERED AUDITOR
		NAME:	

**[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 BELOW ]
<b>SIGNATURE OF BIDDER</b>	.....	<b>DATE</b>	
<b>CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach</b>			

<b>proof of authority to sign this bid; e.g. resolution of directors, etc.)</b>			
<b>TOTAL NUMBER OF ITEMS OFFERED</b>		<b>TOTAL BID PRICE (ALL INCLUSIVE)</b>	
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
MUNICIPALITY/ PUBLIC ENTITY		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

- All prospective suppliers must make sure that they are registered on CSD in line with MFMA Circular 81

**MBD 1**

**PART A**

**INVITATION TO BID  
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. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
- 1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
- 1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR 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 TAX COMPLIANCE STATUS (TCS) 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 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
- 2.6 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**

- 3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?  YES  NO
- 3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?  YES  NO
- 3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?  YES  NO
- 3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?  YES  NO

**IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.**

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**TSWAING Local Municipality.**

**Municipality: Budget and Treasury: Supply Chain Management Unit**

**Contact Person: Melken TJ**

**Tel: 053 948 1943**

**Fax: 053 948 1500**

**Technical Enquiries: GJ Moleboge**

**Tel: 053 948 9400**

**Fax: 053 948 1500**



## **MBD 2**

### **TAX CLEARANCE REQUIREMENTS**

IT IS A CONDITION OF BIDDING THAT -

1. The taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. The attached form "Application for Tax Clearance Certificate (in respect of bidders)", must be completed in all respects and submitted to the Receiver of Revenue where the bidder is registered for tax purposes. The Receiver of Revenue will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of twelve (12) months from date of issue. This Tax Clearance Certificate must be submitted in the original together with the bid. Failure to submit the original and valid Tax Clearance Certificate may invalidate the bid.
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate Tax Clearance Certificate. Copies of the Application for Tax Clearance Certificates are available at any Receiver's Office.

## EVALUATION PROCESS

Bids will be evaluated on 3 categories:

- (i) Tender responsiveness on returnable documents,
- (ii) Technical content (functionality),
- (iii) Price and preferential points.

Bids will be evaluated in accordance with the prescripts of the PPPFA 5 of 2000, Preferential Procurement Regulations 2022 which stipulate **80/20**-point system.

Minimum score for functionality to proceed to next phase is 70%

FUNCTIONALITY CRITERIA	Max number of points	Points Obtained
<b>Functionality Area</b>		
<b>1.TECHNICAL REQUIREMENTS</b>	<b>65</b>	
<b>Company structure</b> Submission of company organization structure with names relevant to the project. <b>Maximum points = 5</b>	5	
<b>CV's and certified qualification of Personnel as per Structure</b> <b>Project Manager:</b> BSC/B-Tech or Higher with 8 Years' experience in Project Management. 10 <b>Vending System Developer:</b> BSC/B-Tech Information Technology and Communication with 5 years' experience or more. 10 <b>Metering Manager:</b> National Diploma/B-Tech or Degree or Higher in Civil Engineer or similar Metering Qualification with 3 years' experience or more. 05 <b>Maximum points = 25</b>		
<b>Previously/current Electricity Vending and/or Pre-Paid System Projects. NB: attach Appointment Letters and/or Completion Certificates.</b> No attachment 0 1 Project 10 2 Projects 20 3 Projects and above 30 <b>Maximum points = 30</b>		
<b>2.PROJECT METHODOLOGY/PROPOSAL</b>	<b>40</b>	
<b>NB Failure to obtain 40 is automatic disqualification</b> <b>Prepaid Meter Management</b> <ul style="list-style-type: none"> <li>• Proven Software System in compliance with all specifications.</li> </ul>	20	

<b>Customer Service</b>	20	
<ul style="list-style-type: none"> <li>• Proof of vending software product ownership and compliance to relevant STS requirements.</li> </ul>		
<b>Total points for functionality</b>	<b>100</b>	

## RETURNABLE DOCUMENTS

- Proof of Central Supplier Database (CSD) registration
- Valid Tax Clearance Certificates (**Original Document**) / SARS Compliance Status Pin in line with tax reforms
- Company Profile with references
- Proof of residence of all Directors of the Company or JV (**Not older than three months**);
- Proof of residence for the business premises (**Not older than three months**);
- Statement as Proof of payment of Municipal services for business **properties (Not older than three months)**
- Statement as Proof of payment of Municipal services for residential properties of all Directors of the company (**Not older than three months**);
- Original or Certified Copy of BBBEE certificates obtained from accredited agencies by SANAS or registered auditors approved by IRBA (Independent Regulatory Board of Auditors) or in case Exempted Micro Enterprises, the BBBEE certificate may be issued by registered Accountant as well.
- All prospective suppliers must make sure that they are registered on CSD in line with MFMA Circular 81

*NB: Bidders who score less than 70% on functionality points will be regarded as non-responsive and will not be evaluated further!*

## **Terms of reference for the provision of Prepaid Vending Management System Services for 36 months**

Purpose of this project is to appoint a service provider for the provision of the Management and Maintenance of an Online Prepayment Electricity Vending System.

### ➤ **BACKGROUND**

The Tswaing Local Municipality is therefore looking for a service provider that will assist in Supporting and maintaining an electricity prepayment vending system as it is an integral part of the Tswaing Local Municipality.

### ➤ **LEGISLATIVE REQUIREMENTS**

Municipal Finance Management Act 56 of 2003.

### ➤ **CURRENT SYSTEM CONFIGURATION**

The current system is utilised to vend electricity and issue free electricity tokens to registered Indigent debtors. The current system also includes an integrated AMI Head End System for 2 way communication to the current installed meter base.

### ➤ **OBJECTIVE OF THE TENDER**

The objective of this tender is to invite bidders for a SMART Prepayment Electricity Meter Vending System that is Standard Transfer Specification (STS) Edition 2 compliant and an Advanced Metering Infrastructure (AMI) Head End System to serve the approximately 1000 existing smart meters (but not limited to) at the Municipal area.

The contract includes the support and maintenance of all hardware and software to meet the SMART STS Solution requirements; as well as Electricity Prepayment Data Management and Revenue Protection Service and Revenue Management, to ensure that it is operating efficiently in all areas right across the Municipality.

### **Scope and extent of work**

#### **A successful service provider needs to perform the following services:**

### ➤ **SCOPE OF TENDER**

The Tswaing Local Municipality is seeking to partner with a service provider for the following services:

#### **PRIMARY SERVICES:**

1. Commissioning of a Cloud Smart STS prepayment system that is STS Edition 2 Certified.
2. Supply of all prepayments high quality communication links;

3. Support and maintenance of all software and hardware to meet the new vending requirements;
4. Provide functionality for internet, cellular phone, bank ATMs, as well as third party vending;
5. Integrate into the current Billing system for arrears payments and account payment for prepaid and post-paid consumers.
6. Integration into existing Head End System for Remote token routing, meter diagnostics and maintenance of existing and future meter support.
7. A complete TID Rollover implementation plan detailing multiple methods of token distribution to be used to facilitate process.

#### SECONDARY SERVICES:

1. To provide Prepayment Electricity Data Management related to the Revenue Management Function in order to ensure that customer and meter information in the system is correct and up to date;
2. Distribute FBE Tokens to indigent consumers without the need to visit a vending station;
3. Prepayment Electricity Meter Data Management such as (but not limited to) meter information, tariff information, faulty meters, meter changes, statistics, financial information, blocked meters, debtor data information, synchronization of data between the financial and vending system, historical information;
4. To provide a Revenue Protection Functionality to indicate tampered meters and irregular transactions;
5. To supply a detailed hard and soft copy Operations and Maintenance Manual for each of the supplied goods/ products;
6. To successfully migrate the data from the existing prepayment system to the new system;
7. The system must comply with all legislative and audit requirements;
8. The system must generate standard reports with filtering ability, as well as ad-hoc reports that are requested from time to time
9. To provide training and transfer of skills to all relevant officials;
10. The Solution must integrate to the Billing system for mSCOA compliance.

**NB: The primary and secondary services are compulsory and should the tender proposal not meet the above requirements, the tenderer will be disqualified.**

## **TENDER SPECIFICATIONS**

The online and real-time prepayment electricity vending system to operate in a highly redundant and secure, centralised server environment.

### **Software and Hardware requirements**

#### **Compliance and Certifications**

- a) Fully Compliant with IEC62055-41 (STS) Edition 2 specifications and all relevant STS guidelines, with relevant certificate to be supplied as proof.
- b) The Supplier needs to comply with National Rationalised Specification - NRSO47 and NRS009 specifications.

#### **1. Vending**

The system must perform vending through:

- Point of sale terminals;
- Internet;
- Cellular phone and
- ATM machines

#### **The steps of vending shall be:**

- 1.1 On receipt of the vend request the system shall have a provision to ascertain the identity of the consumer;
- 1.2 The keys to identify the consumer shall be the meter serial number;
- 1.3 The vend terminal shall send the request to a central database server that shall authenticate the transaction request and generate an encrypted code;
- 1.4 In order to provide maximum security to the system, the encryption shall not be done on the vending terminal but only on the central database server;
- 1.5 On receipt of each request the vend terminal shall connect to the central database server in order for the encrypted vending code to be generated;
- 1.6 The generated vending code shall be printed by the officially supplied hardware, and/or digitally displayed as in the case of internet or cellular phone vending;
- 1.7 Token layout will comply with the Municipality's specification;
- 1.8 Tokens will be legible for at least one month from date of purchase;
- 1.9 The monetary value per token can be limited per the Municipality's requirements e.g. minimum and maximum value, per consumer etc;
- 1.10 The Municipality must have the option to limit the customer total monthly purchases per customer.
- 1.11 All payment types are recorded as returned by the vending terminal or third party aggregator;
- 1.12 The amount tendered must first be allocated to clear the debtor's arrear balance if applicable, and then to allow for immediate purchasing of prepayment electricity;
- 1.13 The consumer can pay the municipal debtor account at any terminal which will be transferred to the Municipality's financial system, in a format as prescribed by the Municipality;
- 1.14 The system functionality must include reprints of tokens when required;

- 1.15 The system is capable of performing vending functions simultaneously across all terminals and multiple types of vend can be combined one receipt at each terminal e.g. account payment, EBSST and electricity token;
- 1.16 Cancellations are not allowed at the terminals;
- 1.17 Inclining block tariffs are supported per NERSA requirements;
- 1.18 The Municipality's image will be positively reflected by the service provider's staff, collectors and aggregators per a code of conduct.
- 1.19 The system must support the TID rollover process and must be STS Edition 2 Compliant.
- 1.20 Tokens must be played remotely to meters on purchase should consumers wish to enable this feature.

## **2. AMI STSTEM Integration Requirements**

- 1.1 Collection of data from existing and new meters
- 1.2 Remotely send data and tokens to meters
- 1.3 Perform load balancing
- 1.4 Generate profiling reports
- 1.5 Perform demand side management
- 1.6 On demand meter profiling
- 1.7 Prepaid and pot-paid meter switching capability.
- 1.8 Remote Meter disconnects and reconnects.
- 1.9 Event and alert notifications such as meter tamper conditions.
- 1.10 API for post-paid billing to billing system integration.

### **3. Account Payments**

- 1.1 The consumer should be able to make bill payments at any point of sale. This is in line with the Municipality's goal of increasing accessibility to municipal services and debt reduction;
- 1.2 The consumer does not have to be registered to a meter to make a payment.

### **4. General**

- 4.1 The system must integrate with the Municipality's financial and other systems such as, Debt Management System.
- 4.2 The system must support STS Edition 2 and provide a mechanism for a phased rollout of key-change tokens to support the base date change over for management of the TID rollover process. This must include automated TID rollover per region, zone, tariff, and individual accounts at the minimum.
- 4.3 The system must cater for multiple base date functionality in the security module.
- 4.4 The system must support an import mechanism for loading of the new key-load file specification as contained in STS600-4-2.

The service provider must provide the minimum number of vending terminals as required with the following functionality, but not limited to:

- Integrated Modem;
- Integrated Printer;
- Integrated LAN Port;
- Integrated Display Screen.

### **5. Management Centre**

The successful bidder to provide personnel that shall be a part of the vending system process. The vending system must have capability to integrate with the financial management system central database and produce the management reports. The successful bidder must manage the administrative data, including settings of system accounts, tariffs, meter and Consumer data.

**Various tasks that should be performed for the municipality are outlined below, but not limited to:**

- 5.1 Consumer Data Maintenance related to the debtor's profile
- 5.2 Meter Database Management
- 5.3 Uploading of meter database

### **6. Meter Management**

The system shall support at least the following meter states:

- 6.1 Scrapped;
- 6.2 Installed;
- 6.3 Removed;
- 6.4 In Stock

Meter states can be updated and modified as required.



## **7. Functionality**

- 7.1 Link a consumer with a location / meter/Point of Connection;
- 7.2 Meter management processes shall automatically change the modes of operation associated with a meter.

## **8. Tariff Management**

- 8.1 Tariff Management
- 8.2 Tariff structure definition is to be in line with NERSA requirements;
- 8.3 Tariff change administration in line with Auditor General requirements;
- 8.4 Inclining Block Tariff (IBT) to be supported;

## **9. Debt Management**

- 9.1 Transferring arrear information from the financial system into the Prepayment system;
- 9.2 Blocking and unblock meters manually and/or electronically;
- 9.3 Provision of various levels of blocking as prescribed by the Municipality;
- 9.4 Vending once arrears have been cleared
- 9.5 Account Payment

## **10. Revenue Protection**

- 10.1 Irregular transactions indicator/s (nil, low, or abnormally high);
- 10.2 Free-format comments field (notes) (maximum 250 characters)
- 10.3 Remote meter tamper notifications.
- 10.4 Meters not connecting to the system, possible bypass.
- 10.5 The service provider shall perform a sweep audit of all installed meters at least once per year for the duration of the contract.
- 10.6 Alternate audits may be required for meters suspected of tampering based on data and reports from both the vending system and the AMI system.

## **11. Transaction management**

The system shall support the following types of transaction:

- 11.1 Cash vend transaction;
- 11.2 Retained credit transaction;
- 11.3 Refund money transaction;
- 11.4 Purchase blocking facility;
- 11.5 Free basic electricity transaction;
- 11.6 Arrear collection and debtor account payments;
- 11.7 Engineering transactions
- 11.8 Account Payment transaction

## **12. Message Management**

The system shall allow:

- 12.1 Entry of system messages;
- 12.2 Entry of customer specific messages;
- 12.3 Entry of predefined messages;
- 12.4 Ability to send short message service (SMS) or email

**13. User Security Management**

Security management shall include:

- 13.1 Group rights definition;
- 13.2 Entry of system users and allocation of group rights;
- 13.3 System administrator rights
- 13.4 Customer portal to view transaction history and messages

**14. Monitoring**

- 14.1 Control of all vending terminal operations;
- 14.2 Control and banking of cash collected through the prepayment system;
- 14.3 Issue of free basic electricity to indigent consumers;
- 14.4 On-line viewing of all vending terminals

**15. TID Rollover**

- 15.1 As part of the contract the service provider shall be responsible to implement the TID rollover process commencing on commissioning of the new Vending System. The process shall include the implementation and commissioning of the required STS hardware and software as well as the process to effect the base date update on each STS meter.
- 15.2 The base date update on each STS meter shall be undertaken by physically entering the tokens into the meter while auditing the meter installation at the same time.

**16. Reports**

- 16.1 All reports must have the functionality to export into various formats, such as (but not limited to) excel, csv, txt, etc. The export must be in a one-liner format;
- 16.2 The front-end screen of each report must include filters such as dates, areas, ward numbers, tariffs, debtor types, surnames, ERF numbers, meter numbers, street names, etc. The filters must be clearly defined in terms of data entry;

**17. Access Management**

The management interface required to operate the proposed solution shall be web-enabled.

### **18. Customer Service and Technical Support**

Bidder to provide technical and customer support services as follows:

- 18.1 Personnel on call and available to visit the site when
- 18.2 Detailed problem logging and escalation process with timelines;
- 18.3 To provide a flow chart - At a minimum, explain the number of severity levels, the criteria used to define problem severity at each level, who is notified at each level, and the time period between each severity level;
- 18.4 To provide a solution that has proactive service features. Bidder to describe any ability to self-diagnose errors and perform automated corrective action;
- 18.5 To describe the Professional Services capability as it pertains to this project. Include services offered, locations provided, and whether insourced or outsourced personnel are used;
- 18.6 To provide the details of the contractual arrangements between the bidder and the various communication networks, such as mobile telephone networks; to ensure that an uninterrupted service is provided.

### **19. Operation and Maintenance Manuals**

The operation and maintenance manuals of software, application and equipment supplied shall be furnished with the detail diagram of the design. The manuals must be available in hard copy and electronic format. A "help" facility must be available to all users of the system.

### **20. Training & Administration**

The successful bidder shall provide training as follows:

<b>Department</b>	<b>Training Requirements</b>
Counter Services and Prepayment	Operational and Administrative
Vendor Training	Operational
Debt Management	Operational and Administrative
Revenue Protection	Operational and Administrative
Electrical Engineering	Administrative and Technical
ICT System Administrator	System Maintenance
ICT Technical Engineers	Hardware Maintenance

The training will be conducted onsite and all trained staff members must be issued with a certificate after completion.

The bidder shall create a Standard Administration and Maintenance Procedure for solution provided.

### **21. Maintenance and Defects Liability Period**

The bidder shall provide regular maintenance services as per the manufacturer's instructions, which shall include but not limited to the following work, during the thirty six (36 months warranty period)

- 21.1 Inspect and repair where necessary;
- 21.2 Adjustment of applications;
- 21.3 Replacement of any defective parts

The successful bidder to ensure service continuity on solution proposed without transaction/data loss.

### **22. Service Level Agreement**

A three (3) year Service Level Agreement (SLA) will govern the working relationship between the Tswaing Local Municipality and the successful bidder for the solution provided. The contract (SLA) must be in line with the tender specification.

### **Maintenance Contract**

The services to be rendered through this contract will be as follows:

- 22.1 Support and maintenance;
- 22.2 Preventative maintenance;
- 22.3 Remote support;
- 22.4 Onsite support (such as, but not limited to onsite visits, onsite meetings, etc.);
- 22.5 Telephone support;
- 22.6 Upgrade services;
- 22.7 Enhancement services (such as, but not limited to amendments to reports, new reports, etc.);
- 22.8 Consulting service;
- 22.9 Licenses;
- 22.10 Patches updates;

### **The contract will be managed as follows:**

The user department will log the calls to the ICT Department and will escalate the faults to the service provider when needed;

### **The calls logged will be categorised as follows:**

<b>Priority</b>	<b>Fault Severity</b>	<b>Description</b>
1	CRITICAL	Vending System is not functioning — high impact on Business
2	HIGH	Processing can continue — circumvention acceptable in the short term
3	MEDIUM	Processing can continue — acceptable circumvention
4	LOW	No impact on processing
5	ENHANCEMENT	Request for additional functionality

The response and resolution times are expected to be as follows:

Priority	Description	Response	Resolution times
1	CRITICAL	Respond within one (1) working hour	Best effort to resolve within two (2) working hours
2	HIGH	Respond within two (2) working hours.	Best effort to resolve within four (4) working hours
3	MEDIUM	Respond within four (4) working hours.	Best effort to resolve within six (6) working hours
4	LOW	Solution may be implemented in future releases	
5	ENHANCEMENT	Quotation for enhancements and procurements of new equipment must be supplied with milestone dates for additional functionality and both parties will have to agree	

### **23. Guarantees System Performance**

- 23.1 The successful Tenderer shall have the new system commissioned within Two (2) months of the contract being awarded;
- 23.2 The Tenderer shall guarantee the systems' functional performance and any upgrades required to correct any system mal-operation, shall be for the Tenderer's account;
- 23.3 In the event of any latent defect (programming "bug") becoming evident, the Tenderer shall be responsible for the immediate rectification of such defects at their own cost.

### **24. Tender Documents And Format Of Submission**

Bidders are requested to present one copy of the response in ORIGINAL hardcopy. All documents relating to the tender must be in English.

Tender documents and submissions must be properly indexed and must be presented in line with the reference numbering within the tender specification.

### **25. Mandatory Documents And Information**

The documents listed and information must also be submitted. Failure to submit such documents and information will deem the tender submission to be non-responsive:

- 25.1 STS Edition 2 Compliance Certificate
- 25.2 Size and Ability to Support Online Vending System;
- 25.3 Bidder to describe the company's existing vending infrastructure (e.g. cellular phone/internet vending, etc.), including the volume of transactions, size and number of vending points;

- 25.4 The bidder should furnish the information on major past supplies under the relevant product/services and satisfactory performance for the last five financial years;
- 25.5 The bidder should be a manufacturer or the OEM authorized representative of respective system and or supply and maintenance of the offered items for a minimum period of three years in South Africa;
- 25.6 The bidder to provide the name, respective titles, and years of experience of the person/s who will be responsible for management/co-ordination of all work on the project. In addition, provide the names of all personnel that are proposed to be involved in the project, their resumes, and their proposed roles/responsibilities (including the name of subcontractors and their personnel who will be working on the project, if any);
- 25.7 The Bidder to provide a summary describing the bidder's area of expertise and resource capabilities as they relate to this proposal.
- 25.8 Bidder shall also submit a minimum of three references from similar projects. Listing shall include name and address, title, and phone number of a contact person at that client. The Municipality reserves the right to contact any of the references supplied by the bidder to obtain information regarding work that the bidder has performed.

## **26. Evaluation Criteria**

**The Bids will be evaluated in three stages, namely:**

1. Administrative Compliance
2. Functionality
3. Specific goals.

Only bidders who are found to be responsive on this stage will be considered for functionality. Only bidders who **score 70%** or more of the points for functionality on stage 2 would be further evaluated on price and specific goals and therefore be eligible for the award.

It must be noted that bidders that fail to meet **70%** of the points for functionality will result in the tender not considered further. This will lead to the tender deemed non-responsive.

## **27. Tswaing Local Municipality Schedule of Compliance**

**The company should be compliant on prepayment electrical SMART Solution, Revenue Management and Revenue Protection for a period of three years.**

**Tender Number:**

<b>VENDING SYSTEM</b>					
1.	Offered solution provides for a fully functional SMART Meter System for the entire vending domain of the municipal area ( <i>must be demonstrated during practical evaluation</i> ).	YES		NO	
2.	Offered Solution has integrated AMI functionality with remote meter reading and token routing capability ( <i>must be demonstrated during practical evaluation</i> ).	YES		NO	
3.	Vending solution includes Retail Shops, Internet, ATM, Cellular Phone and Mobile Devices as points of sale ( <i>system implementation plan must be included</i> )	YES		NO	

4.	The SMART Meter System supplier needs to comply with National Rationalised Specification - NRSO47 and NRS009 specifications. <i>(documentary proof must be included).</i>	YES		NO	
5.	Tenderer is certified as an ISO 9001 company <i>(documentary proof must be included).</i>	YES		NO	
6.	The SMART Meter System must be able comply with municipal MSCOA requirements by integrating into a compliant Billing System <i>(must be demonstrated during practical evaluation)</i>	YES		NO	
7.	SMART Meter System provide for all types of payments i.e. cash, credit card, debit card, bank transfer and cheque.	YES		NO	
8.	SMART Meter System can generate STS Electricity, STS Water and STS Smart Meter Currency Token <i>(must be demonstrated during practical evaluation).</i>	YES		NO	
9.	SMART Meter System is real time and on-line <i>(must be demonstrated during practical evaluation).</i>	YES		NO	
10.	SMART Meter Solution support is provided on a 24x7x365 basis.	YES		NO	
11.	SMART Meter Solution is operational on a 24x7x365 basis.	YES		NO	
12.	The SMART Meter Solution must be fully Compliant with IEC62055-41 (STS) Edition 2 specifications and all relevant STS guidelines. <i>(documentary proof must be included).</i>	YES		NO	
13.	The System must support the STS TID rollover process, and documented approach must be included.	YES		NO	
14.	Guarantee of the vending systems' functional performance during the tender period (documentary proof must be included)	YES		NO	
15.	Active STS Vending Hardware shall be hosted in a secure cloud environment (documentary proof must be included)	YES		NO	
16.	Back-up SMART Meter System shall be hosted off the designated site - another location that meets compliant environment standards (documentary proof must be included)	YES		NO	
17.	Existing direct on-line vendors which are managed by the current service provider shall be facilitated and equipped with the necessary hardware to fully operate (system implementation plan must be included).	YES		NO	
18.	Existing 3rd party vendors which are managed by aggregators of the current supplier, shall remain operational during the installation and commissioning of the SMART Meter System (system implementation plan must be included).	YES		NO	
19.	SMART Meter System must be able to vend to all active STS meters installed in the municipal distribution jurisdiction (documentary proof must be included)	YES		NO	
20.	The SMART Meter System shall accommodate both 11 (eleven) and 13 (thirteen) digit STS meter serial numbers (must be demonstrated during practical evaluation)	YES		NO	
21.	The transfer from the existing system to a new system shall be executed without any hindrance to the normal vending operations (system implementation plan must be included)	YES		NO	

22.	The proposed system should be able to support multiple meter technologies i.e. Smart Metering and Automatic Metering Reading (must be demonstrated during practical evaluation)	YES		NO	
23.	The proposed SMART Meter solution should be able to interface with the existing municipal financial billing system, (system implementation plan must be included and an integration example must be demonstrated during practical evaluation).	YES		NO	
24.	The system shall be fully STS Edition 2 compliant and capable of vending STS prepayment credit and engineering tokens on both legacy STS and STS Edition 2 as required for the TID Rollover process (must be demonstrated during practical evaluation)	YES		NO	
25.	The SMART Meters System shall have an Application Programme interface (API) to allow third parties to access the system securely for integration purposes (must be demonstrated during practical evaluation)	YES		NO	
26.	The tenderer must be able to have all hardware operational for the hosted environment 2 (two) weeks before start date of the tender period (system implementation plan must be included)	YES		NO	
27.	The database must allow concurrent users to access data on a central database from various online terminals (must be demonstrated during practical evaluation)	YES		NO	
28.	Generate Reports as requested as per specification (must be demonstrated during practical evaluation)	YES		NO	
29.	The SMART Meter System shall operate on a standard readily available, PC-based machine Windows with no special modifications required to any parts (must be demonstrated during practical evaluation)	YES		NO	
30.	The SMART Meter System must include a consumer portal that will enable end consumers i.e. view sales history, usage profiles, display alerts, etc. (must be demonstrated during the practical evaluation)	YES		NO	
31.	The functionality of the security module must be in compliance with STS 600-4-x (documentary proof and system implementation plan to be included)	YES		NO	
32.	The data model of the SMART Meter System must allow for multiple meters to be linked to a single consumer account (must be demonstrated during the practical evaluation)	YES		NO	
33.	The software and database shall be able to accommodate, with no special changes other than hardware scaling, more than 1 million consumer records and 120 million transaction records from the main sewer (must be demonstrated during the practical evaluation)	YES		NO	
34.	A full system description and technical details of the solutions offered must be included (system implementation plan must be included)	YES		NO	
35.	Guarantee the systems functional performance and any upgrades required to correct any system mal-operation will be for the Tenderer's account (system implementation plan to be included)	YES		NO	
36.	The system shall support the latest version of the NRS009-6-10 XMLVend specification (must be demonstrated during the practical evaluation).	YES		NO	



37.	Detailed plan and costs of TID rollover process and implementation.	YES		NO	
38.	Revenue protection program including sweep audit plan and implementation plan included	YES		NO	
<b>VENDOR MANAGEMENT</b>					
1	Payment of collected revenue into the Municipalities bank account must be completed within 72 hours (working days) of transaction date (system implementation plan must be included).	YES		NO	
2	The tenderer must have insurance against revenue loss (proof needs to be included).	YES		NO	
3	Payment of revenue received (Prepaid & Auxiliary separately) directly in the municipalities account at predetermined times together with a reconciliation of said revenue.	YES		NO	
4	The tenderer will not allow any vending outlets to charge any additional cost for electricity on top of the YES approved municipal tariffs (system implementation plan to be included)	YES		NO	
<b>DATA MANAGEMENT AND REVENUE PROTECTION</b>					
1	The tenderer must have a proven experience at least 5 year track record to revenue protection services in a municipal environment, and may be required to demonstrate their solution and provide physical proof of the in-field tools used for these services.	YES		NO	
2	The tenderer shall include the details (identity documents and electrical trade certificates) of at least two qualified technicians (proof must be included)	YES		NO	
3	SARPA registration must be provided (proof must be included)	YES		NO	
<b>PROOF OF EVIDENCE</b>					
1	Attachment of full description and technical details of the solutions offered (System implementation Plan).	YES		NO	
2	Submit a schedule listing clause-by-clause, specific details indicating compliance or non-compliance with the requirements of specifications.	YES		NO	
3	Tenders shall supply independent, documented proof to substantiate conformance to these aspects.	YES		NO	
The tenderer must attach all supporting documents and will be subjected to a technical evaluation during a practical demonstration of the proposed system.					
<b>Total score points</b>					
Tenderer will be automatically disqualified if the evaluation score points is less than 45 points					

**LOWEST TENDER**

TSWAING Local Municipality does not bind itself to accept the lowest bid or assign any reason for the non-acceptance of a tender bid.

**PRICING SCHEDULE – FIRM PRICES  
(PURCHASES)**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of Bidder.....Bid Number:SCM008/2023/24

Closing Time 12:H00 Closing Date: 11/04/2024

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY (INCLUDING VAT)
-	Required by:	.....	
-	At:	.....	
-	Brand and Model	.....	
-	Country of Origin	.....	
-	Does offer comply with specification?		<u>  </u> *YES/NO
-	If not to specification, indicate deviation(s)	.....	
-	Period required for delivery	.....	<u>  </u> *Delivery: Firm/not firm
-	Delivery basis (all delivery costs must be included in the bid price)	.....	

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination

**DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state\*. 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.

.....

\* 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.

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

3.8.1 If so, furnish particulars.

.....  
.....

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

3.9.1 If so, furnish particulars

.....  
.....

**YES / NO**

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.

.....  
.....

**YES / NO**

**CERTIFICATION**

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

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

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

## MBD 6.1

**Preferential Procurement Regulation 2022**

## 52. Specific goals

- (a) Company which at least 51% is owned by Black People
- (b) Company which is at least 51% is owned by women
- (c) Company which at least 51% is owned by people with disabilities
- (d) Company which 51% is owned by people living in rural underdeveloped areas
- (e) Locality

Points to be allocated for specific goals and to promote economic development”

1. The following conditions will stipulate the specific goals as contemplated in section 2(1) (d) (ii) of the Preferential Procurement Policy Framework Act, be attained.
2. A maximum of 20 points (80/20) preference points system or 10 (90/10) preference points system will be allocated for specific goals. These goals are as follow”
  - a) Contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;
  - b) the promotion of enterprise located in the local area (phased in approach to be applied for other RDP
3. On paragraph 2 (b) above 50% of the (20/10) points will be allocated to promote this goal. Points will be allocated as follows:

Local area of Supplier	Number of Points for Preference (50%)		Means of Verification
	80/20	90/10	
Within the area of Tswaing Local Municipality.	10	5	Company registration- physical address
Within the area of Ngaka Modiri Molema District Municipality.	6	3	Company registration- physical address
Within the area of North West Province.	4	2	Company registration- physical address
Within the Republic of South Africa.	2	1	Company registration- physical address

4. Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender
5. A tender failing to submit proof of required evidence to claim preference for other specified goals, which is in line section 2 (1) (d) (i) of the Act.

- a) may only score in terms of the 80/90- point formula for price and;
- b) Scores 0 points out of 10/5 of the relevant specific goals where the supplier or service provider did not stipulate the area where the business is operating and/ or locating.
6. The preference points scored by a tender must be added to the points scored for price
7. The points scored must be rounded off to the nearest two decimal places
8. The contract must be awarded to the tender scoring the highest points

Specific Goals	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)	Means of Verification
Company which at least 51% is owned by Black People	10	5	CSD Report
Company which is at least 51% is owned by women	10	5	CSD Report
Company which at least 51% is owned by people with disabilities	10	5	Medical report indicating disability /CSD Report
Company which 51% is owned by people living in rural underdeveloped areas	10	5	CSD Report

#### Identification of preference point system

53. 1. Tswaing Local Municipality must, in the tender documents, stipulate—
- a) The applicable preference point system as envisaged in regulations 4, 5, 6 or 7;
- b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.
2. If it is unclear whether the 80/20 or 90/10 preference point system applies, Tswaing Local Municipality must, in the tender documents, stipulate in the case of—



- a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million

1. The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80 \left[ 1 - \frac{Pt - P \text{ min}}{P \text{ min}} \right]$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

2. A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender. (The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)

3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

4. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for acquisition of goods or services with Rand value above R50 million

1. The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

Where-

$$Ps = 90 \left[ 1 - \frac{Pt - P \text{ min}}{P \text{ min}} \right]$$

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{min}$  = Price of lowest acceptable tender.

2. A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender. (The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)
3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million

1. The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million,

$$P_s = 80 - 1 \left[ \frac{P_t - P_{max}}{P_{max}} \right]$$

Where-

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{max}$  = Price of highest acceptable tender.

2. A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender. (The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)
3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

1. The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 - 1 - \left( \frac{P_t - P_{max}}{P_{max}} \right)$$

Where:

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{max}$  = Price of highest acceptable tender.

2. A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender. (The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)
3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4. Subject to section 2(1) (f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

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Subcontracting as a condition of tender for procurement above R30 million (regulation 9)

1. The regulation states that if feasible to contract above R 30 million, an organ of state must apply subcontracting to advance designated groups.
2. The term "feasible" is used in recognition of the fact that it may not always be possible to subcontract in all tenders due to the nature of some tenders. (For instance it may not be possible to sub-contract one piece of machinery that is above R 30 million).
3. Tswaing Local Municipality will identify procurement opportunities for designated groups where compulsory sub-contracting must be applied to all contracts/ projects above R30 million.
4. The responsibility to determine whether it is feasible or not rests with Tswaing Local Municipality. Tswaing Local Municipality must ensure participation of EMEs and QSEs in contracts or projects and not just dismiss this provision on the basis that it is not feasible without providing facts and objective analysis to substantiate their decision.
5. Notwithstanding the minimum 30% compulsory sub-contracting provision, Tswaing Local Municipality may identify procurement opportunities for participation of designated groups in contracts or projects below R30 million.
6. Tenders must be advertised with a condition that tenderers who fail to comply with this requirement would be disqualified.

7. The Central Supplier Database (CSD) has been upgraded to allow bidders/ contractors/ suppliers access to CSD for identification of potential subcontractors from the pool of EMEs or QSEs to advance designated groups.
8. In the case of construction and built environment sectors, nothing prevents bidders/ contractors/ suppliers to select sub-contractors from the CIDB database who are registered on the CSD for the purposes of compliance with the minimum 30% compulsory sub-contracting provisions.
9. Tenderers or contractors must submit proof of subcontracting arrangement between the main tenderer and the subcontractor. Proof of subcontracting arrangement may include a subcontracting agreement between main tenderer and the subcontractor.
10. The responsibility for inclusion of compulsory subcontracting clause in the tender rests with Tswaing Local Municipality.
11. The responsibility to sub-contract with competent and capable subcontractors rests with the main contractor/ supplier in conjunction with Tswaing Local Municipality.
12. The contract will be concluded between the main contractor and Tswaing Local Municipality, therefore, the main contractor and not the subcontractor would be held liable for performance in terms of its contractual obligations.
13. Main contractors/ suppliers are discouraged from subcontracting with their subsidiary companies as this may be interpreted as subcontracting with themselves and / or using their subsidiaries for fronting. Where primary contractor subcontracts with a subsidiary this must be declared in tender documents.
14. Tenders that do not meet subcontracting requirements are considered as being not acceptable tenders and must be disqualified and may not be considered for further evaluation or award.

#### Criteria for breaking deadlock in scoring

55. 1. If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
2. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots. Which must be conducted by the Bid Evaluation Committee.

#### Remedies

56. 1. If Tswaing Local Municipality is of the view that a tenderer submitted false information regarding a specific goal, it must—
  - a) Inform the tenderer accordingly; and
  - b) Give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.
2. After considering the representations referred to in sub regulation (1)(b), Tswaing

Local Municipality may, if it concludes that such information is false—

- a) disqualify the tenderer or terminate the contract in whole or in part; and
- b) if applicable, claim damages from the tenderer.

**CONTRACT FORM – PURCHASE OF GOODS/ WORKS**

**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 BIDDER)**

1. I hereby undertake to render services described in the attached bidding documents to **TSWAING Local Municipality** 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 in terms of the Preferential Procurement Regulations 2022
    - Declaration of interest
    - 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 fulfillment 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 authorized to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

<b>WITNESSES</b>	
1	.....
2	.....

**CONTRACT FORM – PURCHASE OF GOODS/ WORKS**

**PART 2 (TO BE FILLED IN BY THE MUNICIPALITY)**

1. I ..... in my capacity  
as.....

accept your bid under reference number .....dated.....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 (VAT INCL)	COMPLETION DATE

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

SIGNED AT ..... ON .....

NAME ..... (PRINT)

.....

SIGNATURE .....

OFFICIAL STAMP

**WITNESSES**

1 .....

2 .....

**DECLARATION**

**MAIN**

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:
- abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
  - been convicted for fraud or corruption during the past five years;
  - willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - 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><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></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>for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) 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?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
4.4	Did 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 bids<sup>1</sup> 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).<sup>2</sup> 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:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> 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: , in response to the invitation for the bid made by: **TSWAING Local Municipality** do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.

- 8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
 Signature

.....  
 Date

.....  
 Position

.....  
 Name of Bidder

<sup>3</sup> **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.**

### **GENERAL CONDITIONS OF CONTRACT (GCC)**

#### **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 (GCC) 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 GCC. Whenever there is a conflict, the provisions in the SCC shall prevail.

**TABLE OF CLAUSES**

1. Definitions
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## 1. Definitions

1. The following terms shall be interpreted as indicated:

- 1.1 **“Acceptable bid”** means any bid, which, in all respects, complies with the specifications and conditions of the bid as set out in the bid document.
- 1.2 **“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, works or services.
- 1.3 **“Black enterprise”** means an enterprise that is 50,1% owned by black persons and where there is substantial management control. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise.
- 1.4 **“Black empowered enterprise”** means an enterprise that is at least 25,1% owned by black persons and where there is substantial management control. Ownership refers to economic interests. Management refers to executive directors. This is whether the black enterprise has control or not.
- 1.5 **“Black people”** includes all African, Coloured or Indian persons who are South African citizens by birth or by descent or who were naturalized prior to the commencement of the constitution in 1993. In addition, the term also includes black people who became South African citizens after the constitution’s commencement but who would have been able to be naturalized prior to this, were it not for the Apartheid laws which prohibited naturalization of certain persons. This means that an African, Coloured or Indian person who was not a South African citizen before the commencement of the constitution in 1993 but who would have been entitled to apply to be naturalized prior to 1993, will also be considered a black person and therefore a beneficiary of BEE.
- 1.6 **“Black woman-owned enterprise”** means an enterprise with at least 25,1% representation of black women within the black equity and management portion.
- 1.7 **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.8 **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration.
- 1.9 **“Community or broad-based enterprise”** means an enterprise that has an empowerment shareholder who represents a broad base of members such as a local community or where the benefits support a target group, for example black women, people living with disabilities, the youth and workers. Shares are held via direct equity, non-profit organizations and trusts.

Benefits from the shareholding should in a measurable sense be directed towards the uplifting of the community through job creation, welfare, skills development, entrepreneurship and human rights. At the same time, directors and management of groups should significantly comprise black persons.

These arrangements are appropriate in situations where the activities or operations of an enterprise or industry directly impact on a community or are located in a community, or may benefit a community. Notable examples are large industrial projects, mining and tourism. Other instances, which do assist in broadening the shareholder base, are employee share ownership schemes; these are a viable empowerment shareholder option. In this and other circumstances, these arrangements should not detract from the ability of the shareholder to exercise significant influence or control over the operations of the business.

- 1.10 **“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- 1.11 **“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.
- 1.12 **“Contract price”** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.13 **“Control”** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.
- 1.14 **“Co-operative or collective enterprise”** is an autonomous association of persons who voluntarily join together to meet their economic, social and cultural needs and aspirations through the formation of a jointly-owned enterprise and democratically controlled enterprise.
- 1.15 **“Corrupt practice”** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.16 **“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.17 **“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.
- 1.18 **“Day”** means calendar day.
- 1.19 **“Delivery”** means delivery in compliance with the conditions of the contract or order.
- 1.20 **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.
- 1.21 **“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.
- 1.22 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.
- 1.23 **“Dumping”** occurs when a private enterprise abroad markets 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.
- 1.24 **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.



- 1.25 **"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.
- 1.26 **"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.
- 1.27 **"GCC"** means the General Conditions of Contract.
- 1.28 **"Goods"** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.29 **"Historically Disadvantaged Individual (HDI)"** means a South African citizen -
- 1.29.1 who, due to the Apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993) ("the interim Constitution"); and/or
- 1.29.2 who is a female; and/or
- 1.29.3 who has a disability:
- provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI.
- 1.30 **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.
- 1.31 **"Local content"** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.32 **"Management"** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 1.33 **"Manufacture"** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.34 **"Order"** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.35 **"Owned"** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership

- 1.36 interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.
- 1.37 **“Parliament”** means Parliament of the Republic of South Africa as set out in Chapter Four of the Constitution.
- 1.38 **“Person”** includes reference to a juristic person.
- 1.39 **“Project site”** where applicable, means the place indicated in bidding documents.
- 1.40 **“Purchaser”** means the organization purchasing the goods.
- 1.41 **“Rand value”** means the total estimated value of a contract in Rand denomination that is calculated at the time of the bid invitations, and includes all applicable taxes and excise duties.
- 1.42 **“Republic”** or **“RSA”** means the Republic of South Africa.
- 1.43 **“RFP”** means Request for Proposal.
- 1.44 **“RFT”** means Request for Tender.
- 1.45 **“RFQ”** means Request for Quotation.
- 1.46 **“SCC”** means the Special Conditions of Contract.
- 1.47 **“Secretary”** means the Secretary to Parliament.
- 1.48 **“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.
- 1.49 **“Specific contract participation goals”** means the goals as stipulated in the Preferential Procurement Regulations, 2001. In addition to above-mentioned goals, the Regulations [12. (1)] also make provision for organs of State to give particular consideration to procuring locally manufactured products.
- 1.50 **“Small, Medium and Micro Enterprises (SMMEs)”** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (Act 102 of 1996).
- 1.51 **“Sub-contracting”** means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such a primary contractor in the execution of part of a project in terms of the contract.
- 1.52 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 1.53 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
- 1.54 **“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 can be accessed electronically from [www.parliament.gov.za](http://www.parliament.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 as 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 Parliament or an organisation acting on behalf of Parliament.
- 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 contract 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.

## **24. Anti-dumping and countervailing duties and rights**

24.1 When, after the date of bid, provisional payments are required, or antidumping 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 favorable 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**

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

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.

### **32. Taxes and duties**

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.

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.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid, Parliament 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 (SARS).

### **33. Ownership and Copyright**

33.1.1 Ownership of all products produced in terms of this agreement, of whatever nature, vest in Parliament.

33.1.2 The copyright of products, of whatever nature, commissioned and produced in terms of this agreement, and that have been paid for by the Secretary are owned exclusively by Parliament.