



UMHL04/2024/2025

SHORT-TERM INSURANCE FOR 36 MONTHS

BIDDER:

CSD REGISTRATION:

CLOSING DATE: 24 JULY 2024

CLOSING TIME: 12h00

ENQUIRIES:

SUPPLY CHAIN MANAGEMENT
UMHLABUYALINGANA LOCAL MUNICIPALITY
PRIVATE BAG X 901
KWANGWANASE

SCM SPECIFIC ENQUIRIES

Enquires: Mr N.M. Mthembu
Email Address: BafanaM@mhlalbuyalingana.gov.za
Tel No: 035-592 0680

TECHNICAL /PROJECT SPECIFIC ENQUIRIES

Enquires: Mrs NP Mkhabela
Email Address: ZiphoM@mhlalbuyalingana.gov.za
Tel. No.: 035-592 0680

PART A: INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE UMHLABUYALINGANA LOCAL MUNICIPALITY							
BID NUMBER:	UMHL04/2024/2025	CLOSING DATE:	24 JULY 2024	CLOSING TIME:	12h00		
DESCRIPTION	SHORT-TERM INSURANCE FOR 36 MONTHS						
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT R22 MANGUZI MAIN ROAD							
R22 MANGUZI MAIN ROAD, KWANGWANASE, 3973							
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO				TECHNICAL ENQUIRIES MAY BE DIRECTED TO:			
CONTACT PERSON	Mr N.M. Mthembu			CONTACT PERSON	Mrs N.P. Mkhabela		
TELEPHONE NUMBER	035-592 0680			TELEPHONE NUMBER	035-592 0680		
FACSIMILE NUMBER	035-592 0672			FACSIMILE NUMBER	035-592 0672		
E-MAIL ADDRESS	bafanam@mhlabyalingana.gov.za			E-MAIL ADDRESS	ziphom@mhlabyalingana.gov.za		
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							
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA		
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No			B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] ☐ Yes ☐ No		
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]							
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ 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]		
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS							
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO							
DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO							
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO							
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO							
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 BELOW.							

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 IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
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 VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

TOTAL FOR BID PRICE

.....

..... Rand (in words)

R (in figures)

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

TENDER NOTICE

TENDER NUMBER	DESCRIPTION	CLOSING DATE & TIME
UMHL04/2024/2025	SHORT-TERM INSURANCE FOR 36 MONTHS	24 JULY 2024 @12H00 PM

UMhlabuyalingana Local Municipality hereby invites tenders from qualifying service providers to assist the Municipality with the Rendering of Services for 36 months as tabled above.

Tender documents will be made available to tenderers from **Friday, 21 June 2024**.

Tender documents can be downloaded and printed at the tenderer's cost from the National Treasury eTender Publication Portal on www.etenders.gov.za or municipal website www.umhlabuyalingana.gov.za

Any enquiries relating to this tender must be forwarded to BafanaM@mhlabuyalingana.gov.za or SenzoM@mhlabuyalingana.gov.za (SCM Related) **Please note that no enquiries will be attended to within the last three (3) calendar days before the date of tender closing.**

Tenders must be submitted in hard copy contained in sealed envelopes and marked with “**Tender No.** and the **Description**” must be placed in the Tender Box located in the Foyer, Municipal Building, not later than **12h00 on Friday 24 July 2024** where they will be publicly opened. Only tenders placed in the Tender Box shall be accepted.

Tender Validity Period: Three (3) months (90 days) commencing from the closing date of tender.

- **Tender Adiudication/Evaluation Criteria:**

The tender shall be evaluated on a Two Stage Evaluation System **Stage One:** Functionality and; Tenderers are required to score more than 70 points as the minimum threshold for functionality.

Stage Two: 80/20 Special Goals System in accordance with the UMhlabuyalingana SCM Policy.

The UMhlabuyalingana Local Municipality does not bind itself to accept the lowest or any tender and reserves the right to accept the whole or any part of a tender. Each tenderer will be informed of the tender result.

MR NPE MYENI
MUNICIPAL MANAGER

This tender will be evaluated in two (2) stages

Phase 1: Evaluation for compliance to bid rules and conditions

Phase 2: Bidders passing the above will be evaluated on PPPFA

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPPFA) POINTS WILL BE AWARDED AS FOLLOWS:

Maximum points on price	-	80 points
Maximum points for Specified Goals (Preference points)	-	20 points
TOTAL	-	100 points

1. **BIDDERS SHALL TAKE NOTE OF THE FOLLOWING BID CONDITIONS:**

The minimum specifications, bid evaluation criteria, bid rules and special conditions of tender are detailed in the bid document.

2. **ENQUIRIES WITH REGARD TO THIS ADVERT MAY BE DIRECTED to**

SCM SPECIFIC ENQUIRIES Enquires: Mr N.M. Mthembu Email Address: BafanaM@mhlabuyalingana.gov.za Tel No: 035-592 0680	TECHNICAL /PROJECT SPECIFIC ENQUIRIES Enquires: Mrs N.P. Mkhabela Email Address: ZiphoM@mhlabuyalingana.gov.za Tel. No.: 035-592 0680
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SPECIAL CONDITIONS OF BID

1. INTERPRETATION

The word "Bidder" in these conditions shall mean and include any firm of Contractors or any company or body incorporated or unincorporated.

The word "Municipality" in these conditions shall mean the Umhlabuyalingana Local Municipality.

For the purpose of this document, the word "bid" is used interchangeable with the word "tender" or "purchaser".

3. EXTENT OF BID

This contract is for the cloud hosting, cloud disaster recovery and data centre continuity for a period of thirty-six (36) months as per specification to the UMhlabuyalingana Local Municipality.

3. CONTRACT TO BE BINDING

The formal acceptance of this Bid by the Municipality constitutes a contract binding on both parties, and the Municipality may require sureties to its satisfaction from the contractor, for the due fulfilment of this contract.

4. MODE OF BID

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

The Municipality wishes to deal on a prime contractual basis with the successful Bidder being responsible and accountable for all aspects of the entire solution or service offered.

5. QUALITY

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

6. INSURANCE CLAIMS, ETC.

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

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

7. PERIOD OF VALIDITY FOR BIDS AND WITHDRAWAL OF BID AFTER CLOSING DATE

All Bids must remain valid for a period of **90 days** from the closing date as stipulated in the bid document.

8. PENALTY PROVISION

8.1 Should the successful Bidder:

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

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

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

8.2 Should the successful Bidder failed to deliver, provisions of the General Conditions of Contract will apply.

8.3 Disputes between the Municipality and a bidder (if any) will be dealt with in the form of litigation.

9. BRAND NAMES

Wherever a brand name is specified in this BID document (i.e. in the specifications, pricing schedule or bill of quantities or anywhere in this document), the municipality's requirement is not limited to the specified brand name, but requires an item similar/equivalent or better than specified.

10. VALUE ADDED TAX

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

11. PRICE ESCALATION

No escalation of prices will be considered.

12. AUTHORITY TO SIGN BID DOCUMENTS

1. In the event that a resolution to sign is not completed by all directors (in terms of the Companies Act 2008) /partners/members (in terms of Close Corporation Act 1984) of the enterprise, the signature of any one of the directors /partners/members to this bid/quotation will bind all the directors /partners/members of the enterprise and will therefore render the bid valid.
2. In the event that a non-directors /non-partners/non-members to the enterprise sign this declaration, and no authority is granted, it will automatically invalidate the bid.
3. In the case of a joint venture or consortium, at least one director /partner/member of each of the parties need to sign the joint venture or consortium agreement.
4. Furthermore, in the case of a joint venture or consortium at least one director /partner/member of each party to the joint venture or consortium must give consent to give authorisation for signatory to this bid

13. DELIVERY PERIODS

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

14. DISPUTES

In the event that disputes cannot be resolved by internal systems, the disputes will be settled by litigation.

15. CLOSING DATE / SUBMITTING OF BIDS

15.1 Bids must be submitted in sealed envelopes clearly marked: **UMHL04/2024/2025 – SHORT-TERM INSURANCE FOR 36 MONTHS**. Completed bid documents in a sealed envelope endorsed with the relevant bid number, bid description and the closing, must be deposited in the bid box, Foyer, UMhlabuyalingana Local Municipality, KwaNgwanase, 3973, Manguzi, not later than **12h00 on 24 JULY 2024** when bids will be opened in public.

Bidders must ensure that bids submitted via courier services are deposited by the courier service in the Municipality bid box prior to the closing date and that it is not delivered to Municipal officials. The

Municipality will not accept responsibility if bids received by officials are not timely deposited in the Bid Box.

TERMS OF REFERENCE / SPECIFICATIONS

The successful Service Provider will render to UMhlabuyalingana Local Municipality short-term insurance brokering.

Brokering Services

- Brokering (Short-term insurance) services on UMhlabuyalingana Local Municipality's insurance portfolio requirements.
- Prepare an annual renewal strategy in consultation with UMhlabuyalingana Local Municipality.
- Draft and finalize terms and conditions, policy wordings, premium rates and premiums, placement structures, layers and quota shares, as well as percentage participation of insurers.
- Prepare and provide insurance summaries
- Prepare, quantify, submit, record, complete and finalise major and significant claims, and facilitate major post-loss reviews and root cause analyses and provide reports.
- Keep a running total of deductibles, aggregate deductibles, loss history, claims history, loss and claims ratios, as well as conduct constant claims analytics.
- Provide alternative risk financing / insurance structures including deductibles / inner-deductibles, aggregate deductibles, and risk controls to optimize risk management.
- Provide information and guidance on insurance related matters including, but not limited to, complex technical insurance matters involving underwriting, contracting, claims and captive management.
- Attend to daily insurance requirements such *ad hoc* covers, extensions and revisions of cover, as well as updating of covers for extraordinary events such as tenders, acquisitions, disposals and new constructions.
- Market UMhlabuyalingana Local Municipality's risks to underwriters/reinsurers, locally and internationally, in accordance with established principles.
- Conduct underwriting surveys and any other mandatory risk assessment exercises required for underwriting purposes on identified sites/facilities and provide reports.

- Monitor and report on insurer solvency and pertinent compliance requirements
- Attend, at UMhlabuyalingana Local Municipality premises, monthly and/or quarterly meetings as required.
- Management and reporting of claims, and ensuring compliance with relevant, statutory and regulatory requirements.

Servicing of Contingency Policy

Perform Actuarial and Quantitative Analytics including, but not limited to:

- Actuarial loss forecasting including forecast assumptions to determine suggested insurance programme alternatives
- Claims analyses in connection with the loss forecast
- Other actuarial analyses as may be required to assist with the above

Policy programme structure and design

- If required, terms from various risk finance underwriters and assistance with the selection of the most appropriate underwriter
- Finalization of terms with the underwriter
- If required, discuss reinsurance protection in accordance with requirements of the policy provider

Issue policy documentation, including:

- Review of the risk finance insurance policy wording including but not limited to insurance regulations and potential tax and accounting implications based on insurance and insurance brokering principles
- Obtain insurance invoices
- Collection of premium and remittance to the underwriter

Monthly review and evaluation of claims activity:

- Review monthly paid and outstanding claims report prepared by the claims department to determine accuracy of claims to be submitted to the contingency underwriter
- Summarize and submit monthly paid and outstanding claims report to the contingency underwriter
- Review burning of aggregates

PROPOSAL SPECIFICATION

Suitably qualified Service Providers are requested to submit proposals for the services outlined in the above section, and mark attachments as indicated below:

Insurance brokering and related servicing

- The Service Provider's service offering and structure showing branches
- Full physical addresses and locations of Company Head Office, SA branches and branch offices outside SA
- Track record in terms of how long has the company been active in the SA Market
- Track record in terms of how long have the company's international branches been in operation
- Number of employees to fulfil the requirements of this assignment
- The company's experience in handling Aviation, Marine, Liability, Employee Benefits brokering, accounts claims management and insurance risk surveys (Attach a marked list showing individual policies, activities and the date the company started with these activities)
- Organogram of the proposed service team, which must also specify the level of seniority and Title of the proposed Account Executive in the Company
- The profile of the company's proposed service team should the company be successful, showing educational qualifications, experience in years in brokering covering Aviation, Marine, Liabilities, Assets All Risks and claims management (Please attach CV and mark the class and number of experiences clearly).
- A list of the top 10 brokering services accounts held in the past 10 years. (Attach a clearly marked list with the names of the companies, the duration the accounts held, the type of services the company provided, and the client turnover and client industry with references.
- Provide reference for three accounts for companies with turnover in excess of R400 Million the company has held
- Declaration whether the company has been through or intends to go through any form of re-structuring in the past year or within the next 2 years- If yes, please attach a document providing information relating to the reasons, the impact or perceived impact on the operation of Service provider etc.

Contingency Policy

The Service Provider's service offering and structure

- Full location details and physical addresses of its Head Office and SA branches, branch offices outside SA, Track record in terms of how long has the company been active in the SA Market
- Track record in terms of how long have the company's branches been in operation
- Experience of the company in years in underwriting, reinsurance, accounting and administration, and related statutory compliance. (Provide a list showing each activity the date the company started the activity for the client, the name of the client, the duration the activity was carried out and the size of the Contingency Policy or other alternative risk finance mechanism
- Management information systems and processes to administer the Contingency Policy (Provide a document listing the name of the management system, its purpose and the description of reports it produces.
- The profile of employees that will be responsible for the administration of the Contingency Policy (Please provide CVs in relation to the abovementioned positions)
- Company experience in alternative risk finance including accounting and financial management, compliance and drafting insurance policies. (Provide list of each of the functions showing the date the company started the activity, the client involved and the number of years the Service Provider conducted the activity for the client and provide a reference from the relevant client).
- A list of the top 5 alternative risk finance accounts held in the past 10 years with references.
- Declaration whether the company has been through or intends to go through any form of re-structuring in the past year or within the next 2 years- If yes, please attach document providing information relating to the reasons, the impact or perceived impact on the operation of the Service Provider

EVALUATION AND SELECTION CRITERIA

UMhlabuyalingana Local Municipality has set minimum standards (Gates) that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following:

1.2 Gate 0: Pre-qualification Criteria

Pre-qualification Criteria (Gate 0)	Technical Evaluation Criteria (Gate 1)	Price and Specific Goals (Gate 2)
Prequalification Requirement and mandatory returnable documents	File Proposal	Bidders who pass the pre-qualification and Technical evaluation stage will be evaluated on pricing

1.2.1 Without limiting the generality of UMhlabuyalingana Local Municipality other critical requirements for this Bid, bidder(s) must submit the documents listed in **Table 1** below. All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During this phase Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) proposal may be disqualified for non-submission of any of the documents.

2. The Evaluation Criteria will be divided into three stages of evaluation, namely: 1) Prequalification, 2) File Proposal & 3) Pricing and Specific Goals.

Table 1: Documents that must be submitted for Pre-qualification

REQUIREMENT	COMPLIANT	NON-COMPLIANT
1. At least 10 years' experience in the general short-term insurance industry and must have placed covers in local and international markets		
2. Have at least 5 years' experience in handling of an account(s) similar in size (at least R400 m) in public sector		
3. Valid Tax Clearance Certificate or an access pin to SARS e-Filing of tenderer.		
4. License from Financial Service Board in terms of Financial and Intermediary Service Act No. 37 of 2002		
5. Membership of SAFSIA/ FIA		
6. Central Supplier database proof of registration (provide documentation).		
7. Certified copy of the Company Registration with CIPC (submit proof thereof)		
8. Current Banking Details, Cancelled Cheque or Original letter from the Bank issued on a bank letterhead with stamp verified on CSD report.		

9. Copy of the organization's share holder agreement (if applicable), and Certified copies of all share holder certificates and ID copies		
10. For JV's, a copy of the joint venture agreement or consortia which submit joint Tenders.		

Compliance of the Tenderer		
1. Bidders have submitted all returnable documentation to UMhlabuyalingana Local Municipality.		
2. Documents are duly authorized /signed.		
3. Correct adherence to the 2 envelop process has been duly complied with.		

2.1 Gate 1: Technical Evaluation Criteria = 100 points

All bidders are required to respond to the technical evaluation criteria scorecard and compliance checklist. This involves the number of years competing in similar work, monetary size of contract / agreements, references. Refer below for detailed information.

First Stage: Technical Evaluation Criteria

Only those Tenderers which score **70 points or higher (out of a possible 100)** during the technical and site visit evaluation will be evaluated during the second stage of the Tender. Tenderers are required to submit supporting documentation as testimony to their compliance with each requirement, where applicable.

DESCRIPTION		SCORING MATRIX	MAX POINTS
Reference for:			
Bidders must have demonstrable experience of the implementation/ management of services specified in the scope of work. Reference letters will be required from the clients and must include: · company name · company letter head · contact person · contact telephone numbers · details of work successfully completed. <i>NB* Appointment letters will not be Accepted</i>	5 References and above = 25 points		25
	4 References = 20 points		
	3 References = 15 points		
	2 References = 10 points		
	1 Reference = 5 points		
Capacity and Relevant Experience			
5.1	Have at least 10 years’ experience in the general short-term insurance industry and must have placed covers in local and international markets	Project Lead	50
5.2	Have at least 5 years’ experience in handling of an account(s) similar in size (at least R400 m) and nature to that of UMhlabuyalingana Local Municipality in Local Government	Each bullet point will account for five points	
5.3	Employees to be assigned to the UMhlabuyalingana Local Municipality account to be suitably qualified with no less than five years with proven experience in brokering at local and international markets for the various insurance classes mentioned in this RFP		
5.4	5-10 years’ experience in managing Alternative Risk Financing structures/Contingency Policy with practical knowledge of the latest governance and compliance requirements in the financial services field		

5.5	Be based in KZN or have an existing office in KZN		
5.6	Have an established and experienced servicing team in order to meet the servicing requirements detailed above		
5.7	Professional Indemnity Cover of at least R 50 million excluding deductibles		
5.8	Complying with the provisions of applicable legislations and including Financial Sector Control Authority (FSCA) licensing/registration requirements.		
5.9	Relevant South African or International professional membership		
Project approach and execution			
Project Plan must clearly indicate the requirements listed below (Failure to submit will result in the bidder getting zero points) 5.11 Contractor's detailed and complete implementation programme (Gantt Chart). The chart must clearly indicate the activities and timeframe from Letter of appointment to last payment certificate on the project. This will be assessed as follows: • Linkages between key activities • Indicate critical path • Completion date within the stipulated period		Timelines within an acceptable timeline = 25 points	25
		Timeline = 10 point	
		No Project Plan = 0	

NB* Bidder must score a minimum of **70 points** to qualify for the next stage

UMHLABUYALINGANA LOCAL MUNICIPALITY
FAR Summary Notes Disclosures as at 31 May 2024

	Closing Cost 2023/24	Closing Depreciation 2023/24	Closing Impairment 2023/24	NBV 2023/24
Intangible Assets	789 515,19	519 816,02	-	269 699,17
Grand Total	789 515,19	519 816,02	-	269 699,17
	Closing Cost 2023/24	Closing Acc Depreciation 2023/24	Closing Impairment 2023/24	NBV 2023/24
OTHER ASSETS-COMPUTER	390 703,42	70 156,30	-	320 547,12
OTHER ASSETS-COMPUTER	3 966 681,41	1 954 029,45	-	2 012 651,96
OTHER ASSETS-FURNITURE	4 165 429,12	2 401 181,78	-	1 764 247,34
OTHER ASSETS-MACHINERY	20 763 343,70	6 339 029,84	-	14 424 313,86
OTHER ASSETS-SOLID WASTE	916 688,65	510 207,43	-	406 481,22
OTHER-ASSETS MOTOR VEHICLE	13 641 157,02	6 743 378,19	-	6 897 778,83
Grand Total	43 844 003,32	18 017 982,98	-	25 826 020,34
	Closing Cost 2023/24	Closing Depreciation 2023/24	Closing Impairment 2023/24	NBV 2023/24
BUILDINGS	23 567 569,96	10 478 519,41	144 898,93	12 944 151,62
COMMUNITY ASSETS	212 829 408,04	52 906 616,97	15 289 414,01	144 633 377,06
INFRASTRUCTURE ASSETS	313 399 763,00	155 296 777,71	13 202 736,37	144 900 248,92
Grand Total	549 796 741,00	218 681 914,09	28 637 049,31	302 477 777,60
WIP	57 002 073,44			57 002 073,44
TOTAL	651 432 332,95	237 219 713,09	28 637 049,31	385 575 570,55

SCHEDULE OF QUANTITIES AND PRICES

TABLE "A"

Description		Amount
1	Excess fee on vehicle accidents (Municipal vehicles)	
2	Excess fee on windscreens (Municipal vehicles)	
3	Excess fee on theft	
4	Excess on money	
5.	Other assets (if space is limited, additional sheets may be attached)	

PREMIUMS FOR THE PERIOD 01 July 2024 – 30 June 2025

SECTION	Annual Premium
• Combined	
• Buildings	
• Office Contents	
• Accounts Receivable	
• All Risks	
• Theft	
• Money	
• Fidelity	
• Employers Liability	
• Group Personal Accident	
• Electronic Equipment	
• Public Liability	
• Machinery Breakdown	
• Motor Own Damage	
• Motor Liabilities	
• SASRIA	
Subtotal	
Less: Long Term Agreement	
PREMIUM (VAT included)	
Total annual premium charges included)	

TABLE "B"

Financial Year	Description	Amount
01/07/2024 - 30/6/2025	Municipal Premium 1. Annual Premium 2. Monthly Premium	

The above will be used to calculate points for
price.

01/07/2025 - 30/6/2026	Municipal Premium 1. Annual Premium 2. Monthly Premium	
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01/7/2026 - 30/6/2027	Municipal Premium 1. Annual Premium 2. Monthly Premium	
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DETAILS /INFORMATION REQUIRED	YES	NO
1. Are you a South African based Insurance Broking Organisation? (If yes attach valid documentary proof)		
2. Will you be outsourcing more than 25% of your services to other brokers or parties? (If yes provide equity ownership and HDI status of the beneficiary broker or partners to whom part of the contract will be outsourced)		
3. Is your service team to be utilised on this tender FAIS compliant and registered with the Financial Services Board? (If yes attach a valid certified confirmation from the Financial Services Board)		
4. Do you have a Loss Control Resource? (If yes provide details and particulars of representatives)		
5. Do you have a Risk Finance Resource? (If yes provide details and particulars of representatives)		
6. Name some local authorities where you are currently applying risk management (risk finance and risk control)		
7. Can you provide formal training services in risk management, risk control and risk financing? (If yes, provide full details where you have done so and contact persons)		
8. Do you have Professional Indemnity cover to the value of R100m? (If yes must provide a valid certified copy of your Professional Indemnity cover)		
9. Do you have Fidelity Guarantee cover to the value of R60million? (If yes must provide a valid certified copy of your Fidelity Guarantee cover)		
10. Do you have any agency with specific insurers? (If yes must attach valid certified correspondence from each insurer)		
11. Are you ISO 9000 compliant? (If yes must attach a valid certified compliance certificate)		
12. Do you have a dedicated service team whom will be allocated to the Municipality's insurance portfolio? (If yes must attach an organogram of the service team and their relevant curriculum vitae. Please note that the curriculum vitae will only be considered if the employee has at least 3 (three) years short term insurance experience).		
13. Have you been appointed in the past 3 (three) years as a short-term insurance broker on an insurance portfolio in excess of R400 million assets? (If yes must provide the names of these clients, the contact person and telephone number).		

14. Have you been appointed as a short-term insurance broker on a municipal portfolio in the past 3 (three) years? (If yes must indicate the name of the municipality, the contact person and telephone number).		
15. Have you dealt with individual claims in excess of R500,000.00 in the past 3 (three) years? (If yes must list these claims by client, contact person, telephone number, claim description, claim amount and settlement amount).		
16. Do you have an electronic insurance claims administration system that will be made available to the clients? (If yes must indicate the name of the system and claim handling capacity of the system)		
17. Has this electronic insurance claims handling system been implemented with your other clients? (If yes must provide the name of the clients and their telephone numbers)		
18. Do you have an electronic injury on duty claims administration system that will be made available to the client? (If yes must indicate the name of the system and claim handling capacity of the system)		
19. Has this electronic injury on duty claims handling system been implemented with your other clients? (If yes must provide the names of the clients and their telephone numbers).		

SIGNATURE OF TENDERER:

DATE:

THE EVALUATION CRITERIA

This tender will be evaluated in two (2) phases as follows:

Phase 1: Compliance, responsiveness to the bid rules and conditions, thereafter

Phase 2: Bidders passing stage above will thereafter be evaluated on PPPFA

1. EVALUATION CRITERIA

PHASE 1 – COMPLIANCE, RESPONSIVENESS AND CONDITIONS

The purpose of this pre-qualification evaluation is to determine which bid responses are compliant and non-compliant with the bid specifications issued by the municipality as part of the bid process

A. Bidders' proposals must meet the following minimum requirements and the required supporting documents must be submitted with the completed quotation document in a sealed envelope in the bid box at the closing date and time. Failure to comply will automatically eliminate the bid for further consideration:

1. Bids must be submitted on the original documents and bids which are late, incomplete, unsigned or submitted by facsimile or electronically, will not be accepted.
2. The following Declarations must be completed and signed: **(MBD4, MBD6.1, MBD 8 and MBD 9)**.
3. Bidder's proposals that do not meet the specifications will be eliminated.
4. If the offer is "Vat Inclusive", the VAT registration number of service provider must be indicated.
5. Only one offer per item per bidder is allowed and alternative offers will not be considered. If more than one offer per item is received, none of the offers will be considered. Bidders are also not allowed to submit a bid/ quotation whilst they are in agreements with other bidders in the form of joint ventures or consortiums.

B. Other Conditions of bid

1. The bidder must be registered on Central Supplier Database (CSD) prior award
2. All bidders' tax matters must be in order prior award. Bidders' tax matters will be verified through CSD.
3. The form **MBD 1** must be properly completed and signed.
4. For bidders to qualify for points for Specific, the bidders are required to be submit with the quotation:
 - a) Complete the Preference Points Claim Form in full, sign the declaration and date it;
 - b) Attach an MAAA number for purposes of verifying Claimed points in the preference schedule.
 - c) Failure to submit any of the above (a or b) will result in zero points scored for Specified Goals.
5. The Preference Points Claim Form must be properly completed. Failure to do so, will result in the non-awarding of points.

6. The Municipality will contract with the successful bidder with an official order.

2. PHASE 2 - EVALUATION ON NEW PPPFA

THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT WILL BE APPLIED AND 80/20 POINTS SYSTEM WILL BE APPLICABLE

POINTS FOR PRICE	80 POINTS
MAXIMUM POINTS FOR SPECIFIED GOALS	20 POINTS*
TOTAL POINTS	100 POINTS

*** NOTE:**

Objective criteria	Number of points (80/20 system)
Locality (Within uMhlabuyalingana)	5
Director/ owner with disability	5
Director/ owner black women	5
Director/ owner black youth	5
Non-compliant contributor	0

The tenderer must submit a CSD full report, CIPC documents indicating share ownership or directorship of the company or a comprehensive CSD report which must indicate the names of the owners, their gender, race, age, whether there is a person living with disability or not and the address of a company (first address on CSD), to claim the preferential procurement points.

3. CANCELLATION AND RE-INVITATION OF TENDERS

The municipality may, prior to the award of the tender, cancel the tender if-

- (a) due to changed circumstances, there is no longer a need for the services, works or goods requested; or
- (b) funds are no longer available to cover the total envisaged expenditure; or
- (c) no acceptable tenders are received; or
- (d) Tender validity period has expired; or
- (e) Gross irregularities in the tender processes and/or tender documents; or
- (f) No market related offer received (after attempts of negotiation processes)

Where applicable, the decision to cancel the tender will be published in the municipality website and in the Tender Bulletin or the media in which the original tender invitation as advertised.

LIST OF RETURNABLE DOCUMENTS

A Returnable Schedules required for tender evaluation purposes

The tenderer must complete the following returnable schedules as relevant:

1. MBD 1 – Invitation to Bid
2. Record of Addenda to Tender Documents
3. Proposed Amendments and Qualifications
4. MBD 3.1 - Price Schedule
5. MBD 4 - Declaration on Interest
6. MBD 6.1 - Preference Points claim form
7. MBD 8 – Declaration of Bidder's Past SCM Practices
8. MBD 9 – Certificate of Independent Bid Determination
9. Resolution for Signatory
10. Certificate of Joint Ventures
11. General Conditions of Contract

MBD 3.1

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

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

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

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

- Required by:

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

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

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

*Delete if not applicable

Record of Addenda to Tender Documents

We confirm that the following communications received from the Employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer:		
	Date	Title or Details
1.		
2.		
3.		
4.		
5.		
6.		
7.		

8.		
9.		
10.		

Attach additional pages if more space is required.

Signed

Date

Name

Position

Tenderer

2. Proposed amendments and qualifications

The Tenderer should record any deviations or qualifications he may wish to make to the tender documents in this Returnable Schedule. Alternatively, a tenderer may state such deviations and qualifications in a covering letter to his tender and reference such letter in this schedule.

The Tenderer's attention is drawn to clause 5.8 of SANS 10845-3 regarding the employer's handling of material deviations and qualifications.

Page	Clause or item	Proposal

Signed _____

Date _____

Name _____

Position _____

Tenderer _____

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
 - 3.1 Full Name of bidder or his or her representative:.....
 - 3.2 Identity Number:
 - 3.3 Position occupied in the Company (director, trustee, hareholder²):.....
 - 3.4 Company Registration Number:
 - 3.5 Tax Reference Number:.....
 - 3.6 VAT Registration Number:
 - 3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.
 - 3.8 Are you presently in the service of the state? **YES / NO**
 - 3.8.1 If yes, furnish particulars.

¹MSCM Regulations: "in the service of the state" means to be –

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

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

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

3.9.1 If yes, furnish particulars.....
.....

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

3.10.1 If yes, furnish particulars.

.....

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

3.11.1 If yes, furnish particulars

.....

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

3.12.1 If yes, furnish particulars.

.....

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

3.13.1 If yes, furnish particulars.

.....

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

3.14.1 If yes, furnish particulars:

.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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

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

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

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) The 80/20 preference point system will be applicable in this tender. The lowest/highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	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 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim regarding preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest 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:

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

(80/20 preference point system is applicable, corresponding points must also be indicated as such.

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Evidence Required	Number of points allocated (80/20 system) (To be completed by the Bidder)
Locality (Within uMhlabuyalingana)	5	Municipal account – must be in the name of the Enterprise/ Bidder NB: Municipal account must not be older than 3 months Physical address on Company Registration document will be considered	
Director/ owner with disability	5	Certificate from Medical practitioner	
Director/ owner black women	5	CSD Full report/ Certified ID Copy	
Director/ owner black youth	5	CSD Full report/ Certified ID Copy	
Non-compliant contributor	0		

DECLARATION WITH REGARD TO COMPANY/FIRM

4.2 Name of company/firm.....

4.3 Company registration number:

4.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

4.5 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:	
	
	

MBD 8 - 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 institutions 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 disregarded if that bidder, or any of its directors have-
 - a. abused the institution's supply chain management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	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)? To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.	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 outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		

I, THE UNDERSIGNED (FULL NAME)

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT. I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature

Date

Position

Name of Bidder

MBD 9 - 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 *per se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that 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 (SBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

UMHL02/2024/2025 – ADVERTISING AGENCY FOR 36 MONTHS

in response to the invitation for the bid made by:

UMHLABUYALINGANA LOCAL MUNICIPALITY

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

I certify, on behalf of _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder.
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;

- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
 9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

**8. PROOF OF REGISTRATION ON THE NATIONAL TREASURY CENTRAL
SUPPLIER DATABASE (CSD REPORT)**

(ATTACH HERE)

RESOLUTION FOR SIGNATORY

A: CERTIFICATE OF AUTHORITY FOR SIGNATORY

Signatory for companies shall confirm their authority hereto by attaching a duly signed and dated copy of the relevant resolution of the board of directors to this form.

An example is given below:

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

Mr/Ms _____, whose signature appears below, has been duly authorised 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: _____

WITNESSES:

1. _____ SIGNATURE: _____

IMPORTANT NOTICE: RESOLUTION TO SIGN

1. In the event that a resolution to sign is not completed by all directors /partners/member directors/ shareholders of the enterprise, the signature of any one of the director or shareholder to this quotation will bind all the directors /partners/member of the enterprise and will therefore render the quotation valid.
2. In the event that a non-shareholder/ non-director/non-partner/ non-member to the enterprise sign this declaration, and no authority is granted, it will automatically invalidate the quotation.
3. In the case of a joint venture or consortium, at least one director/partner/member/ shareholder of each of the parties need to sign the joint venture or consortium agreement.
4. Furthermore, in the case of a joint venture or consortium at least one director/ partner/member/ shareholder of each party to the joint venture or consortium must give consent to give authorisation for signatory to this bid.

DECLARATION

I, THE UNDERSIGNED NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.3.1 ABOVE IS CORRECT.

I ACCEPT THAT THE PRINCIPAL MAY ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE
GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

Until such time that a formal agreement is compiled and accepted, the proposal will be in conjunction with your acceptance or the persons acting on your behalf and will be a binding contract between both parties.

Value Added Tax (VAT) is included in the prices. The price be valid for 90 (ninety) days after closing date.

I/we understand that the Council is not bound to accept the lowest or any proposal received.

The proposer, identified in the offer signature below, has examined the documents listed in the data and addenda (if applicable) and by submitting this offer has accepted the Conditions of the Proposal.

By the representative of the Proposer, deemed to be duly authorised, signing this part of this form of offer and acceptance, the proposer offers to perform all of the obligations and liabilities of the Contractor under the Contract including compliance with all its terms and conditions according to their true intent and meaning for an amount determined in accordance with the conditions of contract identified in the contract data.

Yours faithfully,

For : _____
Address : _____

Upon the terms set out in the conditions of proposal, I/we hereby acknowledge:-

1. That I/we have read and acquainted myself/ourselves with the terms and conditions of proposal and understand the purpose thereof and agree that all such conditions shall form part of this proposal;
2. That this offer is irrecoverable for a period of 90 (ninety) days from the date fixed for the opening of proposals and may be accepted in writing by the uMhlabuyalingana Municipality, at any time during that period, together with this proposal shall constitute a binding agreement of purchase and sale between the uMhlabuyalingana Municipality and myself/ourselves.

I/we understand that the council is not bound to accept the lowest or any proposal it may receive

**FAILURE OF THE PROPOSER TO SIGN AND COMPLETE THIS FORM IN FULL WILL
INVALIDATE THE PROPOSAL**

THE CONDITIONS OF PROPOSAL I/WE READ AND ACCEPT

Signature: (of person authorised to sign the proposal)

Name (of signatory in capitals) : _____

Name of proposer (organisation) : _____

Address : _____

Telephone : _____

Fax Number : _____

Witness signature : _____

Witness Name (in capitals) : _____

Date : _____

ACCEPTANCE

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

Signature : _____

Name (in capitals) : MR NPE MYENI

Capacity : MUNICIPAL MANAGER

Name of Employer : UMHLABUYALINGANA MUNICIPALITY (KZN 271)

Address : PRIVATE BAG X901, KWANGWANASE, 3973

Witness signature : _____

Name (in capitals) : _____

Date : _____

GENERAL CONDITIONS OF CONTRACT

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GENERAL CONDITIONS OF CONTRACT

1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 **“Contract”** means the written agreement entered into between the purchaser and the provider, 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 provider 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 the 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 provider 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 provider and not involving the provider's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 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 provider 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 provider or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as land 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 ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the provider covered under the contract.
- 1.25 **“Written” or “in writing”** means hand-written in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise 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 Invitations to bid are usually published in locally distributed news media and in the institution’s website.

4. Standards

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

5. Use of contract documents and information; inspection

- 5.1 The provider shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the provider in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The provider shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the provider's performance under the contract if so required by the purchaser.
- 5.4 The provider shall permit the purchaser to inspect the provider's records relating to the performance of the provider and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1 The provider shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of goods or any part thereof by the purchaser.
- 6.2 When a provider developed documentation/projects for the municipality, department or Provincial entity, the intellectual, copy and patent rights or ownership or such documents or projects will vest in the municipality, department or PROVINCIAL entity.

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the success 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 provider'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.

The performance security will be discharged by the purchaser and returned to the provider not later than thirty (30) days following the date of completion of the provider's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

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 purchaser or an organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clause 8.2 & 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 provider.
- 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 analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the provider who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do not comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the providers cost and risk. Should the provider fail to provide the substitute supplies forthwith, the purchaser may, without giving the provider further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the provider.
- 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. Packaging

- 9.1 The provider shall provide such packaging of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging, case size and weights shall take into consideration, where appropriate, the remoteness of the good's final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packaging, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The provider may be required to provide any or all of the following services, including additional services, if any:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the provider of any warranty obligations under this contract; and
 - (e) training of the purchaser's personnel, at the provider's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the provider for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the provider for similar services.

14. Spare parts

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

- 1) such spare parts as the purchaser may elect to purchase from the provider, provided that this election shall not relieve the provider of any warranty obligations under the contract, and
- 2) in the event of termination of production of the spare parts:
 - a) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - b) 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 provider warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The provider further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the provider, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

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

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

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

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

16. Payment

16.1 The method and conditions of payment to be made to the provider under this contract shall be specified

16.2 The provider shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the provider.

16.4 Payment will be made in Rand unless otherwise stipulated.

17. Prices

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

18. Increase/decrease of quantities

18.1 In cases where the estimated value of the envisaged changes in purchase does not exceed 15% of the total value of the original contract, the contractor may be instructed to deliver the revised quantities. The contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

19. Contract amendments

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

20. Assignment

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

21. Subcontracts

21.1 The provider 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 provider from any liability or obligation under the contract.

22. Delays in the provider's performance

22.1 Delivery of the goods and performance of services shall be made by the provider in accordance with the time schedule prescribed by the purchaser in the contract.

22.2 If at any time during performance of the contract, the provider or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the provider shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the provider's notice, the purchaser shall evaluate the situation and may at his discretion extend the provider's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

22.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if any emergency arises, the provider's point of supply is not situated at or near the place where the supplies are required, or the provider's services are not readily available.

22.4 Except as provided under GCC Clause 25, a delay by the provider in the performance of its delivery obligations shall render the provider liable to the imposition of penalties,

pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

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

23. Penalties

- 23.1 Subject to GCC Clause 25, if the provider fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed good 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.

24. Termination For Default

- 24.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the provider, may terminate this contract in whole or in part:
- (a) if the provider fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
 - (b) if the provider fails to perform any other obligation(s) under the contract; or
 - (c) if the provider, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 24.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the provider shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the provider shall continue performance of the contract to the extent not terminated.

25. Anti-Dumping And Counter-Vailing Duties And Rights

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

or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

26. Force Majeure

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

27. Termination For Insolvency

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

28. Settlement Of Disputes

- 28.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the provider in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 28.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the provider may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 28.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 28.4 Notwithstanding any reference to mediation and / or court proceedings herein,
(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the provider any monies due to the provider for goods delivered and / or services rendered according to the prescripts of the contract.

29. Limitation Of Liability

- 29.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
(a) the provider shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not

- apply to any obligation of the provider to pay penalties and / or damages to the purchaser; and
- (b) the aggregate liability of the provider to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

30. Governing Language

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

31. Applicable Law

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

32. Notices

- 32.1 Every written acceptance of a bid shall be posted to the provider concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.
- 32.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

33. TAXES AND DUTIES

- 33.1 A foreign provider shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 33.2 A local provider shall be entirely responsible for all taxes, duties, license fees, etc, incurred until delivery of the contracted goods to the purchaser.
- 33.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

34. Transfer Of Contracts

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

35. Amendment Of Contracts

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