



TENDER DOCUMENT: INVITATION FOR FACILITATION OF CANNABIS PERMITS

CLOSING DATE: 24th JANUARY 2023

CLOSING TIME: 12:00PM

COMPANY (BIDDER) NAME.....

CONTACT PERSON.....

CONTACT NUMBER.....

**BID PRICE (IF
APPLICABLE).....**

1. PROBLEM STATEMENT

Ntabankulu Local Municipality is located within the Alfred Nzo District. The Municipality is predominantly rural, with a very low revenue base and is severely underdeveloped. The municipality has strived to promote mixed land uses in Ntabankulu that will assist in growing the revenue base and see a variety of developments.

The initiation of a cannabis industry in Mpondoland is driven by the Ntabankulu Local Economic Development on behalf of the Ntabankulu LM, for the benefit of the Mpondo historic cannabis growers. It is essentially the association of Marijuana growers from all 19 municipal wards that is to drive the proposed business model as it requires as many hundreds of hectares' worth of biomass as possible to produce for commercial benefit. Small scale farmers are expected to cultivate and process the same product in mass as this is the only way in which the operation can make economic sense. The biomass is needed in volumes of at least 1000 ha to produce enough biomass for commercial gain

The aim for NLM to initiate a cannabis industry in Ntabankulu is to alleviate the high levels of poverty. The long history of cannabis cultivation in the area makes it exceptionally easy for the collective communities to realise a solid industry. The focus for NLM is to create meaningful partnerships with communities to facilitate training and to put trading systems in place. Creating opportunities: It is no secret that unemployment in the entire Eastern Cape is at its highest and continues to rise. This reason should inspire thinking out of the norm and dedicating time and effort to assessing what is critical and needed most by the communities within the administrative area of Ntabankulu.

2. PROJECT DESCRIPTION

Development proposals are sought from interested bidders for the turn-key development that will address the desire to grow the services of the town. In line with the Council Revenue Enhancement Strategy, the Municipality is looking for interested bidders to develop a financially viable development that will service the people of Ntabankulu with facilitation of cannabis permits. The development seeks to realize the objectives that are in line with the Integrated Development Plan. The facilitation should address the challenge of cannabis farming of Ntabankulu farmers, uplift the socio-economic status of the Ntabankulu community well established cannabis farmers.

3. INVITATION FOR PROPOSALS

Proposals are invited from suitably qualified companies for facilitation of cannabis permits, Ntabankulu area. Bidders are invited to submit all-inclusive proposals based on the type of development they propose to construct within the site. Only bidders that demonstrate knowledge, experience and capacity will be considered.

All pre-approved bidders will be invited to present their proposal to the adjudication panel

Bidders are to ensure that all returnable attachments have been submitted and a comprehensive proposal is submitted.

4. TERMS OF REFERENCE

2. Scope of Work

The project needs project facilitator who will facilitate permits on five wards which are ward01, ward02, ward07, ward 08 and ward 09 that produces cannabis also train the farmers on the products that can be produced through cannabis. Facilitates registration of entities in line with current legislation. The facilitation should go further to the establishment of the governance structures and their orientation (Community Trusts).

Deliverables:

- Analyze seeds per regional placing (collect seed from neighboring villages, by the local people's demarcation references, e.g emaCwerheni, a name that the local people use to identify their areas, not by the wards because wards chop and change with elections for government)
- Register the seeds with the Department of Agriculture under the relevant Acts
- Give training to communities regarding the use of stalks and leaf biomass to prepare the growers for their following harvests.
 - Decortication
 - Processing into fiber
 - Seed processing to extract oil
 - Compost, folia sprays for feeding, grooming & pest control
 - Cosmetics manufacturing (making soap and body lotions)
- Assure offtake agreements for fiber (if we can secure a buyer for the fiber, then the Ntabankulu Cannabis Community has a direct market for their biomass)
- FACILITATION OF COMMUNITIES must be BRING FORTH -
 - a. Cannabis permits for 5 wards (1, 2, 7, 8, 9)
 - b. Registered Primary cooperatives in each of five wards (1, 2, 7, 8, 9)
 - c. CV of team members in each of five wards (1, 2, 7, 8, 9)
 - d. Project profile of each cooperative in each of five wards (1, 2, 7, 8, 9)
 - e. One Secondary Coop registered affiliating all five cooperatives
 - f. One Overall entity registered on CIPC Companies and Intellectual Property Commission
 - g. One Overall entity registered on BBEEE certificate or affidavit.
 - h. One Overall entity registered on Valid tax clearance certificate or pin code.
 - i. Letters of intent or offtake agreements if any.
- Identify Concept processes and product prototypes under development.
- Provide Clear description of the type of technical assistance required prioritized in terms commercial market per Village

3. Agreement

The Services will be rendered in accordance with the terms and conditions of a Service Level Agreement issued by the NLM.

4. Financial Arrangements

- Bidders are solely responsible for their own costs in preparing the tender.
- Payments for all services covered by this tender shall be made upon receipt of appropriate invoices and the satisfactory completion of each milestone as indicated in the SLA.
- The terms of payment are thirty (30) days from the date of receipt of a valid invoice by the municipality.

5. Compliance and Criteria

Service providers are requested to attach these requirements for their bids on the pages indicated in the document

- Valid SARS Tax compliance certificate and SARS compliance pin
- Proof of company registration
- Certified ID copies for the entity owners.
- Valid original or certified copy of BBEE Verification Certificate or Sworn Affidavit to claim Preferential points
- Proposed delivery period
- Proof of municipal rates clearance or a signed lease agreement by both parties and confirmation that there is no billing where the entity is based
- All prospective service providers are required to apply on Central Supplier Database in order to do business with all organs of the State in the Republic of South Africa at <https://secured.csd.gov.za>. Non registration will be regarded as non-responsive and be disqualified from the bid.

Functionality will be evaluated based on the following criteria and bidders who failed to score a minimum functionality assessment of 70 points will be considered non-responsive and will not be evaluated further

Criteria	Points	Maximum Points
COMPANY PROFILE <ul style="list-style-type: none">▪ Business profile with Postal and Physical address, landline, cell phone number, email address , fax (optional)		20 points
EXPERIENCE <p>The bidder is required to provide proven experience in the involvement or usage of</p>		20 points

indigenous plants and other related products, or similar scope of work in the form of appointment letters. <ul style="list-style-type: none"> ▪ 2 projects ▪ 1 project NB: ATTACH SIGNED APPOINTMENT LETTERS	20 points 10 points	
EXPERTISE CV and Qualification of the project team members must be attached. Qualification in any of the following relevant qualifications <ul style="list-style-type: none"> ➤ Degree and above ➤ National Diploma ➤ Certificate NB: ATTACH PROOF OF QUALIFICATION	20 points 15 points 10 points	20 points
METHODOLOGY <ul style="list-style-type: none"> ➤ Clear project milestone outlining the implementation plan and phases with time frames. ➤ Training of beneficiaries orientation on usefulness of cannabis and other indigenous plants ➤ Proposal on governance structures or business entities to be established ➤ Cost analysis 	10 points 10 points 10 points 10 points	40 points
TOTAL		100 points

6. Instructions for Supplying Pricing Information

- You are requested to submit a breakdown of your pricing and cost components for items and Services set out by the NLM.
- Prices and costs included in this financial proposal must cover all your costs, including but not limited to, transportation cost, installation charges, service charges and all other charges associated with meeting the requirements and Services as set out in this agreement.
- All prices must be quoted inclusive of VAT.
- Should you not provide a particular Product or Service, please indicate this as set out in the Tender. You will not be excluded from the evaluation of those products and services that you do offer.

7. Cost for Preparing Bids

No costs incurred by the bidder in preparing and submitting the bid shall be reimbursable. All such costs shall be borne by the bidder. In particular, if proposed key members were interviewed, all costs shall be borne by the bidder.

8. Evaluation of Bids

8.1 Evaluation of technical offers

The quality of each technical offer will be evaluated in accordance with the evaluation criteria and the associated weighting as detailed in this bid dossier. No other award criteria will be used. The evaluation criteria will be examined in accordance with the requirements as indicated in the Terms of Reference

8.2. Evaluation of financial offers

The Financial Offer will be evaluated concurrent to the Technical Offer.

8.3. Confidentiality

The entire evaluation procedure, from the drawing up of the shortlist to the signature of the contract, is confidential. The Evaluation / Adjudication Committee's decisions are collective, and its deliberations are held in closed session. The members of the Evaluation / Adjudication Committee are bound to secrecy.

The evaluation reports and written records, in particular, are for official use only and may be communicated to neither the bidders nor to any party other than the Contracting Authority.

9. Ethic Clauses / Corruptive Practices

a) Any attempt by a bidder to obtain confidential information, enter into unlawful agreements with competitors or influence the Evaluation / Adjudication Committee or the Contracting Authority during the process of examining, clarifying, evaluating, comparing and adjudication bid will lead to the rejection of its bid and may result in administrative penalties.

b) The bidder must not be affected by any potential conflict of interest.

c) Ntabankulu Local Municipality reserves the right to suspend or cancel funding to this project if corrupt practices of any kind are discovered at any stage of the award process or during the implementation of a contract, if the Contracting Authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, "corrupt practices" are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the Contracting Authority.

d) Bids will be rejected, or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Failure to comply with one or more of the ethics clauses may result in the exclusion of the bidder or contractor from other Community contracts and in penalties.

10. Signature of Contract

Within 14 days of receipt of the contract already signed by the Contracting Authority, the selected bidder shall sign and date the contract and return it to the Contracting Authority.

Failure of the selected bidder to comply with this requirement may constitute grounds for the annulment of the decision to award the contract. In such a case, the Contracting Authority may award the bid to another bidder or cancel the bid procedure.

The other candidates will be informed that their bids were not accepted, by means of a standard letter.

11. Cancellation of the Bids Procedure

In the event of cancellation of the bid procedure, bidders will be notified of the cancellation by the Contracting Authority. If the bid procedure is cancelled before the envelopes of any bid has been opened, the unopened and sealed envelopes will be returned to the bidders.

Cancellation may occur when:

- The bid procedure has been unsuccessful, i.e., not qualitatively or financially worthwhile bid has been received or there is no response at all;
- The economic or technical data of the project has been fundamentally altered.
- Exceptional circumstances or *force majeure* render normal performance of the contract impossible.
- All technically compliant bids exceed the financial resources available.
- There have been irregularities in the procedure, where these have prevented fair competition.

In no event shall the Contracting Authority be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a bid even if the Contracting Authority has been advised of the possibility of damages.

The publication of a procurement notice does not commit the Contracting Authority to implement the programme or project announced

Alizwa matshata 0310210682087

4.1 SITE LOCATION AND DESCRIPTION

The permits are for five wards which are 1,2,7,8 &9 the part of Macwereni area and Mantlaneni area.



TENDER NOTICE AND INVITATION TO TENDER
BID NO: NLM/DP/FCP/2022/2023

Proposals are hereby invited by Ntabankulu Local Municipality from experienced and competent bidders that will facilitate Cannabis Permits for five wards in Ntabankulu Local Municipality.

A detailed specification will be available in the Bid document. A compulsory briefing session will strictly be 30 minutes . Punctuality will be adhered to. The briefing session will be conducted at Ntabankulu Local Municipality.

Bid documents may be obtained from the Ntabankulu Local Municipality offices at ERF 85, Main Street, Ntabankulu, 5130, **during office hours 08H00 to 16H30 (Monday to Thursday), and 08H00 to 15H30 on Fridays . Bid documents will be available immediately after the briefing session.** A non-refundable cash payment of **R200.00** is required upon collection of the tender document.

EFT payments can also be made to the Municipality on the following details:

- **Name of Bank:** First National Bank
- **Account Name:** Ntabankulu Local Municipality
- **Cheque Account Number:** 62233334250 (FNB)
- **Brach Code:** 250035
- **Reference:** FCP and Company Name

A compulsory briefing meeting/session has been scheduled for **13th of January 2023** at **10H00**, at **Ntabankulu Local Municipality**.

Bids are to be completed in accordance with the conditions attached to the Bid document and must be sealed and endorsed with the relevant bid number and must be deposited in the official bid box clearly marked **“FACILITATION OF CANABIS PERMITS” : NLM/DP/FCP/2022/2023 in the main entrance** of the Ntabankulu Municipality at ERF 85, Main Street, Ntabankulu, 5130 not later than **12h00 on 24th of January 2023**, at which time bids will be opened in public. Bids shall be valid for a period of 90 days after the closing date of the submission of bids. Under no circumstances will late tenders be accepted.

Bidders must submit the following mandatory documents with their bid document:

- Original valid tax clearance certificate / valid Tax compliance status pin
- MBD 3.1, 4, 6.2, 8 & 9 (**Signed after the date of the advert**)
- Proof of company registration
- Valid original or certified copy of BBBEE Verification Certificate or a sworn affidavit to claim Preferential points .
- Original Certified ID copies for the entity owner/s

All certification must not be more than 3 months old and must be in its original format.

- Project team with their full CV's.
- Proposed work programme.
- Proof of municipal rates clearance for all company directors

- Proof of municipal rates clearance for the company or a signed lease agreement by both parties or confirmation that there is no billing where the entity is based.
- A trust, consortium or joint venture must submit a consolidated B-BBEE status level verification certificate for every separate bid.
- All prospective service providers are required to apply on Central Supplier Database in order to do business with all organs of the State in the Republic of South Africa at <https://secured.csd.gov.za>. CSD report to be attached. Non-registration will be regarded as non-responsive and be disqualified from the bid.

NB. Tender documents must be filled/completed in its original format, no copies will be accepted.

Failure to submit any of the required mandatory documents will deem the tender non responsive and it will not be evaluated further.

Functionality will be evaluated based on the following criteria and bidders who failed to score a minimum functionality assessment of 70 points will be considered non responsive and will not be evaluated further:

Criteria	Points	Maximum Points
COMPANY PROFILE <ul style="list-style-type: none"> ▪ Business profile with Postal and Physical address, landline, cell phone number, email address , fax (optional) 		20 points
EXPERIENCE The bidder is required to provide proven experience in the involvement or usage of indigenous plants and other related products, or similar scope of work in the form of appointment letters. <ul style="list-style-type: none"> ▪ 2 projects ▪ 1 project NB: ATTACH SIGNED APPOINTMENT LETTERS	20 points 10 points	20 points
EXPERTISE CV and Qualification of the project team members must be attached. Qualification in any of the following relevant qualifications <ul style="list-style-type: none"> ➤ Degree and above ➤ National Diploma ➤ Certificate NB: ATTACH PROOF OF QUALIFICATION	20 points 15 points 10 points	20 points
METHODOLOGY <ul style="list-style-type: none"> ➤ Clear project milestone outlining the implementation plan on acquiring cannabis permits and phases with time frames. ➤ Training of beneficiaries orientation on usefulness of cannabis and other indigenous plants ➤ Proposal on governance structures or business entities to be established ➤ Cost analysis 	10 points 10 points 10 points 10 points	40 points
TOTAL		100 points

The provisions of the Preferential Procurement Regulations 2017 will apply.

NTABANKULU LOCAL MUNICIPALITY reserves the right not to accept the lowest tender or any tender. Late, telegraphic, facsimile, incomplete or unsigned tenders will not be considered.

The Council is not bound to accept the lowest or any proposal and reserves the right to accept the whole or part of the proposal or any tender or to furnish reasons for its decisions

Further technical enquiries should be directed to: Mrs. N. Ndlaku at ndlakun@ntabankulu.gov.za / cell no.0716138996 and procurement or SCM enquiries should be directed to Mr. O. Mdudi at mdudio@ntabankulu.gov.za / Cell no. 082 786 0772 during office hours i.e 08h00 and 16h30

5. Availability of Services

Land

available communal land

Cannabis farmers datase

6. RETURNABLE DOCUMENTS

7.1.1. Proposed Methodology

Bidder must compile a detailed methodology that will address Project initiation, project management, project milestones, time management, quality assurance and clear outcomes with specific time frames on construction period.

7.1.2. Mandatory Documents to be submitted

A proposal will not be considered unless the Bidder furnishes the NLM with the duly completed documents mentioned below. In the event that a proposal is submitted by a consortium/joint venture, each party, consultant and or sub-contractor of such consortium/joint venture must complete each of the documents mentioned below:-

Valid SARS Tax compliance pin

- Proof of company registration
- Registration with either National Property Practitioner's Council / South African Property Owners Association / Real Estate Business Owners of South Africa
- Valid original or certified copy of BBBEE Verification Certificate, or original sworn affidavit to claim preferential points
- Original Certified ID copies for the entity owner/s
- Proof of municipal rates clearance for all company directors
- Proof of municipal rates clearance for the company or a signed lease agreement by both parties or confirmation that there is no billing where the entity is based
- Short CV's of Project team
- Detailed Company profile with projects of similar nature
- A short profile of current and past development partner
- Letter of guarantee from financier
- Letter for insurance and public liability
- Company Audited Annual Financial Statements for the past 7 years or since the establishment, if it was established during the past 7 years

- A certificate signed by the bidder certifying that the bidder has 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;
- Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
- A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic;
- MBD 3.1,4,6.2, 8 & 9 (Signed after the date of the Advert)
- All prospective service providers are required to apply on Central Supplier Database to do business with all organs of the State in the Republic of South Africa at <https://secured.csd.gov.za>. Non-registration will be regarded as non-responsive and be disqualified from the bid.

The guidelines contained in the Ntabankulu Local Municipality Supply Chain Management policy will apply.

7. EVALUATION CRITERIA

This proposal will be evaluated in four phases.

- Phase one: pre-qualification
- Phase two: functionality
- Phase three: price evaluation
- Phase four: presentation and demonstration

Functionality will be evaluated based on capacity and experience and bidders who do not have a minimum functionally assessment of 70% will be considered non-responsive and not evaluated further.

A detailed description is included in the advert on the following page.

1. SUBMISSION OF BIDS

Bids are to be submitted in a tender box situated at ERF 85, Main Street, and Ntabankulu Local Municipality.

All submissions must be clearly marked: **“INVITATION FOR FACILITATION OF CANNABIS PERMITS”** and be addressed for the attention of **the Municipal Manager, Ms. L. Nonyongo**

Submissions must be hand delivered to the Municipal Offices, Erf 85 Main Street, and Ntabankulu no later than 24th January 2023 at 12:00 midday.

2. INFORMATION AND QUERIES

TECHNICAL QUERIES

ALL technical queries should be directed to **Mrs. N. Ndlaku at 071 613 8996** or ndlakun@ntabankulu.gov.za during office hours i.e. between 08h00 and 16h30.

SUPPLY CHAIN MANAGEMENT QUERIES

To the attention of Mr. O. Mdudi, Supply Chain Manager

Phone :

Fax :

OTHER QUERIES

Any other queries related to the bid must be addressed to the attention of the Municipal Manager, Ms L. Nonyongo

85 Main Street, Ntabankulu.

Approved by:

L. NONYONGO

MUNICIPAL MANAGER

INVITATION TO BID

INTERESTED SERVICE PROVIDERS ARE HEREBY INVITED TO BID FOR: FACILITATION OF CANNABIS PERMITS

BID NO: NLM/DP/FCP/2022/2023 CLOSING DATE: 28TH JANUARY 2023 CLOSING TIME 12H00

DESCRIPTION: INVITATION FOR PRPOSALS FOR FACILITATION OF CANNABIS PERMITS, NTABANKULU

The successful bidder will be required to fill in and sign the written **Contract Form**. Bid documents must be deposited in the tender box situated at Ntabankulu Local Municipality not later than 12:00 pm on the 24th January 2023. Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late it will not be accepted for consideration.

The bid box is opened between 08:00 am to 16:30 pm Mondays to Thursday and 08:00 am to 15:30 pm on Fridays. All bids must be submitted on the official forms- (not to be retyped). This bid is subject to the General Conditions of Contract (GCC) and, if applicable any other Conditions of Contract (SCC).

THE FOLLOWING PARTICULARS MUS BE FURNISHED (FAILURE TO DO MAY RESULT IN YOUR BID BEING DISQUALIFIED).

Name of Bidder

Postal Address

Street Address

Telephone Number

Code

Number

Cell phone Number

Code

Number

Facsimile Number

Code

Number

VAT Registration Number

Has an original tax clearance certificate been submitted

Yes/No

Are you the accredited representative in South Africa for the good/services offered

Yes/No

SIGNATURE OF BIDDER

DATE

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE

CHAPTER 1: TENDER SPECIFICATION

INVITATION FOR PROPOSALS: FACILITATION OF CANNABIS PERMITS, NTABANKULU

Ntabankulu Local Municipality is inviting proposals from suitably qualified service providers for a facilitation of cannabis permits, Ntabankulu area. The tender will be awarded on a 40-Year notarial lease basis to the winning bidder.

Background

Ntabankulu Local Municipality identified a need to tap on the opportunity of cannabis potential in the area. To utilize the high economic value of the plant and interventions on the range of medical conditions including chronic diseases, glaucoma, loss of appetite and many more in the areas that were previously disadvantaged which are Mantlani and eMacwerheni.

The service provider is expected to perform the following activities:

The project needs project facilitator who will facilitate permits on five wards which are ward01, ward02, ward07, ward 08 and ward 09 that produces cannabis also train the farmers on the products that can be produced through cannabis. Facilitates registration of entities in line with current legislation. The facilitation should go further to the establishment of the governance structures and their orientation (Community Trusts).

Deliverables:

- Analyze seeds per regional placing (collect seed from neighboring villages, by the local people's demarcation references, e.g. eMacwerheni, a name that the local people use to identify their areas, not by the wards because wards change with elections for government)
- Register the seeds with the Department of Agriculture under the relevant Acts
- Give training to communities regarding the use of stalks and leaf biomass to prepare the growers for their following harvests.

- Decortication

- Processing into fiber

- Seed processing to extract oil

- Compost, folia sprays for feeding, grooming & pest control

- Cosmetics manufacturing (making soap and body lotions)

- Assure offtake agreements for fiber (if we can secure a buyer for the fiber, then the Ntabankulu Cannabis Community has a direct market for their biomass)
- FACILITATION OF COMMUNITIES must be BRING FORTH -
 - a. Cannabis permits for 5 wards (1, 2, 7, 8, 9)
 - b. Registered Primary cooperatives in each of five wards (1, 2, 7, 8, 9)
 - c. CV of team members in each of five wards (1, 2, 7, 8, 9)
 - d. Project profile of each cooperative in each of five wards (1, 2, 7, 8, 9)
 - e. One Secondary Coop registered affiliating all five cooperatives
 - f. One Overall entity registered on CIPC Companies and Intellectual Property Commission
 - g. One Overall entity registered on BBEEE certificate or affidavit.
 - h. One Overall entity registered on Valid tax clearance certificate or pin code.
 - i. Letters of intent or offtake agreements if any.
- Identify Concept processes and product prototypes under development.

- Provide Clear description of the type of technical assistance required prioritized in terms commercial market per Village.

Experienced and qualified service providers are therefore invited to bid

Project Name	Briefing Session	Time for briefing session	Closing Date
Cannabis Permits	13 th January 2023	10H00AM	24 th January 2023

Conditions for service providers:

- ✓ Valid SARS Tax Compliance pin
- ✓ Proof of company registration
- ✓ Valid original or certified copy BBBEE Verification Certificate, or original sworn affidavit to claim Preferential points
- ✓ Original Certified ID copies for the entity owners/s
- ✓ Proof of address for all the company and directors
- ✓ Short CV's of Project Team (Project Leaders, Architects, Environmental Specialist, Constructors, Engineers and Marketer).
- ✓ Proof of municipal rates clearance or a signed lease agreement by both parties and confirmation that there is no billing where the entity is based
- ✓ Detailed company profile with projects of similar nature
- ✓ List and short profile of current and potential partners
- ✓ List of current and potential funders
- ✓ Letter of guarantee from Financier
- ✓ Audited financial statements for the recent previous years
- ✓ Service offered by the company

- ✓ MBD 4,8 and 9 (Signed after the date of advert)
- ✓ All prospective service providers are required to apply on Central Provider Database in order to business with all organs of the State in the Republic of South Africa at <https://secured.csd.gov.za>. Non-registration will be regarded as non-responsive and be disqualified from the bid.
- ✓ NB. All certification must not more than 3 months old and must be in its original format.
- ✓ NB. Tender documents must be filled/completed in its original format; no copies will be accepted.

Failure to submit the mandatory documents will be deem the tender non-responsive and it will not be evaluated further.

Functionality will be evaluated based on capacity and experience and bidders who do not have a minimum functionally assessment of 70% will be considered non-responsive and not evaluated further.

A detailed costed proposal clearly showing project phases and deliverables for each phase marked “**Facilitation of Cannabis Permits**” must be hand delivered to/ deposited into a tender box at Ntabankulu Local Municipality reception area not later than 12H00 on 24 January 2023 or posted before the closing date as tabulated above at the which hour and date tender will be opened in public in a venue to be announced before opening for the attention of:

Municipal Manager L. Nonyongo
Ntabankulu Local Municipality ‘
No Erf 85 Main Street
Ntabankulu
5130

Ntabankulu Local Municipality reserves the right not to accept the lowest tender or any tender. Late, incomplete, telegraphic, facsimile tenders will not be considered. The Council is not bound to accept the lowest or any proposal and reserves the right to accept the whole or part of the proposal any tender to furnish reasons for its decisions.

Further enquiries should be directed to **Mrs. N. Ndlaku** at **071 613 8996** or ndlakun@ntabankulu.gov.za or **Mr O. Mdudi** at **082 786 0772** or mdudio@ntabankulu.gov.za during office hours i.e. between 08h00 and 16h30

CHAPTER 2

TENDER DEFINITIONS

The following terms shall be interpreted as indicated:

1. **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
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.
3. **“Contract price”** means the price payable to the Provider under the contract for the full and proper performance of his contractual obligations.
4. **“Corrupt practice”** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
5. **“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
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.
7. **“Day”** means calendar day.
8. **“Delivery”** means delivery in compliance of the conditions of the contract or order.
9. **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.
10. **“Delivery into consignees store or to his site”** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the Provider bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
11. **“Dumping”** occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
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.
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.
14. **“GCC”** means the General Conditions of Contract.
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.

16. **"Imported content"** means that portion of the bidding price 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 goods covered by the bid will be manufactured.
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.
18. **"Manufacture"** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
19. **"Order"** means an official written order issued for the supply of goods or works or the rendering of a service.
20. **"Project site,"** where applicable, means the place indicated in bidding documents.
21. **"Purchaser"** means the organization purchasing the goods.
22. **"Republic"** means the Republic of South Africa.
23. **"SCC"** means the Special Conditions of Contract.
24. **"Services"** means that 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.
25. **"Written or in writing"** means hand-written in ink or any form of electronic or mechanical writing
26. **"Project site,"** where applicable, means the place indicated in bidding documents.
27. **"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.
28. **" 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.
29. **"Bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the utilized have been taken consideration.
30. **"Consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
31. **"Equity Ownership"** means the percentage of ownership and control, exercised by individuals, within an enterprise.

CHAPTER 3:

SUPPLY CHAIN MANAGEMENT POLICY PREREQUISITES

The Ntabankulu Local Municipality has identified general sets of prerequisite for procurement. Bids will not be considered should the prerequisite not been met.

3.1 GENERAL PREREQUISITES

3.1.1 Introduction

The section covers a general set of prerequisites that have been identified for Supply Chain Management of Ntabankulu Local Municipality. All bidders must submit the information requested below. Pro-forma data sheet is attached as **Annexure DATA BASE FORM NTABANKULU LOCAL MUNICIPALITY**.

3.1.2 Criteria

- a) Proof of company registration and/ or any other form of legal standing must be submitted by all bidders and the company composition form must be completed. See **Annexure "D"**
- b) The Declaration of Interest Form must be completed
- c) The bid document must be completed in all respects in black ink
- d) Bids must be submitted on an original bid documents.
- e) Bid documents must remain intact and no portion may be detached

Joint Ventures

- f) A joint venture that is awarded a contract with Ntabankulu Local Municipality must be registered as a separate company with the Registrar of Business.
- g) The joint venture must be registered with South African Revenue Services.
- h) A separate bank account must be place for the joint venture

Clauses (f) and (h) will only be applicable after the awarding of the contract to the successful bidder.

CHAPTER 4:
TENDER CONDITIONS

INTEPRETATION

The word "Bidder" in these conditions shall mean and include any firm of service providers or any company or body incorporated or unincorporated. The word "Municipality" in these conditions shall mean the Ntabankulu Local Municipality.

4. Application

4.1. These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional related to the building and construction industry) sales, hiring, letting and the granting of acquiring of rights, but excluding immovable property, unless otherwise in the bidding documents.

4.1.1 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

4.1.2 Where such special conditions of contract is in conflict with these general conditions, the special conditions shall apply.

4.2 General

4.2.1 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.

4.2.2 Invitations to bid are usually published in locally distributed news media

4.3 Standards

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

4.4 Use of contract documents and information; inspection

a) 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.

b) The Provider shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause (a) except for purposes of performing the contract.

c) Any document, other than the contract itself mentioned in GCC clause (a) 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.

d) 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.

4.5. Patent rights

4.5.1 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.

4.6. Performance security

4.6.1 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.

4.6.2 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 obligations under the contract.

4.6.3 The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque

4.7. Inspections, tests and analyses

4.7.1 All pre-bidding testing will be for the account of the bidder.

4.7.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

4.7.3 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.

4.7.4 If the inspections, tests and analyses referred to in clauses 4.7.2 and 4.7.3 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.

4.7.5 Where the supplies or services referred to in clauses 4.7.2 and 4.7.3 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.

4.7.6 Supplies and services which are referred to in clauses 4.7.2 and 4.7.3 and which do not comply with the contract requirements may be rejected.

4.7.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the 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 Providers 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.

4.7.8 The provisions of clauses 4.7.4 and 4.7.7 to 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 4.22 of GCC.

4.8 Packing

4.8.1 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.

4.8.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

4.9 Delivery and documents

4.9.1 Delivery of the goods shall be made by the Provider in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the Provider are specified in SCC.

4.9.2 Documents to be submitted by the Provider are specified in SCC.

4.10 Insurance

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

4.11 Transportation

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

4.12 Incidental services

4.12.1 The Provider may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) Furnishing of tools required for assembly and/or maintenance of the supplied goods;

(c) Furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the Provider of any warranty obligations under this contract; and

(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.

4.12.2 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.

4.13. Spare parts

4.13.1 As specified in SCC, 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:

(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

(b) In the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

4.14 Warranty

4.14.1 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.

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

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

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

If the Provider, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the Provider's risk and expense and without prejudice to any other rights which the purchaser may have against the Provider under the contract.

4.15. Payment

4.15.1 The method and conditions of payment to be made to the Provider under this contract shall be specified in SCC.

4.15.2 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.

4.15.3 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.

4.15.4 Payment will be made in Rand unless otherwise stipulated in SCC.

4.16 Prices

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

4.17 Contract amendments

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

4.18 Assignment

4.18.1 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.

4.19 Subcontracts

4.19.1 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.

4.20 Delays in the provider's performance

4.20.1 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.

4.20.2 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.

4.20.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

4.20.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the 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.

4.20.5 Except as provided under GCC Clause 4.21, 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 4.21, unless an extension of time is agreed upon pursuant to GCC Clause 4.20.2 without the application of penalties.

4.20.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the 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.

4.21 Penalties

4.21.1 Subject to GCC Clause 4.24, 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 4.22.

4.22. Termination for default

4.22.1 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:

(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 20.2; (b) if the Provider fails to perform any other obligation(s) under the contract; or

(c) If the Provider, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

4.22.2 In the event the purchaser terminates the contract in whole or in part, the provider 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 provider 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.

4.23 Anti-dumping and countervailing duties and rights

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

otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

4.24 Force Majeure

4.24.1 Notwithstanding the provisions of GCC Clauses 21 and 22, 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.

4.24.2 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.

4.25 Termination for insolvency

4.25.1 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.

4.26 Settlement of Disputes

4.26.1 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.

4.26.2 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.

4.26.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

4.26.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

4.26.5 Notwithstanding any reference to mediation and/or court proceedings herein;

(a) The parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the purchaser shall pay the provider any monies due the provider for the goods delivered.

4.27 Limitation of liability

4.27.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 5;

(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

(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.

4.28 Governing language

4.29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

4.29 Applicable law

4.29.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

4.30. Notices

4.30.1 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.

4.30.2 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.

4.31 Taxes and duties

4.31.1 A foreign Provider shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

4.31.2 A local Provider shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

4.31.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

4.32 Transfer Contracts

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

4.33 Amendment of contract

4.33.1 No agreement to amend or vary contract or order or the conditions, stipulations, or provision thereof shall be valid and of any force duties 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.

4.34 Tax Clearance Requirements

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

1. In order to meet these requirement bidders are required to complete in full the 4 attached form TCC 001“Application for a Tax Clearance Certificate” and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved; each part must submit a separate Tax Clearance Certificate.
4. Copies of the TCC 001 “Application for a Tax Clearance Certificate” form are available from any SARS branch office nationally or on the website www.sars.gov.za.
5. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

4.35. Extent of Bid

This contract is for – **Commercial Development Proposal-Erf 52 Ntabankulu**

4. 36. Contract to be binding

The formal acceptance of this Bid by the municipality will constitute a contract binding.

4.37. Mode of Bid

All Bids shall be completed and signed: All forms, annexures, addendums and specifications shall be designed and returned with the Bid document as a whole. ***The lowest or any Bid will not necessarily be accepted.***

4.38 Quality

Should the specifications and/ or descriptions not address any aspects of quality as specified, this should be clarified with the municipality prior to the submission of a Bid.

4.39. Insurance Claims, ETC

The Council and Municipality shall not be liable in any manner in respect of any claims, damages and accidents and injuries to persons, property or rights or any other courses of civil or criminal action that may arise from carrying out of this contract.

The contractor shall insure his/her or their personnel and any plant, machinery or other mechanical or electronic equipment involved in the fulfilment of this contract and shall indemnify the Council and the Municipality against all risks or claims which may arise.

It will be required from the successful Bidder to submit proof of insurance or any other valid form of indemnification to Council for scrutiny. Failure to do so within 14 (fourteen) days of acceptance of this Bid will be deemed to be material breach of this contract and will render the contract null and void.

4.40 Signing of Documents

Bidders are required to return the complete set of documents duly signed.

4.41 Period of Validity for Bids and Withdrawal of Bid after closing date

All Bids must remain valid for a period 90 (ninety) days from the closing date as stipulated in the Bid document.

4.42 Penalty Provision

Should the successful Bidder:-

- (a) Withdraw the Bid during the afore-mentioned of validity; or
- (b) Advise the Municipality of his/her/their inability to fulfil the contract; or
- (c) Fail or refuse to fulfil the contract; or
- (d) Fail or refuse to sign the agreement or provide any surety if required to do so;

Then, the Bidder will be held responsible for and is obligated to pay to the Municipality

- (a) All expenses incurred by the Municipality to advertise for invite and deliberate upon new Bids, should this be necessary
- (b) The difference between the original accepted Bid price (inclusive of escalation) and:
 - (i) A less favourable (for the Municipality) Bid price (inclusive of escalation) accepted as an alternative by the Municipality from the Bids originally submitted; or
 - (ii) A new Bid price (inclusive of escalation)

4.43 Value Added Tax

In calculating the cost of the supply and delivery of services and/ or material, the Provider will issue a "Tax Invoice" for all the services rendered and/ or materials supplied, which will reflect the exclusive cost of such services, goods or materials with the relevant VAT being added to the total

Note: VAT must be included in the Bid Price, but must be shown separately,

4.44 Price Escalation

No claim in respect of any price escalation will be considered by the Municipality unless it is specifically stated in the Pricing Annexure that the Bid is subject to price escalation. It is the responsibility of the Bidder to inform Council of any escalation prior to implementation of the escalation price.

4.45 Authority to Sign Bid Documents

In case of the Bid being submitted on behalf of a company, close corporation or partnership, evidence must be submitted to the Municipality at the time of submission of the Bid that the Bid has been signed by the persons property authorized by resolution of the directors or under the articles of the entity.

4.46 Samples

Sample printed status reports must be attached to Bid.

4.47 Duration of the Bid

It is envisaged that the successful Bidder will be appointed and will be required to begin with work on the assignment immediately upon appointment.

4.48 Delivery Periods

Delivery periods, where indicated must be adhered to. Notwithstanding the termination date of the assignment the Bidder will be required to submit progress reports to the Municipality on the contract frequency and dates thereof to be stipulated and agreed upon by the parties awarding of the Bid.

CHAPTER 5:

EVALUATION CRITERIA

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2001

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES SPECIFIED IN CLAIM FORM SBM 6.1 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2001

5.1 Regulation 12 (1) of the Preferential Procurement Regulations makes provision for the promotion of locally located within the preference point systems.

5.2 State full particulars of locality of enterprise as well as that of Head Office.

Address of Local Enterprise

Physical Address	Postal Address
Telephone:	Fax:

Address of Head Office

Physical Address	Postal Address
Telephone:	Fax:

5.3 Preference points may any be claimed for resources, which will be manufactured (fabricated, processed or assembled), in the Republic of South Africa. In cases where production has not commenced at time of bid closure, evidence shall be produced that at the time of bid closure, the bidder was irrevocably committed to local resources of the service.

5.3.1 “Local Content” means that portion of the Bid price, excluding value added tax (VAT) which is not included in imported content, **provided that local manufacture does take place.**

5.3.2 **“Imported content”** means that the portion of the bid price presented by the costs of components, parts or materials which have been or are still to be imported (whether by the bidder or his suppliers or sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duties, or other similar taxes or duties at the South African place of entry as wells as transportation and handling charges to the factory in the Republic where the supplies for which a bid has been submitted are manufactured.

5.3.3 Bid Information

Bidders who wish to claim points in respect of this goal must furnish the information in Paragraph 7.

5.3.4 Points Claimed

Indicate whether point (s) allocated for this goal is (are) claimed. Yes/No

5.3.5 Information with regard to local manufacture

Indicate in the table below which product (s)/ services (item number (s) is/are manufactured/ used local against the % local content of each product/ item in relation to the bid price (exclusive of VAT). Points claimed must be indicated the “points claimed“ column.

Physical Address	Postal Address
Telephone:	Fax:

5.3.6 Purchases

This preference form must from part of all bids invited. It contains general information and serves as a claim form for Historically Disadvantaged Individual (HDI) preference points as well as summary for preference points claimed for attainment of other specified goals.

NB: Before completing this form, bidders must study the general conditions, definitions and directives applicable in respect of equity ownership by Historically Disadvantaged Individuals (HD) as prescribed in the Preferential Procurement Regulations, 2001.

5.4 General Conditions

5.4.1 Preference points for this bid shall be awarded for:

- (a) Price and
- (b) Specific contract participation goals, as specified in the attached forms.

5.4.2 The points for this bid are allocated as follows

5.4.2.1 Prince Points	80
5.4.2.2 Specific Contract Participation Goals	20

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

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

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	--

- Required by: Ntabankulu Local Municipality
- At:
- Brand and Model:
- Country of Origin:
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s)
- Period required for delivery:
*Delivery: Firm/Not firm
- Delivery basis:

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

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

*Delete if not applicable

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

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

3.2 Identity Number:
.....

3.3 Position occupied in the Company (director, trustee, hareholder²):.....

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

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

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

3.8.1 If yes, furnish particulars.
.....
..

¹MSCM 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.

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

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

3.9.1 If yes, furnish particulars.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.10.1 If yes, furnish particulars.
.....

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

3.11.1 If yes, furnish particulars
.....
.....

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

3.12.1 If yes, furnish particulars.
.....
.....

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

3.13.1 If yes, furnish particulars.
.....
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. YES / NO

3.14.1 If yes, furnish particulars:
.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2017 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 9) makes provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2017 as follows:

$$LC = [1 - x / y] * 100$$

Where

- x is the imported content in Rand
 y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as required in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2017 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

1.6. A bid may be disqualified if –

- (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
- (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

2. Definitions

- 2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour and intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

3. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2017) for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content?

(Tick applicable box)

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

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2017):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?

(Tick applicable box)

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

- 5.1. If yes, provide the following particulars:

- (a) Full name of auditor:
- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the Accounting Officer / Accounting Authority provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2017)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):

Ntabankulu Local Municipality

NB

1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thedti.gov.za/industrialdevelopment/ip.jsp>. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of (name of bidder
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2017; and
 - (ii) the declaration templates have been audited and certified to be correct.

(c) The local content percentages (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2017, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C;

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2017	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2017	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2017, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286:2017.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2017, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers and or in Ntabankulu Local Municipality as companies or persons prohibited from doing business with the public sector or with the municipality?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	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 19 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court 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:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

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

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

.....
Signature

.....
Date

.....

.....

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

- (a) has been requested to submit a bid in response to this bid invitation;
- (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
- (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

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

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

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for

a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

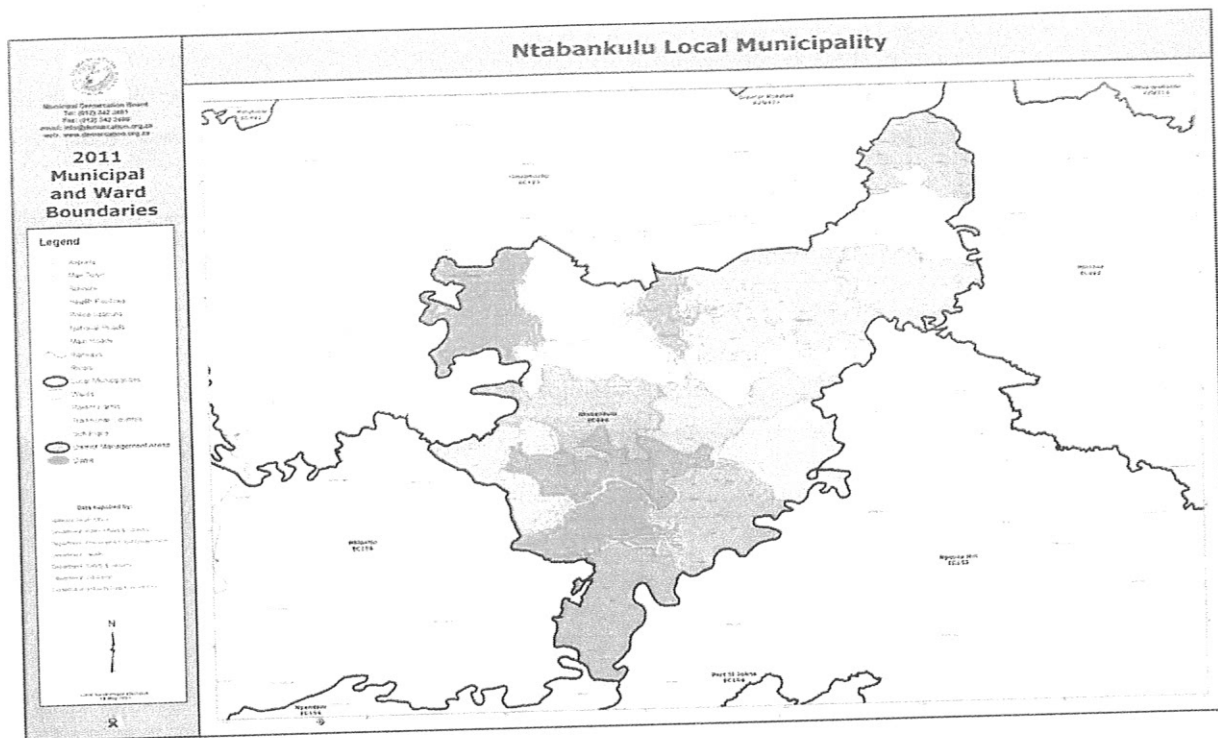


Figure 1: Ntabankulu Local Municipality

The Ntabankulu Local Municipality's mission is to achieve highest economic status through:

- Promoting and sustaining integrated service delivery that enhances and supports the municipality to achieve growth and development for its communities.
- Delivering a high standard of essential services anchored in agriculture, tourism and industrialisation.
- Enhancing revenue base.

The Alfred Nzo District Municipality is responsible for water and sanitation as well as all the bulk water infrastructure.

The Ntabankulu Local Municipality is responsible for the provision of access roads, roads within town, social infrastructure such as sports fields, early childhood development centres, community halls and solid waste disposal.

Ntabankulu Municipality also provides grid electrification to rural households. This is a means of expediting electrification and assisting Eskom who are the license holder for the entire municipal area. The municipality is also conducting maintenance of the streetlights and highmast lights within the town of Ntabankulu.