




HANTAM MUNICIPLITY

**TENDER DOCUMENT**

<b>TENDER NUMBER:</b>	NC065/T04/2024
<b>TENDER DESCRIPTION:</b>	MANAGEMENT OF THE SHORT- TERM INSURANCE PORTFOLIO OF THE HANTAM MUNICIPALITY FOR A CONTRACT PERIOD ENDING 30 JUNE 2027.
<b>CLOSING DATE:</b>	31 MAY 2024
<b>CLOSING TIME:</b>	12:00
<b>TENDER BOX AT:</b>	HANTAM MUNICIPALITY 20 HOOP STREET CALVINIA 8190
<b>Name of Bidder:</b>	
<b>Tendered Amount:</b>	
<b>B-BBEE Status Level of Contributor:</b>	
<b>Preference Points Claimed</b>	
<b>CSD Supplier Number:</b>	
<b>B-BBEE certificates submitted with the bid documents MUST be VALID ORIGINAL BBBEE CERTIFIATES or VALID CERTIFIIED COPIES OF THE B-BBEE CERTIFICATES or VALID SWORN AFFIDAVITS</b>	

NB:

1. All bids must be submitted on the official bid forms – (not to be re-typed)
2. Bids must be completed in black in in writing.
3. No bids will be considered from persons in the service of the state.

	<b>HANTAM MUNICIPALITY</b>		
	<b>TENDER NOTICE AND INVITATION TO BID</b>		
	<b>DEPARTMENT:</b>	<b>DIRECTORATE: FINANCE</b>	
<b>ADVERTISED IN:</b>	Die Burger, Municipal Notice Board and Municipal Website		
<b>TENDER NR.</b>	NC065/T04/2024	<b>Published date:</b>	19 April 2024
<b>Tender Description:</b>	<b>MANAGEMENT OF THE SHORT- TERM INSURANCE PORTFOLIO OF THE HANTAM MUNICIPALITY FOR A CONTRACT PERIOD OF (3) YEARS ENDING 30 JUNE 2027.</b>		
<b>Closing Date</b>	31 May 2024	<b>Closing Time:</b>	12H00
Bids will be opened immediately thereafter, in public at the Hantam Municipality, Supply Chain Management Unit, Finance Building, 20 Dr Nelson Mandela Rd, Calvinia, 8190.			
<b>Availability of Bid Documents</b>			
Tender Documents will be available at no charge from the Hantam Municipality Website at <a href="http://www.Hantam.gov.za">www.Hantam.gov.za</a>			
<b>Date Tender Documents are Available:</b>	29 April 2024		
<b>General requirements</b>			
<p>Bids are to be completed in accordance with the conditions and bid rules contained in the bid document and supporting documents must be placed in a sealed envelope and externally endorsed WITH THE BID NUMBER, DESCRIPTION AND CLOSING DATE OF THE BID, and be deposited in the Bid Box, at the office of the Hantam Municipality, Supply Chain Management Unit, Finance Building, 20 Dr Nelson Mandela Rd, Calvinia.</p> <p>Bids may only be submitted on the bid documentation that is issued.</p> <p>The evaluation of this bid will be subjected to functionality scoring. Tenderers must achieve a functionality score of <b>35 out of 50</b> points to be evaluated further. The functionality criteria and weighting are set out in the tender document.</p> <p>Bids will be evaluated according to the 80/20 points system. The bids are subject to the Preferential Procurement Policy Framework Act 2000 and the Preferential Procurement Regulations 2022.</p> <p>The Municipality reserves the right to withdraw any invitation to bid and/or re-advertise or to reject any bid or to accept a part of it. The Municipality does not bind itself to accept the lowest bid or to award a contract to the Bidder scoring the highest number of points.</p> <p><b>NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE AS DEFINED IN THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS (GOVERNMENT GAZETTE NO 40553 DATED 20 JANUARY 2017)</b></p> <p>Tenderers who are not yet registered are required to register on the Municipality's Accredited Supplier Database as well as the CSD. Application forms are obtainable from Hantam Municipality Local Office in Calvinia.</p>			

A Valid and Original Tax Clearance Certificate/ Tax Compliance Status Pin issued by SARS should accompany your document or a certified copy of the original Tax Clearance Certificate/ PIN.

An original or certified Broad Based Black Economic Empowerment (B- BBEE) Certificate or original sworn affidavit must be submitted to obtain points for B- BBEE Status Level. Failure to submit a B- BBEE certificate or Original Sworn Affidavit will lead to forfeiture (loss) of the preference points. Bidders will not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B- BBEE status level of contribution or is a non- compliant contributor. Such a bidder will score 0.

Certified copy of the latest Municipal Account on the address of the business AND that of the directors, as per CK1 MUST accompany the bid document (NB. Bidders may not be in arrears for more than three months (90 days) with municipal rates and service charges)/ if business has entered into a lease agreement for the use of a building, the lease agreement should accompany your tender document.

Certified copies of Identity Documents (ID's) of all shareholders/ owner(s)/ partners of bidding companies must be submitted with the bid document.

Price quoted must be firm and inclusive of VAT.

Bids which are late, incomplete, unsigned, completed in pencil, submitted by facsimile or electronically, will not be accepted.

The Supply Chain Management Policy of Hantam Local Municipality will apply.

Prospective bidders must have prior knowledge and experience of providing these services and provide references thereof.

No tender will be considered from a person or company who, for the past five years has been convicted of

- Fraud, corruption, or any criminal offense
- The strike, premature termination of unsuccessful completion of government contracts

A set of tender documents with detailed specifications can be obtained from Mr. A. M. Pieters, Supply Chain Management at the cost of R 661.20, 20 Dr Nelson Mandela Drive, Calvinia, 8190, Email: [Apieters@hantam.gov.za](mailto:Apieters@hantam.gov.za) or at (027) 341 8500 before the specified date and time.

<b>Preferential Procurement Point System Applicable</b>	80/20	<b>Local Content Requirement</b>	N/A
<b>Validity Period</b>	90 Days	<b>Site Meeting / Information Session</b>	<b>N/A</b>

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:** Acting Chief Financial Officer  
**Contact Person:** D. Miller  
**Tel:** Written Enquiries Only  
**Email:** [dmiller@hantam.gov.za](mailto:dmiller@hantam.gov.za)

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**  
**Section:** Supply Chain Management  
**Contact Person:** A. M. Pieters  
**Tel:** Written Enquiries Only  
**Email:** [Apieters@hantam.gov.za](mailto:Apieters@hantam.gov.za)

**Authorised by:**

**Acting Municipal Manager: Mr. T. Tlhoale**

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**AUTHORITY OF SIGNATORY**

Details of person responsible for Tender process:

Name			
Contact Number	(		)
Address of office submitting the Tender			
Telephone no	(		)
Fax no	(		)
E-mail address			

Signatories for close corporations and companies shall confirm their authority by attaching to this form a **duly signed and dated original or certified copy** of the relevant resolution of their members or their board of directors, as the case may be.

"By resolution of the board of directors passed on (*date*) .....

Mr./Ms.....has been duly authorized to sign all documents in connection with tender number:

**NC065/T04/2024: MANAGEMENT OF THE SHORT- TERM INSURANCE PORTFOLIO OF THE HANTAM MUNICIPALITY FOR A CONTRACT PERIOD OF (3) YEARS ENDING 30 JUNE 2027.**

and any Contract which may arise there from on behalf of

(BLOCK CAPITALS) .....

SIGNED ON BEHALF OF THE COMPANY .....

IN HIS / HER CAPACITY AS .....

DATE .....

FULL NAMES OF SIGNATORY .....

AS WITNESSES 1. ....

2. ....

**3. Authority to sign a Bid**

<b>1. <u>Sole Proprietor (Single Owner Business) and Natural Person</u></b>			
1.1 I, _____, the undersigned, hereby confirm that I am the sole owner of the business trading as  _____			
OR			
1.2 I, _____, the undersigned, hereby confirm that I am submitting this tender in my capacity as natural person.			
SIGNATURE		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	

<b>2. <u>Companies and Close Corporations</u></b>			
2.1 If a Bidder is a Company, a certified copy of the resolution by the board of directors, duly signed, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is, before the closing time and date of the bid.			
2.2 In the case of a Close Corporation (CC) submitting a bid, a resolution by its members authorising a member or other official of the corporation to sign the documents on their behalf, shall be included with the bid.			
<b>Date Resolution was taken</b>			
<b>Resolution signed by (name and surname)</b>			
<b>Capacity</b>			
<b>Name and surname of delegated Authorised Signatory</b>			
<b>Capacity</b>			
<b>Specimen Signature</b>			
<b>Full name and surname of all Director(s) / Member (s)</b>			
<b>1.</b>		<b>2.</b>	
<b>3.</b>		<b>4.</b>	
<b>5.</b>		<b>6.</b>	
<b>7.</b>		<b>8.</b>	
<b>9.</b>		<b>10.</b>	

<b>Is a certified copy of the resolution attached?</b>		<b>YES</b>	<b>NO</b>
SIGNED ON BEHALF OF COMPANY / CC		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	

**3. Partnership**

We the undersigned partners in the business trading as \_\_\_\_\_ hereby authorise Mr/Mrs \_\_\_\_\_ to sign this bid as well as any contract resulting from the bid and any other documents and correspondence in connection with this bid and/or contract for and on behalf of the above mentioned partnership.

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

Full name of partner	Signature

SIGNED ON BEHALF OF PARTNERSHIP		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	



**4. Consortium**

We the undersigned consortium partners, hereby authorise \_\_\_\_\_ (Name of entity) to act as lead consortium partner and further authorise Mr/Ms \_\_\_\_\_ to sign this offer as well as any contract resulting from this tender and any other documents and correspondence in connection with this tender and / or contract for and on behalf of the consortium.

The following particulars in respect of each consortium member must be provided and signed by each member.

Full name of Consortium Member	Role of Consortium Member	% Participation	Signature
SIGNED ON BEHALF OF CONSORTIUM		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	

**SUPPLY CHAIN MANAGEMENT POLICY COMPLETED TENDER FORMS REQUIREMENTS**

<b>CHECKLIST</b>		
<b>DOCUMENT</b>	<b>YES</b>	<b>NO</b>
<b>Authority to Sign a Bid</b> Is the form duly completed and is a certified copy of the resolution attached?		
<b>MBD 2 - Tax Clearance Certificate</b> Is an original or certified copy of a valid Tax Clearance Certificate attached?		
<b>MBD 4 (Declaration of Interest)</b> Is the form duly completed and signed?		
<b>MBD 8 (Declaration of Past Supply Chain Practices)</b> Is the form duly completed and signed?		
<b>MBD 9 (Certificate of Independent Bid Determination)</b> Is the form duly completed and signed?		
<b>(Certificate of Payment of Municipal Accounts)</b> Is the form duly completed and signed? Are the Identity numbers, residential addresses and municipal account numbers of ALL members, partners, directors, etc. provided on the form as requested?		
<b>Specifications</b> Is the form duly completed and signed?		
<b>Pricing Schedule</b> Is the form duly completed and signed?		
<b>MBD 7.1 (Contract form – Goods)</b> Is the form duly completed and signed?		
<b>DATA BASE REGISTRATION</b> Is the form duly completed and signed? Are all the supporting documents attached?		
<b>Declaration of Tenderer</b> Is the form duly completed and signed?		

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

## 3.1. TENDER CONDITIONS AND INFORMATION

### 3.1.1. General and Special Conditions of Contract

The General Conditions of Contract (GCC) as well as Special Conditions of Contract (SCC) forming part of this set of tender documents will be applicable to this tender in addition to the conditions of tender. Where the GCC and SCC are in conflict with one another, the stipulations of the SCC will prevail.

### 3.1.2. Acceptance or Rejection of a Tender

The Municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it. The Municipality does not bind itself to accepting the lowest tender or the tender scoring the highest points.

### 3.1.3. Validity Period

Bids shall remain valid for ninety (90) days after the tender closure date.

### 3.1.4. Cost of Tender Documents

Payment for tender documents, if specified, must be made by a crossed cheque, direct deposit or electronic payment, payable to Hantam Municipality. Alternatively, payment can be made at the municipal cashiers. These costs are non-refundable.

### 3.1.5. Registration on Accredited Supplier Database

It is expected of all prospective service providers who are not yet registered on the Municipality's Accredited Supplier Database to register without delay on the prescribed form. They are also expected to be registered or register on the Central Supplier Database ([www.csd.gov.za](http://www.csd.gov.za)). The Municipality reserves the right not to award tenders to prospective suppliers who are not registered on the Database.

### 3.1.6. Completion of Tender Documents

- (a) The original tender document must be completed fully in black ink and signed by the authorised signatory to validate the tender. Section 5: DECLARATION must be completed and signed by the authorised signatory and returned. Failure to do so will result in the disqualification of the tender.
- (b) Tender documents may not be retyped. Retyped documents will result in the disqualification of the tender.
- (c) The complete original tender document must be returned. Missing pages will result in the disqualification of the tender.
- (d) No unauthorized alteration of this set of tender documents will be allowed. Any unauthorised alteration will disqualify the tender automatically. Any ambiguity has to be cleared with contact person for the tender before the tender closure.

### 3.1.7. Compulsory Documentation

#### 3.1.7.1. Tax Clearance Certificate

- (a) A valid original Tax Clearance Certificate must accompany the bid documents. The onus is on the bidder to ensure that the Municipality receives a valid original Tax Clearance Certificate. If the South African Revenue Services (SARS) cannot provide a valid original Tax Clearance Certificate; the bidder must submit a letter from SARS on an original SARS letterhead that their tax matters are in order.

- (b) In the case of a Consortium/Joint Venture every member must submit a separate Tax Clearance Certificate with the bid documents.
- (c) If a bid is not supported by a valid original Tax Clearance Certificate as an attachment to the bid documents, the Municipality reserves the right to obtain such document after the closing date to verify that the bidder's tax matters are in order. If no such document can be obtained within a period as specified by the Municipality, the bid will be disqualified.

### **3.1.8. Other Documentation**

#### **3.1.8.1. Construction Industry Development Board (CIDB) (If applicable)**

When applicable, the bidder's CIDB registration number must be included with the tender. The Municipality will verify the bidder's CIDB registration during the evaluation process.

#### **3.1.8.2. Municipal Rates, Taxes and Charges**

- (a) A certified copy of the bidder's and those of its directors' municipal accounts (for the Municipality where the bidder pays his account) for the month preceding the tender closure date must accompany the tender documents. If such a certified copy does not accompany the bid document of the successful bidder, the Municipality reserves the right to obtain such documents after the closing date to verify that their municipal accounts are in order.
- (b) Any bidder which is or whose directors are in arrears with their municipal rates and taxes or municipal charges due to any Municipality or any of its entities for more than three months and have not made an arrangement for settlement of same before the bid closure date will be unsuccessful.
- (c) If a bidder rents their premises, proof must be submitted that the rental includes their municipal rates and taxes or municipal charges and that their rent is not in arrears.

### **3.1.9. Authorised Signatory**

- (a) A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorising the representative to submit this bid on the bidder's behalf must be attached to the Bid Document on submission of same.
- (b) A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorised to sign it for and on behalf of the bidder.
- (c) If such a copy of the Resolution does not accompany the bid document of the successful bidder, the Municipality reserves the right to obtain such document after the closing date to verify that the signatory is in order. If no such document can be obtained within a period as specified by the Municipality, the bid will be disqualified.

### **3.1.10. Site / Information Meetings**

- (a) Site or information meetings, if specified, are compulsory. Bids will not be accepted from bidders who have not attended compulsory site or information meetings. Bidders that arrive 15 minutes or more after the advertised time the meeting starts will not be allowed to attend the meeting or to sign the

attendance register. If a bidder is delayed, he must inform the contact person before the meeting commence and will only be allowed to attend the meeting if the chairperson of the meeting as well as all the other bidders attending the meeting, give permission to do so.

- (b) All partners or the leading partner of a Joint Venture must attend the compulsory site or information meeting.

#### **3.1.11. Samples**

Samples, if requested, are to be provided to the Municipality with the tender document or as stipulated.

#### **3.1.12. Quantities of Specific Items**

If tenders are called for a specific number of items, the Municipality reserves the right to change the number of such items to be higher or lower. The successful bidder will then be given an opportunity to evaluate the new scenario and inform the Municipality if it is acceptable. If the successful bidder does not accept the new scenario, it will be offered to the second-placed bidder. The process will be continued to the Municipality's satisfaction.

#### **3.1.13. Submission of Tender**

- (a) The tender must be placed in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the tender number, title as well as closing date and time and placed in the **tender box at the Municipality by not later than 12:00 on 28 May 2021.**
- (b) Faxed, e-mailed and late tenders will not be accepted. Tenders may be delivered by hand, by courier, or posted at the bidder's risk and must be received by the deadline specified above, irrespective of how they are sent or delivered.

#### **3.1.14. Expenses Incurred in Preparation of Tender**

The Municipality shall not be liable for any expenses incurred in the preparation and submission of the tender.

#### **3.1.15. Contact with Municipality after Tender Closure Date**

Bidders shall not contact Hantam Municipality on any matter relating to their bid from the time of the opening of the bid to the time the contract is awarded. If a bidder wishes to bring additional information to the notice of Hantam Municipality, it should do so in writing to the Hantam Municipality. Any effort by the firm to influence Hantam Municipality in the bid evaluation, bid comparison or contract award decisions may result in the rejection of the bid.

#### **3.1.16. Opening, Recording and Publications of Tenders Received**

- (a) Tenders will be opened on the closing date immediately after the closing time specified in the tender documents. If requested by any bidder present, the names of the bidders, and if practical, the total amount of each bid and of any alternative bids will be read out aloud.
- (b) Details of tenders received in time will be recorded in a register which is open to public inspection.
- (c) Faxed, e-mailed and late tenders will not be accepted.

### **3.1.17. Evaluation of Tenders**

Tenders will be evaluated in terms of their responsiveness to the tender specifications and requirements as well as such additional criteria as set out in this set of tender documents.

### **3.1.18. Procurement Policy**

Bids will be awarded in accordance with the Preferential Procurement Regulations, 2017 as well as the Municipality's Supply Chain Management Policy.

### **3.1.19. Contract**

- (a) The successful bidder will be expected to sign the agreement in Section 6 of this bid document. The signing of both Parts of Section 6 of this bid document signifies the conclusion of the contract. The Municipality, at its discretion, may request the signing of an additional Service Level Agreement which, together with the signed tender document, will constitute the full agreement between the Municipality and the successful bidder.

### **3.1.20. Subcontracting**

- (a) The Contractor shall not subcontract the whole of the Contract.
- (b) Except where otherwise provided by the Contract, the Contractor shall not subcontract any part of the Contract without the prior written consent of the Municipality, which consent shall not be unreasonably withheld.
- (c) The contractual relationship between the Contractor and any subcontractors selected by the Contractor in consultation with the Municipality in accordance with the requirements of and a procedure contained within the Scope of Work, shall be the same as if the Contractor had appointed the subcontractor in terms of paragraph (b) above.
- (d) Any consent granted in accordance with paragraph (b) or appointment of a subcontractor in accordance with paragraph (c) shall not imply a contract between the Municipality and the subcontractor, or a responsibility or liability on the part of the Municipality to the subcontractor and shall not relieve the Contractor from any liability or obligation under the Contract and he shall be liable for the acts, defaults and neglects of any subcontractor, his agents or employees as fully as if they were the acts, defaults or neglects of the Contractor, his agents or employees.
- (e) The Contractor shall not be required to obtain such consent for –
  - (i) the provision of labour, or
  - (ii) the purchase of materials which are in accordance with the Contract, or
  - (iii) the purchase or hire of Construction Equipment.

### **3.1.21. Language of Contract**

The contract documents will be compiled in English and the English versions of all referred documents will be taken as applicable.

### **3.1.22. Extension of Contract**

Extension of contract will only be allowed if reasons are justifiable and must be approved by the delegated authority. Extension will also only be done if it is within 15% of the total value of the contract for goods and services and 20 % for construction related contracts.

### **3.1.23. Stamp and Other Duties**

The successful bidder will be liable for all duties and costs on legal documents resulting in the establishment of a contract and for the surety and retentions.

### **3.1.24. Wrong Information Furnished**

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may have, recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

### **3.1.25. Past Practices**

- (a) The bid of any bidder may be rejected if that bidder or any of its directors have abused the municipality's supply chain management system or committed any improper conduct in relation to such system.
- (b) The bid of any bidder may be rejected if it is or has been found that that bidder or any of its directors influenced or tried to influence any official or councillor with this or any past tender.
- (c) The bid of any bidder may be rejected if it is or has been found that that bidder or any of its directors offered, promised or granted any official or any of his/her close family members, partners or associates any reward, gift, favour, hospitality or any other benefit in any improper way, with this or any past tender.

### **3.1.26. Enquiries**

Enquiries in connection with this tender, prior to the tender closure date, may be addressed to:

**Mr. A. M. Pieters at Hantam Municipality**

Email: [apieters@hantam.gov.za](mailto:apieters@hantam.gov.za)

Tel: 027 341 8500

## **3.2. GENERAL CONDITIONS OF CONTRACT**

### **1. Definitions**

The following terms shall be interpreted as indicated:

- 1.1. "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2. "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. "Day" means calendar day.
- 1.8. "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.9. "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.10. "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
- 1.11. "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12. " Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13. "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14. "GCC" means the General Conditions of Contract.



- 1.15. "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16. "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.
- 1.17. "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.18. "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19. "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20. "Project site," where applicable, means the place indicated in bidding documents.
- 1.21. "Purchaser" means the organization purchasing the goods.
- 1.22. "Republic" means the Republic of South Africa.
- 1.23. "SCC" means the Special Conditions of Contract.
- 1.24. "Services" means those functional services ancillaries to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25. "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26. "Tort" means in breach of contract.
- 1.27. "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28. "Written" or "in writing" means hand-written 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 (excluding professional services related to the building and construction industry), 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 goods, 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. Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

### **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.
- 6.2. When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

### **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.

## **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 goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 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 goods 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 goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6. Goods 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 goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods 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 goods, which do comply with the requirements of the contract. Failing such removal, the rejected goods shall be returned at the suppliers' cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods 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 22 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 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, and in any subsequent instructions ordered by the purchaser.

#### **10. Delivery and documents**

- 10.1. Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

#### **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.

#### **12. Transportation**

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

#### **13. Incidental Services**

- 13.1. The supplier may be required to provide any or all of the following services, including additional services, if any
- (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, 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.
- 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 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, 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.
- 16.2. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment 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.

#### **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 or in the purchaser's request for bid validity extension, as the case may be.

#### **18. Variation orders**

- 18.1. In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

## **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. 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 goods are required, or the supplier's services are not readily available.
- 21.4. 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 22.2 without the application of penalties.
- 21.5. Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods 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 judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3. Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4. If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.
- 23.5. Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.
- 23.6. If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
  - I. The name and address of the supplier and / or person restricted by the purchaser;
  - II. The date of commencement of the restriction
  - III. The period of restriction; and
  - IV. The reasons for the restriction. These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7. If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website

#### **24. Antidumping and countervailing duties and rights**

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

**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.

**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 SARS must have certified that the tax matters of the preferred bidder are in order.  
32.4. No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

**33. Transfer of contracts**

33.1. The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

**34. Amendment of contracts**

34.1. No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

**35. Prohibition of restrictive practices**

35.1. In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.

35.2. If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 Of 1998.

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

**TERMS OF REFERENCE**

**PROVISION OF SHORT-TERM INSURANCE SERVICES FOR 2024/2025, 2025/2026 AND 2026/2027 FINANCIAL YEARS**

**PART A  
INVITATION TO BID**

**MBD1**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)</b>					
BID NUMBER:	NC065/T04/2024	CLOSING DATE:	31 MAY 2024	CLOSING TIME:	12H00
DESCRIPTION	<b>MANAGEMENT OF THE SHORT- TERM INSURANCE PORTFOLIO OF THE HANTAM MUNICIPALITY FOR A CONTRACT PERIOD OF (3) YEARS ENDING 30 JUNE 2027.</b>				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>					

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

<b>Hantam Municipality</b>
<b>20 Hoop Steet</b>
<b>Calvinia</b>
<b>8190</b>

**SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		<b>OR</b>	CSD No:	
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	[IF YES ENCLOSE PROOF]			[IF YES, ANSWER PART B:3]	
<b>TOTAL NUMBER OF ITEMS OFFERED</b>			<b>TOTAL BID PRICE</b>	<b>R</b>	
<b>SIGNATURE OF BIDDER</b>	.....		<b>DATE</b>		
<b>CAPACITY UNDER WHICH THIS BID IS SIGNED</b>					

<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
DEPARTMENT	SCM	CONTACT PERSON	DENVER MILLER
CONTACT PERSON	ALLAN PIETERS	TELEPHONE NUMBER	027 341 8500
TELEPHONE NUMBER	027 341 8500	FACSIMILE NUMBER	027 341 8501
FACSIMILE NUMBER	027 341 8501	E-MAIL ADDRESS	<a href="mailto:dmiller@hantam.gov.za">dmiller@hantam.gov.za</a>
E-MAIL ADDRESS	<a href="mailto:apieters@hantam.gov.za">apieters@hantam.gov.za</a>		

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

**MBD1**

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR ONLINE</b>
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES</span> <input type="checkbox"/> NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

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

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....

## TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).

**MBD 4**

**DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, hareholder<sup>2</sup>):.....

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars. ....

.....

<sup>1</sup>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.

<sup>2</sup> Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

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

3.9.1 If yes, furnish particulars.....

.....

3.10 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? ..... **YES / NO**

3.10.1 If yes, furnish particulars.

.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars

.....

.....

3.12 Are any of the company’s directors, trustees, managers, principle shareholders or stakeholders in service of the state? **NO YES /**

3.12.1 If yes, furnish particulars.

.....

.....

3.13 Are any spouse, child or parent of the company’s directors trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.

.....

.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.

**YES / NO**

3.14.1 If yes, furnish particulars:

.....  
 .....

4. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**



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

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

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

**1. GENERAL CONDITIONS**

- 1.1 The following preference point systems are applicable to invitations to tender:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
  - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

- 1.2 **To be completed by the organ of state**  
*(Delete whichever is not applicable for this tender).*
- a) The applicable preference point system for this tender is the 90/10 preference point system.
  - b) The applicable preference point system for this tender is the 80/20 preference point system.
  - c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

- 1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:
- (a) Price; and
  - (b) Specific Goals.

- 1.4 **To be completed by the organ of state:**  
 The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	80
<b>SPECIFIC GOALS</b>	20
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

- (a) “**tender**” means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) “**price**” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) “**Rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) “**tender for income-generating contracts**” means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) “**The Act**” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{Ps} = \mathbf{80} \left( \mathbf{1} - \frac{\mathbf{Pt} - \mathbf{Pmin}}{\mathbf{Pmin}} \right) & \mathbf{or} & \mathbf{Ps} = \mathbf{90} \left( \mathbf{1} - \frac{\mathbf{Pt} - \mathbf{Pmin}}{\mathbf{Pmin}} \right) \end{array}$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{Ps} = \mathbf{80} \left( \mathbf{1} + \frac{\mathbf{Pt} - \mathbf{Pmax}}{\mathbf{Pmax}} \right) & \mathbf{or} & \mathbf{Ps} = \mathbf{90} \left( \mathbf{1} + \frac{\mathbf{Pt} - \mathbf{Pmax}}{\mathbf{Pmax}} \right) \end{array}$$

Where

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

**4. POINTS AWARDED FOR SPECIFIC GOALS**

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Locality	5	10		
B- BBEE (Preference)	5	10		

## DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....  
**SIGNATURE(S) OF TENDERER(S)**

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

.....

.....

.....

### CONTRACT FORM - PURCHASE OF GOODS/WORKS

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER 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 supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)..... in accordance with the requirements and 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 time of 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);
    - Technical Specification(s);
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
- 3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
- 4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
- 5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
- 6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES	
1	.....
2.	.....
DATE:	.....

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

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

1. I..... in my capacity as..... accept your bid under reference number .....dated.....for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1. ....

2. ....

DATE.....

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><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>	Yes <input type="checkbox"/>	No <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><b>The Register 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.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?</p>	Yes <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	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION**

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

Js367bW

**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:

\_\_\_\_\_

(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_

(Name of Municipality / Municipal Entity)

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

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

(Name of Bidder)

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

\_\_\_\_\_

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

<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.

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

Js9141w 4

## SECTION 4: SPECIFICATIONS

### DESCRIPTION OF THE NEEDS OF HANTAM MUNICIPALITY

#### 1. Introduction

The Municipality hereby invites tenders from reputable Short-term Insurance Intermediaries, who are members of the Financial Intermediaries Association (F.I.A.) and who comply with the Financial Advisory and Intermediary Services (F.A.I.S.) Act, for the Management of the Short-term Insurance Portfolio of the Municipality for a contract period ending 30 June 2024.

#### 2. Background

- 2.1. The Hantam Municipality covers 36 128km<sup>2</sup> and includes Calvinia, the centre, as well as Brandvlei, Loeriesfontein, Middelpoos, Nieuwoudtville and Swartkop. Calvinia is approximately 400 km from Cape Town, Springbok, Upington and Beaufort West. A 1 250-meter tarred runway, very close to Calvinia, is used by many visitors to this beautiful part of the Northern Cape.
- 2.2. Section 78(1)(e) of the Municipal Finance Management Act, No. 56 of 2003, states that “Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary.”
- 2.3. In order to comply with the above Act and to ensure that the Municipality’s assets are adequately insured, and any risk exposure is minimized, the Municipality needs to appoint a Service Provider to perform the following functions:
  - 2.3.1. Negotiate and place the Municipality’s insurance portfolio with insurance underwriters and present the underwriting terms to the Municipality for acceptance each year.
  - 2.3.2. Administer the Municipality’s short-term insurance portfolio; and
  - 2.4. Assess the Municipality’s insurance cover and provide advice on adequate cover to be taken out. The renewal of the insurance portfolio normally falls in line with the Municipality’s financial year-end and therefore has to be renewed by 30 June each year to ensure that the Municipal assets are insured, and the liabilities are minimized.
- 2.5. The current contract for a Short-term Insurance Intermediary, however, will expire on 30 June 2021. The insurance portfolio will then be placed with the successful Bidder as from 01 July 2021.

#### 3. SCOPE OF WORK

**The scope of work will be as follows:**

3.1. Placement of the Municipality’s Insurance Portfolio – Effective for first period up to 1 JULY 2024.

The Hantam Municipality’s asset portfolio includes but is not limited to the following categories of assets:

- Fixed property, that includes:
  - Water and Sanitation infrastructure Assets
  - Buildings (including buildings with thatched roof)

Movable Assets

- Furniture and Fittings;
- Plant and Equipment;
- Motor vehicles and specialized vehicles (Courtesy vehicles to be provided for political principals’ motor vehicles);
- Computer Hardware and other ICT infrastructure (including laptops)

#### OBJECTIVES OF THE PROJECT

The objective of the project is to ensure that all the Municipal assets are insured against exposure to risks.

**The appointed Service Provider will be required to perform the following:**

- 3.1.1. Assess the Municipality's insurance requirements as reflected in the Tender Specification.
- 3.1.2. Submit the Municipality's information with regard to the latest insurance statistics to the proposed Insurance Underwriters.
- 3.1.3. The insurance needs to cover all the assets of the municipality as per the Fixed Assets Register and the amount to be insured for assets is expected to be derived from the annual asset valuations performed.
- 3.1.4. Negotiate with the Insurance Underwriters on suitable insurance terms and premiums based on the quotations obtained by the Service Provider as set out in paragraph 6.3;
- 3.1.5. Attend insurance pre-placement meeting(s) with the Municipality to discuss the underwriting terms and premiums;
- 3.1.6. Advise the Municipality and provide quotations on additional insurance cover that might be necessary to take out to ensure that the Municipality's risk is minimized;
- 3.1.7. Place the Municipality's insurance portfolio with the Insurance Underwriters and provide the Municipality with written confirmation thereof together with details of the insurance cover placed.
- 3.1.8. The Bidder must provide a copy of the underwriter quotations as proof of the cost of the Underwriter Premium.

**3.2. Underwriting Administration**

The appointed Service Provider will be required to perform the following:

- 3.2.1. Provide quotations on any additional insurance cover required by the Municipality and place the insurance cover with the Insurance Underwriters on the Municipality's instruction and provide the Municipality with written confirmation thereof together with details of the insurance cover placed;
- 3.2.2. Meet with the Municipality's Officials whenever required by either party to discuss and advise on insurance cover. The Service Provider's staff members required at these meetings will depend on the technicality of the issues to be discussed.
- 3.2.3. Provide technical support.

**3.3. Claims Administration**

The appointed Service Provider will be responsible to handle all aspects of claims as the Municipality will not communicate directly to any legal representatives of the service provider, third parties or the Underwriter where the insurance is placed. The appointed Service Provider will be required to perform at least the following:

- 3.3.1. Administer all the Municipality's insurance claims which fall under the various categories of the insurance policies;
- 3.3.2. Administer all claims received by the Municipality from third party's claiming for personal injury or damage to their property. This includes liaising with the third parties on the Municipality's behalf;
- 3.3.3. Provide a motivation, based on substantive legal grounds, for all claims that are rejected by the Insurance Company. The Municipality reserves the right to reconsider any opinion received, to refer it back to the Broker for another opinion or recommendation. The Municipality will under no circumstances communicate directly with the Underwriter regarding any aspects of a claim;
- 3.3.4. Submit monthly updated reports in respect of all of the Municipality's claims submitted, indicating the status of each claim;
- 3.3.5. Meet with the Municipality's relevant officials, individually or in groups, whenever required by either party to discuss and advise on insurance claims.

**3.4. Renewal / Placement of the Municipality's Insurance Portfolio – Effective from 01 July 2024**

The appointed Service Provider will be required to perform the following before the renewal in respect of each year:

- 3.4.1. Assess the Municipality's insurance requirements as reflected in the insurance policy;

- 3.4.2. Compile updated information for the Municipality with regard to the latest insurance statistics and submit this information to the Insurance Underwriters;
- 3.4.3. Negotiate with the Insurance Underwriters on suitable insurance terms and premiums based on the Municipality's existing insurance cover and updated asset register;
- 3.4.4. Attend insurance pre-renewal meeting(s) with the Municipality in July/August 2022 and in July/August 2023 respectively to discuss the underwriting terms and premiums;
- 3.4.5. Advise the Municipality and provide quotations on additional insurance cover that could become necessary to be taken out to ensure that the Municipality's risk is minimized;
- 3.4.6. Renew the Municipality's insurance portfolio with the Insurance Underwriters by no later than 31 October 2024 and 31 October 2025 respectively and provide the Municipality with written confirmation thereof, together with details of the insurance cover placed by 31 October 2024 and 31 October 2025.

### 3.5. Handling of Outstanding Claims

- 3.5.1. The current Service Provider will remain responsible for the administration and finalization of all existing outstanding / open claims as at 30 June 2023, including claims with date of loss up to 30 June 2024 but only discovered and submitted on or after 31 July 2025;
- 3.5.2. Public Liability claims are dealt with on a claims-made basis, therefore any Public Liability claims received up to 30 June 2023 will be dealt with by the current Service Provider. Public Liability claims received on or after the commencement date of the contract with the newly appointed Service Provider will be dealt with by the newly appointed Service Provider, even where the actual date of loss is before said date.
- 3.5.3. In respect of all claims prior to 01 July 2024 the newly appointed Service Provider must ensure that the necessary change of broker forms are completed and handed to the insurance underwriters thereby giving the newly appointed Service Provider the necessary authority to take over the administration of the claims.
- 3.5.4. The appointed Service Provider must administer all claims in respect of all losses incurred from 01 July 2024 to the date of award of tender and ensure that this part of the contract.

### 3.6. Training of staff and active skills transfer / capacity building

- 3.6.1. Provide daily assistance and guidance with administration of claims;
- 3.6.2. Provide daily assistance and guidance with general enquiries regarding insurance policy conditions and wordings;
- 3.6.3. Provide an annual briefing workshop to relevant municipal officials regarding the insurance policy conditions and wording, within 30 (thirty) working days after the Municipality's insurance portfolio has been placed in the insurance market;
- 3.6.4. Provide training sessions as and when required on insurance related matters.

### 3.7. Risk Assessments

Provide annual Risk Assessments to ensure that the municipality has sufficient insurance coverage and that all risks are minimised.

### 3.8 CANCELLATION OF CONTRACT

Hantam Municipality reserves the right to cancel the contract in the event of one or more of the following circumstances:

- Serious discrepancy in the provision of the required services by the bidder.
- Breach by the vendors of any of the terms and conditions of the tender.
- Any action by the bidder which is in breach of law or accepted practices in the commercial transactions.
- If the Vendor goes into liquidation voluntarily or otherwise.



**Project Time Frame**

The contract term is for a period of 3 years commencing from 01 July 2024 and ending 30 June 2027. Upon award of bid the Service Provider must be available for placement meeting/s prior to commencement of the contract to ensure that Hantam Municipality’s insurance portfolio is placed by the Service Provider with the insurance underwriters by no later than 30 June 2024 with the insurance cover commencing on 01 July 2024. It is expected that these meetings will take place in July where the Local Manager (or equivalent) and Local Accounts Executive (or equivalent) will be expected to attend. The Service Provider must be available for pre-renewal meetings in May/June 2024, 2025, 2026 and Hantam Municipality insurance portfolio must be placed by the Service Provider with insurers no later than 30 June 2024 with the insurance commencing on 01 July 2024.

**KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES**

- An all-inclusive insurance policy that is able to show exactly the risk exposure covered by the insurance, transparency in terms of limitations and exclusions.

**Expected outcomes**

- Quick turn-around time in responding to insurance claims and pay-out.

**Delivery Period:**

Items must be delivered within 14 days after being awarded the contract.

**Renewal of Contract:**

The Municipality may exercise its option to renew this agreement, with a financial escalation clause, in line with the latest CPI statistics, which will commence at the end of the contract period, and the terms thereof for a further period not exceeding 6 (six) months at a time, upon giving 30 days’ notice to the Service Provider of its intention to exercise that option.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

**PRICING SCHEDULE:**

DESCRIPTION	COST
ITEM 1	R
TOTAL	R
VAT	R
NET COST (To be taken to Contract Form on page 5)	

PRICES MUST BE FIXED FOR THE DURATION OF THE CONTRACT; NO OTHER FEES WILL BE ENTERTAINED OTHER THAN THOSE THAT ARE DECLARED ABOVE.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

#### 4. Pre-qualification Evaluation Criteria

- 4.1.1. The tender will firstly be evaluated in terms of the specified pre-qualification criteria;
- 4.1.2. A tender will NOT be regarded as an acceptable tender / responsive if it fails to achieve the minimum qualifying score of 35 out of a maximum of 50;
- 4.1.3. Tenderers must ensure that all relevant information as required per the pre-qualification criteria as set out in 4.1.5 below, has been submitted with the tender submission to ensure optimal scoring;
- 4.1.4. Tenders that have achieved the minimum qualifying score shall be evaluated further in terms of the preference point system;
- 4.1.5. The evaluation of tenders will be done in terms of compliance to the below-mentioned criteria and bidders can potentially score a total of 50 points for the following:

#	Criteria	Evaluation Criteria	Measurement	Points
1	Experience of the tenderer (enterprise) in years of operation as Short-Term Insurance Portfolio Manager / Broker	Experience as a Company 99	1 Point for every year of experience	10 (Max)
2	Track record of the tenderer (enterprise) with private sector clients (business / commercial)	Track record of the Company	1 Point for every private sector contract	10 (Max)
3	Track record of the tenderer (enterprise) with local government sector (Municipal)	Track record of the Company	1 Point for every local government contract	10 (Max)
4	Methodology and framework (Refer 4.1.6 below)	Poor Average Good Excellent	Score 6 Score 12 Score 16 Score 20	20 (Max)
<b>Total</b>				<b>50</b>

- 4.1.6. For Criteria 4 above, tenderers must submit a thorough methodology, with a framework, which shall be evaluated on services as indicated under the scope of works. The scoring on the methodology and framework, with a maximum of 20 points, will be as follows:

	Quality of Methodology and Framework
<b>Poor</b> <b>(Score = 6)</b>	The methodology and framework are poor and unlikely to satisfy the required objectives or requirements. The bidder has misunderstood the scope of work and does not deal with the critical aspects of the insurance portfolio.
<b>Average</b> <b>(Score = 12)</b>	The approach is too generic and not tailored to address specific objectives and requirements. It does not adequately deal with critical characteristics of the insurance portfolio.
<b>Good</b> <b>(Score = 16)</b>	The approach is specifically tailored to address specific objectives and requirements and is sufficiently flexible to accommodate changes that may be made to the portfolio.
<b>Excellent</b> <b>(Score = 20)</b>	Besides meeting the "Good" rating, the critical components are approached and dealt with in such a way that it indicates the bidder's exceptional knowledge of the industry.

#### 4.2. Evaluation

- 4.2.1. Tenders will be evaluated on a comparative basis, which is the reason for the design of the tender specification and additional schedules containing the detail information for inclusion on the insurance portfolio;
- 4.2.2. All tenders received shall be evaluated in accordance with the Municipal Finance Management Act, Act 56 of 2003 (read with its accompanying Supply Chain Management Regulations), Hantam Municipality's SCM Policy and the Preferential Procurement Policy Framework 2017 (read with its accompanying regulations).

#### 4.3. Pricing Requirements

- 4.3.1. Tender prices must be in ZAR Currency (Rand);
- 4.3.2. Tender rates must be submitted exclusive of VAT, but the final bid price submitted must include VAT;
- 4.3.3. The tenderer must provide maximum amounts payable per line item, in respect of Excess Payments for each asset, as per applicable column in the detailed pricing schedules. In these instances where maximum amounts will not be tendered on any specific asset, this should be stated clearly as such next to the particular line item, and the applicable rate must then be stated for these exceptions;
- 4.3.4. All Brokers fees and any other administrative fees that will be payable, must be indicated as separate items in the Gross insurance premium tendered;
- 4.3.5. Where extensions are granted free of charge, please state "free" in the premium column;
- 4.3.6. Where a line of cover or an extension is not tendered for, please state "No Tender" in the premium column;
- 4.3.7. The liability for payment of Assessor Fees must be for the account of the tenderer in all instances, inclusive of alternative tenders.
- 4.3.8. The premium tendered must remain firm for the initial period of 12 months, thereafter the annual escalation in the Rand value of the premium for year 2 and 3 must not exceed the reasonably anticipated industry-related CPI as at 30 April of each year;
- 4.3.9. The annual renewal premium for the outer two years will be based on the escalated premiums quoted as per paragraph 4.3.8, subject to any additions and / or reductions required as per the updated information supplied by the Municipality.
- 4.3.10. The tenderer may submit tenders with Fixed Premiums for the full duration of approximately 3 (three) years of the tender as per detailed schedules that are provided as part of the tender documents.

#### 4.4. Detail of Cover

- 4.4.1. Following please find a schedule with the details of the cover required. (Annexure A – Asset Register of Hantam Municipality)

#### 4.5. Deductions (EXCESS)

Deductions (Excess) are to be waived by the tenderer.

#### 4.6. Estimated Quantities Required

- 4.6.1. The values and amounts indicated in the tender document fairly represent the value of assets and / or cover required by the Municipality, but will inevitably be amended upon conclusion of the final contract as the Asset Register is continuously updated and new budgets considered.
- 4.6.2. These are the values to be applied for the purpose of this tender assessment, based on the assumption that the portfolio will remain unchanged.

#### 4.7. Bid validity

Tenders must be valid for a period of 90 days.

## 5. Remuneration

Remuneration will be as follows:

- 5.1. The services of the successful tenderer will be for a contract period ending 30 June 2024. The Short-Term Insurance Cover of the Municipality is due for placing effective from 01 July 2021 and then for renewal / re-structuring by the appointed Service Provider effective from 01 November 2022 and 01 November 2023.
- 5.2. The Broker Fee and Underwriting Premium as detailed in the Pricing Schedule are payable monthly by the Municipality.

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## 6. Information to be provided by the Tenderer

- 6.1. In order to ensure that the Municipality's assets are adequately insured and any risk exposure is minimized, including keeping abreast with the latest insurance developments, it is imperative that the relevant industry related administrative assistance is provided in order to support the existing capacity that the Municipality has.
- 6.2. The municipality expects the following minimum requirements from the Service Provider:
  - 6.2.1. The tenderer must be a member of the Financial Intermediaries Association (F.I.A.).  
Proof of such membership must be submitted with the tender.
  - 6.2.2. The tenderer must provide details of their Financial Advisory and Intermediary Services (F.A.I.S.) Act compliancy; i.e. a copy of the F.A.I.S. Certificate. A copy of the F.A.I.S. certificate must be submitted with the tender.
  - 6.2.3. The tenderer must have a minimum limit of R100,000,000 (100 million rand) Professional Indemnity insurance. A copy of the insurance policy schedule reflecting the limit, excess, Insurers and renewal date must be submitted with the tender.
  - 6.2.4. The tenderer must have a minimum limit of R50,000,000 (50 million rand) Fidelity Guarantee insurance. A copy of the insurance policy schedule reflecting the limit, excess, Insurers and renewal date must be submitted with the tender.
- 6.3. Bidders must obtain a minimum of two quotations, from the different companies offering insurance to Local Authorities, on each of the policies included in this document and must give clear motivation on the quotes recommended and substantive reasons where the lowest quotes were not recommended in full or for a certain policy type.
- 6.4. Notwithstanding the aforementioned, the following documentation must also be submitted as part of the tender:
  - 6.4.1. Proof of Insurers Solvency Margin;
  - 6.4.2. Letter of Authority;
  - 6.4.3. Company Registration Certificate;
  - 6.4.4. Ownership Certificate & Change of Name Certificate;
  - 6.4.5. Latest audited financial statements for both the Broker and the proposed underwriter.
- 6.5. Tenderers must submit fully completed schedules of items for insurance cover together with each tender submitted, containing the detailed premium calculations for each class of insurance. Tenderers must ensure that the tender submission and all the relevant schedules are duly signed off.
- 6.6. The tenderer must disclose the insurer or consortium of insurers on each policy type.
- 6.7. The tenderer must submit the draft proposed Policy Documents on each policy type.
- 6.8. The tenderer must submit a tender for **Full Insurance Cover** as per detailed schedules that are provided as part of the tender documents.
- 6.9. The tenderer may submit additional alternative tenders for **Partial Self Insurance** as per detailed schedules that are provided as part of the tender documents. The tenderer's proposal in this regard should be accompanied by a detailed summary of the relevant features of before-mentioned

insurance structure.

- 6.10. The Municipality reserves the right to accept alternative tenders. The Municipality is not bound to accept the lowest or any tender and reserves the right to accept any tender either wholly or a part thereof.
- 6.11. Unless otherwise specified, it is accepted that, in the case of every type of policy tendered for, the tenderer will be willing to underwrite any individual policy type at the premium tendered, without any other individual policies being awarded to him.
- 6.12. A detail description of the assets, amounts insured, et cetera, is furnished herewith according to information currently available. However, the Municipality reserves the right to adjust details in respect of final number, description and value of individual items for insurance cover, if necessary, at the final placement of the insurance.
- 6.13. The submission of a tender signifies complete acceptance of the conditions contained in these instructions, the Form of Tender and the annexures.
- 6.14. Any deviations, limitations or unfamiliar conditions in respect of each policy type must be clearly stipulated and highlighted in the tender submission.
- 6.15. The Municipality reserves the right to notify the tenderer of any adjustments, additions and or disposals during the period of the contract, for which the appropriate adjustments in premium payable / refundable must be affected.

## 7. Special Conditions

The following special conditions will apply:

7.1. If:

7.1.1. the tenderer should fail to arrange the short-term insurance with the insurer/consortium stated in the contract;

or

7.1.2. the Municipality should suffer damage as a result of the tenderer's failure to perform,

7.1.3. it is agreed that the tenderer will pay to the Municipality the following amounts, in each case to be determined by the Municipal Manager, as liquidated damages and not as a penalty:

7.1.3.1. in the event of 7.1.1, an amount equal to any additional costs over and above the tender price incurred by the Municipality to arrange the short-term insurance in terms of the contract in a manner deemed fit by the Municipality, together with all costs and expenses involved.

or

7.1.3.2. in the event of 7.1.2, an amount not exceeding the actual damage sustained by the Municipality.

7.2. The Municipal Manager will also determine the manner in which and the time when such payment of additional costs or damages are to be paid to the Municipality and the decision of the Municipal Manager will be binding in each case.

7.3. The Municipality will have the right, without prejudice to the rights of the Municipality, to summarily sue the tenderer for any damage suffered by the Municipality as a result of breach of contract by the tenderer or failure as stated and to terminate the contract without any compensation to the tenderer in the following instances:

7.3.1. In the event of any breach of or failure by the tenderer to comply with any of the provisions of this contract;

7.3.2. In the event of an order, provisional or final, for the sequestration of the estate of the tenderer or, if an application is made for such order or, if the tenderer should make an application for the surrender of his estate or, if he should enter into, make or execute, a deed of settlement for, or compound or otherwise agree to such surrender of his estate for the benefit of his creditors or proposes to do so or, where the tenderer is a company, make a decision or, where the court issues an order for the liquidation of such company; and

In the event of the tenderer or any person employed by the tenderer paying or offering to pay any amount of money by way of a commission or fee to any councillor or person in the employ of the Municipality or giving or attempting to give to any such councillor or person any gift or compensation.

## SECTION 5: EVALUATION

### 5.1.1. PRE- QUALIFICATION CRITERIA:

Hantam Municipality has decided to apply **pre-qualifying criteria** to advance certain designated groups, that organ of state must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond –

1. Tenderer having a stipulated minimum B-BBEE status level of contributor;
2. An EME or QSE;
3. A tenderer or subcontracting a minimum of 30% to –
  - I. an EME or QSE which is at least 51% owned by black people;
  - II. an EME or QSE which is at least 51% owned black owned by black people who are youth;
  - III. and EME or QSE which is at least 51% owned by black people who are women;
  - IV. an EME or QSE which is at least 51% owned by black people with disabilities;
  - V. an EME which is 51% owned by black people living in rural or underdeveloped areas or townships;
  - VI. a cooperative which is at least 51% owned by black people;
  - VII. an EME or QSE which is at least owned by black people who are military veterans;
  - VIII. and EME or QSE.



## 5.1.2. EVALUATION CRITERIA CONTINUES

The tender will be evaluated on the...80...../...20... Preference Points system as prescribed by the Preferential Procurement Regulations, 2017.

Verification Certificates (indicating B-BBEE Status Level of contributor) that are issued in terms of the B-BBEE Codes of Good Practice will be used to calculate points out of 10 or 20.

Ratings will be conducted by Verification Agencies, registered auditors and or an accounting officer.

Tenderers with annual turnovers of less than or equal to R5 million qualify as Exempted Micro Enterprises in terms of the B-BBEE Act and must submit a certificate issued by a registered Auditor, accounting officer (as defined in section 60(4) of the Close Corporation Act, 1984 (Act no. 69 of 1984)) or an accredited verification agency. They automatically qualify as a level 3 or 4 B-BBEE status level.

Bidders other than EME's must submit a valid of certified copy of their B-BBEE status level verification certificate, substantiating their B-BBEE rating.

The 80/20 preference points formula will be used to calculate the points for only price in respect of acquisition with a Rand value equal to, or above R30 000, and up to a Rand value of R 50 000 000 with a maximum number of points for price of 80.

The 90/10 preference points formula must be used to calculate the points for only price in respect of acquisition with a Rand value above R 50 000 000 in terms of legislation with a maximum number of points for price of 90.

A maximum of 20 or 10 points must be allocated for equity ownership according to the stipulations in the regulations. Points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below.

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

## 5.2. SPECIAL CONDITIONS OF CONTRACT (If Applicable)

5.2.1. Sealed tenders, with the "Tender Number and Title" clearly endorsed on the envelope, must be deposited in the **tender box indicated** at the offices of the Hantam Municipality, 20 Dr. Nelson Mandela Drive, Calvinia.

5.2.2. The tender must be lodged by the Tenderer in the tender box in the Main Cash Hall, Hantam Municipal Offices, 20 Dr. Nelson Mandela Drive, Calvinia

5.2.3. **PLEASE NOTE:**

- 5.2.3.1. Tenders that are deposited in the incorrect box will not be considered.
- 5.2.3.2. Tender box deposit slot is 28cm x 2.5cm.
- 5.2.3.3. Mailed, telegraphic or faxed tenders will not be accepted.
- 5.2.3.4. Documents may only be completed in black ink.
- 5.2.3.5. The use of correction fluid/tape is not allowed.
- 5.2.3.5.1. In the event of a mistake having been made, it shall be crossed out in ink and be accompanied by an initial at each and every alteration.
- 5.2.3.5.2. Alterations or deletions not signed by the Tenderer may render the tender invalid.
- 5.2.3.6. All bids must be submitted in writing on the official forms supplied (not to be re-typed)
- 5.2.3.7. All prices shall be quoted in South African currency and be **INCLUSIVE of VAT**.
  
- 5.2.4. Any Tender received after the appointed time for the closing of Tenders shall not be considered but shall be filed unopened with the other Tenders received or may be returned to the Tenderer at his request.
- 5.2.5. Tenders may not be telefaxed to the Municipality and therefore any tenders received by fax will **not** be considered.
- 5.2.6. A separate Tender box is provided for the reception of Tenders and no Tender will be considered which, subsequent to the closing hour for Tenders, may be found in another box.
- 5.2.7. Tenders shall be opened in public at the Calvinia Municipal Offices as soon as possible after the closing time for the receipt of tenders.
- 5.2.8. The Municipality shall have the right to summarily disqualify any Tenderer who, either at the date of submission of this tender or at the date of its award, is indebted to the Municipality in respect of any rental, levies, rates and/or service charges; ALTERNATIVELY;
  - 5.2.8.1. That an agreement be signed whereby the Tenderer agrees that a percentage or fixed amount at the discretion of the Municipality, be deducted from payments due to him for this tender, until the debt is paid in full.
  - 5.2.8.2. The tenderer shall declare **all** the Municipal account numbers in the Hantam Area for which the enterprise or the proprietors or directors in their personal capacity is/ are responsible or co-responsible.
- 5.2.9. This bid will be evaluated and adjudicated according to the following criteria:
  - 5.2.9.1. Relevant specifications
  - 5.2.9.2. Value for money
  - 5.2.9.3. Capability to execute the contract
  - 5.2.9.4. PPPFA & associated regulations

#### **5.2.10. Invoices**

All invoices must be forwarded to the following address:

Hantam Municipality  
Private Bag X14  
Calvinia,8190

#### **5.2.11. Value-Added Tax (VAT)**

**5.2.11.1.** Tax invoices are to comply with the requirements as contained in the Value Added Tax Act, Act 89 of 1991. The content of the invoice must contain sufficient information for audit purposes.

**5.2.11.2.** It is a requirement of this contract that the amount of value-added tax (VAT) must be shown clearly on each invoice.

**5.2.11.3.** The amended Value-Added Tax Act requires that a Tax Invoice for supplies in excess of R3,000 should, in addition to the other required information, also disclose the VAT registration number of the recipient, with effect from 1 March 2005.

**5.2.11.4.** The VAT registration number of the Municipality is 4860196072

#### **5.2.12. Standard Payment Terms**

All money owed by the municipality must be paid within 30 calendar days of receiving the relevant invoice, unless prescribed otherwise for certain categories of expenditure.

5.2.13. The signed tender document will also serve as the contract between the successful bidder and the Municipality.

5.2.14. The successful bidder will be required to enter into a Service Level Agreement with the Municipality.

5.2.15. At any time before the submission of the Tender the Municipality may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, modify the tender document by amendment. The amendment will be sent in writing by facsimile or electronic mail to all bidders that requested proposal documents. The amendment will be binding on them.

5.2.16. The Municipality may at its discretion extend the deadline for the submission of Tenders.

5.2.17. The Municipality is not bound to accept any of the Tenders submitted.

5.2.18. If goods or services are procured by means of an order and on arrival are found to be damaged or the goods that are delivered is not as set out on the order. The goods will be returned to the supplier and should be replaced without any additional cost to the municipality.

5.2.19. If the supplier complies with the Functionality Criteria as set out in this tender document. The supplier needs to submit proof by means of valid documents of their compliance with the Functionality Criteria with this tender document.

5.2.20. Payment will be processed 30 days after receipt of invoice.

5.2.21. The custodian of the contract Mr. W. C. Jonker will perform an evaluation on the performance of the successful tenderer on a monthly basis.

5.2.22. If it is found that the performance of the appointed service provider is not up to standard, the Service provider will be requested to rectify the error and/ or provide evidence of rectification, within 7 calendar days as from date of notification thereof. If the error in question is of such a nature or severity, that

rectification thereof, needs/ justify more than these stipulated 7 days, such rectification will be finalised within a reasonable time, as from date of notification of such error.

**6.1. PRICING SCHEDULE  
(Professional Services)**

**MBD 3.1**

Name of Bidder: .....	Bid Number:
.....	
Closing Date: .....	Closing Time:
.....	

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

1. In cases where different delivery points influence the pricing, a separate pricing schedule must be submitted for each delivery point.
2. The total bid price (all taxes included) is: R .....
3. Total bid price (all taxes included) in words: .....
4. Estimated date of contract finalization is: .....
5. Does the offer comply with the specifications as required? YES/ NO
6. Are the rates quoted above firm for the full period? YES/ NO
7. If not firm for the full period, provide details of the basis on which adjustments will be applied, for example Consumer Price Index.  
.....  
.....  
.....  
.....

**7.1. COMPULSORY ENTERPRISE QUESTIONNAIRE**

The following particulars must be furnished. In the case of a joint venture, separate enterprise questionnaires in respect of each partner must be completed and submitted.

**Section 1: Name of enterprise:** .....

**Section 2: VAT registration number, if any:** .....

**Section 4: Particulars of sole proprietors and partners in partnerships**

Name*	Identity number*	Personal income tax number*

\* Complete only if sole proprietor or partnership and attach separate page if more partners

**Section 5: Particulars of companies and close corporations**

Company registration number .....

Close corporation number .....

Tax reference number .....

**FORM OF OFFER AND ACCEPTANCE  
COMPULSORY TO CPMLETE**

**TENDER NO: NC065/T04/2024: MANAGEMENT OF THE SHORT- TERM INSURANCE PORTFOLIO OF THE HANTAM MUNICIPALITY FOR A CONTRACT PERIOD OF (3) YEARS ENDING 30 JUNE 2027.**

**OFFER**

The Employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of:

**TENDER NO: NC065/T04/2024: MANAGEMENT OF THE SHORT- TERM INSURANCE PORTFOLIO OF THE HANTAM MUNICIPALITY FOR A CONTRACT PERIOD OF (3) YEARS ENDING 30 JUNE 2027.**

The Tender Supplier, identified in the acceptance signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the Tender Supplier, deemed to be duly authorized, signing this part of this form of offer and acceptance, the Tender Supplier offers to perform all of the obligations and liabilities of the contractor under the contract, including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of tender identified in the tender data. AS PER PRICING SCHEDULE This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance, and returning one copy of this document to the tender supplier before the end of the period of validity stated in the tender data, whereupon the tender supplier becomes the party named as the contractor in the contract identified in the tender data.

Signature(s) .....

Name(s) .....

Capacity .....

Company Name  
.....

Address  
.....  
.....  
.....  
.....  
.....

**ACCEPTANCE**

By signing this part of the form of offer and acceptance, the employer identified below accepts the Tender supplier's offer. In consideration thereof, the employer shall pay the tender supplier the amount due in accordance with the conditions of quote identified in the tender data. Acceptance of the tender supplier's offer shall form an agreement between the employer and the tender supplier upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tender supplier receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tender supplier within five working days of the date of such receipt notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

Signature(s)  
.....

Name(s)  
.....

Capacity  
.....

For the  
Employer  
.....

.....  
.....

(Name and address of organization)

Date: .....