



## LETSEMENG LOCAL MUNICIPALITY

### TENDER DOCUMENT

<b>BID NO</b>		LETS/AFS/2024/2025	
<b>WEBSITE PLACEMENT DATE:</b>		14/04/2025	
<b>TENDER DESCRIPTION</b>		COMPILATION OF GRAP COMPLIANT ANNUAL FINANCIAL STATEMENT FOR 3 YEARS PERIOD .	
<b>CLOSING DATE</b>	29/04/2025	<b>CLOSING TIME</b>	12H00
POSTAL ADDRESS: Private Bag X 3, Koffiefontein, 9986 Attention: Supply Chain ManagementUnit  <i>Clearly mark the Bid envelope with the bid number and title of bid on the face of the envelope</i>  <i>Any tenders couriered to be deposited in the Municipality's Bid Box, any bids sent to the wrong recipient other than being deposited in the Bid Box will not be considered</i>		TO BE DEPOSITED IN: The bid box at the entrance of the Municipal Offices:  07 Groottrek Street Koffiefontein 9986	
ATTENTION: <b>Mr. LL Manwele</b> SUPPLY CHAIN MANAGEMENT UNIT LETSEMENG LOCAL MUNICIPALITY Tel: <b>053 33 00 217</b>		A bid posted or couriered (at sender's risk) to the Municipality, Private Bag X3, Koffiefontein, 9986, in good time so as to reach the Municipality before the above-mentioned closing date and clearly indicated attention Supply Chain Management Unit, maybe accepted on condition that it is placed in the correct Bid box before the closing time, it being understood that the Council disclaims any responsibility for seeing that such bids are in fact lodged in the bid box.	
<b>SUMMARY FOR TENDER OPENING PURPOSES</b>			
NAME OF TENDERER: .....			
CENTRAL SUPPLIER DATABASE NO: .....			
<b>TOTAL BIDDING PRICE (INCLUDING VAT)</b>			
Total Bidding Price (including VAT)		R	
<b>PREFERENCE CLAIMED FOR:</b>			
Specific goals		Youth Ownership 05, Black Ownership 10, Women Ownership 05 as per the advert	
Points claimed		20 points	
<b>VALIDITY PERIOD: AVAILABLE FOR 90 DAYS AFTER THE BID CLOSURE</b>			
<b>CONTACT DETAILS FOR:</b>			
<b>Bidding procedures and documents</b>		<b>Bid Scope and technical specifications</b>	
<b>SUPPLY CHAIN MANAGEMENT:</b> <b>Mr. L Manwele</b> <b>Tel: 053 33 00 217</b> <b>E-mail: <a href="mailto:lmwanwele@letsemeng.gov.za">lmwanwele@letsemeng.gov.za</a></b>			

**CHECKLIST**

Please ensure that the following forms have been completed and signed and all documents, as requested, are attached to the tender document

Description of document	Document number	Yes	No
Bid Conditions & Information		<input type="checkbox"/>	<input type="checkbox"/>
Part A: Invitation to bid and Part B: Terms and Conditions for Bidding	MBD 1	<input type="checkbox"/>	<input type="checkbox"/>
Terms of Reference		<input type="checkbox"/>	<input type="checkbox"/>
Current Municipal Accounts / Lease Agreement		<input type="checkbox"/>	<input type="checkbox"/>
Form of Offer & Acceptance		<input type="checkbox"/>	<input type="checkbox"/>
Authority of Signatory		<input type="checkbox"/>	<input type="checkbox"/>
Past Experience		<input type="checkbox"/>	<input type="checkbox"/>
	MDB 3.3	<input type="checkbox"/>	<input type="checkbox"/>
Declaration of Interest	MBD 4	<input type="checkbox"/>	<input type="checkbox"/>
Preference points claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution.	MBD 6.1	<input type="checkbox"/>	<input type="checkbox"/>
Sworn affidavit/ B-BBEE Certificate		<input type="checkbox"/>	<input type="checkbox"/>
Valid tax clearance / Tax Compliance Status Pin		<input type="checkbox"/>	<input type="checkbox"/>
Formal contracts for services	MBD 7.1	<input type="checkbox"/>	<input type="checkbox"/>
Declaration of bidder's past supply chain management practices	MBD 8	<input type="checkbox"/>	<input type="checkbox"/>
Certificate of independent bid determination	MBD 9	<input type="checkbox"/>	<input type="checkbox"/>
General Conditions of contract & Bid Requirements		<input type="checkbox"/>	<input type="checkbox"/>

**Please sign on Completion.**

.....  
**NAME OF THE BIDDER**

.....  
**SIGNATURE**

.....  
**DATE**

## BID CONDITIONS AND INFORMATION

### 1 Agreement

The successful bidder will be expected to sign the Contract Form (Part 1) of this bid document within 30 days of the date of notification by Letsemeng Local Municipality that his/her bid has been accepted.

### 2 Completion of Bid Documents

- (a) The original bid document must be completed fully in black ink and signed by the authorised signatory to validate the proposal. All the pages must be initialled by the authorised signatory. Failure to do so may result in the invalidation of the bid.
- (b) Bid documents may not be retyped or altered in any way.

### 3 Alteration or Qualification of Bid

No unauthorised alteration of this set of bid documents will be allowed. Any unauthorised alteration will disqualify the proposal automatically. Any ambiguity has to be cleared with contact person for the bid before the closure date.

### 4 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.

### 5 Submission of Bid

- (a) The bid must be put in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the bid number, title as well as closing date and time and placed in the **Tender Box at the Letsemeng Local Municipality not later than the stipulated date**
- (b) *Faxed, e-mailed and late bids will not be accepted. Bids 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.*

### 6 Opening, Recording and Publications of Bids Received.

- Bids will be opened in public immediately after the bid closure date, or at such time as specified in the bid documents. If requested by any bidder present, names of the bidders, and if practical the total amount of each bid and of any alternative bids will be read out aloud.
- Bids received in time will be recorded and entered in a register which is open for public inspection.

### 7 Tax Compliance Status PIN

- a. *A Certificate showing tax compliance status pin must accompany the bid documents.*
- b. *Bids not supported by a Certificate showing tax compliance status pin, as an attachment to the bid documents will be invalidated.*
- c. *In bids where consortia/joint ventures/sub-contractors are involved, each party must submit a separate valid tax compliance pin certificate.*

### 8 Evaluation of Bids

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

Calculation of the Lowest Acceptable bid Price

### 9 Calculation of the Lowest Acceptable Bid Price for purposes of points calculation.

A price deviation percentage of 20% will be applied in order to calculate the lowest acceptable bid price. The percentage will be applied on a predetermined municipal estimated cost of the project. In calculating the estimate, the municipality will take the following factors into account, base costs, market research, industry guidelines and standards, and the approved budget vote of the municipality. The bid price that falls outside of the price deviation percentage will be disqualified on the basis on their price.

### 10 Acceptance or Rejection of a Bids

The Letsemeng Local Municipality reserves the right to withdraw any invitation to submit a bid and/or to re-advertise or to reject any bid or to accept a part of it. The Municipality does not bind itself to accepting the lowest bid.

- 11 Registration on Accredited Supplier Database**  
It is expected of all prospective service providers who are not yet registered on the Central Supplier Database to register online ([www.csd.gov.za](http://www.csd.gov.za)). The Letsemeng Local Municipality reserves the right not to award proposals to prospective suppliers who are not registered on the CSD (Central Supplier Database).
- 12 Site / Information Meetings**
- 13 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.
- 14 Language of Contract**  
The contract documents will be compiled in English and the English versions of all referred documents will be taken as applicable.
- 15 Procurement Policy**  
Bids will be evaluated using the 80/20 preferential procurement system and awarded in accordance with the amended Preferential Procurement Regulations, 2022 pertaining to the Preferential Procurement Policy Framework Act, No 5 of 2000.
- 16 Expenses Incurred in Preparation of Bid**  
The Letsemeng Local Municipality shall not be liable for any expenses incurred in the preparation and submission of the bid.
- 17 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 Letsemeng Local 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.
- 18 Validity Period**  
*Bids shall remain valid for 90 days after the bid closure date.*
- 19 General and Special Conditions of Contract**  
The General Conditions of Contract as well as any Special Conditions of Contract that may form part of this set of bid documents will be applicable to this bid in addition to the conditions of bid.
- 20 Municipal Rates, Taxes and Charges**  
The bidder to provide their municipal account of rates and taxes of both the Bidding entity and its directors' in its Bid Document submission. Any bidder which is or whose directors are in arrear with their municipal rates and taxes due to any Municipality within South Africa for more than three months and have not made an arrangement for settlement of or same before the bid closure date will be disqualified.
- 21 Contact with Municipality after Bid Closure Date**  
Bidders shall not contact the Letsemeng Local 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 the Letsemeng Local Municipality, it should do so in writing to the Letsemeng Local Municipality. Any effort by the firm to influence the Letsemeng Local Municipality in the bid evaluation, bid comparison or contract award decisions may result in the rejection of the bid.
- 22 BBBEE Supplier Bid Declaration**  
Bidders should complete bid declaration point 4.1 & 6.1 and failure on the part of a bidder to complete mentioned bullet points, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed and you will not receive any points.
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**PART A INVITATION TO  
BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE LETSEMENG LOCAL MUNICIPALITY</b>					
<b>BID NUMBER:</b>	LETS/AFS/2024/2025	<b>CLOSING DATE:</b>	29 April 2025	<b>CLOSING TIME:</b>	12:00
<b>DESCRIPTION</b>	COMPILATION OF GRAP COMPLIANT ANNUAL FINANCIAL STATEMENT FOR 3 YEARS PERIOD				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD 7.1).</b>					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT					
LETSEMENG LOCAL MUNICIPALITY					
SUPPLY CHAIN MANAGEMENT UNIT					
07 Groottrek Street					
Koffiefontein					
9986					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
<b>COMPULSORY TO BE COMPLETED BY THE BIDDER</b>					
TAX COMPLIANCE STATUS	TCS PIN:		<b>AND</b>	CSD No:	
SPECIFIC GOALS	<input type="checkbox"/> Yes  <input type="checkbox"/> No			SPECIFIC GOALS	<input type="checkbox"/> Yes  <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]	
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE	R	
SIGNATURE OF BIDDER			DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>					
DEPARTMENT	FINANCE				
CONTACT PERSON	LL Manwele				
TELEPHONE NUMBER	053 33 00 217				
FACSIMILE NUMBER	N/A				
E-MAIL ADDRESS	<a href="mailto:llmanwele@letsemeng.gov.za">llmanwele@letsemeng.gov.za</a>				

**PART B**

**TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>	
11	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
12	<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR ONLINE</b>
13	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
<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)? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> YES <input type="checkbox"/> NO
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: \_\_\_\_\_

\_\_\_\_\_

## **APPOINTMENT OF A SERVICE PROVIDER FOR THE COMPILATION OF ANNUAL FINANCIAL STATEMENTS FOR A PERIOD OF THREE YEARS**

### **TERMS OF REFERENCE**

#### **1. PROJECT BACKGROUND**

Letsemeng Local Municipality requires proposals from suitably experienced service providers to assist the Municipality with financial consultancy services and reforms, the primary aim being to obtain clean audit outcomes for the next 3 years as well as to ensure the implementation of this reform on an ongoing basis.

Sections 16 and 24 of the MFMA requires every municipality to table an annual budget at a Council meeting at least 90 days before the start of the budget year and approve that annual budget at least 30 days before the start of the budget year. While sections 122 and 126 of the MFMA requires every municipality to prepare Annual Financial Statements (AFS) and submit them for audit by 31 August each year. Letsemeng Local Municipality Local established internal departments, Budget and reporting division, expenditure division revenue division and Assets division to respectively carry out this responsibility.

In this current climate, demands for governance and transparency, implementation of mSCOA, keeping abreast with constant changes of accounting standards (GRAP) and other financial reforms, the challenges to the financial services department have never been greater. To cost-effectively address these increasing demands, there will be a need for assistance from consultants to improve data integrity and completeness of information for the compilation of the annual financial statements to be a true reflection and assist with the implementation of changes in GRAP and other financial reforms, transfer of skills to personnel to ensure efficiency, completeness and accurate reporting and upskilling of staff.

To mitigate this risk, the municipality decided to issue a three- year tender for financial consulting services to utilize in instances where positions in these departments became vacant and cannot be filled in time to enable the municipality to adhere to the prescribed legislation. These services will only be utilized when necessary.

It is the intention to appoint the successful tenderer for a contract period of three years in order to ensure the success of the project and to provide the municipality with the necessary business continuity and the building of institutional knowledge and capacity.

#### **SCOPE OF WORK**

The appointed service provider will be required to perform the functions as outlined in the different deliverables

as allocated. The deliverables are summarized below:

**Deliverable 1: Annual financial Statements (Fixed Price)**

Compilation of the AFS in terms of Section 122 of MFMA and in accordance with GRAP and other relevant accounting standards by:

- a. Follow up on the progress of the year-end final accounts in line with the municipality's approved year-end plan.
- b. Prepare journals for transactions necessary for completion of the AFS and present them to management for review.
- c. Perform all correction of prior period errors where necessary, provide adequate narrative disclosure and advise management on the accounting treatment of matters to be restated.
- d. Calculate the financial impact of Employee benefits Obligations (long service awards and Post-Retirement Medical aid benefits) based on the reports obtained from experts.
- e. Recommend journals for approval by the management.
- f. Review of employee-related benefits calculations for 13th cheque, bonus provision,
- g. performance bonus, staff leave accrual etc. prepared by the accountants and recommend journals for approval by the management.
- h. Calculate the financial impact of Landfill Site provision (Provision for Rehabilitation and the effect on the Landfill Site Asset) based on the reports obtained from experts.
- i. Recommend journals for approval by the management.
- j. Making extracts of relevant financial information from the financial system.
- k. Gathering any other information, financial or otherwise required from any other source.
- l. Prepare the audit file in the prescribed format, notes and annexures/ statements to
- m. financial statements from the information gathered. The audit file includes a lead schedule for each account balance, class of transaction and disclosure note presented in the AFS
- n. linking amounts in the AFS to supporting documents.
- o. Finalize lead schedule and sign it off (preparer) as accurate and complete.
- p. Scan all appropriate documents and save them with the relevant hyperlinks in the electronic audit file and ensure that all the lead sheets of the electronic audit file balance with the ledger.
- q. Prepare detailed excel Cash Flow Statement workings and balance the Cash Flow Statement outside the financial statement system.



- r. Preparing Generally Recognized Accounting Practice (GRAP) AFS including any new
- s. accounting standard as approved by the ASB for implementation using a financial statement system prescribed by the municipality.
- t. Compiling and Balancing of Statements of Financial Position, Statement of Financial
- u. Performance, Statement of Changes in Net Assets, Statement of Budget Comparison, Cash flow statements.
- v. Reviewing the detailed excel Cash Flow Statement workings and balancing the Cash Flow Statement outside the financial statement system.
- w. Reviewing, updating and writing new accounting policies in the note to the financial statements in line with GRAP requirements.
- x. Review the calculation of the amounts to be disclosed in the AFS relating to traffic fines as per GRAP 23; iGRAP 1 & iGRAP20 requirements.
- y. Managing the compilation of and review of the audit file to ensure that it supports and validates all the financial information reported in the financial statements.
- z. Review the final asset register for compliance with GRAP requirements and ensure that it reconciles and balances to the annual financial statements by 31 August:
  - aa. Ensure completeness of capital commitments by reviewing information supplied.
  - bb. Perform financial risk management calculations including liquidity risks.
  - cc. Perform classification of financial instruments and appropriately disclosed in accordance with applicable accounting standard.
  - dd. Consider information regarding contingent liabilities and ensure adequate and appropriate disclosure measured against GRAP requirements.
  - ee. Ensure that adequate disclosure of material variances is done.
  - ff. Ensure accurate appropriate disclosure of all grant receipts, verify information in grants reconciliation for inclusion in AFS and prepare correction journals if relevant.
  - gg. Managing year-end transactions and reviewing closing journal entries in the general ledger.
  - hh. Managing the extraction of relevant financial information from the financial system.
  - ii. Managing the gathering of any other information, financial or otherwise required from any other source.
  - jj. Manage the preparation of notes and annexures/statements to financial statements from information gathered.
  - kk. Advise and liaise with other managers in finance on GRAP standards applicable, accounting

treatment and information required for compilation of AFS.

ll. Manage the progress with year-end and AFS plan.

mm. Perform self-review on AFS and annexures.

nn. Provide draft AFS for review to CFO by 15 August.

oo. Provide information on all changes made to AFS after reviews.

pp. To ensure that the annual financial statements can be finalized and submitted to AGSA, National treasury and Provincial treasury by 31 August. The following detail 2 components and detail action steps will need to be performed by the successful tenderer.

### **Preparation of Annual Financial Statements**

- Compile the GRAP Compliant AFS by:
  - Reviewing and assisting in resolving all the prior period audit issues
  - Performing all prior year adjustments in order to have accurate opening balances.
  - Assisting in the year-end closure to ensure conclusion of all financial transactions and processes
  - Performing/Reviewing all the year-end reconciliations and make corrections if not accurately prepared.
    - Bank Reconciliation
    - Debtors' reconciliation
    - Creditors Reconciliation
    - VAT Reconciliation
    - Payroll Reconciliation
    - Grants Reconciliation
    - WIP Reconciliation
    - Assets Reconciliation
    - Valuation Roll to Billing system recon
    - Other reconciliations necessary
  - Performing provision for debt impairment calculations in line with GRAP provisions and align to council policy.
  - Application of iGRAP 1 (Fines)
  - Landfill site assessment and rehabilitation provision
  - Provide Actuarial Valuations of the Long Service Bonus Awards and Post Employment Medical Subsidies

- Performing year end journals.
- Mapping from CCG Sage System to CaseWare application
- Compilation of GRAP compliant Annual Financial Statements by using CaseWare application for the year ending 30 June 2025 in terms of GRAP and other applicable standards.
- Preparation of the Audit file in line with the applicable legislation (MFMA Circular 50. Annexure A attached detailing all information to be contained in the audit file.
- Adhere to all required legislation.
- Transfer skills to the finance staff
- Assist with the Audit queries.
- Assist in developing the 2024/2025 Audit Action Plan immediately after finalization of the Audit.
- Assist during the audit and address all issues raised by the AG. Assist with reconciliations:
  - -debtors, creditors, salaries, rates, VAT, logistics, budget, audit file or any other applicable accounting matter.
- Attendance of meetings to discuss AFS with finance department, management, and the audit committee, etc. Revise and effect changes to AFS after an internal audit, management, and audit committee's external review.
- Provide advice regarding the adoption and or early adoption of relevant accounting standards.
- Prepare and provide a complete set of electronic working papers, by means of
  - spreadsheets, setting out calculations and attaching PDF documents as supporting evidence for all amounts stated and or disclosed in the AFS. Notes and Appendices to the financial statements.
- Assistance with queries from the auditors during external and internal audits.
- Obtain external expert opinion on accounting standards interpretation if a difference of opinion is evident between the office of the auditor general and the municipality.
- Perform adjustments to the AFS in accordance with audit findings issued during the external audit.

## **Deliverable 2: Independent technical review of Annual financial Statements (Fixed Price)**

- a. Perform a detailed technical review of the annual financial statements in line with GRAP on the following:
  - i. Statement of financial position;

- ii. Statement of financial performance;
  - iii. Statement of net assets;
  - iv. Statement of Budget vs Actual in terms of GRAP 24;
  - v. Notes to the financial statements;
  - vi. Additional MFMA disclosures; and
  - vii. Other supplementary schedules.
- b. Review the accounting policies - ensure full compliance with GRAP and consistency with the prior year.
  - c. Test the casting and cross-casting of the financial statements.
  - d. Perform a high-level review cash flow statement by agreeing:
    - i. Asset additions to asset notes.
    - ii. Asset proceeds to asset disposals per note plus profit/loss disclosed in the statement of financial performance.
    - iii. Agree interest income to statement of financial performance.
    - iv. Agree on finance cost to the statement of financial performance.
    - v. Movement in working capital as disclosed in notes to cash flow statement to the difference between opening balance and closing balance; and
    - vi. Non-cash items are added back in notes to the cash flow statement to disclosures in the statement of financial performance.
  - e. Make recommendations to improve the presentation and disclosure of the financial statements.
  - f. Prepare a report on deficiencies and recommendations for improvement.

**Deliverable 3: Any ad-hoc requests (400 hours for evaluation purposes)**

a) Any ad-hoc matters as determined by the Chief Financial Officer (CFO) during the duration of the project will be added as project deliverables. The ad-hoc matters will relate to expert opinions on the accounting treatment of complex transactions during the preparation of the AFS.

**GENERAL**

1.1 The services of the successful bidder shall be used as and when a need arises, during the entire duration of

the tender.

Based on historical data and trends, an estimated 1000 man-hours of assistance per year, may be required from the successful bidder for the successful completion of all the deliverables in the event that, assistance is required for all the deliverables.

1.2 The municipality reserves the right to terminate the services, should unsatisfactory service be received from the successful bidder.

1.3 The municipality reserves the right to request the appointment of the team composition in order to address a specific need or should circumstances change during the execution of the project.

1.4 Monthly performance evaluation will be done, and a report submitted before any invoice submission.

The successful bidder(s) will report to the Letsemeng Local Municipality Accounting Officer in relation to assignments in accordance with agreed terms as would be documented on the subsequent service level agreements or contracts. Particular projects will be initiated by means of written instructions to the successful bidders on competitive basis, backed by verbal briefings where necessary.

### **Other Important Matters**

Where an entity forms a joint venture or a consortium with another entities(y), the parties to this agreement must express in the bid proposal what aspect of the scope of work each party would be adding value to and what percentage each party will receive in terms of the proceeds flowing from any assignment.

The bidders are required to ensure that the individual directors and technical staff/financial management specialist experience is clearly documented in the proposal.

It is further imperative that the bidder ensures that the curriculum vitae of individual resources is not included in other bidder proposals. Should a duplication of curriculum vitae be identified across proposals, such curriculum vitae will be disregarded for both bidders during evaluation.

Proposals should also clearly indicate how bidders intend to transfer skills to the Letsemeng Local Municipality Finance officials. This should particularly indicate how this was done in previous assignments.

As and when assignments are agreed upon, the Letsemeng Local Municipality will stipulate the rates to be paid per consultant in terms of experience, preferable separate between trainee, junior, intermediate, and senior consultants. The Bidder is required to specifically indicate its acceptance of this condition. The bidder's staff complement must address the demographics of the country in line with government policies, and must provide evidence that it is complying with transformation in terms of Broad Based Black Economic Empowerment Act (8-BBEE)

The Consultant should note that no payment will be made should the Municipality not be satisfied with the standard of deliverables.

The successful bidder(s) will enter into a contractual agreement(s) with the Letsemeng Local Municipality confirming the appointment on the list of service provider.

## APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF ACCOUNTING SERVICES FOR A PERIOD OF THREE YEARS

### Pre-Qualification & Functionality Scoring:

The following criteria will be used to calculate points for the quality of Bidders and Bidders must ensure that they submit all information to be pre- evaluated on the criteria mentioned below:

Bidders that score less than 80 out of 100 points (80%) for the pre- qualification criteria (Stage 2) will not be considered for further evaluation on Stage 3 (Price and Preference).

Bidders must ensure that all the information requested is provided in detail.

Unclear or incomplete information provided will result in no points being allocated.

Bidders must submit applicable information for this tender. Reference to any attached documentation must be clearly indicated.

All proposals will be evaluated in terms of functionality with a maximum of 100 functionality points. All proposals must meet a minimum score of 80% for the GRAP Compliant AFS will be considered for the next final evaluation stage whereby proposals where the most cost-effective proposal will be considered.

### FUNCTIONALITY

CRITERIA	WEIGHTING
<b>Previous AFS projects</b>	<b>Maximum 30 points</b>
5 Previous completed GRAP-compliant AFS projects with an unqualified audit opinion (6 points each)	
5+ appointments	30 points
3-4 appointments	24 points
1-2 appointments	12 points
No appointments/No unqualified opinion	0 points
Copies of signed appointment letters and reference letters from previous clients should be attached to claim points. The municipality will verify this information with the respective referees.	
<b>Technical Expertise and Competency</b>	<b>Maximum 30 Points</b>
Team must be led by a qualified Chartered Accountant registered with the South African Institute of Chartered Accountants (SAICA) and IRBA with the necessary experience in obtaining unqualified audit opinions	
10 and more years Local Government Experience	30 points
7 - 5 Years	20 points
3-4 Years	10 points
No experience	0 Point
Please provide an organogram of the proposed project team.	
Proof of registration with SAICA and IRBA must be attached	
<b>Project Time Frames</b>	<b>Maximum 15 Points</b>
An in details Project work plan with detailed tasks and time frames	15 Points
A vague plan with time frames	5 Points
No Project plan	0 Points
The AFS must be submitted to the AGSA, in line with the MFMA and the AFS plan prepared by the municipality	
<b>Document Warehousing System</b>	<b>Maximum 10 Points</b>
Proof and explanation of a document digitization and warehousing system for all municipal payment vouchers	10 Points
No document digitization and warehousing system	0 Points
<b>Team Members must be SAICA &amp; IRBA Registered (Certified confirmation from controlling bodies to be attached)</b>	<b>Maximum 15 Points</b>
12+ years as registered member of SAICA	5 Points
12+ years as registered member of IRBA	10 Points
<b>TOTAL MAXIMUM POINTS</b>	<b>100 POINTS</b>

## CERTIFICATE OF MUNICIPAL SERVICES

Information required in terms of the Letsemeng Local Municipality's Supply Chain Management Policy,  
Clause 28 (i) (c) (ii).

Tender Number:	
Name of Bidder:	

DETAILS OF THE BIDDER/S: Proprietor /Director(s) / Partners, etc:	
Physical Business address of the Bidder	Municipal Account Number(s)

If there is not enough space for all names, please attach the additional details to the tender document.			
Name of Director / Member / Partner	Identity Number	Physical residential address of Director / Member / Partner	Municipal Account number(s)

I, \_\_\_\_\_, the undersigned, (full name in block letters)

certify that the information furnished on this declaration form is correct and that I/we have no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days.

\_\_\_\_\_  
Signature

thus done and signed for and on behalf of the Bidder /Contractor at \_\_\_\_\_ on the  
\_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_

**Please note:**

Even if the requested information is not applicable to the Bidder, the table above should be endorsed NOT

**APPLICABLE and THIS DECLARATION MUST STILL BE SIGNED**



---

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

TENDER NO: LETS/AFS/2024/25

**OFFER**

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

TENDER NO: LETS/AFS/2024/25

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: .....

## 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:

**LETS/AFS/2024/25:COMPILATION OF GRAP COMPLIANT ANNUAL FINANCIAL STATEMENT FOR 3 YEARS PERIOD.**

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. ....

## PAST EXPERIENCE

Tenderers must furnish hereunder details of similar services, which they have satisfactorily completed in the past.

EMPLOYER	DURATION AND COMPLETION DATE	EMPLOYER CONTACT NUMBER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF TENDERER

## REQUIRED DOCUMENTATION

### **A PUBLIC COMPANY or SECTION 21 COMPANY**

A certified copy of the company's Certificate of Incorporation (CM3).

If any changes had occurred in the board of Shareholders or Directors of the company since registration, a certified copy of the amended Certificate of Incorporation regarding the changes that were registered in the office of the Registrar of Companies must be obtained.

*In the case of a Company, a resolution from the directors that the person who is appointed to sign the tender and SLA document is authorized to act on behalf of the Company. The full names, identity number and his/ her capacity must be included in the resolution.*

### **A CLOSE CORPORATION**

A certified copy of the Close Corporation's registration document. (CK1 & CK2).

*If any changes had occurred in the Membership of the Close Corporation since registration, a certified copy of the amended Registration Certificate regarding the changes in membership that were registered in the office of the Registrar of Companies must be obtained. In the case of a Close Corporation, a resolution from the members that the person who is appointed to sign the tender and SLA document is authorized to act on behalf of the Close Corporation. The full names, identity number and his/ her capacity must be included in the resolution.*

### **A TRUST**

A certified copy of the Trust deed (document) as well as a letter of authority in the case of business trust.

### **A PARTNERSHIP**

A certified copy of the Partnership Agreement.

### **A SOLE PROPRIETOR**

A certified copy of the Owner's ID document.

In all cases, a valid Tax Clearance certificate is required.

Where necessary certified copies of other relevant registration certificates pertaining to the business as required by legislation.

The above documentation did not include necessarily all the documentation that may be needed by the Supply Chain department which must also be requested.

**PRICING SCHEDULE**  
(Professional Services)

Name of Bidder:.....Bid Number: .....

Closing Time: ..... Closing Date: .....

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
1.	The accompanying information must be used for the formulation of proposals.	
2.	Bidders are required to indicate a ceiling price based on the totalestimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.	R.....
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT ANDRATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)	
4.	PERSON AND POSITION	<div style="display: flex; justify-content: space-between;"> <span>HOURLY RATE</span> <span>DAILY RATE</span> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 50%;"> R----- R----- R----- R----- R----- </div> <div style="width: 40%;"> ----- ----- ----- ----- ----- </div> </div>
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BECOMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT	
	-----	R----- days
	-----	R----- days
	-----	R----- days
	-----	R----- days
5.1	Travel expenses (specify, for example rate/km and total km, classof airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.	
	DESCRIPTION OF EXPENSE TO BE INCURRED	<div style="display: flex; justify-content: space-between;"> <span>RATE</span> <span>QUANTITY</span> <span>AMOUNT</span> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> ----- ----- ----- ----- </div> <div style="width: 20%;"> ----- ----- ----- ----- </div> <div style="width: 40%;"> R----- R----- R----- R----- </div> </div>

\*\*“all applicable taxes” includes value-added taxes, pay as you earn, income tax, unemployment insurance fundcontributions and skills development levies.

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

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

6. Period required for commencement with project after acceptance of bid .....
7. Estimated man-days for completion of project .....
8. Are the rates quoted firm for the full period of contract? ..... \*YES/ NO.
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.....

.....

.....

.....

\*Delete if not applicable



# DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.

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

- 3.1 Full Name: .....
- 3.2 Identity Number: .....
- 3.3 Company Registration Number: .....
- 3.4 Tax Reference Number: .....
- 3.5 VAT Registration Number: .....

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

**3.6.1** If so, furnish particulars.

.....  
.....

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

**3.7.1** If so, furnish particulars.

.....  
.....

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

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

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

YES / NO

**3.8.1** If so, furnish particulars.

.....

.....

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

YES / NO

**3.9.1** If so, furnish particulars

.....

.....

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

YES / NO

**3.10.1** If so, furnish particulars.

.....

.....

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

YES / NO

**3.11.1** If so, furnish particulars.

.....

.....

**CERTIFICATION**

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

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

**MBD 6.1****PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022**

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

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

**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:

	POINTS
PRICE	

<b>SPECIFIC GOALS</b>	
<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:

<b>80/20</b>	or	<b>90/10</b>
$Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$	or	$Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

### 3.2. 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:

<b>80/20</b>	or	<b>90/10</b>
--------------	----	--------------

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

Where

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

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

**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 2017;
    - 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 fulfilment 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/WORKSPART 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	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?  (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).  <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>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <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>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

☐ ☐

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

#### CERTIFICATION

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

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all 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 (MBD9) 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:

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(Bid Number and Description)

in response to the invitation for the bid made by:

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(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

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<b>1. Definitions</b>	<ol style="list-style-type: none"> <li>1. The following terms shall be interpreted as indicated: <ol style="list-style-type: none"> <li>1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.</li> <li>1.2 "Contract" means the written agreement entered into between the purchaser and the provider, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.</li> <li>1.3 "Contract price" means the price payable to the provider under the contract for the full and proper performance of his contractual obligations.</li> <li>1.4 "Corruptpractice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.</li> <li>1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.</li> <li>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.</li> <li>1.7 "Day" means calendar day.</li> <li>1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.</li> <li>1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.</li> <li>1.10 "Delivery into consignee's 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 provider bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.</li> <li>1.11 "Dumping" occurs when a private enterprise abroad markets its goods on its 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.</li> <li>1.12 "Force majeure" means an event beyond the control of the provider and not involving the provider'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.</li> <li>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.</li> <li>1.14 "GCC" means the General Conditions of Contract.</li> <li>1.15 "Goods" means all of the equipment, machinery, and/or other materials that the provider is required to supply to the purchaser under the contract.</li> <li>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 provider or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.</li> <li>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.</li> </ol> </li> </ol>
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<b>General Conditions of Contract</b>	
	<p>1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.</p> <p>1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.</p> <p>1.20 “Projectsite,” where applicable, means the place indicated in bidding documents.</p> <p>1.21 “Purchaser” means the organization purchasing the goods.</p> <p>1.22 “Republic” means the Republic of South Africa.</p> <p>1.23 “SCC” means the Special Conditions of Contract.</p> <p>1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the provider covered under the contract.</p> <p>1.25 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.</p>
<b>2. Application</b>	<p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>
<b>3. General</b>	<p>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.</p> <p>3.2 Invitations to bid are usually published in locally distributed news media and in the institution’s website.</p>
<b>4. Standards</b>	<p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>
<b>5. Use of contract documents and information; inspection.</b>	<p>5.1 The provider 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 provider in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>5.2 The provider 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.</p> <p>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 provider’s performance under the contract if so required by the purchaser.</p> <p>5.4 The provider shall permit the purchaser to inspect the provider’s records relating to the performance of the provider and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.</p>
<b>6. Patent rights</b>	<p>6.1 The provider 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.</p> <p>6.2 When a provider developed documentation / projects for the municipality or municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality or municipal entity.</p>

<b>7. Performance security</b>	<p>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.</p> <p>7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the provider's failure to complete his</p>
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<b>General Conditions of Contract</b>	
	<p>obligations under the contract.</p> <p>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:</p> <p>(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</p> <p>(b) a cashier's or certified cheque.</p> <p>7.4 The performance security will be discharged by the purchaser and returned to the provider not later than thirty (30) days following the date of completion of the provider's performance obligations under the contract, including any warranty obligations, unless otherwise specified.</p>
<b>8. Inspections, tests and Analyses</b>	<p>8.1 All pre-bidding testing will be for the account of the bidder.</p> <p>8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the purchaser or an organization acting on behalf of the purchaser.</p> <p>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.</p> <p>8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.</p> <p>8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the provider.</p> <p>8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.</p> <p>8.7 Any contract supplies 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 supplies shall be held at the cost and risk of the provider who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the provider's cost and risk. Should the provider fail to provide the substitute supplies forthwith, the purchaser may, without giving the provider further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the provider.</p> <p>8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.</p>
<b>9. Packing</b>	<p>9.1 The provider shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.</p> <p>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.</p>
<b>10. Delivery and documents</b>	<p>10.1 Delivery of the goods and arrangements for shipping and clearance obligations shall be made by the provider in accordance with the terms specified in the contract.</p>

<b>General Conditions of Contract</b>	
<b>11. Insurance</b>	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.
<b>12. Transportation</b>	12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified.
<b>13. Incidental services</b>	<p>13.1 The provider may be required to provide any or all of the following services, including additional services, if any:</p> <ul style="list-style-type: none"> <li>(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;</li> <li>(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;</li> <li>(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;</li> <li>(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 provider of any warranty obligations under this contract; and</li> <li>(e) training of the purchaser's personnel, at the provider's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.</li> </ul> <p>13.2 Prices charged by the provider 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 provider for similar services.</p>
<b>14. Spare parts</b>	<p>14.1 As specified, the provider may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the provider:</p> <ul style="list-style-type: none"> <li>(a) such spare parts as the purchaser may elect to purchase from the provider, provided that this election shall not relieve the provider of any warranty obligations under the contract; and</li> <li>(b) in the event of termination of production of the spare parts: <ul style="list-style-type: none"> <li>(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and</li> <li>(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.</li> </ul> </li> </ul>
<b>15. Warranty</b>	<p>15.1 The provider 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 provider 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 provider, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.</p> <p>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.</p> <p>15.3 The purchaser shall promptly notify the provider in writing of any claims arising under this warranty.</p> <p>15.4 Upon receipt of such notice, the provider shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.</p> <p>15.5 If the provider, 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 provider's risk and expense and without prejudice to any other rights which the purchaser may have against the provider under the contract.</p>

<b>16. Payment</b>	<p>16.1 The method and conditions of payment to be made to the provider under this contract shall be specified.</p> <p>16.2 The provider 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.</p>
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<b>General Conditions of Contract</b>	
	<p>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 provider.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated.</p>
<b>17. Prices</b>	17.1 Prices charged by the provider for goods delivered and services performed under the contract shall not vary from the prices quoted by the provider 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.
<b>18. Increase / decrease of quantities</b>	18.1 In cases where the estimated value of the envisaged changes in purchase does not exceed 15% of the total value of the original contract, the contractor may be instructed to deliver the revised 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.
<b>19. Contract amendments</b>	19.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
<b>20. Assignment</b>	20.1 The provider shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
<b>21. Subcontracts</b>	21.1 The provider shall notify the purchaser in writing of all subcontracts awarded under these contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the provider from any liability or obligation under the contract.
<b>22. Delays in the provider's performance</b>	22.1 Delivery of the goods and performance of services shall be made by the provider in accordance with the time schedule prescribed by the purchaser in the contract.
	22.2 If at any time during performance of the contract, the provider or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the provider 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 provider's notice, the purchaser shall evaluate the situation and may at his discretion extend the provider'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.
	22.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the provider's point of supply is not situated at or near the place where the supplies are required, or the provider's services are not readily available.
	<p>22.4 Except as provided under GCC Clause 25, a delay by the provider in the performance of its delivery obligations shall render the provider 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.</p> <p>22.5 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the provider'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 provider.</p>
<b>23. Penalties</b>	23.1 Subject to GCC Clause 25, if the provider 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.

<p><b>24. Termination for default</b></p>	<p>24.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the provider, may terminate this contract in whole or in part:</p> <ul style="list-style-type: none"> <li>(a) if the provider 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 22.2;</li> <li>(b) if the provider fails to perform any other obligation(s) under the contract; or</li> <li>(c) if the provider, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.</li> </ul> <p>24.2 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 provider shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the provider shall continue performance of the contract to the extent not terminated.</p>
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<b>General Conditions of Contract</b>	
	<p>24.3 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.</p> <p>24.4 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.</p> <p>24.5 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.</p> <p>24.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:</p> <ul style="list-style-type: none"> <li>(i) the name and address of the supplier and / or person restricted by the purchaser;</li> <li>(ii) the date of commencement of the restriction;</li> <li>(iii) the period of restriction; and</li> <li>(iv) the reasons for the restriction.</li> </ul> <p>These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.</p> <p>24.7 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.</p>
<b>25. Anti-dumping and counter-vailing duties and rights</b>	<p>25.1 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 provider to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the provider in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.</p>
<b>26. Force Majeure</b>	<p>26.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the provider 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.</p> <p>26.2 If a force majeure situation arises, the provider shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the provider 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.</p>
<b>27. Termination for insolvency</b>	<p>27.1 The purchaser may at any time terminate the contract by giving written notice to the provider if the provider becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the provider, 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.</p>

<b>General Conditions of Contract</b>	
<b>28. Settlement of Disputes</b>	<p>28.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the provider 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.</p> <p>28.2 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 provider 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.</p> <p>28.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.</p> <p>28.4 Notwithstanding any reference to mediation and/or court proceedings herein,</p> <p>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</p> <p>(b) the purchaser shall pay the provider any monies due the provider for goods delivered and / or services rendered according to the prescripts of the contract.</p>
<b>29. Limitation of liability</b>	<p>29.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;</p> <p>(a) the provider 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 provider to pay penalties and/or damages to the purchaser; and</p>
	<p>(b) the aggregate liability of the provider 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.</p>
<b>30. Governing language</b>	<p>30.1 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.</p>
<b>31. Applicable law</b>	<p>31.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified.</p>
<b>32. Notices</b>	<p>32.1 Every written acceptance of a bid shall be posted to the provider concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.</p> <p>32.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.</p>
<b>33. Taxes and duties</b>	<p>33.1 A foreign provider shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.</p> <p>33.2 A local provider shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>33.3 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.</p>
<b>34. Transfer of contracts</b>	<p>34.1 The contractor shall not abandon, transfer, assign or sublet a contract or part thereof without the written permission of the purchaser.</p>
<b>35. Amendment of contracts</b>	<p>35.1 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.</p>