



Nkomazi
Local Municipality

9 Park Street - Malalane
Private Bag X101
Malalane,
1320

Tel: (013) 790 0245

Fax: (013) 790 0886

Customer Care No. (013) 790 0990

www.nkomazi.gov.za

**TENDER FOR AN APPOINTMENT OF A SHORT-TERM INSURANCE SERVICES
FOR A PERIOD OF 36 MONTHS FOR NKOMAZI LOCAL MUNICIPALITY**

BID NO: NKO 33/2024

**NKOMAZI
PRIVATE BAG x 101
MALELANE
1320**

**The Municipal Manager
Mr XT Mabila**

**TEL.: 013 – 790 0245
FAX.: 013 – 790 0886**

VAT Registration No: 4300102938

PLEASE NOTE THAT THIS DOCUMENT MUST ACCOMPANY YOUR PROPOSAL AND RELEVANT DOCUMENTATION

Name of Bidder	
Address	
Contact Numbers	
Telephone No. or Cell phone No.	
Fax No.	
E-mail Address	
Tendered Amount (VAT INC)	

CLOSING DATE: 31/10/2024

**BID NO:33/2024: APPOINTMENT FOR THE SERVICES OF A SHORT-TERM INSURANCE FOR NKOMAZI
LOCAL MUNICIPALITY FOR A PERIOD OF THREE YEARS (36 MONTHS)**

The Nkomazi Local Municipality invites interested parties to tender/bid for the provision of a Short-Term Insurance for Nkomazi Local Municipality. Tender documentation with complete details is available upon the payment of a non-refundable amount of **R1 635.36** on each tender document or can be downloaded for free on the e-Tender portal. Tender document(s) will be available as from **23/09/2024** and to be obtained at Nkomazi Local Municipality: Budget and Treasury (Old Malalane Taxi Rank) Impala Street from the Cashiers Desk from **07h45 to 15H30** (Monday-Friday).

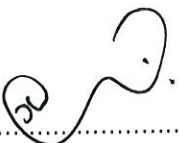
An optional tenderer briefing session will be held on **26/09/2024 at 10h00** at the Municipal Town Hall Malalane (Kobwa Hall) at Fish Eagle. It is advisable that Service Providers do attend the briefing session for explanation and clarity purposes. Bidders are advised not to commit fraudulent activities or forge document. All abusers of the SCM system, including or faking of returnable documents, may be reported to SAPS and restricted from doing business with any public institution for a period not exceeding 10 years in line with section 28 and 29 of the prevention and combating of corrupt activities Act 12 of 2004

A preferential system shall apply whereby this contract will be allocated to a bidder in accordance with the Preferential Procurement Policy Framework Act, no 5 of 2000 and as defined in the bid document, read in conjunction with the Preferential Procurement Regulation, 2022 where 80 points will be allocated in respect of price and 20 points in respect of targeted goals.

Completed bid documentation must be deposited on/before **12h00 on 31/10/2024** in the Tender Box situated at the main entrance of the municipality (Civic Centre), 9 Park Street Malalane.

Tenders/Bids must be submitted in a sealed envelope or container on which the tender/bid number and addressee is clearly marked. No bids transmitted by fax or e-mail will be accepted. It must be noted that the municipality is not bound to accept the lowest on any other tender. Tender/bid documentation which is incomplete or filled incorrectly, not filled in on the official bid documentation or which is received after the close of the bids, will be ignored. It must also be noted that tender submitted in a wrong tender box will not be considered.

For Supply Chain enquiries contact Mr. R. Mabuza at 013 790 0386, and for technical enquiries contact Mr. L Marothi at 013 790 245, between 07H30 – 16H00 on working weekdays.



XT MABILA
MUNICIPAL MANAGER

17 / 09 / 2024
Date

❖ **The following conditions must be complied with:**

Bidders will be evaluated on the following administrative compliance / responsiveness, The following documents have to be attached (Bidders that fail to submit documents indicated as compulsory will be disqualified):

- Price amendment without initials and signature of authorised personnel in the bills of quantity
- Original certified copy of company registration certificate (CK)
- Original certified copies of all Directors/members.
- Attach Copy of SARS Tax Pin or tax clearance certificate
- Original certified copy of current municipal account (not older than 3 months and not in arrears for more than three months) or copy of Lease Agreement (and Landlord's municipal account) – business.
- Original certified copies of current municipal account (not older than 3 months and not in arrears for more than three months) or copy of Lease Agreement (and Landlord's municipal account) – all directors/members of the company.
- Letter of Authority to complete and sign the tender document (Must be in the company letter head)
- CSD detailed report (printed after the tender advert and on or before tender closing)
- Joint Venture Agreement (In case of a Joint Venture)
- Joint Ventures must be registered on CSD as Joint Venture.
- All forms must be filled in full
- Failure to sign applicable pages.
- Completion of the bill of quantity
- Alterations to the bid document or submission of a copy of the original bid document
- Completion of the bid document using pencil
- Usage of Tippex
- Non completion of form of offer in words and figures
- Bank rating of code C
- Scratching out / painting over rates / use of correcting fluid is not allowed.
- Failure to submit documents required in this document
- Enterprise particulars not provided.
- The bid has been submitted after the closing date and time.

❖ **Compulsory Returnable Documents: failure to return documents below is an automatic disqualification with the exception of the BBBEE Status Certificate and the comprehensive methodology documentation for Corporate Social Investment (CSI).**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NKOMAZI LOCAL MUNICIPALITY					
BID NUMBER:	NKO:33/2024	CLOSING DATE:	31 /10/ 2024	CLOSING TIME:	12:00
DESCRIPTION	Appointment for the services of a short-term insurance for Nkomazi Local Municipality for a period of three years (36 months)				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT					
NKOMAZI LOCAL MUNICIPALITY 9 PARK STREET, MALALANE, 1320					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES, ANSWER PART B:3]	
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE	R	
SIGNATURE OF BIDDER			DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	SUPPLY CHAIN UNIT		DEPARTMENT	BUDGET AND TREASURY OFFICE	
CONTACT PERSON	MR R MABUZA		CONTACT PERSON	MR L MAROTHI	
TELEPHONE NUMBER	(013) 790 0386		TELEPHONE NUMBER	(013) 790 0386	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	richard.mabuza@nkomazi.gov.za		E-MAIL ADDRESS	lucky.marothi@nkomazi.gov.za	

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- | | |
|--|--|
| 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | ☐ YES ☐ NO |
| 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? | ☐ YES ☐ NO |
| 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | ☐ YES ☐ NO |
| 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? | ☐ YES ☐ NO |
| 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? | ☐ YES ☐ NO |

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

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

NO	DOCUMENT NAME	INCLUDED IN THE BID DOCUMENT Mark with "X"	RETURNABLE Mark with "X"
1.	An Original/certified Tax Clearance or SARS Pin?	NO	YES
2.	CSD Registration Report	NO	YES
3.	Certified copy of Company Registration (CK) (If the copy has more than one page, the all pages must be certified	NO	YES
4.	Copy of B-BBEE Certificate (SANAS accredited) or sworn affidavit	NO	YES
5.	Authority of Signatory; Original if a copy must be certified (must be in the company letter head)	NO	YES
6.	Certified copy of proof of payment for Municipal rates and taxes or letter from the municipality that indicate that your business is situated in an area in which it does not bill. If the rates and taxes account are not in the names of the company, the attached municipal rates and taxes statement must be submitted together with an original affidavit from the property owner whose names are reflecting on the municipal rates and taxes statement to confirm that the company operates from their property	NO	YES
7.	Schedule Rate (should be completed in full refer to T10)	NO	YES
8.	Recommendation, project letters, qualifications and all relevant documentation refer to specific goals and the evaluation criteria from page 16 to 20	NO	YES
9.	Comprehensive Methodology on how the tender is planning to invest back to the community of Nkomazi Local Municipality:	NO	YES
10.	Provide proof of certified accreditation and compliance the Financial Advisory and Intermediary Services (FAIS).	NO	YES
11.	Provide proof of certified registration with the Financial Sector Conduct Authority (FSCA) or with Financial Services Board (FSB)	NO	YES
12.	Provide proof of certified membership with the South African Insurance Brokers Association and/or membership to the South African Financial Services Intermediaries Association (SAFSIA) of Company and key personnel respectively.	NO	YES
13.	Provide proof of agency agreements with underwriters (if these cannot be provided, a letter from the underwriters confirming an agreement is in place must be provided).	NO	YES

14.	Provide the necessary fidelity guarantee covers i.e., underwriter, limits, maturity, deductible etc.	NO	YES
15.	Provide a copy of your latest 3 years audited financial statements	NO	YES
16.	Provide a detailed proposed risk financing (insurance) service plan.	NO	YES
17.	Provide certified proof of Institute of independent directors and Institute of Risk Managers for directors.	NO	YES
18.	Proof of Professional Indemnity of R300 Million	NO	YES
19.	Provide confirmation letters of three of the highest value claims in excess of R 20 million	NO	YES

NB: All declarations and authorizations forms must be duly signed.

NB: Certified copies of documentation must not be older than three months to be regarded as valid. Copies of “certified copies” will not be acceptable as true copies of original documents. Failure to adhere will lead to immediate disqualification.

- “Acceptable bid” means any bid which, in all respects, complies with the conditions of bid and specifications as set out in the bid documents, including conditions as specified in the Preferential Procurement Policy Framework Act (Act 5 of 2000) and related legislation as defined in this bid document, read in conjunction with the Preferential Procurement Regulation, 2022 where 80 points will be allocated in respect of price and 20 points in respect of targeted goals.

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BID NUMBER:	NKO:33/2024	CLOSING DATE:	31 /10/ 2024	CLOSING TIME:	12:00
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THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX
SITUATED AT

NKOMAZI LOCAL MUNICIPALITY
9 PARK STREET,
MALALANE, 1320

SUPPLIER INFORMATION

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER		DATE	

CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	SUPPLY CHAIN UNIT	DEPARTMENT	BUDGET AND TREASURY OFFICE
CONTACT PERSON	MR R MABUZA	CONTACT PERSON	MR L MAROTHI
TELEPHONE NUMBER	(013) 790 0386	TELEPHONE NUMBER	(013) 790 0386
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E-MAIL ADDRESS	richard.mabuza@nkomazi.gov.za	E-MAIL ADDRESS	lucky.marothi@nkomazi.gov.za

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- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

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

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

1. BID INSTRUCTIONS

- 1.1 The tender document(s) have been drafted to ensure that essential information is furnished upon the correct completion of the document(s). Where there is insufficient space, or additional particulars are required to be furnished, such must be provided on a separate annexure, clearly indicated.
- 1.2 Tender document(s) may not be retyped or redrafted. Also no photocopies of the original document(s) may be used.
- 1.3 Tender document(s) may be completed by mechanical devices such as typewriters; alternatively black ink must be used to fill in the document(s).
- 1.4 Tenderer must ensure that no pages are missing from the bid document(s), and that the pages of the bid are numbered consecutively. Nkomazi Local Municipality shall not be held liable with regard to claims arising from the fact that pages are missing or duplicated.
- 1.5 Firm tender prices (rates) and delivery periods are preferred, and tenders must clearly state whether prices and delivery periods will remain firm for the duration of the contract or not.
- 1.6 Tenderer must be strictly to specification. In cases where items are not to specification, deviations must be clearly indicated. It must also be noted that supplier/tenderer may quote for other items other than the one indicated on the schedule of quantity on a separate sheet, but it would not form part of items to be evaluated for.
- 1.7 Tender prices must be quoted in South African currency and in the specified units, unless the contrary is clearly indicated.
- 1.8 All the documents herewith form part of the bid and failure to comply with any part thereof may invalidate a bid.
- 1.9 Nkomazi Local Municipality may issue Briefing Notes during the briefing session which may contain amendments or information that may assist bidders in articulating their bids.
- 1.10 Nkomazi Local Municipality require as a condition of the bid that the non-compulsory/optional explanatory meeting be attended by prospective bidders. This requirement will be clearly stated in the tender advertisement as well as in the documentation.
- 1.11 Nkomazi Local Municipality requires the furnishing of a non-refundable bid deposit together with the drawing of bid documentation (if applicable). Where such a non-refundable bid deposit is requested in the bid documentation, for those who purchased the tender document. No tender document will be accepted unless such a deposit (or cash) is submitted in the form of a bank cheque payable to Nkomazi Local Municipality before submission of the bid. Alternatively, the bid documentation can be downloaded for free on e-Tender or Nkomazi Website.
- 1.12 Tenders must be submitted to the addressee before the closing time. Bids submitted after the closing time shall be considered late, and will not be admitted for consideration.
- 1.13 The contractor/Service provider shall not abandon, transfer, assign or sublet a contract or part thereof without prior written consent of the council.

- 1.14 It is an irrefutable condition of this contract that the successful tenderer will have to negotiate and conclude a service level agreement with the council

SPECIFICATION	• T 2
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2. SCOPPE OF WORK

2.1 Nature and Purpose of the Contract

The purpose of this tender is appointing a suitable intermediary with vast experience in the field of municipal short-term insurance. The aim is to secure a service provider which will render short term insurance and risk services to council for the period of thee (3) years of which there will a performance review based on the undertaken deliverables.

2.2 CONTRACT PERIOD

Council has a responsibility to minimize risks by assigning it to the party which is best suited to manage dual risks; moreover, the municipality assets are insured under the following asset classes: Buildings combined, Office contents, Business all risks, Theft, Money, Commercial Crime, Stated Benefits, Electronic equipment, Motor Fleet, Public liability, Marine and aircraft, Contractors All Risk, Business Interruption, Glass, Accidental Damage, Goods in Transit, Accounts receivables, Group Personal Accident, Machinery Breakdown, Employers Liability, Fidelity Guarantee, SASRIA for Councilors, and SASRIA

2.3 NATURE OF THE CONTRACT

This would be a three (3) years services contract, of which the winning tenderer will sign a service level agreement (SLA) with the municipality. The SLA will outline all the terms and conditions and the expected deliverables entered into by both parties.

2.4 KEY PERFORAMANCE AND DELIVERABLES

Key Performance	Deliverable
1. Post renewal	1.1 Assist in scrutinising the premium invoices for correctness as per underwriter's tender
	1.2 Assist with the finalisation and submission of policy documentation and endorsements
	1.3 Preparation and submission of executive insurance summary
	1.4 Workshopping of executive insurance summary with Nkomazi Municipality insurance and risk management officials to ensure proper understanding of policy wording, limits excesses, categories and sections within portfolio.
2. Claims Management system	2.1 The system should have the following minimum requirements: - The system should be web based - The system should be windows formats - The system should be able to store documents in any of the windows formats - The system should function on a real time basis - The system should be fax and email interactable The system should be able to generate reports and management information on an as and when required basis
	2.2 Attendance of ad - hoc claims management meetings as and when required with Nkomazi Municipality or underwriters
3. Liaison between the insurance claims administration services provider and Nkomazi Municipality	3.1 Attendance of monthly portfolio and loss control meetings as and when required (to be facilitated by account executive)
	3.2 Provide expert insurance related or underwriting advice to the Nkomazi Municipality upon request
	3.3 Report to Nkomazi Municipality on claims statistics as and when required (weekly or monthly)
	3.4 Submission of claims analysis and age analysis reports
4. Loss control and risk management	4.1 Formulate proposals to remedy loss problem areas in monthly report format

2.5 BID SPECIFICATION

- Refer to the attached schedule of rates or bill of quantities as in T10

2.6 INSURED VALUE AND CLAIMS EXPERIENCE

- The enclosed attached present the asset values for the period 1 July 2023 up to 30 June 2024 (Annexure A) and claims experience for the period 1 December 2022 up to 30 June 2024 (Annexure B). Endorsements, if necessary, will be done during the year.

2.7 Contract Objectives, Assumptions and Risks

- Tenders may only be submitted on the official tender format
- Tenderers may approach all service providers complying with the relevant statutory solvency and other requirements
- Tenderer's proposals should be accompanied by a proposal to manage the portfolio
- Support for the tenderers proposals should be evidenced by a signed participation confirmation from the Service Provider(s)/Insurers/Reinsurers who will support their recommended structure and the terms, conditions and exceptions proposed by tenderer.
- Failure to comply with the above requirements may render the Tender invalid at the option of the council.
- This contract will be valid for the period of three years from the date of appointment

2.8 Contract period

- This would be a three years contract for which the winning tenderer is to service the municipality.

2.9 Preference point system

The 80/20-point system would be used for the evaluation of this tender with the points distributed as per the BBBEE status level

(c)
$$Np = 80[1 - (Pt - Pmin)]$$

Pmin

Where: Np = the number of bid/tender adjudication points awarded for price.

Pt = the bid/tender sum (corrected if applicable) of the responsive bid under consideration.

Pmin = the bid/tender sum (corrected if applicable) of the lowest responsive tender/bid.

2.10 Fixed priced contract

All prices offered by the service provider would be taken as fixed until the expiry of the validity period which is 90 days as from the closing day of the tender.

3.1. SUPPLIERS / CONTRACTORS

3.1.1. "Certificate of authority to sign all documents in connection with this tender and any contract or agreement which may arise there from", duly signed and dated, shall be provided by the Board of Directors of the firm and shall be attached to this page. An example is given below.

3.2. JOINT VENTURE

3.2.1. The document of formation of the Joint Venture shall be attached to this page.

3.2.2. A "certificate of authority to sign all documents in connection with this tender and any contract or agreement which may arise there from", duly signed and dated, shall be provided by the Boards of Directors of each member of the Joint Venture and shall be attached to this page.

EXAMPLE OF A CERTIFICATE OF AUTHORITY FOR SIGNATORY

"By resolution of the board of directors passed at a meeting held on

.....

Mr. /Ms..... whose signature appears below, has been duly authorized

to sign all documents in connection with the tender for Contract no.....

and any contract which may arise there from on behalf of (block capitals).....

SIGNED ON BEHALF OF THE COMPANY.....

IN HIS/HER CAPACITY AS:

DATE:

SIGNATURE OF SIGNATORY:

WITNESS: 1:

2:

1. No bid will be accepted from persons in the service of the state:
2. Any person or having kinship with a person in the service of state, or persons who act on behalf of Nkomazi Local Municipality, including a blood relationship, may make an offer or offers in terms of this bid invitation. In view of possible allegations of favouritism or bias, should the resulting bid, or part thereof, be awarded to persons employed by State, or to persons who act on behalf of Nkomazi Local Municipality, or to persons connected with or related to them, it is required that the bidder or his authorised representative shall declare any interest of whatever nature and/or relationship (including blood relationship) to any employees, or persons who act on behalf of, or persons connected with or related to Nkomazi Local Municipality.
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 the bidder or his representative:
 - 3.2. Identify Number:
 - 3.3. Position occupied in the Company (director, trustee shareholder):
.....
 - 3.4. Company Reference 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:
.....

❖ MSCM Regulations: "in the service of the state" means to be-

(a) A member of-

- (i) Any municipal council
- (ii) Any provincial legislature, or
- (iii) The national Assembly or the national council of provinces

- (b) A member of the board of directors of any municipal entity;
- (c) An official of any municipality or municipal entity;
- (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (e) A member of the accounting authority of any national or provincial public entity; or
- (f) An employee of parliament or a provincial legislature

❖ 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

If yes, furnish particulars:

.....

3.10. Do you, have any relationship (family, friend, other) with a person employed by state/Nkomazi Local municipality, who may be involved in the evaluation and 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 the bidder and any person employed by state/Nkomazi Local Municipality, who may be involved in the evaluation and 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 the service of state?

YES/NO

3.12.1 If yes, furnish particulars.

.....

.....

3.13. Are any spouses, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of state?

YES/NO

13.13.1 If yes, furnish particulars.

.....
.....

13.14 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.
13.14.1 If yes, furnish particulars.

.....

YES/NO

.....

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

Full Name	Position filled in the “ State”	ID number	State employee number

.....
Signature Bid Number Date
.....
Capacity Name of the Company

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

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

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

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 **To**

- a) The applicable preference point system for this tender is the 80/20 preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

- Ps = Points scored for price of tender under consideration
 Pt = Price of tender under consideration
 Pmin = Price of lowest acceptable tender

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

3.2.1.1. POINTS AWARDED FOR PRICE

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

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

POINTS FOR CONTRACTING AN ENTERPRISE OWNED BY HISTORICALLY DISADVANTAGED PERSONS OR INDIVIDUALS

A total of 8 preference points shall be allocated on a proportional or pro rata basis for contracting an enterprise owned by historically disadvantaged persons or individuals who meet the following requirements -

HISTORICALLY DISADVANTAGED PERSONS OR INDIVIDUALS	POINTS ALLOCATION	SOURCE DOCUMENTS REQUIRED TO CLAIM POINTS
100% black person or people owned enterprise	2	A copy of a Full CSD report not older than 3 months
More than 30% woman or women shareholding or owned enterprise	2	
more than 30% youth shareholding or owned enterprise	2	
More than 30% people living with disability shareholding or owned enterprise	2	A copy of a Medical Certificate to confirm disability

POINTS FOR IMPLEMENTING OF RDP PROGRAMMES

A total of 12 preference points shall be allocated on a proportional or pro rata basis for implementing of programmes for RDP -

Enterprises regarded as *EMEs located within the Nkomazi Local Municipality area of jurisdiction	2	➤ A copy of a Full CSD report not older than 3 months NB: Points will only be awarded if the CSD physical address is the same as the address for the proof of residence required in 1.9 above.
Enterprise who will sub-contract minimum of 30% of the contract value to EMEs in the ward or local communities where the services of work to be rendered will be undertaken;	2	➤ Joint venture requirements as per the tender document and all relevant legislations pertaining to join ventures

Points for Corporate Social Investment (CSI) or Social Labour Plan proposition	5	➤ Comprehensive Methodology on how the tender is planning to invest back to the community of Nkomazi Local Municipality: ➤ Community development grounded on the principles of empowerment, social justice, collective action to mention but a few. ➤ These undertakings shall form part of the service level agreements SLA and be managed as such.
Points for valid B-BBEE level 1 contribution (SANAS accredited B-BBEE certificate for generic enterprise, and for EME and SME a sworn affidavit or CIPC issued certificate confirming annual turnover and level of Black Ownership).	3	➤ Certified Valid BBBEE certificate ➤ or Certified Valid EME and SME a sworn affidavit ➤ or Certified Valid CIPC issued certificate confirming annual turnover and level of Black Ownership
TOTAL PREFERENCE POINTS TO BE CLAIMED	20	

*All certified copies must not be older than three months.

❖ TECHNICAL EVALUATION CRITERIA

- All bidders are required to respond to the evaluation criteria measurements. Only Bidders that have met the Pre-Qualification Criteria will be evaluated for pricing.
- Bidders will be evaluated out of 100 points and are required to achieve minimum threshold of 70 points in order to proceed to price evaluations. A bidder who scores less than 70 points on technical evaluation will be disqualified.

❖ TECHNICAL EVALUATION

TECHNICAL EVALUATION				
CRITERIA	DESCRIPTION	SUB-SCORE	TOTAL SCORE	DOCUMENT TO BE SUBMITTED
1. Experience of the bidding entity in the insurance industry	▪ 0 to 3 years	3	10	▪ Comprehensive Company Profile with details of its industry experience and regulatory supporting documents if any
	▪ 4 years	4		
	▪ 5 years	5		
	▪ 6 years	6		
	▪ 7 years	7		
	▪ 8 years	8		
	▪ 9 years	9		
	▪ 10 years	10		
2. Claims administration system; ▪ Claims procedures to be clearly documented and relevant forms to be attached ▪ Effective and efficient administration of online claims	1 letter	3	15	▪ Recommendation letter from the clients ▪ Three point per letter ▪ Points are accumulative (i.e., 5 Letters = 15 points)
	2 letters	3		
	3 letters	3		
	4 letters	3		
	5 letters	3		
3. Public Sector Experience of the bidder	▪ 1 to 5 Appointment letters	5	25	▪ Bidders should submit appointment letter of the services rendered in a public sector
	▪ 6 to 10	10		
	▪ 11 to 15	15		
	▪ 16 to 20	20		

	▪ 21 and above	25		
4. Key Personnel's Requirements (The key representative (minimum two) must be member of institute of independent directors, Institution of Risk Managers and FAIS accredited)	BCom Degree = 5 BCom Honours and above	5 5	Note: points are accumulative 10	▪ Qualifications (attach certified proof)
5. Public Sector Client's Portfolio Value above 10 billion rands the bidding Rands	1 letter 2 letters 3 letters 4 letters 5 letters	3 3 3 3 3	15	Bidders should submit signed and stamped confirmation from the client or certified copy of confirmation from the client.
6. Risk Management Understanding of Risk Management Strategy	1 year 2 to 3 years 4 to 5 years	5 10 15	15	Bidders should provide understanding of risk management strategy and submit a proof of relevant experience with letters of recommendations
7. Bidder's Social Responsivity Experience	1 letter 2 letters 3 letters 4 letters 5 letters	2 4 6 8 10	10	▪ Bidders should submit proof of social responsibility projects into relevant organisation; confirmation letters will be an added advantage ▪ A minimum of five letters.
Total points			100	

- Bidders must gain a minimum of 70% for functionality before they will be further evaluated. It is important to note that due to the critical nature of the functionality aspect of this tender, award of points under functionality will not be done proportionate to the degree of compliance or non-compliance with the required specification or requirement. Points will be allocated for full compliance and no points will be allocated for partial or non-compliance.
- Every bid will be scored and awarded points out of a maximum of 100 points.

NB: FUTURE QUALIFICATION CRITERIA

❖ REPORTING, MONITORING, EVALUATION

- The successful bidder needs to report on a monthly basis on the progress on all claims, risk services matters and other general matters raised. A monthly meeting needs to be scheduled with the relevant officials directly dealing with the insurance portfolio of the municipality (insurance clerk) as well as the risk officer to discuss matters of emphasis.

❖ EXPECTED OUTPUTS AND OUTCOMES

- The successful bidder must provide the council with full coverage on all asset classes as per risk management strategy, deductibles, policy wording and insurers as mentioned in the schedules provided for a period of 36 months.

❖ QUALIFICATIONS AND EXPERTISE REQUIRED

- All tenderers need to be registered with the following institutions:
 - Financial Services Board (FSB)
 - Financial Intermediaries association (FIA)
 - The Institute of Risk Management - South Africa (IRMSA) Membership Certificate of Institute of Directors Professional indemnity of R 300 000 000
- Not adhering to this will disqualify the tenderer. Staff assisting with underwriting must have:
 - Minimum qualification in Short Term Insurance NQF 5- & 10-years' experience in Commercial Underwriting.

❖ Staff assisting with claims must have:

- Minimum full qualification in Short Term Insurance NQF 4, RE5 & 5 years' experience in Commercial claims.

❖ INTELLECTUAL PROPERTY

- The information of the tenderer will be treated as confidential and remain the property of the bidder.

❖ **REPRESENTATIVE**

- Proof of registered South African representative must be provided.

❖ **PRICING THE TENDER**

- The prices and rates to be inserted in the schedule of quantities are to be the full inclusive fee value of the work described under the items, including brokerage fee.
- Pricing Schedule – Premium (Refer to Pricing Schedule)

DECLARATION WITH REGARD TO COMPANY/FIRM

5.1. Name of company/firm.....

.....

5.2. Company registration number:

.....

5.3. **TYPE OF COMPANY/ FIRM**

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

[TICK APPLICABLE BOX]

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

- i. The information furnished is true and correct;
- ii. The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

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

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

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

The following standard terms and conditions of bid have been accepted and laid down by the Council of Nkomazi Local Municipality and are applicable to all bids, contracts and orders, unless otherwise directed by the Council prior to the invitation of bids.

1. GENERAL DIRECTIVES

1.1. Formal contracts

Formal contracts shall only be concluded with bidders where this requirement is stated in the bid documents. In the absence of a formal contract, the duly completed and signed bid accepted by a letter of acceptance by Nkomazi Local Municipality and signed by both parties, shall be the contract between the parties, and this shall include the tender document.

1.2. Expenses

Unless otherwise indicated in the bid documents, Nkomazi Local Municipality shall not be liable for any expenses incurred in the preparation or submission of any bid.

1.3. Briefing Notes

Nkomazi Local Municipality may issue Briefing Notes from time to time during the bid submission phase so that prospective bidders will timeously be made aware of any and all information that might assist them in articulating their bids.

Briefing Notes will be sequentially numbered to facilitate easy reference.

1.4. Governing laws

Laws of the Republic of South Africa shall govern contracts arising from the acceptance of bids.

1.5. Site inspections and explanatory meetings

- 1.5.1 Nkomazi Local Municipality may require the attendance of a Compulsory site inspection or explanatory meeting. Where this is a condition of bid, bidders must attend the site inspection or explanatory meeting in order to submit a valid bid. Failure to attend or coming late for the said meeting will result in the bid being non-compliant.
- 1.5.2 Particulars of the place and time of the site inspection or explanatory meeting will be indicated in the advertisement and the bid documentation.
- 1.5.3 Minutes will be taken of all information disclosed during the site inspection or explanatory meeting, and copies of these minutes will be made available on request to all interested parties that attended the relevant inspection or meeting.
- 1.5.4 Where the attendance of the site inspection or explanatory meeting is an absolute requirement to the bid, bidders must be required to certify that they attended the site meeting or explanatory meeting and that they are fully aware of the scope of the bid.

2. INVITATIONS TO TENDER/BID

2.1. Service Provider Database

Nkomazi Local Municipality may issue invitations to bid for specific supplies or services to service providers listed on the Nkomazi Local Municipality service provider database.

Without derogating from the above, Nkomazi Local Municipality reserves the right to go to open bid for the obtainment of supplies or services.

Requests for listing on the service provider database of Nkomazi Local Municipality will be issued from time to time in the local media.

2.2. Documents to be used

2.2.1 Bids must make use of the prescribed bid documents, and supply all necessary and required information called for therein.

2.2.2 Failure of a bidder to submit a bid duly signed in black ink, or to provide all required documentation or to complete bid documentation and certificates in all respects, may invalidate the bid.

2.2.3 Bidders should not qualify their bids by their own conditions, and such bidders run the risk of having their bid declared invalid.

2.2.4 Nkomazi Local Municipality may request the furnishing of a non-refundable bid deposit together with the submission of bids. This is to defray in part the cost of non-responsive bids, and to prevent nuisance bids being submitted.

3. Samples

- 3.1.1. Prospective bidders may be charged for samples provided to them by Nkomazi Local Municipality. Failure to do so may render the bid invalid. Nkomazi Local Municipality shall not be liable for any cost involved in the supply of samples by a tenderer/ bidder;
- 3.1.2. Where samples are called for in the bid documents, samples must be clearly marked with the bid numbers, item number and name of the bidder. Samples must reach the designated address for the submission of bids no later than the closing time;
- 3.1.3. Nkomazi Local Municipality may accept goods offered on loan for trial purposes, but is under no obligation to purchase the loaned goods, or any similar goods, and Nkomazi Local Municipality accepts no responsibility in the event of breakage of damage, or for the depreciation of depreciable goods.

4. Closing of tenders/bids

- 4.1. Bids close at 12:00 AM on the closing date as indicated in the bid documents.
- 4.2. Extension of the closing date may be granted in certain circumstances where such extension is justified. Any extension will however be published before the original closing date or can be communicated during briefing session.
- 4.3. Tenders/bids shall be considered late if they are received at the address indicated in the bid documents after the closing time on the closing date. A late bid shall not be admitted for consideration, and where practicable, shall be returned unopened to the bidder.

5. Submission of tenders/bids

- 5.1. Tender/bid documents must be deposited in the bid box at the address indicated in the bid documentation, failing which at a clearly indicated alternative site (where applicable).
- 5.2. Tenders/bids must be deposited in a sealed envelope or container, which envelope or container must clearly indicate the bid number and description of bid (where applicable).

- 5.3. Tenders/bids must be submitted in English.
- 5.4. Tenders/bids received by facsimile, telegram, telex, e-mail or other similar media will not be accepted as validly submitted bids (where applicable).
- 5.5. Only original tenders/bids or photocopies of the original documentation which is submitted in the prescribed manner may be accepted as valid bids.
- 5.6. All tenders/bids received prior to the closing date shall be kept in safe custody until the closing time of bids.

6. Opening of tenders/bids

- 6.1. Tenders/bids will be opened in public (where applicable) as soon as practicable after the closing time.
- 6.2. Tenders/bids will be given a registration mark and a list of bids received will be placed on record.

7. Validity periods

The period for which bids are to remain valid and binding shall be indicated in the bid documents. The validity period is calculated from the closing time and will continue until the close of business on the last day of the period, and where this day falls on a Saturday, Sunday or public holiday, the bid will remain valid and binding until the close of business on the following business day.

8. Tender/bid prices and delivery periods

- 8.1. Firm tender/bid prices and delivery periods are preferred.
- 8.2. "Firm" prices are deemed to be prices which, are only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of any tax, levy or duty, which in terms of a law or regulation is binding on the bidder and will demonstrably have an influence on the prices of supplies or on the cost of rendering services.
- 8.3. "Non-firm" prices are deemed to be all prices which are not "firm."
- 8.4. Where non-firm prices are offered, Nkomazi Local Municipality may require the submission of proof regarding labour and material costs, or other factors which are specified by the bidder, and should these costs be seen to be unrealistic, it may negatively affect the consideration of the bid.
- 8.5. Where applicable, the value of certificates (payment) issued in terms of the contract, shall be increased or decreased by applying a "contract price adjustment factor" calculated according to the formula and the conditions set out in the Contract Price Adjustment Schedule referring to the General Conditions of Contract for works of engineering construction.
- 8.6. Expressions relating to the delivery of supplies or services which are unspecified such as "soonest" or "earliest" etc. are not acceptable. Where it has not been indicated whether prices or delivery periods are firm or not, bided prices and delivery periods shall be deemed to be firm and the contractor shall be bound thereby.

3. CONSIDERATION OF TENDER/BIDS

- 3.1. All bids validly submitted will be taken into consideration. Each tender/bid will be reviewed and evaluated for its ability to deliver the specific requirements of the bid in line with set criteria of paragraph 3.3.
- 3.2. Nkomazi Local Municipality is under no obligation to accept any tender/bid, or to accept the lowest tender/bid.

- 3.3. All tenders/bids will be reviewed and evaluated in accordance with the following criteria:
- General Information supplied by the bidder
 - Compliance with bid requirements
 - Pricing
 - Technical Evaluation
 - Preferential Procurement points
- 3.4. Nkomazi Local Municipality may elect to invite verbal presentations from bidders for clarification of the content of their bids.
- 3.5. Nkomazi Local Municipality may, where a bid relates to more than one item, accept such tender/bid in respect of any specific item or items, and may also accept part of the specified quantity of any specific item or items.
- 3.6. Any decision by Nkomazi Local Municipality shall be final and Nkomazi Local Municipality shall only on request provide reasons for the acceptance or passing over of a bid.
- 3.7. Where a bid has been granted on the strength of information furnished by the bidder, which later proves to be incorrect, Nkomazi Local Municipality may, in addition to any other remedy it may have, recover all costs and damages suffered or sustained by Nkomazi Local Municipality as a result of the award of the bid from the bidder, and/or cancel the agreement and claim damages from the bidder.
- 3.8. Nkomazi Local Municipality will award a preference to bids in accordance with the Preference Certificate in the form of BBBEE status level certificate [T 5].
- 3.9. In the event of equal bids, the following order of priority will normally be applied in the consideration of equal bids:

Evaluation of bids that scored equal points

- 3.9.1. In the event that two or more bids have scored equal total points, the successful bid must be the one that scored the highest points for BBBEE,
- 3.9.2. IF two or more bids have equal points, including equal preference points for BBBEE, the successful bid must be the one scoring the highest score for functionality if functionality is part of the evaluation process,
- 3.9.3. In the event that two or more bids are equal in all respects, the award must be decided by the drawing of lots
- 2.11 Successful bidders will be notified in writing of the acceptance of their bids.

4. TERMS AND CONDITIONS

4.1 Information provided

Nkomazi Local Municipality provides the bid documentation or any other information, in good faith. Any party or parties considering entering into a contract with Nkomazi Local Municipality on the basis of such information should conduct their own investigations and obtain the necessary professional advice and council, at their cost, necessary to formulate their own opinion regarding all matters related to the bid. Nkomazi Local Municipality cannot be held liable for any costs or damages flowing from a failure to do so by any bidder.

4.2 Legal and regulatory framework

- 4.2.1. All bids must function and be implemented within the general legal and regulatory framework relating to the supply or service, and requires compliance with all law by any bidder.
- 4.3.2. The onus is on the bidder to ensure compliance of its bid as well as during the implementation of the bid with the applicable legal and regulatory requirements, and Nkomazi Local Municipality reserves the right to reject any bid on the basis of non-compliance by the bidder with the applicable legal and regulatory framework.
- 4.4.3. Where relevant Nkomazi Local Municipality may request the Respondent to submit proof of compliance with any aspect of the legal and regulatory framework.

4.3 No representations or warranties

All information contained in or provided as part of the bid documentation is offered in good faith and for the guidance of bidders. Nkomazi Local Municipality does not make any representation (express or implied), or provide any warranty as to the accuracy, completeness or correctness of bid documentation. Nkomazi Local Municipality shall not be liable for any claim for loss or damage to any bidder arising from any error, misstatement or omission contained in the bid documentation or any reliance thereon.

4.4 Declaration of interest

In order to prevent allegations of favouritism or nepotism in the procurement process, bidders must complete the Declaration of Interest & Interest in the State. (T4)

4.5 Reservation of rights

- 4.5.1. Nkomazi Local Municipality reserves the right to consider all possible options during the evaluation of bids. This includes the right not to proceed with the bid, suspend or temporarily defer the bid, or not to award the bid to any bidder. No liability shall attach to Nkomazi Local Municipality in the exercising of any of these rights.
- 4.5.2. If Nkomazi Local Municipality elects not to award the bid to any bidder, it may at its sole discretion, solicit bids in such manner as it may deem necessary in its absolute and sole discretion.
- 4.5.3. Copyright of all documents, data, designs, electronic aids, programmes etc. forming part of the bid documentation or developed by Nkomazi Local Municipality, shall remain to vest in Nkomazi Local Municipality.

4.6. Queries relating to the bid

- 4.6.1. Any queries relating to a bid or any process should be addressed in writing (registered mail, facsimile or e-mail), marked for the attention to:

The person and address stated in the bid documentation

- 4.6.2. Queries will be responded to in writing, and the written query and response may be distributed to all prospective bidders who have collected the bid documentation. The names of bidders raising queries will not be made known.

4.7. Information to be provided by bidders

The onus is on the bidder to ensure that all requirements contained in the bid documentation are complied with and all information requested from the bidder is supplied.

4.8. Independent submission

By submitting a bid, each bidder certifies that –

- 4.8.1. Its bid has been submitted independently, without consultation, communication or agreement for restricting competition, with any other bidder or to any other competitor; and
- 4.8.2. No attempt has been made or will be made by the bidder to induce any other person or firm to submit a bid for the purpose of restricting competition.

4.9. Sole property of Nkomazi Local Municipality

- 4.9.1. All materials, information and data submitted by bidders shall become the sole property of Nkomazi Local Municipality, with the exception of –
 - 4.9.1.1. Confidential financial statements of the bidder; and
 - 4.9.1.2. Copyright material, trade secrets or other proprietary information clearly identified as such by the bidder.

4.10. Confidentiality

- 4.10.1. Nkomazi Local Municipality undertakes to keep confidential all information received from any bidder which is clearly identified as confidential in the bid and which is not already public knowledge or available in the public domain or in the hands of Nkomazi Local Municipality or required to be disclosed by legal or regulatory requirements, and the bidder accordingly indemnifies Nkomazi Local Municipality against any claim or liability for its refusal to disclose the relevant information/data to any person seeking access thereto. Failure to honour such indemnity shall be deemed to be a waiver by the bidder of its right to exemption from disclosure and shall Nkomazi Local Municipality be authorised to provide a copy of the relevant information/data or any part thereof to the requester.
- 4.10.2. Information disclosed by Nkomazi Local Municipality is deemed as confidential and it is expected that bidders treat it as such. This includes all information which is not public knowledge or available in the public domain or required to be disclosed by legal or regulatory requirements. Bidders will be held liable for non-compliance in this regard.
- 4.10.3. No information of bidder shall be made available to another bidder or any person unless requested by the court of law. Bidder can be allowed to request to see his/her bid document or to seek clarity of his/her failure, but not to have access to other bidder's information.

• 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	<i>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</i> <u>(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).</u> 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.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? 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 ☐	No ☐

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 ☐	No ☐
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 ☐	No ☐
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 ☐	No ☐
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

.....

Position

.....

Date

.....

Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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.
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

AUTHORISATION CERTIFICATE	T 8
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1. I/We hereby bid to supply all or any of the supplies and/or to bid all or any of the services as described and required in the bid documentation to Nkomazi Local Municipality, on the terms and conditions and in accordance with the specifications as stipulated in the bid documentation (which bid documentation shall be taken as part of, and incorporated into, this bid) at the prices and delivery periods as required therein.
2. I/We agree that –
the offer herein contained shall remain binding on me/us and open for acceptance by Nkomazi Local Municipality during the validity period indicated in the bid documentation, which period shall be calculated from the closing time of the bid;
3. this bid and its acceptance shall be subject to the Standard Terms and Conditions of Bid [T 5] which are contained in this bid documentation and with which contents I am/we are fully acquainted with;
4. if I/we withdraw my/our bid within the validity period of the bid for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, Nkomazi Local Municipality may, without prejudice to any other remedies at its disposal, agree to the withdrawal or cancellation of the bid or contract that may have been entered into and I/we will then pay to Nkomazi Local Municipality any additional expense incurred by Nkomazi Local Municipality having to either accept any less favourable bid, or if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable bid;
5. if my/our bid is accepted the acceptance may be communicated to me/us by letter by ordinary post or registered post and that the Post Office shall be regarded as my/our agent, and delivery of such acceptance to the Post Office shall be treated as a delivery to me/us;
6. The law of the Republic of South Africa shall govern the contract created by the acceptance of my/our bid and that I/we choose our *domicilium citandi et executandi* in the Republic at :

.....
7. I/We furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our bid and that the prices and scope of work bided cover all my/our obligations in terms of the bid documentation and that I/we accept that any mistakes regarding prices or calculations will be at my/our risk.
8. I/We hereby accept full responsibility for the proper execution and due fulfilment of all obligations and conditions devolving on me/us under this contract as the principal bidder liable for the contract.
9. I/We agree that any action arising from this contract may in all respects be instituted against me/us and I/we hereby undertake to satisfy fully any judgment obtained against me/us as a result of such action.

Signature Tender/Bid no.....

Capacity

Duly authorised to sign on behalf of

The Municipal Manager
Nkomazi Municipality
Private Bag X 101
Malalane
1320

Sir/Madam

CONTRACT NO: NKO:33/2024 APPOINTMENT OF A SHORT-TERM INSURANCE SERVICES FOR NKOMAZI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS (3 YEARS)

DATE OF PUBLICATION OF TENDERS	CLOSING DATE AND TIME FOR SUBMISSION OF TENDERS	THIS TENDER HOLDS GOOD FOR ACCEPTANCE UNTIL
17/09/2024	31/10/2024	90 days

1. Having examined the documents for the execution of the above-mentioned Project as well as any addenda subsequently issued, I/we the undersigned offer to **APPOINTMENT OF A SHORT-TERM INSURANCE SERVICES FOR NKOMAZI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS (3 YEARS)** conformity with the above-said documents and addenda, for the sum of -

.....
.....

(R..... *) * Excluding VAT

or such other sum as may be determined in accordance with the general conditions of contract and the tender rules applicable to this contract, as well as the conditions included in this form of tender.

2. I/We acknowledge that all the certificates, schedules and forms included in this document for completion by the Tenderer have been fully completed by me/us and form part of my/our tender.
3. I/We undertake to complete and deliver the whole of the Project comprised in this contract within 24 months including the holidays during December and January and any other specified non-working days, calculated from the commencement day of supervision.
4. In the event of my/our not completing the whole of the works within the period tendered by me/us in paragraph 3 hereof, I/we agree to pay the Employer, as a penalty for such default, the sum stated in the Appendix to Tender for each calendar day or part thereof in excess of my/our tendered time for completion and the Employer may, without prejudice to any other method of recovery, deduct such sum monthly from any monies due or to become due to me/us.
5. If my/our tender is accepted, I/we undertake -

To sign the form of agreement included in this document within a period of twenty-one (21) days of receipt of written acceptance of my/our tender subject to the prior provision of the approved contract guarantee by me/us.

6. I/We agree to abide by this tender for a period of ninety (90) days from the closing date fixed for the submission of tenders, and it shall remain binding upon me/us and may be accepted at any time before expiry of that period.

7. Unless and until a formal agreement is prepared and executed, this tender, together with the written acceptance thereof, shall constitute a binding contract between us and shall be deemed for all purposes to be the contract agreement.
8. In the event of there being any arithmetical errors in the priced bill of quantities, I/we agree to their being corrected, the rates being taken as correct.
9. I/We understand that you are not bound to accept the lowest or any particular tender you may receive, and that you shall not defray any expenses incurred by me/us in tendering.
10. I/We agree and undertake to commence the abovementioned Project within seven (7) days from the date on which the Project has been handed over to me/us by a written instruction from the Employer.
11. I/We declare that, notwithstanding anything contained in a covering letter to this tender, this tender is submitted entirely without qualifications.
12. I/We choose *domicilium citandi et executandi* at -

.....

in the Republic of South Africa.

Yours faithfully

SIGNED ON BEHALF OF TENDERER

NAME OF SIGNATORY (IN CAPITALS):

SIGNED ON THIS THE DAY OF IN THE YEAR OF

ON BEHALF OF:

ADDRESS.....

TELEPHONE NUMBER

FAX NUMBER:

WITNESS 1:

NAME IN CAPITALS:

WITNESS 2:

NAME IN CAPITALS:

1.Pricing Schedule**BILL OF QUANTITIES GUIDELINE FOR UNDERWRITING PURPOSE**

The schedules and conditions from the basis of insurance cover provided by Municipality is indicated in the table below. It may not be quoted in any other way than on the enclosed schedules. Any deviations from these schedules must be specified clearly in a separate schedule which only shows the deviations. Bids not meeting the aforementioned requirements will be considered non-responsive and disqualified.

The Municipality can, after awarding the tender to the successful bidder, amend the insured amounts according to additional information received.

POLICY TYPE/SECTION	SASRIA	ANNUAL PREMIUM	EXCESS PAYMENT
Combined			10% minimum R5 000 of each & every gross claim; Parked vehicles – R100 000 of each and every gross claim Buildings and structures above R200 000 – 10% minimum R10 000 of each and every gross claim; Unoccupied buildings – 25% minimum R5 000 of each & every claim
Business All Risk			10% minimum R2500 each and every loss
Theft			10% minimum R5 000 of each and every loss
Glass			5% of claim minimum R2 500
Money			Loss or damage to money as a result of dishonest employee/ councillor - 10% minimum R2,500 of each and every gross claim
Fidelity			10% of sum insured plus 10% of net claim
Motor Fleet			25% of claim min R5 000 each & every claim; Windscreen – 25% of claim min R500 each & every claim
Stated Benefit			Medical expense – R500 of each and every claim
Electronic Equipment			10% minimum R5 000 of each & every gross claim
Machinery Breakdown			10% minimum R5 000 of each & every gross claim
Public Liability			R5 000 each and every loss

COMBINED SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Buildings	255,360,100		
Contents including Library contents	6,000,000		
Grace view overhead lines	1,000,000		
Clubhouse	2,000,000		
Sub-stations mini sub stations, transformers, switchgear, pumps	104,595,722		
3 rd party property in clients care custody and control	2,000,000		
Vehicles whilst parked	2,000,000		
All water purification works and pump stations	1,927,746,124		
All sewerage works, pump stations	41,337,564		
Waste Transfer Stations - Capital Spares	1,600,000		
Heritage Assets - Monuments	1,621,944		
TOTAL	2,345,262,354		

BUSINESS ALL RISK			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
General Specified items	15,000,000		
Laptops & tablets	3,000,000		
TOTAL	18,000,000		

THEFT SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
First Loss	550,000		
Property in the open	300,000		
Malicious damage	50,000		
Locks and Keys	10,000		
Claims Preparation Costs	100,000		
TOTAL	1,010,000		

GLASS SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Internal and external glass including mirrors	100,000		
TOTAL	100,000		

MONEY SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Major Limit	100,000		
TOTAL	100,000		

FIDELITY SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Limit any one loss	120,000		
TOTAL	120,000		

MOTOR FLEET SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
10 x private motor cars up to 9 seats	1,308,744		
80 x LDV's	5,621,091		
73 x Trucks	31,489,339		
14 x Tractors	77,243		
21 x Trailers	433,076		
29 x special types	23,188,529		
67 x high value vehicles above R500 000			
TOTAL	62,118,021		

ELECTRONIC EQUIPMENT SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Specified property	9,627,218		
TOTAL	9,627,218		

MACHINERY BREAK-DOWN SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
All plant and machinery	15,578,374		
TOTAL	15,578,374		

PUBLIC LIABILITY SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Tenants	2,000,000		
Products/defective workmanship	2,000,000		
Errors/omissions	2,000,000		
Defamation/wrongful arrest	2,000,000		
Legal Defence	2,000,000		
Spread of fire	3,000,000		
Professional Indemnity – Medical	1,000,000		
TOTAL	14,000,000		

EMPLOYERS LIABILITY SECTION			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Limit	25,000,000		
TOTAL	25,000,000		

MOTOR THIRD PARTY LIABILITY			
DETAILS	SUM INSURED (R)	RATE (R)	ANNUAL PREMIUM (R)
Limit	10,000,000		
TOTAL	10,000,000		

ALTERNATIVES OFFERED

If no alternatives, other than the submitted with this Tender, the Schedule hereunder is to be marked NIL and signed by the Bidder.

Bidders wishing to bid on alternative products that differ from the requested specification may do so, only if a detailed pricelist that includes the name, make, model and price of such items is submitted and attached to this page.

Only ISO/SANS/SABS & ICASA or items registered with the relevant authority will be considered.

PLEASE NOTE THAT ANY ALTERNATIVE PRODUCTS SHOULD BE ACCOMPANIED BY THE ONE IN THE TENDER DOCUMENT, IN SHORT, THIS TENDER MUST BE FULLY COMPLETED. FAILURE TO DO SO WILL RENDER THE TENDER NON-RESPONSIVE

SIGNATURE OF BIDDER

DATE

ANNEXURE A - SUMMARY OF NKOMAZI MUNICIPALITY FIXED ASSET REGISTER

Description	Annexure A	Total Carrying value 30/06/2024	Comment
<u>Carrying amount by Asset Class/Sub-class</u>			
<u>Infrastructure</u>		2,882,469,047	
Roads Infrastructure		749,940,446	
Roads		749,940,446	Insurance not required
Storm water Infrastructure		49,687,947	
Drainage Collection		49,687,947	Insurance not required
Electrical Infrastructure		104,595,722	
Substations, Networks & Capital Spares		104,595,722	Insurance required
Water Supply Infrastructure		1,927,746,124	
Boreholes, Reservoirs, Pump Stations, Bulk Mains & WTP Structures etc.		1,927,746,124	Insurance required
Sanitation Infrastructure		41,337,564	
Pump Station, Reticulation & Capital spares		41,337,564	Insurance required
Solid Waste Infrastructure		9,161,244	
Landfill Sites, Transfer Stations & Capital Spares		9,161,244	Insurance required
<u>Buildings</u>		257,361,000	
All Building Facilities & Capital spares		257,361,000	Insurance required
<u>Heritage assets</u>		1,621,944	Insurance required
Monuments		1,621,944	
<u>Investment properties</u>		10,516,034	
Improved Property		570,947	Insurance required
Unimproved Property		9,945,087	Insurance not required
<u>Intangible Assets</u>		1,272,041	Insurance required
Servitudes		-	
Licences and Rights		1,272,041	
Computer Software and Applications		1,272,041	
<u>Computer Equipment</u>		9,627,218	Insurance required
Computer Equipment		9,627,218	
<u>Furniture and Office Equipment</u>		10,700,807	Insurance required
Furniture and Office Equipment		10,700,807	
<u>Machinery and Equipment</u>		27,130,873	Insurance required
Machinery and Equipment		27,130,873	
<u>Transport Assets</u>		50,610,953	Insurance required
Transport Assets		50,610,953	
<u>Land</u>		181,687,957	Insurance not required
Land		181,687,957	
Total Carrying Value		3,432,997,874	

SETTLED AND CLOSED CLAIMS - JULY 2024															
Client	Claim No.	Claim Reference No.	Insurer	Claim No.	DOI	Claim Notification	Description of Loss	Claims Status	Event	Cover	Peril	Original Estimate	Gross	Paid	Outstanding
Nkomazi Local Municipality	KM-00010411	859991	866130	28-May-2022	15-Jun-2022		The water trucker accidentally hit another water trucker.	Settled	Accidental Damage	Motor Commercial	Accidental Damage	15 000.00	55 741.84	55 741.84	-
Nkomazi Local Municipality	KM-00008618	HYX819MP, JSUZU K8250	859991	03-Jan-2022	04-Mar-2022		Insured lost control of vehicle as an animal ran across the road.	Settled, File Closed	Accidental Damage	Motor Commercial	Accidental Damage	15 000.00	129 793.53	129 793.53	-
Nkomazi Local Municipality	KM-00008626	DVB290MP - Nissan NP300	860000	22-Dec-2021	04-Mar-2022		Hit and run vehicle hit insured vehicle on the left door.	Settled	Accidental Damage	Motor Commercial	Accidental Damage	22 161.17	22 161.17	22 161.17	-
Nkomazi Local Municipality	KM-00011256	860694	860694	26-Dec-2021	01-Feb-2022		Insured laptop was stolen during a house break during her absents.	Settled, File Closed	Theft	Office Contents	Theft	19.00	18 999.00	16 499.00	-
Nkomazi Local Municipality	KM-00016313	HYM90MP	881459	09-Jun-2023	23-Jun-2023		Vehicle was in an accident.	Settled, File Closed	Accident	Motor Commercial	Accidental Damage	19 450.00	143 794.00	125 954.00	-
Nkomazi Local Municipality	KM-00017488	KTY231MP	884311	25-Aug-2023	28-Aug-2023		The insured alleges that the TP bumped his vehicle the back	Claim within Excess	Accident	Motor Commercial	Accident With Third Party	53 306.25	26 703.42	3 306.25	-
Nkomazi Local Municipality	KM-00017070	FPX867MP	883549	04-Aug-2023	08-Aug-2023		Accident between the insured and the third party	Awaiting TP approach	Accident	Motor Commercial	Accident With Third Party	-	-	-	-
Nkomazi Local Municipality	KM-00016769	K8V870MP	882842	21-Jul-2023	26-Jul-2023		Accident	Settled, File Closed	Accident	TruckSure	Accident	31 150.00	95 805.79	86 340.21	-
Nkomazi Local Municipality	KM-00016092	KCR373MP	882126	30-May-2023	12-Jun-2023		Driver hit the truck at the back	Cancelled	Accident	TruckSure	Accident With Third Party	30 000.00	-	-	-
Nkomazi Local Municipality	KM-00015478	KCR373MP	879293	27-Apr-2023	12-May-2023		Third Party Vehicle pump into the insured's truck	Settled, File Closed	Accident	TruckSure	Accident	50 000.00	167 624.86	137 624.86	-
Nkomazi Local Municipality	KM-00018250	K8V071MP	886729	19-Oct-2023	23-Oct-2023		Head on collision between the insured and the third party	Settled, File Closed	Accident	TruckSure	Accident	37 982.81	33 644.15	28 644.15	-
Nkomazi Local Municipality	KM-00018377	DRD175MP	887241	30-Oct-2023	02-Nov-2023		Municipal vehicle was involved in an accident with a third party vehicle.	Claim within Excess	Accident	TruckSure	Accident With Third Party	35 578.42	5 578.42	-	-
Nkomazi Local Municipality	KM-00015951	KRP161MP	879860	20-May-2023	06-Jun-2023		Driver involved in a car accident with a TP	Settled, File Closed	Accident	TruckSure	Accident With Third Party	30 000.00	157 884.88	142 096.39	-
Nkomazi Local Municipality	KM-00017470	KDG645MP	884372	09-Aug-2023	28-Aug-2023		Collision	Awaiting TP approach	Accident	TruckSure	Accident With Third Party	30.00	-	-	-
Nkomazi Local Municipality	KM-00017215	K8V074MP	883893	15-Aug-2023	17-Aug-2023		Municipal driver hit a cow on the road and damaged the vehicle	Settled, File Closed	Accident	TruckSure	Accidental Damage	31 860.70	22 146.96	17 146.96	-
Nkomazi Local Municipality	KM-00018061	KVY971MP	886079	30-Sep-2023	09-Oct-2023		Municipal worker damaged the vehicle while working	Settled, File Closed	Accident	TruckSure	Accidental Damage	44 706.25	220 512.93	170 512.93	-
Nkomazi Local Municipality	KM-00015908	HYM94MP	880392	25-May-2023	02-Jun-2023		Driver bumped a steel post/tail gate and tube pumper damaged	Settled, File Closed	Accident	TruckSure	Accidental Damage	31 420.20	23 354.31	18 354.31	-
Nkomazi Local Municipality	KM-00015225	DVB297MP	878664	15-Apr-2023	25-Apr-2023		Vehicle hit a tree	Settled, File Closed	Accidental Damage	TruckSure	Accidental Damage	32 322.00	103 166.32	94 416.32	-
Nkomazi Local Municipality	KM-00019018	KRP161MP	889228	30-Nov-2023	12-Dec-2023		Vehicle scratched at the parking	Settled, File Closed	Accidental Damage	TruckSure	Accidental Damage	31 322.50	11 647.00	4 147.00	-
Nkomazi Local Municipality	KM-00018063	FFR572MP	886128	28-Aug-2023	10-Oct-2023		Left hand side and base scratched by a concrete valve	Settled, File Closed	Accidental Damage	TruckSure	Accidental Damage	32 033.20	30 704.20	25 704.20	-
Nkomazi Local Municipality	KM-00014770		877381	24-Mar-2023	27-Mar-2023		TP accidentally drove into the insured	Settled	Accident	TruckSure	Accident	19 753.81	19 753.81	14 753.81	-
Nkomazi Local Municipality	KM-00018161	SIBISI PENELOPE	886270	29-Sep-2023	12-Oct-2023		The insured alleges that he lost his laptop and don't know how it went missing	Settled, File Closed	Loss	Business All Risks	Lost	10 000.00	13 665.22	11 165.22	-
Nkomazi Local Municipality	KM-00015130		877912	20-Dec-2022	05-Apr-2023		Municipal mercedes bent damaged	Claim within Excess	Liability	Public Liability	Liability	3 119 709.00	22 602.58	-	-
Nkomazi Local Municipality	KM-00019215	TPJY419MP	889937	15-Sep-2023	30-Nov-2023		Accident between the insured and the TP	Closed - Cancelled	Accident	Public Liability	Third Party Only	42 196.61	-	-	-
Nkomazi Local Municipality	KM-00019508		891269	02-Jan-2024	30-Jan-2024		Property caught fire due to power surge	Claim within Excess	Fire	Buildings Combined	Fire	20 000.00	11 142.50	-	-
Nkomazi Local Municipality	KM-00012345	HYX020MP	896891	31-May-2024	04-Jun-2024		Driver tried to avoid a hole on the road and ended up scratching the bakke against the wall	Settled, File Closed	Accidental Damage	TruckSure	Accidental Damage	31 322.50	15 551.92	10 551.92	-
Nkomazi Local Municipality	KM-00012380	K8V071MP	8770304	30-Sep-2022	03-Oct-2022		INSURED CARRYING PIPES, FELL OFF VEHICLE CAUSING DAMAGE TO OWN VEHICLE	Settled	Accident	TruckSure	Accident	50 000.00	19 131.35	19 131.35	-
Nkomazi Local Municipality	KM-00013103	DVB286MP	877279	18-Nov-2022	23-Nov-2022		MOTOR OWN DAMAGE: INSURED ACCIDENTLY HIT A TELECOM POLE	Settled	Accident	TruckSure	Accident	35 000.00	58 500.00	58 500.00	-
Nkomazi Local Municipality	KM-00014674		876907	13-Nov-2022	16-Mar-2023		Driver bumped 3rd party vehicle	Settled, File Closed	Accident	TruckSure	Accident	30 000.00	74 500.00	70 775.00	-

Nkomaz Local Municipality	KM-00011653					COV WAS RUNNING ON ROAD AND INSURED ACCIDENTLY COLLIDED WITH IT	Settled	Accident	TruckSure	Accident		58 145.29	41 508.16	41 508.16	-
Nkomaz Local Municipality	KM-00010839	HVC 733 MP	867154	07-Jul-2022	13-Jul-2022	A springbok came out of no where and hit the council vehicle.	Settled, File Closed	Accident	TruckSure	Accident		15 000.00	25 494.35	20 494.35	-
Nkomaz Local Municipality	KM-0008614	859672-DVB286MP	859672	06-Dec-2021	04-Mar-2022	Vehicle lost control, and hit into an electricity pole.	Settled, File Closed	Accidental Damage	Motor Commercial	Accidental Damage		18 767.01	8 767.01	4 600.41	-
Nkomaz Local Municipality	KM-0008608	861072-JWPR442MP	861072	04-Feb-2022	04-Mar-2022	Vehicle accident happened at Side drop Kompiport with a Mahindra that failed to stop to observe in a T-junction.	Settled, File Closed	Accidental Damage	Motor Commercial	Accidental Damage		30 137.38	30 137.38	25 137.38	-
Nkomaz Local Municipality	KM-0009080	863071-HUJ513MP White Toyota	863071	01-Apr-2022	01-Apr-2022	Vehicle reversing out of a parking lot and the other vehicle wanted to use the parking an hit him from behind.	Closed - Cancelled	Accidental Damage	Motor Commercial	Accidental Damage		-	-	-	-
Nkomaz Local Municipality	KM-00017066	HVC744MP	889429	05-Aug-2023	08-Aug-2023	Driver bumped a cow	Settled, File Closed	Accidental Damage	TruckSure	Accidental Damage		31 860.70	73 273.52	66 132.06	-
Nkomaz Local Municipality	KM-00017010	KFB113MP	888366	02-Aug-2023	07-Aug-2023	Driver was driving a pothole and hit a pedestrian	Awaiting TP approach	Accident	TruckSure	Accident other		30 000.00	-	-	-
Nkomaz Local Municipality	KM-00015188	FFV123M	878546	12-Apr-2023	24-Apr-2023	Municipal driver reversed onto municipal vehicle	Settled, File Closed	Accidental Damage	TruckSure	Accidental Damage		30 000.00	17 677.83	14 177.83	-
Nkomaz Local Municipality	KM-00015975	FGV465MP	880606	05-Jun-2023	06-Jun-2023	Driver bumped TP	Settled, File Closed	Accident	TruckSure	Accident With Third Party		9 340.53	24 181.75	20 681.75	-
Nkomaz Local Municipality	KM-00016160	KBY076MP	881106	18-May-2023	14-Jun-2023	Accident	Settled, File Closed	Accident	TruckSure	Accident		42 164.70	44 258.37	39 258.37	-
Nkomaz Local Municipality	KM-00015013	KBY073MP	878145	03-Mar-2023	13-Apr-2023	Insured T1B collided with municipal bakke	Settled, File Closed	Accident	TruckSure	Accident		30 000.00	93 723.34	84 558.01	-
Nkomaz Local Municipality	KM-00013022	CY29249	876704	30-Sep-2022	02-Nov-2022	Motor Liability : TP claims Insured carrying pipes damaged his vehicle	Settled, File Closed	Liability	Public Liability	Liability		15 000.00	5 172.57	5 172.57	-
Nkomaz Local Municipality	KM-00012336	KPG921MP	870381	03-Aug-2022	05-Oct-2022	TP claims that insured hit his vehicle	Settled	Accident	Public Liability	Liability		8 048.45	8 048.45	8 048.45	-
Nkomaz Local Municipality	KM-00013055	ACER LAPTOP	872769	19-Oct-2022	18-Nov-2022	BAR : ACER LAPTOP STOLEN FROM INSURED HOUSE	Settled	Theft	Business All Risks	Theft		8 850.00	19 560.00	19 560.00	-
Nkomaz Local Municipality	KM-00013750	HVM398MP	874566	20-Aug-2022	25-Jan-2023	MOTOR OWN DAMAGE : DONKEYS PULING TRAILER CRASHED INTO MUNICIPAL VEHICLE	Settled	Accident	TruckSure	Accident		30 000.00	30 737.60	30 737.60	-
Nkomaz Local Municipality	KM-00021043	FFV427MP	885993	07-May-2024	08-May-2024	Bakke reversed and collided with a passing vehicle	Awaiting TP approach	Accident	TruckSure	Accident With Third Party		30 000.00	-	-	-
Nkomaz Local Municipality	KM-00021263	KFB113MP	896595	16-Mar-2024	28-May-2024	Driver avoided to hit a pedestrian, turned and bumped a cow	Claim within Excess	Accident	Motor Commercial	Accidental Damage		33 306.25	12 083.67	3 306.25	-
Nkomaz Local Municipality	KM-00021042	DDH503MP	895966	07-May-2024	09-May-2024	TP reversed and collided with the municipality vehicle	Awaiting TP approach	Accident	Motor Commercial	Accident With Third Party		30 000.00	-	-	-

OPEN CLAIMS - JULY 2024															
Client	Claim No.	Reference No.	Insurer Claim No.	DOL	Claim Notification	Description of Loss	Claims Status	Event	Cover	Peril	Original Estimate	Gross	Paid	Outstanding	Comments
Nkomazi Local Municipality	KM-00017861	FKLS89MP	885443	24-Sep-2023	26-Sep-2023	Municipal vehicle was hit by tp	Awaiting payment confirmation from insurer	Accident	TruckSure	Accident	33 306.25	36 223.83	3 306.25	25 417.58	Waiting for the proof of payment from the insurer
Nkomazi Local Municipality	KM-00018450	TP: Vivian Mkhabela	887465	19-Oct-2023	08-Nov-2023	Accident allegedly caused by municipal employee	Insurer handling TP claim	Liability	Public Liability	Liability	31 469.27	31 469.27	764.75	30 704.52	Section 11 excess payment sent to the insurer, waiting for feedback from them
Nkomazi Local Municipality	KM-00017480	TP: Nkosinathi Vuma	884382	20-May-2023	25-Aug-2023	The third alleges that the insured bumped his vehicle at the back	Insurer handling TP claim	Liability	TruckSure	Accident With Third Party	43 726.00	21 863.00	-	16 863.00	Awaiting insured's proof of banking details for the insurer to process the section 8.8 proof of payment
Nkomazi Local Municipality	KM-00021610	HYM401MP	897882	25-Mar-2024	25-Jun-2024	Driver collide with tp while reversing	Awaiting reply from insurer	Accident	TruckSure	Accidental	30 000.00	24 438.63	-	19 438.63	Awaiting insured's comment regarding the driver's licence
Nkomazi Local Municipality	KM-00021272	KRP161MP	886579	22-May-2024	24-May-2024	Insured collided with tp at the robots	Repairs Authorised	Accident	TruckSure	Accident With Third Party	31 322.50	88 435.83	1 322.50	78 402.00	Awaiting repairer's invoice
Nkomazi Local Municipality	KM-00021344	FP1066MP	886871	01-Jun-2024	04-Jun-2024	Driver bumped a dog	Awaiting reply from insurer	Accidental Damage	TruckSure	Accidental Damage	30 000.00	30 000.00	-	30 000.00	Awaiting excess letter from the insurer
Nkomazi Local Municipality	KM-00020847	FPX363MP	885258	02-Apr-2024	24-Apr-2024	The insured alleges that a cow bumped into the vehicle and damaged the head lamp and the bonnet	Write-off in Process	Accidental Damage	Motor Commercial	Accidental Damage	31 322.50	31 322.50	1 322.50	30 000.00	Awaiting quote showing that the vehicle is not a write off from the insured in order for the insurer and the assessor to make an informed decision regarding this claim
Nkomazi Local Municipality	KM-00021217	DRD175MP	886390	15-May-2024	23-May-2024	Tipper truck brakes failed and the truck bumped tp	Repairs Authorised	Accident	Motor Commercial	Accident With Third Party	33 306.25	21 199.40	3 306.25	10 393.15	Awaiting advise from the insured if we may proceed to close the claim as they have repaired the vehicle

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT GENERAL

CONDITIONS OF CONTRACT

July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 3. General**
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
- 4. Standards**
- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
- 5. Use of contract documents and information; inspection.**
- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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

Js General Conditions of Contract (revised July 2010)