

GEORGE MUNICIPALITY



BID DOCUMENT NUMBER: FIN006 of 2023

TENDER FOR APPOINTMENT OF A SERVICE PROVIDER FOR CREDIT CONTROL AND INDIGENT MANAGEMENT SYSTEM FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2026

ENQUIRIES: Ms. BERDIEN GOUWS
YORK STREET
GEORGE
(044) 801 9177

ISSUED BY:
THE CITY COUNCIL
MUNICIPALITY OF GEORGE
P O BOX 19
GEORGE
6530

SUMMARY FOR TENDER OPENING PURPOSES

NAME OF BIDDER:

SUPPLIER DATABASE NO.: MAAA

TOTAL AMOUNT YEAR 1 (All Applicable Taxes Included)

R

PREFERENCES CLAIMED FOR:

B-BBEE Status Level of Contributor:

Preference Points Claimed:

B-BBEE certificates submitted with the tender document MUST be VALID ORIGINAL B-BBEE CERTIFICATES or VALID CERTIFIED COPIES OF THE B-BBEE CERTIFICATES

TENDER CLOSES AT 12H00 ON MONDAY, 29 MAY 2023

INDEX

DESCRIPTION	PAGE NUMBERS
Tenderer Contact Details	3
Advertisement	4
Invitation to Bid	5
Details of Tenderer	6
Details of Tendering Entity's Bank	7
Resolution taken by the Board of Directors / Members / Partners	8
Resolution taken by the Board of Directors of a Consortium or Joint Venture	9 – 10
Joint Venture Information / Agreement	11
Schedule of Proposed Sub-Contractors	12
Tender Specifications	13 – 32
Pricing Schedule	33 – 38
Past Experience	39
The Tender Offer and Acceptance	40 – 42
MBD1 – Tax Compliance Information	43 – 44
MBD4 – Declaration of Interest	45 – 48
MBD6.1 – Preference Points Claim form	49 – 54
MBD8 – Declaration of Bidder's Past Supply Chain Management Practices	55 – 56
MBD9 – Certificate of Independent Bid Determination	57 – 59
Certificate for Municipal Services	60
General Conditions of Contract	61 - 72

BIDDER CONTACT DETAILS

This information shall be used for any correspondence or contact with the bidder.

Please indicate whether you want to receive any correspondence via e-mail or send to your postal address by registered mail.

Name of Bidding Company:		Mark choice of correspondence with X
Postal Address:	..... ..... ..... ..... Postal Code:	
E-mail Address:	.....
Telephone Number:	.....
Cellular Number:	.....
Facsimile Number:	.....

GEORGE MUNICIPALITY / GEORGE MUNISIPALITEIT **TENDER NUMBER / NOMMER: FIN006/2023**

Tenders are hereby invited for the

APPOINTMENT OF A SERVICE PROVIDER FOR CREDIT CONTROL AND INDIGENT MANAGEMENT SYSTEM FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2026

Completed tenders in a sealed envelope, clearly marked:

Tender No. FIN006/2023 must be placed in the tender box at the George Municipality on the First Floor, Directorate: Financial Services, Supply Chain Management, Civic Centre, York Street, George by no later than **12:00 on Monday, 29 May 2023**. Tenders will be opened on the same day in the Committee Room at 12:05. Late or unmarked tenders will not be considered. No posted tenders or tenders per fax or e-mail will be accepted.

Tender documents are available at a non refundable deposit of R253-00 each from the Supply Chain Management Unit, First Floor, Civic Centre, York Street, George.

Tender documents are available on the George Municipality's website: www.george.gov.za, free of charge.

Stage 1: Functionality Scoring

Only tenders scoring a minimum of 70 out of 100 points in stage 1 will be further considered for evaluation in stage 2.

Stage 2: Pre-Qualification (Presentation)

Only tenderers scoring a minimum of 75 out of 100 points in stage 2 (Presentation) of the pre-qualification scoring process will be further considered for evaluation in stage 3.

Stage 3: Price, B-BEE Status and Specific Goals

Tenders will be evaluated and adjudication in terms of the Preferential Procurement Policy Framework Act (Act 5 of 2000) Regulations 2022; the George Municipality's Supply Chain Management Policy as well as the George Municipality's Preferential Procurement Policy, where 80 points will be scored for price and 20 points for B-BBEE status and Specific Goals.

For more information, contact Ms. Berdien Gouws at (044) 801 9177.

The Municipality reserves the right to withdraw any invitation to tender and/or to readvertise or to reject any tender or to accept a part of it. The Municipality is not bound to accept the lowest or any tender.

A TCS PIN for bidders' tax compliance information must be submitted with the tender document.

It will be required from the successful bidder to register on the Central Supplier Database (CSD).

DR M GRATZ
MUNICIPAL MANAGER
GEORGE MUNICIPALITY
GEORGE
6530

Tenders word hiermee ingewag vir die

AANSTELLING VAN 'N DIENSVERSKAFFER VIR KREDIETBEHEER EN DEELBESTUURSTELSEL VANAF DATUM VAN AANSTELLING TOT 30 JUNIE 2026

Voltooid tenders in 'n verseelde koevert, duidelik gemerk:

Tender Nr. FIN006/2023 moet voor **Maandag, 29 Mei 2023** om **12:00** in die tender bus by die George Munisipaliteit op die Eerste Vloer, Direkoraat: Finansiële Dienste, Voorsieningskanaal Bestuurseenheid, Burgersentrum, Yorkstraat, George geplaas word. Tenders sal om 12:05 dieselfde dag in die Komiteekamer oopgemaak word. Laat of ongemerkte tenders sal nie oorweeg word nie. Geen tenders per pos, faks of e-pos sal aanvaar word nie.

Tender dokumente is verkrygbaar teen 'n R253-00 nie-terugbetaalbare deposito elk by die Voorsieningskanaalbestuur Eenheid op die Eerste Vloer, Burgersentrum, Yorkstraat, George.

Tender dokumente is gratis op die George Munisipaliteit se webblad beskikbaar: www.george.gov.za.

Fase 1: Voorafbepaalde kriteria

Slegs tenders wat 'n minimum van 70 uit 100 punte behaal in fase 1, sal verder vir evaluering in fase 2 oorweeg word.

Fase 2: Voorafbepaalde kriteria (Voorlegging)

Slegs tenders wat 'n minimum van 75 uit 100 punte in fase 2 (Voorlegging) van die voorafbepaalde kriteria proses behaal, sal verder vir evaluering in fase 3 oorweeg word.

Fase 3: Prys, B-BBEE Status en Spesifieke Doelwitte

Tenders sal ge-evalueer en toegeken word in terme van die Wet op die Raamwerk vir Voorkeurverkyngingsbeleid (Wet 5 van 2000) Regulasies 2022; die George Munisipaliteit se Voorsieningskanaalbestuursbeleid sowel die George Munisipaliteit se Voorkeurverkyngingsbeleid, waar 80 punte ten opsigte van die prys en 20 punte ten opsigte van B-BBEE status en Spesifieke Doelwitte toegeken sal word.

Vir verdere inligting, kontak Me. Berdien Gouws (044) 801 9177.

Die Munisipaliteit behou die reg voor om enige versoek vir 'n tender terug te trek en/of te her-adverteer of enige tender te verwerp of gedeeltelik te aanvaar. Die Munisipaliteit is nie daartoe gebind om die laagste of enige tender te aanvaar nie.

'n "TCS PIN" vir tenders se belasting nakoming inligting moet ingesluit wees by die tender dokument.

Dit sal van die suksesvolle tenderaar verwag word om op die Sentrale Verskaffersdatabasis (SVD) te registreer.

DR M GRATZ
MUNISIPALE BESTUURDER
GEORGE MUNISIPALITEIT
GEORGE
6530

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID APPOINTMENT OF A SERVICE PROVIDER FOR CREDIT CONTROL AND INDIGENT MANAGEMENT SYSTEM FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2026

BID NUMBER: FIN006/2023

CLOSING DATE: 29 May 2023

CLOSING TIME: 12:00

BID DOCUMENTS MUST BE DEPOSITED IN THE TENDER BOX SITUATED AT:

Supply Chain Management Unit
The Civic Centre (1st Floor)
York Street
GEORGE

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is open from 07:45 until 16:30, 5 days a week. Bids must be submitted on the Official Forms (NOT TO BE RE-TYPED).

B-BBEE certificates submitted with the tender documents MUST be a VALID ORIGINAL B-BBEE CERTIFICATE or VALID CERTIFIED COPY OF THE B-BBEE CERTIFICATE.

In the case of a Trust, Consortium or Joint Venture, they will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

This Bid is subject to the General Conditions of Contract (GCC) and, if applicable, any other Special Conditions of Contract.

This Bid will be evaluated and adjudicated according to the following criteria:

1. Relevant specifications;
2. Value for money;
3. Capacity to execute the contract;
4. PPPFA Regulations 2022.

NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, PROVINCIAL GOVERNMENT OR MUNICIPALITY.

DETAILS OF TENDERER

Name of firm / entity / enterprise	
Trading as (if different from above)	
Postal address	Postal Code _____
Physical address	
Contact Details of the Person Signing the Tender:	Name: _____ Telephone: (____) _____ Fax: (____) _____ Cellular Number: _____ E-mail address: _____
Contact Details of the Senior Manager Responsible for Overseeing Contract Performance:	Name: _____ Telephone: (____) _____ Fax: (____) _____ Cellular Number: _____ E-mail address: _____
Contact Details of Person Responsible for Accounts / Invoices:	Name: _____ Telephone: (____) _____ Fax: (____) _____ Cellular Number: _____ E-mail address: _____

DETAILS OF TENDERING ENTITY'S BANK

I/We hereby authorize the Employer/Client to approach all or any of the following bank/s for the purposes of obtaining a financial reference:

DESCRIPTION OF BANK DETAIL	BANK DETAILS APPLICABLE TO TENDERER'S HEAD OFFICE
Name of bank	
Branch name	
Branch code	
Name of Account Holder	
Account number	
Type of Account	

Signature of Tenderer: _____

Date: _____

THE RESOLUTION TAKEN BY THE BOARD OF DIRECTORS / MEMBERS / PARTNERS

RESOLUTION of a meeting of the Board of Directors / Members / Partners of

NAME OF TENDERER

Held at _____ on _____
(Place) (Date)

RESOLVED THAT:

1. The enterprise submits a Tender to the George Municipality in respect of the following:

**TENDER NUMBER: FIN006/2023 - APPOINTMENT OF A SERVICE
PROVIDER FOR CREDIT CONTROL AND INDIGENT MANAGEMENT
SYSTEM FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2026**

2. Mr/Mrs/Ms

In his/her capacity as

and who will sign as follows: _____
(SPECIMAN SIGNATURE)

be, and is hereby, authorized to sign the Tender and any and all other documents and/or correspondence in connection with and relating to the Tender, as well as to sign any contract, and or all documentation resulting from the award of the Tender to the enterprise mentioned above.

Note: The resolution **must be signed by all the directors or members / partners** of the bidding enterprise. Should the space provided below not be sufficient for all the directors to sign, please provide a separate sheet in the same format below.

	Name	Capacity	Signature
1			
2			
3			
4			
5			

THE RESOLUTION TAKEN BY THE BOARD OF DIRECTORS OF A CONSORTIUM OR JOINT VENTURE

RESOLUTION of a meeting of the Board of Directors / Members / Partners of

NAME OF TENDERER

Held at _____ on _____
(Place) (Date)

RESOLVED THAT:

1. The enterprise submits a Tender to the George Municipality in respect of the following:

TENDER NUMBER: FIN006/2023 - APPOINTMENT OF A SERVICE PROVIDER FOR CREDIT CONTROL AND INDIGENT MANAGEMENT SYSTEM FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2026

(list all the legally correct full names and registration numbers, if applicable, of the Enterprises forming the Consortium / Joint Venture):

and

and

2. Mr/Mrs/Ms _____

In his/her capacity as _____

and who will sign as follows: _____
(SPECIMAN SIGNATURE)

be, and is hereby, authorized to sign the Tender and any and all other documents and/or correspondence in connection with and relating to the Tender, as well as to sign any contract, and or all documentation resulting from the award of the Tender to the **Consortium / Joint Venture** enterprise mentioned above.

3. The enterprise in the form of a consortium or joint venture accept jointly and several liability with parties under item 1 above for the fulfillment of the obligations of the joint venture deriving from, and in any way connected with the contract to be entered into with the George Municipality in respect of the project described above under item 1.
4. The **Consortium / Joint Venture** enterprise chooses as its domicilium citandi et executandi for all purposes arising from this joint venture agreement and contract with the George Municipality in respect of the project under item 1:

(Physical Address)

Note: The resolution **must be signed by all the directors or members / partners** of the bidding enterprise. Should the space provided below not be sufficient for all the directors to sign, please provide a separate sheet in the same format below.

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

JOINT VENTURE

Only to be completed if applicable

Name of Joint Venture:	
Names of Each Enterprise:	
(1) Name and Address of Enterprise:	
(2) Name and Address of Enterprise:	
(3) Name and Address of Enterprise:	
Has an original valid Tax Clearance Certificate been submitted for each enterprise?	YES <input type="checkbox"/> NO <input type="checkbox"/>
CIDB Registration Number(s), if any:	

Submit your Joint Venture Agreement together with this annexure. If no Joint Venture Agreement is submitted, your tender will be disqualified.

SIGNED ON BEHALF OF JOINT VENTURE _____

SCHEDULE OF SUB-CONTRACTORS

The Bidder shall list below the sub-contractors he/she proposes to employ for part(s) of the works/goods/services.

If any or all of the sub-contractor/s listed hereunder are not approved subsequent to acceptance of the Tender, it shall in no way invalidate the Tender or the Contract, and the Tendered unit rates for the respective items of work shall remain final and binding even if a sub-contractor/s not listed below is approved by the Employer.

Sub-Contractor's Name	Work Activities to be undertaken by the Sub-contractor/s	Work Recently Executed by Sub-contractor/s

TENDER SPECIFICATIONS

TENDER FOR THE APPOINTMENT OF A SERVICE PROVIDER FOR CREDIT CONTROL AND INDIGENT MANAGEMENT SYSTEM FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2026

SECTION 1.1: SPECIAL CONDITIONS OF CONTRACT

The successful bidder should be a registered member of the Council of Debt Collectors. **Failure to submit documentary proof will be considered as submitting a non-responsive bid.**

- a) The management team of the successful bidder is required to meet:
 - Weekly with the Municipality's operational manager; and
 - Monthly with the Municipality's senior management.
- b) The successful bidder may be required to change, at own cost, existing management report formats at the request of the Municipality.
- c) The successful bidder must supply its own resources in respect of offices, personnel, vehicles, and equipment required.
- d) The award is subject to the signing of a Service Level Agreement between the successful bidder and the George Municipality.
- e) Repetition of steps before the case is completed; as per the definition of a successful completion as defined in clause 1.3; do not constitute a new case and cannot be charged additionally.
- f) Successful bidder must employ as far as possible local personnel for the duration of the contract.

1.1.1 Technical Requirements

1.1.1.1 Experience and human resources

Bidder must manage all processes on an ongoing and permanent basis in an office situated within the George Municipal boundaries.

1.1.1.2 Geographical capacity and Customer service points

The bidder must at least be able to establish and service the following points:

George Municipal Area	- Full-time basis
George Rural Areas	- On Request
DMA Area- Uniondale and Haarlem included	- On Request
Touwsrante, Hoekwil and Wilderness Area	- On Request
Herolds Bay Area	- On Request

The bidder is required to address in detail how they will service the geographical locations of the Municipality's client base.

As part of the bidding documents the bidders must provide a map to indicate geographically where the service points will be situated with an indication of the following at each service points:

- a) Human resources and staff complement.
- b) Technology utilized and volume of transactions the system will be able to process, given the staff complement.
- c) Processes and methodology applied.
- d) Infrastructure.

1.1.1.3 Indigent Management

The bidder must deliver the following services:

- a) Registration of indigent customers.
- b) A comprehensive electronic system for indigent management.
- c) Maintenance of an integrated database of indigent customers.
- d) Verification and evaluation of indigent applications by visits to the premises.
- e) Report on any water or other spillage on the site to the Municipality whilst visiting the premises.
- f) Participation on a selection committee to evaluate applications.
- g) Bi-annual re-assessments of existing indigent beneficiaries.
- h) Perform at least bi-annual promotional and community awareness campaigns as and when required.
- i) Monthly update of the register of indigent and poor households; and
- j) Monthly electronic reconciling of indigent and poor households to the financial system of the Municipality.
- k) Monthly reports on the status of the Indigent Register (approved/decline) payment collection and report per ward/area.
- l) Sent automated SMS / email to customers when they need to re-apply.
- m) Automated letters to inform client that application is in process and after approval.
- n) System must be able to validate ID and do ITC checks.
- o) Provide "Load of account debt" of Indigent customers.
- p) Signing pad and photo camera/ finger device
- q) Handheld devices for site visits and assisting completion of indigent applications.

1.1.1.1 Legal services

The bidder's debt management system must be able to:

- a) Manage the pre-legal and legal process.
- b) Report to the Municipality on problem areas and/or municipal services.
- c) Advise the Municipality on the recoverability of debt in terms of applicable legislation; and
- d) Advise the Municipality on possible write-offs.
- e) Monthly reports on activities on the accounts at the attorney (example total accounts and value plus total monthly handover account and value) and total account and value collected.
- f) Monthly reports on the Top 100 accounts at the attorney and recommendations.
- g) Yearly assist with the calculation of the provision for bad debts on the handover accounts.
- h) To do own site visits and inspections.
- i) Reconciliations of debtor accounts and analysis of debtor accounts on request.
- j) Assist with any request outside the process (example review of policies, Ad-hoc report development, etc.)

1.1.1.2 Physical disconnection services and repair of minor water leakages at indigent households

The bidder must:

- a) Perform the physical disconnection and reconnection of electricity and water supplies to individual customers; and
- b) Physically provide repair and maintenance services of water leakages relating to indigent and poor households, on request of the Municipality.

1.1.1.3 Automated online debt management system

The bidder must make use of a sophisticated computer system to manage the debt collection process on behalf of the Municipality. The Municipality utilizes SAMRAS Financial System, and the successful bidder must provide evidence of an appropriate electronic interface (seamless without human intervention) to maintain the debt collection process and enable online reporting and access to different features. If such interface does not exist, the bidder must accept the cost for development of such interface to the satisfaction of George Municipality.

If such interface already exist the bidder must obtain written confirmation from the financial system provider, currently SAMRAS. Should the Municipality change its core financial system, any cost to integrate seamlessly with the new system will be for the account of the bidder.

Failure to submit documentary proof will be considered as submitting a non-responsive bid.

The service provider must pay for, use, and supply access to an automated online debt management system which will manage and control various administrative functions, including the following:

- Cut-off and remedial action lists
- Pre-legal collections
- Soft and hard tracing
- Listing and de-listing of debtors
- Online integration with ITC system
- Promise to pay arrangements
- Legal collections including summonses, judgements, letter of execution and instruction to sell
- Handing over to and monitoring of attorneys
- Handing over and controlling of debt collecting process
- Success management and reporting.
- Password control and access management
- Indigent registration and management
- History on each handed over account and current accounts
- Query and maintenance management
- Indigent register and proof of electronic indigent balancing
- SMS and email including bulk SMS and email
- Automated sending of SMS at various steps
- Final demands (and bulk email)
- Block / unblock of Pre-Paid meters
- Load of account debt and recon
- Provide schedules for Steercom Committee

The online debt management system must also facilitate a debt recovery diary and workflow and indigent campaign management.

- a) The successful bidder must, at own cost, consult with SolveM / SAMRAS to facilitate seamless integration of its computer system with the SAMRAS Financial System. Contact person and detail at SolveM / SAMRAS is as follows: Adele Bouwer, Lead Consultant; adeleb@solvem.co.za or Tel 021 0012116, Ext 1001
- b) The successful bidder must provide, at own cost all hardware and software required to provide the necessary services to the Municipality.
- c) The bidder must provide details of the electronic system in use and to what extent it will satisfy the tender specifications. The bidder must supply the following details:
 - (i) Name of the system
 - (ii) All current installations
 - Client name and industry.
 - Location.
 - Period since first installed (years).
 - Indicate if system is currently implemented and used in full or in part; if in part, explain which parts are and which are not implemented or uses.
 - Average number of users on the system at any one time.
 - Any written references provided by the customer.
 - Reference name and telephone number.
 - (iii) Number of personnel who under the bidder's authority have provided maintenance or customer support for the system over the last 12 months; provide names and any relevant accreditations.
 - (iv) Overview of the hardware, infrastructure, networking & technology architecture; Provide details of support arrangements and evidence of performance over the last 12 months; Back-up and recovery arrangements.
 - (v) Other relevant information the bidder considers appropriate to substantiate the quality of its system.

1.1.1.7 General impression

The bidder must confirm and describe:

- a) The bidder's understanding of the Municipality's requirements; and
- b) In addition to the other criteria above, bidders should demonstrate their knowledge and experience as follows:
 - (i) By submitting copies of its Business Process flow charts/definitions and System User flowcharts/definitions with its bid.
 - (ii) By submitting any additional information, it considers necessary to substantiate its knowledge and experience of Debt Collection and Management Services in local government.
- c) The Service Providers must be able to set up office and system facilities, engage/train personnel and effect the hand-over of cases and complete history of data/information from the current Service Provider, Debt pack.
 - (i) Provide details of a proposed implementation plan to affect this transition; and

- (ii) Indicate the number of months the bidder expects will be required to affect the transition; provide evidence of recent implementations to substantiate the bidder's expected timeframe for the Municipality.

CHECKLIST OF SUPPORTING DOCUMENTS AS PER SECTION 1.1				
	SUPPORTING DOCUMENTS	YES	NO	FOR PROOF OF COMPLIANCE PLEASE PROVIDE PAGE NUMBER/S IN ATTACHMENT
1	Registered member of the Council of Debt Collectors as per section 1.1 (a)			
2	Detail of how bidder will service the geographical locations of the client base, as per section 1.1.1.2.			
3	Map to indicate geographically where service points will be situated, as per section 1.1.1.2.			
4	Written confirmation from the financial system provider that interface already exist, as per section 1.1.1.3			

PLEASE NOTE: FAILURE TO SUBMIT DOCUMENTARY PROOF WILL BE CONSIDERED AS SUBMITTING A NON-RESPONSIVE BID.

SECTION 1.2 SERVICES TO BE PROVIDED

1.2.1 Debt Collection and Administration Services

- 1.2.1.1 The Municipality is invoicing all service charges and service fees arising from the bid. All cost in terms of this contract will be recovered, except in the case of indigent households, from the accounts of the defaulting customers.
- 1.2.1.2 The successful bidder will provide the agreed charges in a format agreed to by both parties which must seamlessly integrate with the financial system.
- 1.2.1.3 The successful bidder will perform the debt collection and administration services in accordance with an SLA to be concluded with the Municipality.

1.2.2 Arrear debt

- 1.2.2.1 The successful bidder will be permitted to implement debt collection on Customer's arrear debts, i.e., unpaid after due date, as may be approved by the Municipality from time to time in accordance with its rates, credit control and debt collection and tariff policies.

1.2.3 The Services to be provided by the Service Provider include:

- 1.2.3.1 Perform indigent audits as prescribed by the Municipality from time to time.
- 1.2.3.2 Identify and evaluate possible write-offs of outstanding debt.

- 1.2.3.3 Log and report meter-related queries to the Municipality and/or designated contractor.
- 1.2.3.4 Debt management services including:
- a) Debtor identification through an arrears extract or preferably through an interface with the Municipality's systems.
 - b) Filtering arrears information for import into the Service Providers system.
 - c) Issuing of reminders to customers of their outstanding debt, by means of telephone, SMS's, e-mail.
 - d) Issuing 24-hour notices.
 - e) Identify and inform the Municipality of meters to be blocked.
 - f) Daily preparation of disconnection/reconnection orders for water and electricity.
 - g) Handling all logistical matters in terms of the physical disconnection and reconnection of defaulters and in this respect the successful bidder will always employ persons with the relevant qualifications and experience as prescribed by the applicable legislation to undertake this work.
 - h) Maintain record of relevant municipal charges and submit these to the Municipality for upload into its systems in a format to be agreed – preferably a seamless interface.
 - i) Negotiating acceptable payment agreements in accordance with the Municipality policy; such arrangements will apply to all debt, both current and in arrears.
 - j) Obtaining and maintaining acknowledgements of debt, emolument attachment orders.
 - k) Follow-up on negotiated agreements.
 - l) Identification of defaults on negotiated agreements.
 - m) Preparation of summonses.
 - n) Obtaining judgments.
 - o) After handing over an account, the contractor must carry out in consultation and liaison with the Municipality and Legal services, a social assessment on site and face-to-face with the occupants/owners; present a social assessment report to the Municipality with recommendations on how to handle the outstanding debts.
 - p) Ongoing liaison with legal service providers in terms of the execution of judgments.
 - q) Keeping record and follow-up on disconnected customers not reconnected.
 - r) Responsibility for all correspondence with debtors handled by the Service Provider in terms of the policy, up to the stage of handing over for legal proceedings.
 - s) Repair of minor water leakages at indigent households.
 - t) Identification of water / electricity tamperers.
- 1.2.3.5 Preparation of reports according to the time frames set out below:
- a) Indigent applications (monthly/quarterly/annually).
 - b) Recommended write-off report (monthly/quarterly/annually).
 - c) Arrangements made for domestic, businesses and indigent monthly/quarterly/annually).
 - d) Final demands issued and delivered, SMS or email (monthly/quarterly/annually).
 - e) Billing and account queries (monthly/quarterly/annually).
 - f) Correspondence handled with debtors (monthly/quarterly/annually).
 - g) Electricity cuts / reconnections, block / unblock (monthly/quarterly/annually)
 - h) Water restrictions / reconnections (monthly/quarterly/annually).
 - i) Electricity and water revisits (monthly/quarterly/annually).
 - k) Electronic copy of municipal charges (weekly).
 - l) Matters handed over and handed-over statistics (monthly/quarterly/annually).
 - m) Payment level statistics (monthly/quarterly/annually).
 - n) Arrears extract statistics (monthly/quarterly/annually).
 - o) Workflow statistics for all actions.
 - p) Arrears statistics (monthly/quarterly/annually)
 - growth in indigent accounts.
 - cash flow improvements.
 - net effect on arrears.
 - collection on arrangements.

- attorneys brought forward balances; and
 - impact of arrangements of brought forward balances.
- q) Quarterly reports, within 5 working days of the end of the quarter, of:
- the Contractor's performance during that financial quarter.
 - a comparison with targets of and with performance in the previous financial quarter.
 - the development of performance targets set by the Contractor for the following quarter.
 - measures that were or are to be considered to improve performance; and
 - prior to the effective date and quarterly thereafter in conjunction with the Municipal Manager, or his nominee, to perform a Quarterly Assessment of the current situation by:
 - identifying possible constraints and developing plans to overcome the constraints.
 - an analysis of the Municipality's outstanding debtors' book.
 - proposals for improved assistance to indigent customers.
 - recommendations in terms of improved customer care; and
 - proposed specific projects, the areas of focus, resources required and proposed outcomes.
- r) Annual reports, within 5 working days after the end of the financial year, of:
- the Contractor's performance during that financial year, in comparison with targets of and with performance in the previous financial year.
 - the development of performance targets set by the Contractor for the following year.
- s) Monthly electronic balancing of indigent and poor households; and
- t) Monthly updated register of indigent and poor households.
- u) Monthly update of new accounts and all accounts in arrears with contact number and email address
- v) Monthly electronic report on the Contingent Liability (specific layout)

1.2.4 Specific System Requirements

- 1.2.4.1 It must be an online system and be able to interface seamlessly with the financial systems in such a way that it can serve as an extension of the existing systems. Data will be transferred between the successful bidder and the Municipality's systems in a format to be agreed on, including the viewing of source documentation.
- 1.2.4.2 It must have a built-in workflow process – the system must start at a pre-determined action and follow the credit control and collection processes automatically.
- 1.2.4.3 The system should automatically diaries all actions for the prescribed periods and instruct operators accordingly.
- 1.2.4.4 The system must have an automatic monitoring process of actions and staff performance to identify bottlenecks and the effectiveness of every action in process.
- 1.2.4.5 It must contain document templates for all the necessary letters, forms, instructions, and legal processes to effectively control debtors and recover arrears.
- 1.2.4.6 It must be flexible and allow for the customization of standard documents according to needs and for the creation of additional documents where necessary.
- 1.2.4.7 The system must accommodate different processes for different types of accounts.
- 1.2.4.8 The system must be able to generate management reports.

1.2.4.9 The complete history/ actions list of the account must be on enquiry screens – copies of all documents generated and received should be available and easily accessible.

1.2.4.10 The history should be kept in the system for future reference until such time that the municipality decides to delete it.

1.2.4.11 The system must be user friendly and uncomplicated.

1.2.4.12 It should have built-in security levels and prioritization levels.

1.2.4.13 Maintenance of an indigent and social assessment database.

1.2.4.14 The system should cater for all credit control and debt collection functions e.g.

- Telephone warnings
- Final demands by email or MMS
- Disconnections and re-connections orders
- Block and Unblock of Pre-Paid meters
- Arrangements (ensure all services must be deferred)
- Summonses
- Tracing
- Acknowledgements of debt
- Emolument attachment orders
- Judgements
- Letter of Execution
- Instruction to remove and sell
- Write-offs
- Management reports
- Indigent administrations
- Sequestrations, estates, and liquidations
- Social assessments
- SMS's
- Extension (promise to pay) on hold
- Account queries
- Detail account analysis
- 24hr notice for outstanding deposits

Any official notice with clients in writing, must be in all three (3) official languages of the Western Cape.

1.2.4.15 Daily back-ups.

1.2.5 Public Liability Insurance

The Public Liability Insurance will not be covered by the Municipality's overall Public Liability Insurance. The successful bidder must provide its own Public Liability Insurance. Proof must be provided within 7 days after appointment.

1.2.6 Operating costs

All costs related to the performance of the Contractor's Debt Collection and Management Services will be for its own account and should be included in its fees stipulated in this bid. These include, but are not limited to:

- Office accommodation
- Servers
- Scanners
- PC's
- Printers
- Stationary
- Telephone costs
- Network infrastructure and communication costs
- Software licenses for the contractor's staff to use the system (licenses for the Municipality 's staff should be identified separately in the fees stipulated in the bid documents.)
- Cashier / s to be provided by the service provider
- GIS mapping updates – monthly interface to update credit control and Indigent data
- Integration with appointed service provider on SMART water meters
- Summary reports -must be system driven, templates will be provided by the municipality
- Data cleansing to be part of system

SECTION 1.3 - DEFINITION OF SUCCESSFUL COMPLETION

SMSs sent to inform all customers in arrears that they are now in the credit control process.

- 1. Final demand**
 - Letter sent to all customers in bulk or with an email address. (Single emails/ SMSs must be available with drop down menu to pick the relevant document) Letter is printed.
 - Letter hand delivered at the correct address. (With information form, to update contact details)
 - Action reported on management report - automated; and
 - Fee raised on system – automated
- 2. Cut off and letter of notification – Electricity**
 - Letter sent to all customers in bulk or with an email address. (Single emails/ SMSs must be available with drop down menu to pick the relevant document)
 - Instruction is printed on the cut off list / job cards
 - Physical cut-off of supply done at correct address
 - Letter delivered at correct address (with information form to update contact details)
 - Keeping record of electricity cut-offs – automated
 - Action reported on management report – automated; and
 - Fee raised on system - automated
- 3. Re-connection of Electricity**
 - Physical re-connection of electricity
 - Action reported on management report; and
 - Fee raised on system
- 4. Fourteen-day notification – Water**
 - Letter sent to all customers in bulk or with an email address. (Single emails/ SMSs must be available with drop down menu to pick the relevant document)
 - Notification is printed. (Job card)
 - Notification hand delivered at the correct address. ((With information form, to update contact details)

- Action reported on management report, and
 - Fee raised on system
5. **Restriction of water**
- Instruction is printed on the restriction list; (Job card)
 - Physical restricting of water supply is done at the correct address
 - Keeping record of water restrictions
 - Action reported on management report; and
 - Fee raised on system
6. **Un-restricting of water**
- Physical removal of the restriction
 - Action reported on management report; and
 - Fee raised on system
7. **Promise to pay arrangement**
- Client responds after action has been taken
 - Ensure the prescribed amount has been paid
 - Arrangement made and recorded
 - Action reported on management report; and
 - Fee raised on system
8. **Indigent application support**
- Receive client request for subsidy
 - Assist with completion of subsidy and agreement forms
 - All prescribed documentation handed over to municipal officials
 - Action reported on management report; and
 - Fee raised on system
9. **Summons**
- No response from client or default on arrangement
 - Summons printed and authorized
 - Summons issued by court
 - All prescribed documentation delivered to sheriff of the court
 - Positive sheriff returns recorded
 - Summons diary updated
 - Action reported on management report; and
 - Fee raised on system
10. **Judgement and letter of execution**
- No response after summons served
 - Judgement and letter of execution printed and authorized
 - Judgement granted
 - Positive court returns recorded
 - Judgement diary updated
 - Action reported on management report; and
 - Fee raised on system
11. **Hand over to attorney**
- No response from client or default on arrangement

- Management instruction and authorization to hand over
- All prescribed documentation handed over to municipal officials
- Action reported on management report; and
- Fee raised on system

12. Payment to the service provider, for actions performed, will be authorized if details of the following can be supplied:

- Full payment of account, including fees and increased deposits (where applicable) are paid by client;
- Registration of client as indigent and arrear debt is taken to council for write off; or
- Where all necessary actions were taken, the debt was found to be irrecoverable, and the debt is written off; or
- Summons issued, services restricted, and case handed over to attorney for collection.

SECTION 2 BID EVALUATION

OBJECTIVES

The successful bidder is to provide a Credit Control / Debt Collection and Management System together with Credit Control / Debt Collection and Management Services in accordance with the George Municipality's Credit Control and Debt Collection Policy for a period of three (3) years from date of appointment.

The successful bidder and the Municipality will conclude a Service Level Agreement ("SLA") based on mutually agreed performance measures. The Successful bidder's performance in terms of the SLA will be reviewed monthly. The bid will be evaluated on functionality as per section 2.1. Only responsive bids will then be evaluated on preference and price as per section 2.2.

SECTION 2.1: FUNCTIONALITY EVALUATION

2.1.1 Specifications

The information requested from bidders in this tender has been identified by the Municipality as necessary in order for them to be able to evaluate the commitment, capability, suitability and capacity of the bidders.

2.1.2 Functionality Evaluation (Stage One (1))

- (a) Tenders will be evaluated on the functionality criteria as set out below. Bidders that score less than **70 out of 100 points** for these criteria will be regarded as non-responsive and will not be evaluated for stage two (2) functionality and will also not be evaluated on price and preference. Unclear, vague, fragmented, or incomplete information provided will result in no points being allocated.
- (b) The Bid Evaluation Committee reserves the right to request any documentation required to perform a meaningful pre-evaluation. Bidders must therefore ensure that only relevant information is submitted. Please note that all feedback requested is time barred and SCM Evaluation team will not award any points for late submission and/or lack of response.
- (c) The following criteria will be used to calculate points for the Stage one (1) functionality of tenders and bidders should ensure that they submit all information in order to be pre-evaluated on the criteria mentioned below:

	STAGE ONE (1) CRITERIA	MAXIMUM POINTS
1	Company (or JV) Experience	30
2	References Related to that Experience	15
3	Key Staff & Personnel allocated/reserved for this Tender	20
4	Plant, Equipment, Tools & Machinery allocated/reserved for this Tender	35
	TOTAL	100

PLEASE NOTE: IF LESS THAN 70 OUTS OF THE 100 POINTS FOR THESE CRITERIA IS OBTAINED; THE TENDER WILL BE DEEMED NON-RESPONSIVE AND WILL NOT BE CONSIDERED.

Criterion 1: Company (or JV) Experience

- a) A maximum of **30** points will be awarded at the sole discretion of the Municipality’s Bid Evaluation Committee based on the information provided. Please note that this section refers to the Company’s and its legacy firms experience and is not a duplication of Criterion 2’s Key staff and Personnel. Meaning this section takes into consideration that the company as an entity has gained relevant experience in the past and showcase that the company is in the business of said Scope of Works.
- b) Relevant experience is defined as the accumulation of knowledge or skill that results from direct participation in relevant/similar events or activities and/or as determined by the George Municipality and/or professional consulting engineer where applicable.

Experience required:	Maximum points	For proof of compliance provide bid document reference page number
Successfully completed years relevant to debt collection services as set out in tender specifications.		
A minimum 1 year but up to 5 year’s total relevant experience.	15	
More than 5 years, but up to 8 years total relevant experience.	25	
More than 8 years total relevant experience of the company.	30	

- c) In order to claim points for the above, bidders must submit sufficient information as well as documentary proof of information on how long the business has been in existence (operating as a going concern) supported by Company or Business registrations documents and the following:
 - i. Information on how long the business has been in existence (operating as a going concern) supported by Company or Business registration documents.
 - ii. Points will only be awarded for relevant & completed experience obtained relevant to the Tender Scope of Works. To be able to gain points the Tenderer must submit proof that the company has obtained the relevant experience for this Tender’s Scope of Works & Specifications, and parts thereof. If experience is listed, please ensure it is applicable and relevant to the whole of this Tender and not only to parts thereof, otherwise the Bidder will not be awarded the necessary points. Tenderers to provide enough experience to score the total points as prescribed.
 - iii. If the column in the above table with the heading “For proof of compliance provide bid document reference page number” is not completed or the information on the pages refer to in the column is insufficient to substantiate the experience. **NO POINTS WILL BE AWARDED.**

Bidders are required to provide the following information as supporting documents for claiming the points in criterion:

- a) Name and contact details
- b) Form of entity (e.g., company, individual, corporation, trust, etc.)
- c) Proof and details of registration
- d) Audited annual financial statements for each entity forming part of a bidder. This must be presented for the most recent financial year
- e) Details of membership with trade associations and professional bodies
- f) Nature of current business
- g) Number of years in business
- h) Summary of South African human and other resources and capacity.
- i) Where the bidder is a JV, the tender must contain a signed memorandum of understanding between the various partners:
 - Regulating the composition of the bidder and the relationships between its members; and
 - Identify the leading member of the JV and should include evidence of the lead member's authority to act on behalf of all other members in respect of this project and specifically this RFT.

Criterion 2: References related to Experience

Please note that this section refers to the Company's and its legacy firm's references related to the experience. It also considers that the references are related & relevant to the experience submitted. Bidders should provide the name and contact details of at least three references. The references submitted must be in relation to the Experience gained on projects relevant to the Scope of Works.

References related to experience required:	Maximum points	For proof of compliance provide bid document reference page number
0-2 references related to experience	0	
3-4 references related to experience	5	
5-6 references related to experience	10	
7+ references related to experience	15	

Details of references should be listed in the format below or referred to as an attachment. If no information is provided, then **NO POINTS WILL BE AWARDED.**

Applicable to Debt Collection Services	Name of Reference or Company or Entity	Contact Person	Telephone and/or Cellphone number	Active E-mail address Or other contact details

Criterion 3: Management Staff & Personnel allocated / reserved for this Tender

- a) A maximum of 20 points will be awarded at the sole discretion of the Municipality's Bid Evaluation Committee based on the information provided and will be split as follows. Points will only be awarded once for each staff/personnel allocated to this Tender, no multiple scoring per person.

Management Staff & Personnel Required:	Max points	For proof of compliance provide bid document reference page number
Contract Manager (min 40 hours / 5 days per week)		
<ul style="list-style-type: none"> • Must be suitably skilled and have CV verifiable experience managing Debt Collection projects. This person will be overall responsible for the execution of the contract. The CV of the person must be attached to verify the qualification and experience and allocate the points as follow: 		
<ul style="list-style-type: none"> • Qualification of contract manager in relevant field either in debt collection or project management: <ul style="list-style-type: none"> ○ Matric 	2	
<ul style="list-style-type: none"> ○ Degree 	3	
<ul style="list-style-type: none"> ○ Postgraduate, for example Hons. 	5	
<ul style="list-style-type: none"> • Experience of contract manager in debt collection projects: <ul style="list-style-type: none"> ○ 0 - 5 years and 11 months 	2	
<ul style="list-style-type: none"> ○ 6 – 10 years and 11 months 	3	
<ul style="list-style-type: none"> ○ 11 years and above 	5	
At least 5 Administration Personnel (min 40 hours / 5 days per week / full time on site)		
<ul style="list-style-type: none"> • Must be suitably skilled and have CV verifiable experience on administration work in Debt Collection. • Must have good human relations and communication skills. • Must be able to apply all Municipal Policies relating to the tender. • The CV of the 5 persons must be attached to verify the experience. The average number of year experience of the 5 persons will be used to allocate the points as follow: 		
<ul style="list-style-type: none"> ○ 0 - 5 years and 11 months 	2	
<ul style="list-style-type: none"> ○ 6 – 10 years and 11 months 	3	
<ul style="list-style-type: none"> ○ 11 years and above 	5	

Management Staff & Personnel Required:	Max points	For proof of compliance provide bid document reference page number
At least 5 Field Workers (Min 40 hours / 5 days per week / full time on site) <ul style="list-style-type: none"> • Must be suitably skilled and have CV verifiable experience on field work in Debt Collection. • Must have good human relations and communication skills. • Must be able to apply all Municipal Policies relating to the tender. • The CV of the 5 persons must be attached to verify the experience. The average number of year experience of the 5 persons will be used to allocate the points as follow: <ul style="list-style-type: none"> ○ 0 - 5 years, and 11 months ○ 6 – 10 years and 11 months ○ 11 years and above 		
	2	
	3	
	5	
TOTAL	20	

b) To claim points for the above bidders must submit detailed Curriculum Vitae (CV) of each key personnel to be used/allocated for this Tender. The staff or personnel listed above must currently be employed by the Bidder company, if not then a letter stating such intent to employ this person, including this person's signature of willingness & acceptance for the intended duration of the project. CV experience listed of key staff must be relevant and current. Points can only be allocated once, meaning one-person-one-score, no multiple scoring. Please note the staff allocated to this Tender must be on-site and used for this Tender. If the person is unavailable during time of Execution, he/she must be replaced with someone of equal or better value and experience and proof as per CV submitted.

NB: Relevant experience is defined as the accumulation of knowledge or skill that results from direct participation in relevant similar events or activities and/or as determined by the George Municipality and/or professional consulting engineer where applicable.

If the column in the above table with the heading "For proof of compliance provide bid document reference page number" is not completed or the information on the pages refer to in the column is insufficient to substantiate the experience. **NO POINTS WILL BE AWARDED.**

Bidders should illustrate their experience relevant to debt collection services as set out in tender specifications. Evidence of such experience should include at least the following and should be included in their CV's:

a) Schedule of staff available and corporate support. Bidders must provide an organigram of personnel to

illustrate respective roles and responsibilities in general as well as specifically for the George Municipality.

- b) Details of staff experience, qualifications, computer literacy, customer care and technical competence. The number of personnel (full time equivalent) currently providing services to the customer i.e.
 - (i) Total number of personnel who under the bidder's authority have provided these services to its customers over the last 12 months.
 - (ii) Schedule of personnel who will be committed to providing the services to the George Municipality; their credentials and experience; the percentage of time each person will commit to the Municipality.
 - (iii) Experience of Senior Management allocated to George Municipality
- c) Details of the bidder's management and reporting structure and processes.
- d) Debt collection experience in general.
- e) Where debt collection services are currently provided to other municipalities, the bidder must give details of the total number of consumer accounts and the number of arrear accounts per Municipality.
- f) Details of staff experience regarding the electronic system used by the bidder.

Criterion 4: Automated Online Debt Management System / Geographical capacity / Vehicles / Plant / Tools / Equipment

If the Bidder intend to use Automated Online Debt Management System / Geographical capacity / Vehicles / Plant / Tools / Equipment, other than those stipulated in the Tender Specifications the Bidder must qualify/declare this in their tender document, for the evaluation process. If nothing is qualified or declared, then those stipulated in the Tender Specifications are applicable to this Tender.

A maximum of **35** points will be awarded based on the information provided.

Equipment	Max points	For proof of compliance provide bid document reference page number
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Equipment	Max points	For proof of compliance provide bid document reference page number
<p>1) Automated online debt management system</p> <p>The points for this section will be allocated 1 point for every action that the service provider can handle, the actions are:</p> <ul style="list-style-type: none"> ○ Cut-off and remedial action lists; ○ Pre-legal collections; ○ Soft and hard tracing; ○ Listing and de-listing of debtors; ○ Online integration with ITC system; ○ Promise to pay arrangements; ○ Legal collections including summonses, judgements, letter of execution and instruction to sell; ○ Handing over to and monitoring of attorneys; ○ Handing over and controlling of debt collecting process; ○ Success management and reporting; ○ Password control and access management; ○ Indigent registration and management; ○ History on each handed over account; ○ Query and maintenance management; and ○ Indigent Register and Proof of Indigent Balancing. 	15	
<p>2) Field Work Vehicles</p> <p>For each vehicle, the service provider will be allocated 2 point to a maximum of 6, if the following information is provided for the vehicle type; size; capacity; year of registration and registration number. Proof of ownership or a rental agreement or intent to rent where the lessor has signed will be accepted.</p>	6	
<p>3) Servers, Scanners, PC's, Printers, Telephones</p> <p>For each of the above machines 1 point will be allocated to a maximum of 5, if the type or module and the size of the office machine is provided. Proof of ownership or a rental agreement or intent to rent where the lessor has signed will be accepted.</p>	5	
<p>4) Plant, Tools and equipment needed for physical disconnection services and repair of minor water leakages at indigent</p>		

Equipment	Max points	For proof of compliance provide bid document reference page number
households A list of equipment must be provided, with photos, for the Municipality to be able to assess whether the equipment is sufficient to carry out the function. 1 point will be allocated per item, up to a maximum of 9.	9	
TOTAL	35	

If the column in the above table with the heading "For proof of compliance provide bid document reference page number" is not completed or the information on the pages refer to in the column is insufficient to substantiate the experience **NO POINTS WILL BE AWARDED.**

Functionality Evaluation (Stage Two (2))

Evaluation Schedule

Those Tenderers that pass the first stage functionality above will be invited to do a presentation. On scoring 75 points or more (out of 100) in the second stage evaluation, your bid will be regarded as responsive and will be evaluated further. Tender offers that fail to score the minimum score for functionality will be deemed as non-responsive.

Bids will be evaluation in terms of the following criteria:

SECOND STAGE EVALUATION	WEIGHT (POINTS)
1) Look & Feel a. Demonstration of existing system/s Proposed mock-up with George branding	20
2) Simplicity & Ease of Use a. The simplicity of the existing system (Administration/operation) How easy the system is to use by the user (Staff)	30
3) Functionality a. Existing functionality of the application b. Ability to add & remove functionality c. Integration with other systems Types of management reports available	30
4) Implementation Plan a. Timeframes Deliverables	20
TOTAL	100

Scoring for each section will be based on the bid evaluation committee's discretion. The scoring will be done on each section accordingly:

- 1) The criteria do not meet expectation = 0
- 2) The criteria have some elements of the requirements = 0 - 50%

- 3) The criteria meet most of the expectations = 50% to 70%
- 4) The criteria meet the expectations = 70% to 80%
- 5) The criteria presented exceeds expectations = 80% - 100%

The minimum qualifying score for functionality is 75 points. All bids that fail to achieve the minimum score shall not be considered for further evaluation on Price and BBEE.

PRICING SCHEDULE

VAT MUST BE INCLUDED IN THE TENDER PRICE.

The Municipality will make payment in respect of services provided only when instructions to perform a specific action are successfully completed. The definition of successful completion in practical situations as well as conditions for payment is defined in clause 1.3.

Fees and costs may be renegotiated by the Municipality in cases where recovery steps have been instituted but not completed and the debt is written off.

The bid will be awarded as a whole. Pricing Instructions mean the criteria as set out below, read together with all parts of this contract document, which it will be assumed in the contract that the tenderer has considered when developing his prices.

2.2.1 The short descriptions given in the pricing schedule below are brief descriptions used to identify the activities for which prices are required. Detailed descriptions of the activities to be priced are provided in the Specifications.

2.2.2 While it is entirely at the tenderer's discretion about the pricing schedule below, guideline tariffs of fees or indicative time-based fee rates are gazetted annually, which are useful documents that will give tenderers some idea of industry norms against which they may compare their rates, sums, percentage fees and/or prices as applicable.

2.2.3 For the pricing schedule, the following words shall have the meanings hereby assigned to them:

Unit:	The unit of measurement for each item of work.
Quantity:	The estimated number of units of work for each item.
Rate:	The agreed payment per unit of measurement.
Amount:	The product of the quantity and the agreed rate for an item.
Sum:	An agreed lump sum payment amount for an item, the extent of which is described in the Scope of Work, but the quantity of work which is not measured in any units.

2.2.4 A rate, sum, percentage fee and/or price as applicable, is to be entered against each item in the pricing schedule. An item against which no price is entered will be considered as covered by the other prices or rates in the pricing schedule.

2.2.5 The rates, sums, percentage fees and prices in the pricing schedule are to be fully inclusive prices for the work described under the several items. Such prices and rates are to cover all costs and expenses that may be required in and for the execution of the work described in accordance with the provisions of the Scope of Work, and shall cover the cost of all general risks, liabilities, and obligations set forth or implied in the Contract Data, as well as overhead charges and profit.

2.2.6 Where quantities are given in the pricing schedule, these are provisional and do not necessarily represent the actual amount of work to be done. The quantities of work accepted and certified for payment will be used for determining payments due and not the quantities given in the pricing schedule. In respect of time-based services, the allocation of staff must be agreed with the employer before such services are rendered.

2.2.7 All rates, sum, percentage fees or prices (as applicable) tendered in the pricing schedule shall be final and binding and shall not be subject to any variation throughout the period of the contract.

2.2.8.1 The pricing to be indicated in section A is based on estimated quantities from the previous year and is only used for evaluation purposes.

2.2.8.2 For section A only firm pricing will be accepted, non-firm prices (including prices subject to rates of exchange variations) will not be considered.

2.2.8.3 The bidder needs to indicate the escalation percentage applicable on all the rates as per section A in section B below.

2.2.8.4 The bid will be evaluated based on the cost of contract, in other words the rates multiplied by the quantities for the envisage three years multiplied by the escalation rates as quoted.

SECTION A

Item no.	Description	Rate per item (Inclusive of VAT)	Estimated Quantity	Amount (Inclusive of VAT) (Rate x Estimated Quantity) (C x D = E)
A	B	C	D	E
1	System/administration setup and installation fees Setup and installation (Once-off fee only in Year 1)	Provide only an amount in column E		
2	Debt Administration Bidders must provide a per action administration fee for the following tasks:			
2.1	Final demand/Letter of notification / section 129 demand		11 400	
2.2	Cut-off and letter of notification - Electricity		960	
2.3	Re-connection - Electricity		600	
2.4	14 Day notices - Electricity		120	
2.5	24 Hour notice to businesses		1 440	
2.6	Seven-day notice for water		3 600	
2.7	Restriction of water with a Smart Flow restrictor (cost of restrictor must be included)		3 000	
2.8	Un-restricting water		1 200	
2.9	Inserting a restrictor for other reasons than arrear accounts		1 200	

Item no.	Description	Rate per item (Inclusive of VAT)	Estimated Quantity	Amount (Inclusive of VAT) (Rate x Estimated Quantity) (C x D = E)
A	B	C	D	E
2.10	Open or restrict restrictors for other reasons than arrear accounts		1 200	
2.11	Promise to pay arrangement		960	
2.12	All restricted meters must be inspected every six months and a full report submitted		3 000	
2.13	Full asset survey		600	
2.14	Indigent application support		600	
2.15	Summons		960	
2.16	Hard Tracing		140	
2.17	Judgement and letter of execution		140	
2.18	Hand over to attorney		240	
2.19	Warrant of execution		240	
2.20	A fee, per report;			
2.20.1	Online tracing		480	
2.20.2	Online credit reports		24	

Item no.	Description	Rate per item (Inclusive of VAT)	Estimated Quantity	Amount (Inclusive of VAT) (Rate x Estimated Quantity) (C x D = E)
A	B	C	D	E
2.21	<p>A monthly administrative fee for the following:</p> <ul style="list-style-type: none"> • Data capture and updating of the database; • Compilation of and filing of documents; • Attendance of the weekly and monthly management meetings; • Project management; and • Other services provided, e.g. management reports etc. <p>The following minimum volumes must be obtained on a monthly basis:</p> <ul style="list-style-type: none"> • All debt collection activities and procedures defined in the Service Level Agreement may not be more than two days in arrears; and • Four (4) success management reports per month. 		12	
3	Indigent management			
3.1	Fees per action for the following tasks:			
3.1.1	House audits for first applicants		240	
3.1.2	Bi-Annual re-visitation and auditing of beneficiaries		4 800	
3.1.3	Ad hoc investigations as and when requested by the Municipality		120	
3.1.1	Ad Hoc after hours visits in wards with assistance with indigent applications.		120	

Item no.	Description	Rate per item (Inclusive of VAT)	Estimated Quantity	Amount (Inclusive of VAT) (Rate x Estimated Quantity) (C x D = E)
A	B	C	D	E
3.2	<p>A monthly administrative fee for the following:</p> <ul style="list-style-type: none"> • Data capture and updating of the database; • Compilation of and filing of indigent beneficiaries' documents; • Participation on the selection committee; • Project management, e.g. meetings with municipal staff; and • Other services provided, e.g. management reports <p>The following minimum volumes must be obtained on a monthly basis:</p> <ul style="list-style-type: none"> • Re-evaluation of 10% of all indigent beneficiaries on the database; • House audits of all new applicants received within a calendar month; • Up to four meetings per month of the selection committee to evaluate beneficiaries; and • One management report per month. 		12	
4.	<p>Disbursements</p> <p>The bidder must specify a monthly disbursement fee which includes telephone calls, faxes, paper, postage stamps and any other relevant costs.</p>		12	
5.	<p>Reimbursements</p> <p>The bidder must pay all sheriff fees / other relevant fees directly to the relevant sheriffs / parties and indicate it as part of their monthly invoice for reimbursement from the municipality. A summary together with evidence of these payments should accompany it.</p>			
	<p>PLEASE NOTE: The Municipality pays the fees directly to the relevant service providers which must be excluded from the above tariffs: Legal actions instituted by The Municipality's attorneys.</p>			
Total bid year 1				

SECTION B

2.2.8.5 Please indicate below if there will be NO escalation for year 2 and 3. Remember this portion will be included in the evaluation of the total cost.

Will there be escalation applicable on the prices quoted above, Yes or No:
.....

If Yes, then the following is applicable

2.2.8.6 The annual escalation percentage will be based on the CPIX rate of South Africa as calculated and published by Stats SA for March of each year. The escalation will be applied from 1 July of year 2 and 3. The additional escalation percentage, if any, must be quoted in the table called Additional escalation.

2.2.8.7 The CPIX plus the **additional** escalation will be applied on all rates of the success full bidder as quoted in SECTION A

2.2.8.8 For bid evaluation purposes the CPIX rate for year 2 and 3, is estimated at 6.1%

Table - **Additional** Escalation, if any

Activity/Unit Description	Year 2 %	Year 3 %
Additional Escalation over and above the CPIX		

identity number, _____,

being duly authorised thereto, on behalf of

_____ hereby accept the above-

mentioned tender conditions.

Signature

Date

THE TENDER OFFER

I/We Mr/Mrs/Messrs _____
duly assigned to represent the service provider for the purpose of this tender, hereby tender to supply all or any of the goods and/or render all or any of the services described in the attached documents to the George Municipality on terms and conditions stipulated in this tender and in accordance with the specifications stipulated in the tender documents (which shall be taken as part of, and incorporated into this tender) **at the price/s reflected in the Pricing Schedule.**

I/we agree that this offer shall remain valid for a period of 90 days commencing from the closing date and time of this tender.

I/we further agree that:

This tender and its acceptance shall be subject to the terms and conditions contained in the George Municipality's Supply Chain Management Policy;

If I/we withdraw my/our tender within the period for which I/we have agreed that the tender shall remain open for acceptance, or fail to fulfill the contract when called upon to do so, the George Municipality may, without prejudice to its other rights, agree to the withdrawal of my/our tender or cancel the contract that may have been entered into between me/us and the George Municipality and I/we will then pay to the George Municipality any additional expense incurred by the George Municipality having either to accept any less favorable tender or, if fresh tenders have to be invited, the additional expenditure incurred by the invitation by the invitation of fresh tenders and by the subsequent acceptance of any less favorable tender; the George Municipality shall also have the right to recover such additional expenditure by set-off against moneys which may be due or become due to me/us under this or any other tender or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfillment of this or any other tender or contract and pending the ascertainment of the amount of such additional expenditure or retain such moneys, guarantee or deposit as security for any loss the George Municipality may sustain by reason of my/our default;

If my/our tender is accepted the acceptance may be communicated to me/us by letter or order by certified mail or registered mail. Such posting shall be deemed to be proper service of such notice with effect from the date of posting/dispatch of such notice;

The law of the Republic of South Africa shall govern the contract created by the acceptance of my/our tender and that I/we choose domicilium citandi et executandi in the Republic of South Africa, where any and all legal notices may be served at (full street address on this place):

Physical Address: _____

I/we furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our tender; that the price(s) and rate(s) tendered cover all the work/item(s) specified in the tender documents and that the price(s) and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our own risk.

I/we hereby accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me/us under this agreement as the Principal(s) liable for the due fulfillment of this contract.

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 sentence or judgement which may be pronounced against me/us as a result of such action.

I/we declare that I/we have participation / no participation in the submission of any other offer for the supplies/services described in the attached documents. If in the affirmative, state name(s) of tenders involved.

Name: _____

Signature: _____

Date: _____

This form must be completed and signed to be considered provisionally responsive.

ACCEPTANCE

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

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

Name: **MR R DU PLESSIS**

Signature: _____

Capacity: **DIRECTOR: FINANCIAL SERVICES**

Date: _____

For the Employer: **GEORGE MUNICIPALITY
CIVIC CENTRE
YORK STREET
GEORGE**

TAX COMPLIANCE INFORMATION

PART A

Tax Compliance Status	TCS Pin:		or	CSD No:	
B-BBEE Status Level Verification Certificate [Tick Applicable Box]	<input type="checkbox"/> Yes <input type="checkbox"/> No			B-BBEE Status Level Sworn Affidavit	<input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE / SWORN AFFIDAVIT (FORM 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No [If Yes, Enclose Proof]			Are You A Foreign Based Supplier For The Goods / Services / Works Offered?	<input type="checkbox"/> Yes <input type="checkbox"/> No [If Yes, Answer Part 2.]
Signature of Bidder	.....			Date	.....

PART B TERMS AND CONDITIONS FOR BIDDING

1. TAX COMPLIANCE REQUIREMENTS		
1.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.		
1.2 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.		
1.3 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 .		
1.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B2.		
1.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.		
1.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.		
1.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.		
2. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS [Tick Applicable Box]		
2.1 Is the entity a resident of the Republic of South Africa (RSA)?	YES	NO
2.2 Does the entity have a branch in the RSA?	YES	NO
2.3 Does the entity have a permanent establishment in the RSA?	YES	NO
2.4 Does the entity have any source of income in the RSA?	YES	NO
2.5 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 1.3 ABOVE.		

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

Signature of Bidder:

Capacity Under Which This Bid Is Signed:

Date:

DECLARATION OF INTEREST

1.	No bid will be accepted from persons in the service of the state*.	
2.	Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in the 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 / her representative:	
3.2	Identity number:	
3.3	Position occupied in the Company (director, trustee, shareholder ²):	
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 (where applicable) 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 the following particulars: Name of person / director / trustee / shareholder member: Name of state institution at which you or the person connected to the bidder is employed: Position occupied in the state institution: Any other particulars:	

<p>3.9 3.9.1</p>	<p>Have you been in the service of the state for the past twelve months? If so, furnish particulars.</p>	<p>YES / NO</p>
<p>3.10 3.10.1</p>	<p>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? If yes, furnish the following particulars: Name of person: Name of state institution at which you or the person connected to the bidder is employed: Position occupied in the state institution: Any other particulars:</p>	<p>YES / NO</p>
<p>3.11 3.11.1</p>	<p>Are you aware of any relationship (family, friend, other) between the bidder and any person in the service of the state who may be involved with the evaluation and or adjudication of this bid? If yes, furnish the following particulars: Name of person: Name of state institution at which you or the person connected to the bidder is employed: Position occupied in the state institution: Any other particulars:</p>	<p>YES / NO</p>
<p>3.12 3.12.1</p>	<p>Are any of the company's directors, managers, principal shareholders or stakeholders in the service of the state? If yes, furnish the following particulars:</p>	<p>YES / NO</p>

	<p>Name of person / director / trustee / shareholder / member: </p> <p>Name of state institution at which you or the person connected to the bidder is employed: </p> <p>Position occupied in the state institution:</p> <p>Any other particulars:</p> <p>.....</p>	
<p>3.13</p> <p>3.13.1</p>	<p>Is any spouse, child or parent of the company's directors, trustees, managers, principle shareholders or stakeholders in the service of the state?</p> <p>If yes, furnish the following particulars:</p> <p>Name of person / director / trustee / shareholder / member: </p> <p>Name of state institution at which you or the person connected to the bidder is employed: </p> <p>Position occupied in the state institution:</p> <p>Any other particulars:</p> <p>.....</p>	<p>YES / NO</p>
<p>3.14</p> <p>3.14.1</p>	<p>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?</p> <p>If yes, furnish particulars:</p> <p>.....</p> <p>.....</p>	<p>YES / NO</p>

4. Full details of directors / trustees / members / shareholders:			
THE FOLLOWING INFORMATION IS COMPULSORY TO COMPLETE:			
Full Name	Identity Number	Individual Tax Number for each Director	State Employee Number (where applicable)
5.	The contract will be automatically cancelled if there is a conflict of interest which is not disclosed by the bidder.		

Protection of Personal Information Act, 2013 (Act no.4 of 2013) (POPIA)

All parties agree that they will comply with Protection of Personal Information Act, 2013 (Act no.4 of 2013) (POPIA) and process all the information and/or personal data in respect of the goods and/or services being rendered in accordance with the said act and only for the purpose of providing the goods and/or services set out in the agreement to provide such goods and/or services.

The contract between the municipality and the service provider must ensure compliance with the Protection of Personal Information Act, 2013 (Act no.4 of 2013) (POPIA), in that the service provider establishes and maintains security measures to safeguard personal information being processed on behalf of the municipality. The service provider must notify the municipality immediately in an event where there are reasonable grounds to believe personal information has been accessed by an unauthorised person.

The contract with a service provider must ensure confidentiality of personal information processed on behalf of the municipality. A supply contract with a service provider must include standard clauses outlining joint responsibility in terms of the protection of personal information.

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

<p>¹MSCM Regulations: "in the service of the state" means to be -</p> <ul style="list-style-type: none"> (a) a member of – <ul style="list-style-type: none"> (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 or 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 entity; or (f) an employee of Parliament or a provincial legislature. <p>²"Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercise control over the company.</p>

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

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

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

1. GENERAL CONDITIONS

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

1.2 To be completed by the organ of state

- 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;
- (b) BBBEE; and
- (c) 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
BBBEE	10
SPECIFIC GOALS	10
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 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

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. POINTS AWARDED FOR PRICE

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

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

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 BBEE AND 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:

4.1.1 Points awarded for B-BBEE Level of Contributor

In terms of the Specific Goals as per the George Municipality Preferential Procurement Policy, preference points must be awarded to a tenderer for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)
1	10	5
2	9	4.5
3	7	3
4	6	2.5
5	4	2
6	3	1.2
7	2	1
8	1	0.5
Non-compliant contributor	0	0

Bidder MUST submit a valid BBEE certificate, failure to attach no points will be awarded for BBEE points.

4.1.2 Points awarded for Specific Goals

In terms of the Specific Goals as per the George Municipality Preferential Procurement Policy, preference points must be awarded to a Tenderer for Locality in accordance with the table below:

Locality of Tenderer's Office	Number of points (80/20 system)	Number of points (90/10 system)
Within the boundaries of George Municipality	10	5
Within the boundaries of the Garden Route District Municipality	6	3
Within the borders of the	4	2

Western Cape		
Outside the borders of the Western Cape	2	1

Bidder MUST submit proof of address (e.g., municipal account, rental/lease agreement, or affidavit) not older than three (3) months. Failure to attach proof will result in no points awarded for Specific Goals.

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.

5. BID DECLARATION

Tenderers who claim points in respect of BBBEE must complete the following:

B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 4.1 AND 4.1.1

5.1. Contribution to BBBEE: =(maximum of 10 points)
--

(Points claimed in respect of paragraph 5.1 must be in accordance with the table reflected in paragraph 4.1.1 and **must be substantiated by relevant proof of B-BBEE status level of contributor.**)

LOCALITY OF TENDERERS OFFICE CLAIMED IN TERMS OF PARAGRAPHS 4.1 AND 4.1.2

5.2. Contribution to specific Goals: =(maximum of 10 points)

(Points claimed in respect of paragraph 5.2 must be in accordance with the table reflected in paragraph 4.1.2 and **must be substantiated by relevant proof of address of a company office.**)

DECLARATION WITH REGARD TO COMPANY/FIRM

5.3. Name of company/firm.....

5.4. Company registration number:

5.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 5.1 and 5.2, 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:	.....

SWORN AFFIDAVIT – BBEE EXEMPTED MICRO ENTERPRISE**SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE**

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a member / director / owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:
 - The enterprise is _____ % black owned;
 - The enterprise is _____ % black woman owned;
 - Based on the management accounts and other information available on the _____ financial year, the income did not exceed R10,000,000.00 (ten million rands);
 - Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% black owned	Level One (135% B-BBEE procurement recognition)	
More than 51% black owned	Level Two (125% B-BBEE procurement recognition)	
Less than 51% black owned	Level Four (100% B-BBEE procurement recognition)	

4. The entity is an empowering supplier in terms of **the dti** Codes of Good Practice.
5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
6. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date: _____

Commissioner of Oaths
Signature & stamp

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>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.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.5.1	If so, furnish particulars:		

CERTIFICATION

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

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 (MBD9) must be completed and submitted with the bid:
 - 1 **Includes price quotations, advertised competitive bids, limited bids and proposals.**
 - 2 **Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.**

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____ (Bid Number and Description)

in response to the invitation for the bid made by:

GEORGE 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.

MBD9

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

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.

CERTIFICATE FOR MUNICIPAL SERVICES (COMPULSORY TO COMPLETE)

Information required in terms of the Supply Chain Management Regulations, Regulation 28 (1) (c).

Tender Number: FIN006/2023
Name of the Bidder: _____

DETAILS OF THE BIDDER/S: Owner / Proprietor / Director(s) / Partner(s), etc:

Physical Business address of the Bidder	Municipal Account Number(s)

If there is not enough space for all the names, please attach the additional details to the Tender document.

Name of Director / Member / Partner	Identity Number	Physical residential address of Director / Member / Partner	Municipal Account number(s)

I, _____, the undersigned,

(full name in block letters)

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

Signature

THUS DONE AND SIGNED for and on behalf of the Bidder / Contractor

at _____ on the _____ day of _____ 2023

PLEASE NOTE:

MUNICIPAL ACCOUNTS FOR ALL PROPERTIES OWNED BY BIDDER/S MUST BE ATTACHED TO THE TENDER DOCUMENT!

Even if the requested information is not applicable to the Bidder, the table above should be endorsed **NOT APPLICABLE** with a reason and **THIS DECLARATION MUST STILL BE COMPLETED AND SIGNED**. In the event of leasing, a lease agreement **MUST** be attached to the tender document.

GEORGE MUNICIPALITY PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-Dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendment of contracts
35. Prohibition of restrictive practices

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.
 - 1.1 “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.
 - 1.2 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.3 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
 - 1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
 - 1.14 “GCC” means the General Conditions of Contract.
 - 1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
 - 1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be

imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services 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 supplier covered under the contract.
- 1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 "Tort" means in breach of contract.
- 1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

2. Application:

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific 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 on the municipality/municipal entity website.

4. Standards:

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

5. Use of contract documents and information inspection:

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the 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 supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the provider'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 provider shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

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

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 provider not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections, tests and analyses:

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, test and analyses, the bidder or contractor's premises 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 clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 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, and in any subsequent instructions ordered by the purchaser.
10. Delivery and documents:
 - 10.1 Delivery of the goods and arrangements for shipping and clearance obligations shall be made by the supplier in accordance with the terms specified in the contract.

11. Insurance:
 - 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.
12. Transportation:
 - 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified.
13. Incidental services:
 - 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:
 - (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
 - (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
 - 13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the provider for similar services.
14. Spare parts:
 - 14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
 - (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
 - (b) in the event of termination of production of the spare parts:
 - (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.
15. Warranty:
 - 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this

contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment:

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon 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.

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 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. Variation orders:

- 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 goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

19. Assignment:

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

20. Subcontracts:

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under these 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 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.1 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

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

dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to 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 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 to the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of liability:

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language:

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

30. Applicable law:

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

31. Notices:

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

32. Taxes and duties:

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

33. Transfer of contracts:

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

34. Amendment of contracts:

- 34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the

contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of restrictive practices:

- 35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.
- 35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties are contemplated in section 59 of the Competition Act No 89 of 1998.
- 35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.