

GEORGE MUNICIPALITY



BID DOCUMENT NUMBER: MM014OF 2024

TENDER FOR THE APPOINTMENT OF A CO-SOURCED INTERNAL AUDIT SERVICE PROVIDER, FOR A PERIOD OF THREE YEARS, FROM DATE OF APPOINTMENT

ENQUIRIES: Ms. H Ellis
YORK STREET
GEORGE
(044) 801 9079

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 PRICE (INCLUDING VAT)	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 TUESDAY, 15 OCTOBER 2024

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	13-21
Functionality Criteria	22-26
Special and general conditions	27-32
Pricing Schedule	33-41
Past Experience	42
The Tender Offer and Acceptance	43-45
MBD1 – Tax Compliance Information	46-47
MBD4 – Declaration of Interest	48-51
MBD5 – Declaration for Procurement Above R10 million	52-53
MBD6.1 – Preference Points Claim form	54-60
MBD8 – Declaration of Bidder's Past Supply Chain Management Practices	61-62
MBD9 – Certificate of Independent Bid Determination	63-65
Certificate for Municipal Services	66
General Conditions of Contract	67-78

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:MM014/2024

Tenders are hereby invited for the **Appointment of a co-sourced internal audit service provider for a period of three years, from date of appointment.**

Completed tenders in a sealed envelope, clearly marked:

Tender No. MM014/2024 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 **Tuesday, 15 October 2024**. 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.

A compulsory clarification meeting with representatives of the Employer will be held at 14:00 on **Thursday, 26 September 2024**, via Microsoft Teams. Tenderers must register by e-mail at Ms. S Gunuza before 10:00 on **Friday, 20 September 2024** to receive an invitation for the compulsory clarification meeting. If tenderers do not register for attendance before **10:00 on Friday, 20 September 2024** with Ms. S Gunuza at segunuza@george.gov.za, tenderers will not be able to attend the compulsory clarification meeting, and this will invalidate your tender.

Non-attendance of the compulsory briefing session will disqualify your tender.

Tender documents are available at a non-refundable deposit of R284.05 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.

Tenders will be evaluated and awarded as follows:

Stage 1: Pre-Qualification

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: 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 Mrs H Ellis or JP Rossouw at (044) 801 9079 or (044) 801 9372 or hellis@george.gov.za or jrossouw@george.gov.za

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).

D ADONIS
ACTING MUNICIPAL MANAGER
GEORGE MUNICIPALITY
GEORGE
6530

INVITATION TO BID
YOU ARE HEREBY INVITED TO BID FOR APPOINTMENT OF

BID NUMBER: MM014/2024

CLOSING DATE: 15 OCTOBER 2024

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: MM014/2024- THE APPOINTMENT OF A CO-SOURCED
INTERNAL AUDIT SERVICE PROVIDER, FOR A PERIOD OF THREE YEARS,
FROM DATE OF APPOINTMENT**

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			
6			

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: MM014/2024
THE APPOINTMENT OF A CO-SOURCED INTERNAL AUDIT SERVICE PROVIDER, FOR A PERIOD OF THREE YEARS, FROM DATE OF APPOINTMENT

(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

THE PROVISION OF A SERVICE PROVIDER FOR CO-SOURCED INTERNAL AUDIT SERVICES FOR GEORGE MUNICIPALITY FOR A PERIOD OF THREE YEARS

1. SPECIFICATIONS

1.1. PROPOSAL REQUEST

- 1.1.1. George Municipality hereby invites written proposals from suitably qualified institutions to provide co-sourced internal audit services.
- 1.1.2. The service provider will assist the internal audit function, and the Accounting Officer in the effective discharge of their objectives, duties and responsibilities by bringing in a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes, as well as to transfer skills in the process.

1.2. INTRODUCTION AND BACKGROUND

- 1.2.1. The George Municipality is the second largest municipality, in terms of population, in the Western Cape Province of South Africa and is situated in the Garden Route District of the province. The municipality serves 294,929 people from 85 931 households (Statistics SA 2023) across 28 wards including the coastal areas of Herold's Bay, Victoria Bay, Wilderness, Kleinkrantz and Gwaing as well as the rural areas of Herold, Waboomskraal, Uniondale and Haarlem.
- 1.2.2. The internal audit function was established under Section 165 (1) of the Municipal Finance Management Act (MFMA) of 2003.
- 1.2.3. The internal audit function is currently capacitated by a Chief Audit Executive (CAE), Manager: Internal Audit, Senior Internal Auditor, Internal Auditor and Interns. The internal audit function includes interns and students from time to time, which may be utilized by the service provider, resulting in integrated project teams, on-the-job training and skills transfer.
- 1.2.4. In assisting the George Municipality to achieving its mandate the Internal Audit function seeks to appoint a service provider which will enable it to capacitate and have a diverse team to provide assurance and advisory services in specialist areas and where management or the Audit Committee would require it.
- 1.2.5. The Internal Audit function has its own methodology which the service provider must implement. The Internal Audit function underwent an Independent Quality Assessment Review and was found to "Generally Conform" with both:
 - Conformance with the standards of the International Professional Practices Framework (IPPF).
 - Conformance with mandatory elements of the IPPF (mission, core principles, standards and Code of Ethics).
- 1.2.6. George Municipality works with various software including inter alia SAMRAS, Collaborator and Ignite. Service providers will be provided relevant access rights to the systems so that they can obtain required information and perform their services efficiently, effectively and economically.

1.3. ONLINE BRIEFING SESSION

A **compulsory** online briefing meeting will take place at 14h00 on Thursday, 26 September 2024 via Microsoft TEAMS.

- 1.3.1. Attendance at the Tender Briefing meeting is compulsory.
- 1.3.2. Interested tenderers are to register per e-mail with Ms Siyakholwa Gunuza at segunuza@george.gov.za by 10:00 on Friday 20 September 2024 in order to receive an invitation.
- 1.3.3. If tenderers do not register for attendance before 10:00 on Friday 20 September 2024, then the tenderer will not be able to attend the briefing. George Municipality will allow late requests to register. **Failure to attend the compulsory Tender Briefing Meeting will invalidate your tender.**
- 1.3.4. Bidders are requested to submit their queries and questions before 10:00 on Friday, 4 October 2024 to Ms Heybré Ellis at hellis@george.gov.za.
- 1.3.5. The minutes of the briefing meeting and all questions and answers will be forwarded to all potential bidders and will be published on our website at www.george.gov.za.
- 1.3.6. George Municipality prefers that senior company staff members or contract managers attend the online briefing meeting as the scope of works, pricing schedule and other the tender specifications will be discussed in detail along with the execution phase expectations and possible amendments. It remains the bidder's responsibility to familiarise themselves with and fully understand the tender specifications to be able to submit a responsive tender.
- 1.3.7. The George Municipality may at its discretion extend the deadline for the submission of bids.
- 1.3.8. The George Municipality is not bound to accept any of the proposals submitted.

2. TERMS OF REFERENCE

2.1. OBJECTIVES

2.1.1. In terms of Section 165 (1) of the Municipal Finance Management Act (MFMA) of 2003 each municipality must have an Internal Audit Unit. Section 165 (2) of the Act, gives guidance on what is expected of the internal audit unit with regard to responsibility, functions and reporting requirements and states that:

“(1) Each municipality and each municipal entity must have an internal audit unit,

(2) The internal audit unit of a municipality or municipal entity must-

(a) Prepare a risk-based audit plan and an internal audit program for each financial year.

(b) Advise the accounting officer and report to the audit committee on the implication of the internal audit plan and matters relating to-

(i) internal control;

(ii) internal audit;

(iii) accounting procedures and practices;

(iv) risk and risk management;

(v) performance management;

(vi) loss control;

(vii) compliance with this Act, the Division of Revenue Act and any other applicable legislation; and

(c) Perform such other duties as may be assigned to it by the accounting officer”

2.1.2. The George Municipality will appoint a service provider to provide internal audit services and assist the internal audit function, and the Accounting Officer, in the effective discharge of their objectives, duties and responsibilities by bringing in a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes, as well as to transfer skills in the process. The service provider will provide the required capacity and diversity to the internal audit function. The service provider will provide assurance, advisory and specialist services where management or the Audit Committee would require it.

2.1.3. The internal audit function is currently capacitated by a Chief Audit Executive (CAE), Manager: Internal Audit, Senior Internal Auditor, and an Internal Auditor. The internal audit function includes inter alia, inhouse temporary appointments, interns and students from time to time. All inhouse resources within the Internal Audit Department may be utilized by the service provider, resulting in integrated project teams, on-the-job training and skills transfer, i.e. co-sourced Internal Audit function.

2.1.4. The Internal Audit Department reporting structure complies with legislation, regulations and relevant internal audit standards. In terms of the MFMA Internal Audit reports to the Accounting Officer.

2.1.5. Purpose and Mission of the Internal Audit function includes inter alia:

2.1.5.1. The purpose of the internal audit function is to strengthen George Municipality's ability to create, protect and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

2.1.5.2. The internal audit function enhances George Municipality's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.

- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

2.1.5.3. George Municipality's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

2.2. SCOPE OF WORK

2.2.1. This tender will be for a period of three (3) years.

2.2.2. The tender will commence upon the signing date of the Service Level Agreement (SLA) between George Municipality and the successful bidder / service provider. The SLA must be finalised within two (2) months from appointment of the successful bidder / service provider.

2.2.3. The service provider will assist the internal audit function in the effective discharge of its objectives, roles, responsibilities and functions including, inter alia:

2.2.3.1. The services must be performed on a co-sourced basis.

2.2.3.2. Prepare a risk-based internal audit plan (rolling three-year plan) and internal audit program for approval by the Audit Committee noting the following:

- (1) Consultation with relevant stakeholders must take place during this process.
- (2) The plan must indicate the proposed scope, cost and timelines of each audit in the annual internal audit plan.
- (3) The internal audit plan should be based on the risk assessment as well as on issues highlighted by the Audit Committee, the CAE, the Accounting Officer and other stakeholders including inter alia, the CRO and senior management.

2.2.3.3. Compile an annual risk assessment and perform ongoing risk management activities. The internal audit function should assist management in monitoring, evaluating and assessing significant departmental risks, and by providing assurance as to the effectiveness of related internal controls.

2.2.3.4. Perform internal audit related functions, roles, responsibilities and reporting requirements in line with the Internal Audit Charter, relevant legislation, regulations, municipal policies and internal audit-related standards and leading practice.

2.2.3.5. Audit reports directed to the Audit Committee detailing its performance against the plan to allow effective monitoring and intervention, when necessary.

2.2.3.6. Annually, or more often when required, submit to the CAE evidence of the professional memberships of the firm, engagement partners and engagement staff. These will be submitted to the Auditor-General during their external audit of George Municipality.

2.2.3.7. Annually, or more often when required, submit to the CAE the updated Curriculum Vitae of all engagement partners and engagement staff. These will be submitted to the Auditor-General during their external audit of George Municipality.

2.2.3.8. Secretariat services relating to the internal audit function, when required, on a capacity development basis, which is capacitating internal municipal resources.

2.2.3.9. Monitor and evaluate performance of team members on audit projects.

- 2.2.3.10. Perform business process analysis and suggest best practices for improvement of the Internal Audit Activity.
- 2.2.3.11. Comply and stay up-to-date with standards, codes of conduct and ethics that are promulgated from time to time by the relevant professional bodies.
- 2.2.3.12. Implementation of the Quality Assurance Improvement Plan.
- 2.2.3.13. Implementation of the recommendations from the External Quality Assurance Review.
- 2.2.3.14. Provide internal audit services including assurance services and consulting/advisory services, considering inter alia:
 - (1) Services which add-value and improve George Municipality's operations.
 - (2) To achieve objectives of internal audit function.
 - (3) The Internal Audit service provider will have no limitations on its access to information nor personnel within George Municipality.
 - (4) Perform as per assignment and under the management of the Internal Audit function.
 - (5) Perform in accordance with the International Standards for the Professional Practice of Internal Auditing and the Internal Audit's In-house Methodology.
 - (6) Perform quality assurance reviews for the projects. The service provider must ensure quality review processes are in place and that quality reviews are executed.
 - (7) Utilize Computer Assisted Auditing Techniques (CAATs).
 - (8) Utilize Data Analytics.
- 2.2.3.15. Fraud and irregularities: In planning and conducting its work, the Internal Audit service provider should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the CAE, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities are uncovered.
- 2.2.3.16. Implementation of Combined Assurance (i.e. co-ordinate with other internal and external assurance providers to ensure proper coverage and minimal duplication of effort).
- 2.2.3.17. Attend planned meetings with the CAE or his/her delegate and relevant managers when required.
- 2.2.3.18. Write and present audit reports, presentations or other related deliverables to the management which was subjected to audit through the office of the CAE.
- 2.2.3.19. Skills transfer to municipal officials.
- 2.2.3.20. Incorporate in-house internal audit resources in project teams (integrated teams).
- 2.2.3.21. Mentorship to in-house internal audit resources.
- 2.2.3.22. Internal Audit services required, which includes assurance and advisory services, and specialist services such as:
 - (1) Control self-assessments.
 - (2) Business continuity related.
 - (3) Occupational Health and Safety related.
 - (4) Protection of Personal Information Act (POPIA) related.
 - (5) Information Technology, IT security, Cyber security, ICT governance related, etc.
 - (6) Special assignments and investigations on behalf of the Audit committee, Executive Authority / Accounting Officer into any matter or activity required.
 - (7) Audits designed to detect fraud.

- (8) Fraud assessments.
- (9) All statutory and risk based audits.
- (10) Financial related.
- (11) Performance related.
- (12) Risk Management related.
- (13) Corporate Governance systems including governance structures.
- (14) Ad-hoc requests.
- (15) Forensic investigations.
- (16) Civil engineering related / Technical audits (i.e. infrastructure quality related audits).
- (17) Municipality-related master plans reviews.

2.3. DELIVERABLES

2.3.1. The expected deliverables include *inter alia*:

2.3.1.1. Annual independence declarations.

2.3.1.2. Perform / execute audits:

- (1) As per the approved Internal Audit Plan to provide assurance on risk management, control and governance processes.
- (2) According to the Standards for the Professional Practice of Internal Auditors, which include audit planning (and an approved Audit Planning Memorandum), audit execution, reporting and monitoring and follow-up.
- (3) According to the in-house methodology.
- (4) As per ad hoc requests from the CAE.

2.3.1.3. Perform quality assurance on all the projects allocated to the team.

2.3.1.4. The Internal Audit service provider must consult and engage effectively and efficiently with the Accounting Officer, Chief Audit Executive and management.

2.3.1.5. Provide quality internal audit reports that are clear, concise and accurate together with practical and value-adding recommendations that will add value to the municipality.

2.3.1.6. All proposed reviews / projects completed and signed-off within the prescribed time as per the Audit Planning Memorandum, any variations on budget to actual time spent must be explained and payment thereof are subject to approval by the CAE.

2.3.1.7. A complete audit file including working papers for each project (manual and soft copy) must be submitted to the CAE. Audit file to be submitted within 5 working days of the issue of the audit report. (All project documentation is the property of the George Municipality).

2.3.1.8. Workshops and / or presentations with relevant stakeholders (including the Audit Committee, Accounting Officer and officials) may be required in order to present internal audit findings, reports, etc.

2.3.1.9. Provide structured training and skill-transfers during the process, to in-house internal audit resources, as well as municipal officials.

2.3.1.10. Facilitate internal audit awareness within the George Municipality.

2.3.1.11. Report monthly, or more often when required, to the Accounting Officer, assisting the Accounting Officer in achieving the objectives of the George Municipality by evaluating and

developing recommendations for the enhancement or improvement of the processes through which:

- objectives and values are established and communicated;
- the accomplishment of objectives is monitored;
- accountability is ensured; and
- corporate values are preserved.

2.3.1.12. Report monthly, or more often when required, to the Chief Audit Executive detailing amongst others, the progress of work, budget vs actual, challenges experienced, concerns which must be escalated, additional risks identified, fraud, unethical conduct, staff conflicts, scope concerns, budgetary concerns, etc.

2.3.1.13. Report monthly, or more often when required, to the Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.

2.3.1.14. Achievement of Key Performance Indicators relating to the Internal Audit function.

2.3.1.15. Implementation of Quality Assurance Review recommendations, in order to improve the internal audit maturity within George Municipality.

2.3.1.16. Compliance with the MFMA, the Division of Revenue Act (DORA) and any other applicable legislation. An effective internal audit function should in all respects comply with the provisions of the MFMA, adhere to the principles of good corporate governance and relevant statutory requirements as stipulated in the King Report on Corporate Governance for South Africa, 2016 (King IV), the Standards for Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors (IIA) as well as the National Treasury MFMA Circular 65/2012 which *inter alia* provides:

- Assurance that the management processes are adequate to identify and monitor significant risks;
- Confirmation of the effective operation of the established internal systems;
- Credible processes for feedback on risk management and assurance; and
- Objective confirmation that the Council receives the right quality of assurance and information from management and that this information is reliable.

2.3.1.17. Required reporting as detailed above will be considered with monthly service provider performance evaluation and failure to do so will have an impact on service provider's performance evaluation.

3. INDEPENDENCE AND OBJECTIVITY OF STAFF

3.1. The service provider must ensure that their staff maintain objectivity by remaining independent of the activities they audit and should have no executive or managerial powers, functions or duties.

4. PERFORMANCE MANAGEMENT / PERFORMANCE MEASUREMENT & REPORTING

4.1. It is accepted that a co-sourced arrangement between parties, each having its own culture, can be regarded as a risk in itself and therefore necessitates strict and structured governance processes. The following are the governance arrangements that will be put in place to ensure contract management and actual achievement of value-for-money service delivery. ***Inadequate performance will be addressed in line with the SLA and Supply Chain Management Policy.***

4.2. Service Level Agreement:

4.2.1. The service provided will be governed by a Business Agreement – Service Level Agreement (SLA).

4.2.2. The main objective of the SLA is to plot the deliverables for the tender period, to provide for the financial management arrangements, to ensure continuous quality assurance processes and other contractual arrangements. In terms of this Agreement, the Accounting Officer is assured of the services to be rendered and makes provision for monthly project meetings with the CAE and a copy of the minutes of such meeting as well as a monthly progress report will be provided to the Accounting Officer.

4.3. Ad-hoc assignments:

4.3.1. Specific arrangements will be agreed with the Accounting Officer in managing the eventuality where the Municipality requires ad-hoc consultancy services from the service provider, to prevent any possible conflict of interest.

4.4. Interaction with other role players:

4.4.1. The CAE will on a monthly basis provide feedback on progress to the Accounting Officer.

4.4.2. Ad-hoc meetings will be held with the Office of the Auditor-General to discuss issues and points of common interest and focus. The rationale for these meetings is to prevent a duplication of effort and to align audit focus. These meetings will be facilitated by the CAE.

4.5. Audit Committees:

4.5.1. The CAE attends all meetings of the Audit Committees.

4.5.2. The CAE will direct representation from the service provider, when required.

4.6. Quality Assurance:

4.6.1. In order to ensure continuous evaluation and assessment of the quality of services rendered, the Auditor-General must put at least moderate reliance on the work performed.

4.6.2. The service provider must comply with all relevant legislation, regulations and relevant quality assurance standards.

4.7. Records Management:

4.7.1. All relevant records and documentation relating to the internal audit function are the property of George Municipality (softcopy and hardcopy documentation).

4.7.2. All internal audit project files (including all project-related documentation, reports, working papers and supporting documentation) are the property of the George Municipality (softcopy and hardcopy documentation).

4.7.3. All internal audit records, documentation and project files must be stored in line with the instructions of the CAE.

4.7.4. The service provider must comply with the Protection of Personal Information Act (POPIA).

4.8. Reporting format:

4.8.1. The service provider must submit, to the CAE, electronic copies of all reports for record-keeping purposes.

4.9. Key Performance Indicators:

4.9.1. Performance metrics may be used to communicate the effectiveness of internal audit activities and alignment with municipal objectives to the Audit Committee and senior management. Key performance indicators (KPIs) are quantifiable measurements that demonstrate the effectiveness of the service provider in achieving key goals. Clearly defining goals and

tracking meaningful KPIs provides valuable evidence to show that internal audit's activities are supporting the municipality's strategic objectives.

4.9.2. Annually, key performance indicators (KPIs) may be set by the CAE (with input from relevant stakeholders) with consultation of and agreed by the successful bidder, including inter alia, details regarding expectations, key activities, portfolio of evidence (POEs), targets, deadlines, etc.

4.9.3. Monthly performance evaluations will be performed during the term of the tender period.

4.10. **Payment Schedule:**

4.10.1. The deliverables and related payments will be approved by the CAE and Accounting Officer (when required).

4.10.2. A **supporting document (Payment Schedule) must be submitted with each invoice** and must be structured in such a manner to facilitate efficient reconciliations as guided by the CAE. Detailed information must include, inter alia:

-) Projects and / or activities performed during the period.
-) For each project and / or activity: the name of resources; job title of resources; hourly rates; number of hours per resource per stage of the audit cycle (for the month); total hours per resource (aggregate for the full period); total cost per resource (for the month); total cost per resource (aggregate for the full period); total cost per project (for the month); total cost per project (aggregate for the full period).
-) Total fee for the month which agrees to the monthly invoice.

5. FUNCTIONAL EVALUATION CRITERIA AND WEIGHTS

- 5.1. Bidders must submit proposals that consist of the sections highlighted below.
- 5.2. Bidders are requested to peruse these requirements carefully to avoid submitting extraneous material.
- 5.3. Bidders must clearly indicate the references and page numbers of attachments as supporting evidence for the assessment of each functionality criteria.

5. FUNCTIONAL EVALUATION						
Criteria and sub-criteria	Guidelines: Supporting details and evidence for evaluation purposes	Scoring criteria	Maximum points	Reference and page no. to evidence in bid document	BEC Award	
1	Content, approach and methodology	<p>The bidder must outline the methodology and technical approach which addresses the Terms of Reference.</p> <p>The bidder must include a description of the ways in which they will bring innovation through leadership and best practice in internal audit.</p>	<ul style="list-style-type: none"> • No content, methodology, no technical approach = 0 points • The content, approach and methodology are standard and address the scope of work/deliverables = 4 points • The content, approach and methodology are comprehensive and fully addresses the Terms of Reference= 7 points 	7 points		
2	<p>Bidder's experience (number of years' experience and number of clients) in:</p> <ul style="list-style-type: none"> ✓ Internal audit services (co-sourced internal audit services and / or fully outsourced internal audit services) in the public sector (including municipalities) ✓ IT related services ✓ Fraud related services <p>To determine that the bidder has an established track record of similar projects.</p> <p>To determine how the bidder performed (i.e. was the previous client satisfied with the services performed by the bidder).</p>	<p>To obtain points the bidder must submit signed reference letters for work performed during the past 10 years. (Refer to the mandatory Reference Template in Section 7)</p>	<p>a) Internal Audit experience (years) in the public sector (including municipalities) (Highest score: 15 points)</p> <ul style="list-style-type: none"> • Less than 3 years' experience = 0 points • 3 years = 1 point • 4 years = 2 points • 5 years = 3 points • 6 years = 4 points • 7 years = 5 points • 8 years = 6 points • 9 years = 7 points • 10 years = 8 points • 11 years = 9 points • 12 years = 10 points • 13 years = 11 points • 14 years = 12 points • 15 years and above = 15 points <p>b) Number of contactable references for conducting Internal Audit services in the Public Sector (including municipalities): (Highest score: 12 points)</p> <ul style="list-style-type: none"> • 1 client to 3 clients = 0 points • 4 clients = 6 points • 5 clients = 10 points • 5+ clients = 12 points <p>c) At least one contactable reference for conducting Internal Audit services in the Public Sector (including municipalities). Points based on the client's ANNUAL expenditure budgets (i.e. establish track record of similar projects): (Highest score: 3 points)</p>	38 points		

5. FUNCTIONAL EVALUATION					
Criteria and sub-criteria	Guidelines: Supporting details and evidence for evaluation purposes	Scoring criteria	Maximum points	Reference and page no. to evidence in bid document	BEC Award
		<ul style="list-style-type: none"> Client had an annual expenditure exceeding R300 million = 1 point Client had an annual expenditure budget between R300 million but less than R1 billion = 2 points Client had an annual expenditure budget over R1 billion = 3 points <p>d) Number of contactable references for conducting ICT related audits in the Public Sector (including municipalities) (Highest score: 4 points)</p> <ul style="list-style-type: none"> 1 client to 3 clients = 0 points 4 clients = 2 points 5 clients = 3 points 5+ clients = 4 points <p>e) Number of contactable references for conducting Forensic / Fraud related audits in the Public Sector (including municipalities): (Highest score: 4 points)</p> <ul style="list-style-type: none"> 1 client to 3 clients = 0 points 4 clients = 2 points 5 clients = 3 points 5+ clients = 4 points 			
3 Qualifications and experience of team members To determine the qualification and experience of key personnel / team members who will be assigned to the projects.	<p>(1) To obtain points: The bidder must submit:</p> <ol style="list-style-type: none"> CVs; AND Certified copies of qualifications must be attached; AND Certified copies of professional memberships must be attached. <p>(2) Note: A Director / Partner/Expert should be highly qualified experts, possessing relevant post-graduate qualifications and assuming having assumed high level and strategic responsibilities in their area of specialisation. They must have at least 6 years of experience in their area of specialisation and are members, in good standing, of their relevant professional body.</p> <p>(3) The project leader is considered to be one person, who must possess the criteria.</p>	<p>The project leader (Director / Partner assigned to the project must meet the following criteria:</p> <ul style="list-style-type: none"> Chartered Accountant (CA(SA)) or Certified Internal Auditor (CIA) with 6 years or more of experience in Internal Auditing = 5 points. Chartered Accountant (CA(SA)) and Certified Internal Auditor (CIA) with over 6 years of experience in Internal Auditing = 8 points. Chartered Accountant (CA(SA)) or Certified Internal Auditor (CIA) with over 10 years of experience in Internal Auditing = 12 points. Chartered Accountant (CA(SA)) and Certified Internal Auditor (CIA) with over 10 years of experience in Internal Auditing = 18 points. 	18 points		
4 Qualifications and experience of team members To determine the qualification and experience of key personnel / team members who will be assigned to the	<p>(1) To obtain points: The bidder must submit:</p> <ol style="list-style-type: none"> CVs; AND Certified copies of qualifications must be attached; AND Certified copies of professional memberships must be attached. 	<p>Relevant qualifications and experience of the “Management” for the project (Highest score: 15 points)</p> <p><u>“Management” staff with over 5 years’ of experience in internal auditing and have qualifications in:</u></p>	15 points		

5. FUNCTIONAL EVALUATION					
Criteria and sub-criteria	Guidelines: Supporting details and evidence for evaluation purposes	Scoring criteria	Maximum points	Reference and page no. to evidence in bid document	BEC Award
projects.	<p>(2) "Management" are qualified experts, possessing relevant university qualifications and a solid knowledge of their area of expertise. They must have at least 5 years' professional experience, including experience of managing multiple audit projects and teams. Experience in performing supervisory and leading audit engagements.</p> <p>(3) For the purpose of functionality, the criteria will be applied to the "management level" as a whole.</p> <p>(4) For the purpose of functionality this includes all qualified auditors with over 5 years' of Internal Audit experience listed in Section 9.3.2:</p> <ul style="list-style-type: none"> • Senior Manager - Qualified Auditor with at least 10 years' experience • Manager - Qualified Auditor with at least 8 years' experience • Assistant Manager - Qualified Auditor with at least 5 years' experience. <p>The Service Provider must indicate which Management members CV to be assessed, if no indication is made the Municipality will assess the most senior Manager.</p> <p>(Note: the Director/Partner cannot be specified as a "Manager" in this scoring)</p>	<ul style="list-style-type: none"> • Bachelor of Commerce or equivalent = 5 points • Bachelor of Commerce Honours or equivalent = 8 points • Certified Internal Auditor (CIA) or Chartered Accountant (CA) = 10 points • Chartered Accountant (CA(SA)) and (CIA) = 15 points 			
<p>6 Bidder's capacity and experience in internal audit services relating to specialised skills, expertise and value-added services</p> <p>To demonstrate the core team's collective skills, experience, capacity and availability of internal audit services (assurance and advisory) relating to specialist skills and expertise.</p> <p>Specialised skills, expertise and value-added services in the field of internal audit, with an emphasis on leading practice methodology, tools and technology used including:</p> <p>(1) Forensic audit skills and tools. (2) Cyber forensics / ICT forensic audit skills and tools. (3) Computer audit skills and tools (including CAATs). (4) Information system</p>	<p>For specialist and expert resources available and applicable to the bidder:</p> <p>(1) To obtain points: For each member of the core team and other key specialised resources available the following must be submitted:</p> <ol style="list-style-type: none"> i. CVs; AND ii. iii. Certified copies of qualifications; AND iv. Certified copies of professional memberships. <p>(2) Bidder must detail an overall list of and description of the bidder's specific capabilities, capacity, experience, expertise and specialised skills.</p> <p>(3) Details for each member of the core team and other key specialised resources available:</p> <ol style="list-style-type: none"> i. Names (where available) ii. Job titles iii. Qualifications iv. Professional memberships v. Number of years' experience in each specialist field, e.g. <ol style="list-style-type: none"> a. Forensic audit skills and tools. b. Cyber forensic / ICT forensic audit skills and tools. c. Computer audit skills and tools (including CAATs). 	<p>(a) Bidder's specialist skills and expertise (Highest score: Total of 8 points)</p> <p>One point is allocated to each field (maximum of 8 points):</p> <ul style="list-style-type: none"> • Computer audit skills and tools (including CAATs) = 1 point • Data analytical skills and tools = 1 point • Civil engineering related projects / technical specialists (e.g. infrastructure) = 1 point • Business continuity management = 1 point • Protection of Personal Information (POPIA) = 1 point • External Quality Assessment Review (QAR) = 1 point • Quality Assurance Improvement Plan (QAIP) = 1 point • Enterprise Risk Management (ERM) = 1 point • Certification in Control Self-Assessment (CCSA) = 1 point • Certified Government Auditing Professional (CGAP) = 1 point • Certification in Risk Management Assurance (CRMA) <p>(b) Qualifications of proposed team members to render information systems including ICT, ICT governance and cyber security related audit skills and tools – specialist must have at least 3 years' experience AND: (Maximum: 5 points)</p> <ul style="list-style-type: none"> • Certified Information System Auditor (CISA)= 1 point 	18 points		

5. FUNCTIONAL EVALUATION					
Criteria and sub-criteria	Guidelines: Supporting details and evidence for evaluation purposes	Scoring criteria	Maximum points	Reference and page no. to evidence in bid document	BEC Award
<p>including ICT, ICT governance, network security and cyber security-related audit skills and tools.</p> <p>(5) Data analytical skills and tools.</p> <p>(6) Civil engineering related projects / technical specialists (e.g. infrastructure).</p> <p>(7) Business continuity management.</p> <p>(8) Protection of Personal Information (POPIA).</p>	<p>d. Information system including ICT, ICT governance, network security and cyber security-related audit skills and tools.</p> <p>e. Data analytical skills and tools.</p> <p>f. Civil engineering related projects / technical specialists (e.g. infrastructure).</p> <p>g. Business continuity management.</p> <p>h. Protection of Personal Information (POPIA).</p>	<ul style="list-style-type: none"> • Certified Information Security Manager (CISM) = 1 points • Certified Governance of Enterprise IT (CGEIT) = 1 point • Certified Information Systems Security Professional = 1 point • Certified Ethical Hacker (CEH) = 1 point <p>(c) Qualifications of proposed team members to render fraud related audit skills and tools – specialist must have at least 3 years' experience AND: (Highest score: 5 points)</p> <ul style="list-style-type: none"> • Qualified Certified Fraud Examiner (ACFE) (or equivalent) = 3 points • Qualified fraud examiner with skills in IT/Cyber related fraud experience = 5 points 			
<p>7 Skills and performance enhancement strategy for human resources of the bidder and in-house staff</p> <p>The bidder's approach on maintaining professional competencies and training within their staff.</p> <p>The bidder's approach for skills and performance enhancement and capacity building, through the transfer skills to in-house internal audit resources as well as other municipal officials.</p>	<p>Detailed strategy must include consideration of, inter alia:</p> <p>(1) Performance development plans for the bidder's human resources for skills enhancement.</p> <p>(2) Training programme for the bidder's internal audit and other specialist resources.</p> <p>(3) Skills transfer plan to in-house internal audit resources in areas where the George Municipality's team may have deficiencies, as well as other municipal officials.</p> <p>(4) On-the-job training to in-house internal audit resources.</p> <p>(5) Performance evaluations and skills gap analyses of in-house internal audit resources.</p>	<ul style="list-style-type: none"> • No commitment to skills and performance enhancement (i.e. no detailed skills and performance enhancement strategy provided) = 0 points • The skills and performance enhancement strategy for human resources of the bidder and in-house staff is detailed but does not include all five (5) points listed. = 2 points • The skills and performance enhancement strategy for human resources of the bidder and in-house staff is comprehensive and includes all five (5) points listed. = 4 points 	4 points		
TOTAL			100		

Bids are rated in respect of each criterion on a scale of, for example, 1 to 5 (i.e. 1 = Poor; 2 = Acceptable; 3 = Good; 4 = Very good; 5 = Excellent). The maximum possible score that can be achieved for functionality is 100%.

6. REFERENCE LETTER TEMPLATE (this must be completed by the References listed in the above tables)

Should bidder not make use of the template provided, the substitute template must contain all the information as required. If the substitute letter does not contain the required information, the bidder will not be considered.

(REFERENCE TO BE PRINTED ON LETTERHEAD OF REFEREES)

Attn: Municipal Manager

Date:

To Whom it May Concern

GEORGE MUNICIPALITY TENDER REFERENCE NO: MM014 OF 2024 – TENDER FOR PROVISION OF CO-SOURCED INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE YEARS

I hereby confirm that:

- We are in the public sector (including municipalities). Specify: _____
- Our Municipality's annual expenditure budget during the period was approx. R_____
- The work performed by the tenderer included _____

- Internal Audit services provided were:

	Yes	No
Co-sourced internal audit function		
Fully outsourced internal audit function		

- The work was completed to our satisfaction and successfully implemented at our Municipality.
- The work was delivered efficiently, effectively and economically, including consideration of meeting budgets and deadlines.
- The estimated value of the contract with the Tenderer was R_____
- The Tenderer performed the specified work for our Municipality from [MM/YYYY] TO [MM/YYYY].

Note to referee: If any other work was done, please explain the relationship with your company below:

Yours faithfully

NAME AND SURNAME AND SIGNATURE

POSITION

CONTACT NUMBER

7. SPECIAL CONDITIONS (NOTE: non-compliance will render a tender proposal non-responsive)

No	Condition of tender	Comply – Yes/No	Bid document reference number and page number
1.	<p>It will be required from all successful bidders to register on the Central Supplier Database (CSD).</p> <p><u>Required:</u> ✓ Evidence of CSD registration.</p>		
2.	<p>A detailed list of qualifications as per the requirements stipulated in Section 5 of the Tender Specifications, must be submitted with the offer.</p> <p><u>Required:</u> For each member of the internal audit core team AND specialist areas a list of qualifications. ✓ CVs must be attached to support the list. ✓ Certified copies of qualifications must be attached.</p>		
3.	<p>Proof of professional memberships as per the requirements stipulated in Section 5 of the Tender Specifications must be submitted with the offer.</p> <p>The bidder must submit evidence of the professional membership registration with the IIASA (letter of good standing) and they must be in “good standing” for the following: (1) The company / firm / entity AND (2) The Directors / Partners</p> <p><u>Required:</u> For each member of the internal audit core team AND specialist areas ✓ Certified copies of professional memberships</p>		
4.	<p>Minimum information required in Curriculum Vitae (CVs):</p> <p><u>Required:</u> For each member of the internal audit core team AND specialist areas ✓ Name ✓ Current job title ✓ Qualifications ✓ Professional memberships ✓ Summary of relevant experience and skills ✓ Total number of years’ experience ✓ Contactable references</p>		
5.	<p>A detailed list of contactable references of similar projects undertaken by the bidder, as per the requirements stipulated in Section 5 of the Tender Specifications in Functionality Assessment must be submitted with the offer.</p> <p>The reference provided must make use of the REFERENCE LETTER TEMPLATE provided in Section 6 of the Tender Specifications.</p>		
6.	<p>The Service Provider must establish an operational office in the George Municipal area within 1 (one) month from date of appointment, if successful.</p>		

No	Condition of tender	Comply - Yes/No	Bid document reference number and page number
	<u>Required:</u> ✓ Letter of commitment.		
7.	The Service Provider must provide a letter of commitment that the bidder will make use of an Internal Audit “intern/s” or “student/s” . <u>Required:</u> ✓ Letter of commitment.		
8.	The Software the bidder utilises must be compatible to the IT systems utilised by the Municipality. (Noted: George Municipality utilises, amongst others: Microsoft Office 365, Chrome, SAMRAS, Collaborator, Ignite.) Required: <u>Required:</u> ✓ Detailed list of software utilised by the bidder.		
9.	All project files (including working papers), documentation and reports prepared during the period will be the property of the George Municipality . Project files (including working papers) to be submitted to the Project Manager WITHIN 5 WORKING DAYS AFTER THE ISSUE OF EACH INTERNAL AUDIT REPORT . Non-submission will be regarded as non-compliance with the conditions of tender. <u>Required:</u> ✓ Declaration of understanding.		
CONDITIONS APPLICABLE AFTER CLOSING OF TENDER BUT BEFORE A SELECTED SERVICE PROVIDER IS ANNOUNCED			
10.	Any additional information upon request must be submitted in writing within 48 hours of receipt. <u>Required:</u> ✓ Letter of commitment.		
11.	Service providers may be expected to make presentations, if required to do so by the evaluation committee. Such presentation is at the SOLE DISCRETION of the Municipality and will purely serve for information purposes. No scoring will be attached to such presentations. <u>Required:</u> ✓ Letter of commitment.		

8. ADJUDICATION OF PROPOSAL AND FURTHER PROCEDURE

- 8.1. Proposals will be adjudicated in accordance with the relevant prescripts of the Municipal Finance Management Act, 2003, the SCM Treasury Regulations, the PPPFA and its Regulations as well as the Municipal Supply Chain Management Policy, and PPPFA Policy.
- 8.2. A proposal that does not score at least 70% during functionality scoring will not be further considered.
- 8.3. The tender will be adjudicated in the following five phases:
 A - Compliance with conditions, special conditions and legitimacy.
 B - Functional scoring/evaluation.
 C - Allocation of points for preferences and price.
 D - Consideration of latent and other additional objective factors that may influence the award of the tender.
 E - Presentations by selected bidders (optional).
- 8.4. In relation to responsive tenders, which progressed to Phase D, the following breakdown and weighting will apply:

	BREAKDOWN	WEIGHT
(i)	Price	80%
(ii)	Preference points claimed	20 %
	TOTAL	100 %

- 8.5. Objections, complaints and appeals
- 8.5.1 These are addressed in terms of the Supply Chain Management Policy.
- 8.5.2 Persons aggrieved by decisions or actions taken in the implementation of the Supply Chain Management Policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.
- 8.5.3 Persons who wish to lodge an appeal against the decision taken, may do so in terms of Section 62 of the Local Government: Municipal Systems Act, Act 32 of 2000 which determines that a person whose rights are affected by a decision taken by a political structure, political office bearer, councillor or staff member of a municipality in terms of a power or duty delegated or sub-delegated by a delegating authority to the political structure, political office bearer, councillor or staff member, may appeal against that decision by giving written notice of the appeal and reasons to the accounting officer within 21 days of the date of the notification of the decision.
- 8.6. Resolution of disputes, objections, complaints and queries are addressed in terms of the Supply Chain Management Policy.
- 8.7. Final award.
- 8.8. Negotiation and conclusion of Business Agreement.
- 8.9. Execution and Management of the concluded contract.

9. FEES, PAYMENT TERMS AND PRICING SCHEDULES

- 9.1. The Parties will agree on the contents and format of the budgets, where after the service provider will provide the CAE with a detailed budget per assignment (in line with the scope and methodology) prior to any work commencing.
- 9.2. Budgets for all ad-hoc assignments will be agreed in writing between the Parties prior to commencing with any work.
- 9.3. The rates must not exceed the rates as per Circular Guide on fees for audits and audit related services performed by Auditors in private practice on behalf of the Auditor-General of South Africa.
- 9.4. The rates must include VAT.
- 9.5. Fee charges will be calculated applying the fee rate and on the basis of an eight-hour day worked on weekdays, excluding public holidays.
- 9.6. No advance payments will be made for any reason whatsoever.
- 9.7. Travel time will not be chargeable as part of the above working hours.
- 9.8. Overtime will only be performed at the insistence of the CAE, and only after obtaining prior written approval.
- 9.9. Disbursements may only be incurred on request from the Municipality and as agreed with the CAE prior to incurring such and will be recovered at cost and will only include:
 - 9.9.1. Accommodation in three-star rated accommodations on a bed and breakfast basis;
 - 9.9.2. Air travel in economy class; and
 - 9.9.3. Road travel at rates not exceeding the Auditor-General rates.
- 9.10. Accounts shall be based on hours completed to invoice date and must be structured in such a manner to facilitate efficient reconciliations as guided by the CAE.
- 9.11. The Service Provider will issue a single monthly tax invoice to the CAE, such invoice also being supported by detailed breakdown of the charge per assignment, activity and staff level. This tax invoice will be based on actual time and expenses incurred during the billing period. Each assignment charged must be clearly linked to a project from Risk Based Internal Audit Plan (RBIAP). PLEASE NOTE: If an invoice is submitted for payment without the required detailed breakdown, no breakdown will be requested by the Municipality. Furthermore, such an invoice will not be paid until such time that a breakdown is presented by the Service Provider. Service Provider will also not be liable to charge interest on the non-payment.
- 9.12. A supporting document must be submitted with each invoice and must be structured in such a manner to facilitate efficient reconciliations as guided by the Chief Audit Executive. Detailed information must include, inter alia:
 - (1) Projects and / or activities performed during the period.
 - (2) For each project and / or activity: the name of resources; job title of resources; hourly rates; number of hours per resource (for the month); total hours per resource (aggregate for the full period); total cost per resource (for the month); total cost per resource (aggregate for the full period); total cost per project (for the month); total cost per project (aggregate for the full period).
 - (3) Total fee for the month which agrees to the monthly invoice.
 - (4) % of total actual hours incurred to date relative to the total budgeted hours of the Annual Internal Audit Plan.
- 9.13. The Service Provider's proposed invoicing schedule will be agreed during negotiations of the Business Agreement and these dates may be subject to change due to unforeseen

circumstances. **NOTE** that invoices will only be accepted if supported by an approved progress report.

- 9.14. It is recognised that it is difficult for a prospective bidder to be certain about the extent of the work based solely on the terms of reference. However, to assist with assessments, a gearing ratio was provided as guidance, and was expressed in percentages of the total person-hours billed. **This is only indicative and not binding on the bidder.**
- 9.15. The estimated number of hours will be used for evaluating the price as well as negotiating the hours with the successful bidder after award. The award of the tender and the signing of the Service Level Agreement is subject to agreement by the Municipality on the estimated number of hours as well as the mix of staff to be used during the audit process.
- 9.16. Although the tender will be adjudicated on the total cost as per the bid document pricing schedule, the appointment of the **successful tenderer will be made based on the hourly rates as per the completed bid.**
- 9.17. **PRICING SCHEDULES:** The bidder must complete all Pricing Schedules detailed in Section 10.

There are FOUR (4) main pricing schedules, being:

9.17.1.1. **Pricing Schedule 1: Total Expenditure For The Full Three-Year Tender Period**

- Refer to Section 10.2.
- Bidders are required to indicate a ceiling price for the full three-year tender period for completion of all activities and services and including all expenses inclusive of VAT for the project.
- Working on an estimated 18,000 hours in total (6,000 hours per annum) and based on the gearing ratios as stipulated in Pricing Schedule 2.
- The estimated hours per annum and gearing ratio are a guide for comparative purposes during the evaluation of bids.
- **Will be scored.**

9.17.1.2. **Pricing Schedule 2: Annual Expenditure For each year during the Three-Year Tender Period**

- Refer to Section 10.3.
- Hourly charge-out rates per staff level, per year of the tender.
- Mindful of the governance arrangements and proposed methodology, inclusive of annual escalation.
- The estimated hours per annum (6,000 hours) and gearing ratio are a guide for comparative purposes during the evaluation of bids.
- **Will not be scored but used for comparative and contract purposes.**
 - Pricing Schedule 2.1: Year 1 based on an estimated 6,000 hours based on the stipulated gearing ratio.
 - Pricing Schedule 2.2: Year 2 based on an estimated 6,000 hours based on the stipulated gearing ratio.
 - Pricing Schedule 2.3: Year 3 based on an estimated 6,000 hours based on the stipulated gearing ratio.

GEARING RATIO PER STAFF LEVEL (WITH DETAILED STAFF LEVEL DESCRIPTIONS)		
Staff Level	Guidelines for pricing purposes	Gearing ratio
Partner / Director	Chartered Accountant ((CA)SA) or Certified Internal Auditor (CIA) with at least 10 years' experience	15%
Senior Manager	Qualified Auditor with at least 10 years' experience	10%
Manager	Qualified Auditor with at least 8 years' experience	13%
Assistant	Qualified Auditor with at least 5 years' experience	12%

GEARING RATIO PER STAFF LEVEL (WITH DETAILED STAFF LEVEL DESCRIPTIONS)		
Manager		
Accountant 4	A Qualified auditor (completed articles / equivalent learnership) with less than 5 years' experience	14%
Accountant 3	A Clerk in his/her 3rd year of articles / equivalent learnership	10%
Accountant 2	A Clerk in his/her 2nd year of articles / equivalent learnership	10%
Accountant 1	A Clerk in his/her 1st year of articles / equivalent learnership	8%
Student	Student / Intern / equivalent	2%
Specialist	Specialist skills and expertise	4%
Support services	Assistant / administrative staff	2%
TOTAL		100%

9.17.1.3. **Pricing Schedule 3: Hourly Charge Out Rate Of Specialists For Ad Hoc Assignments And Specialist Audits, Inclusive Of Annual Escalation**

- *will not be scored, but used for comparative and contract purposes.*
- Refer to Section 10.4

9.17.1.4. **Pricing Schedule 4: Travel And Other Expenses**

- *will not be scored, but used for comparative and contract purposes.*
- Refer to Section 10.5

9.17.1.5. **Pricing Schedule 5: Availability and rates of all internal audit and specialist resources**

- *will not be scored, but used for comparative and contract purposes.*
- Refer to Section 10.6

10. PRICING SCHEDULES

10.1. The offer will be valid for 180 days from the closing date of the bid.

10.2. PRICING SCHEDULE 1: ESTIMATED TOTAL EXPENDITURE FOR THE FULL THREE-YEAR TENDER PERIOD

Bidders are required to indicate a ceiling price based on the total estimated time for completion of all services/activities and including all expenses inclusive of VAT for the project:

- Based on the project proposal for 18,000 working hours, for the full three-year tender.
- Based on the gearing ratio stipulated in Schedule 2.

	YEAR	TOTAL COST PER ANNUM (INCL VAT)
Pricing Schedule 2.1 (Total cost)	Year 1	
Pricing Schedule 2.2 (Total cost)	Year 2	
Pricing Schedule 2.1 (Total cost)	Year 3	
TOTAL COST FOR THREE YEAR TENDER		

(This is only indicative and not binding on the bidder nor the municipality, and will be used only for evaluation purposes).

10.3. **PRICING SCHEDULE 2: ANNUAL EXPENDITURE FOR EACH YEAR DURING THE THREE-YEAR TENDER PERIOD**

10.3.1. Persons who will be involved in the project and rates applicable (certified invoices must be rendered in terms hereof).

10.3.2. For the purpose of completing the pricing schedule the mix of staff during the audits, the titles are classified by George Municipality as follows:

10.3.2.1. Partner/Director – Chartered Accountant ((CA)SA) or Certified Internal Auditor (CIA) with at least 10 years' experience

10.3.2.2. Senior Manager - Qualified Auditor with at least 10 years' experience

10.3.2.3. Manager - Qualified Auditor with at least 8 years' experience

10.3.2.4. Assistant Manager - Qualified Auditor with at least 5 years' experience

10.3.2.5. Accountant 4 - a Qualified auditor (completed articles / equivalent learnership) with less than 5 years' experience

10.3.2.6. Accountant 3 - a Clerk in his/her 3rd year of articles / equivalent learnership

10.3.2.7. Accountant 2 - a Clerk in his/her 2nd year of articles / equivalent learnership

10.3.2.8. Accountant 1 - a Clerk in his/her 1st year of articles / equivalent learnership

10.3.2.9. Student – students / interns / equivalent

10.3.2.10. Specialists - Specialist skills and expertise

10.3.2.11. Support services – assistant / secretarial etc.

10.3.3. The **stipulated** Gearing Ratio **must** be used as indicated in the schedules below.

10.3.4. The designated Project Leader and Senior Manager may not be changed without the prior approval of the Accounting Officer or his/her nominated person.

10.3.5. It is recognised that it is difficult for a prospective bidder to be certain about the extent of the work based solely on the terms of reference. However, to assist with assessments and comparisons between bidders, a gearing ratio was provided as guidance, and was expressed in percentages of the total person-hours billed. **This is only indicative and not binding on the bidder nor the municipality.**

10.3.6. The designated Project Leader and Senior Manager may not be changed without the prior approval of the Accounting Officer and his/her nominated person.

PRICING SCHEDULE 2.1: YEAR 1					
Title	Description	Gearing ratio (%)	Number of hours	Per hour Tariff (Incl. VAT)	Total cost: Year 1 (Incl VAT)
Partner / Director	Chartered Accountant ((CA)SA) or Certified Internal Auditor (CIA) with at least 10 years' experience	15%	900 hours		
Senior Manager	Qualified Auditor with at least 10 years' experience	10%	600 hours		
Manager	Qualified Auditor with at least 8 years' experience	13%	780 hours		
Assistant Manager	Qualified Auditor with at least 5 years' experience	12%	720 hours		
Accountant 4	a Qualified auditor (completed articles / equivalent learnership) with less than 5 years' experience	14%	840 hours		
Accountant 3	a Clerk in his/her 3rd year of articles / equivalent learnership	10%	600 hours		
Accountant 2	a Clerk in his/her 2nd year of articles / equivalent learnership	10%	600 hours		
Accountant 1	a Clerk in his/her 1st year of articles / equivalent learnership	8%	480 hours		
Students	Students / interns / equivalent	2%	120 hours		
Support services	Assistant / administrative staff	2%	120 hours		
Specialists	Specialist skills and expertise	4%	240 hours		

PRICING SCHEDULE 2.1: YEAR 1					
Title	Description	Gearing ratio (%)	Number of hours	Per hour Tariff (Incl. VAT)	Total cost: Year 1 (Incl VAT)
TOTAL		100%	6,000 HOURS		

PRICING SCHEDULE 2.2: YEAR 2					
Title	Description	Gearing ratio (%)	Number of hours	Per hour Tariff (Incl. VAT)	Total cost: Year 2 (Incl VAT)
Partner / Director	Chartered Accountant ((CA)SA) or Certified Internal Auditor (CIA) with at least 10 years' experience	15%	900 hours		
Senior Manager	Qualified Auditor with at least 10 years' experience	10%	600 hours		
Manager	Qualified Auditor with at least 8 years' experience	13%	780 hours		
Assistant Manager	Qualified Auditor with at least 5 years' experience	12%	720 hours		
Accountant 4	a Qualified auditor (completed articles / equivalent learnership) with less than 5 years' experience	14%	840 hours		
Accountant 3	a Clerk in his/her 3rd year of articles / equivalent learnership	10%	600 hours		
Accountant 2	a Clerk in his/her 2nd year of articles / equivalent learnership	10%	600 hours		
Accountant 1	a Clerk in his/her 1st year of articles / equivalent learnership	8%	480 hours		
Students	Students / interns / equivalent	2%	120 hours		

PRICING SCHEDULE 2.2: YEAR 2					
Title	Description	Gearing ratio (%)	Number of hours	Per hour Tariff (Incl. VAT)	Total cost: Year 2 (Incl VAT)
Support services	Assistant / administrative staff	2%	120 hours		
Specialists	Specialist skills and expertise	4%	240 hours		
TOTAL		100%	6,000 HOURS		

PRICING SCHEDULE 2.3: YEAR 3					
Title	Description	Gearing ratio (%)	Number of hours	Per hour Tariff (Incl. VAT)	Total cost: Year 3 (Incl VAT)
Partner / Director	Chartered Accountant ((CA)SA) or Certified Internal Auditor (CIA) with at least 10 years' experience	15%	900 hours		
Senior Manager	Qualified Auditor with at least 10 years' experience	10%	600 hours		
Manager	Qualified Auditor with at least 8 years' experience	13%	780 hours		
Assistant Manager	Qualified Auditor with at least 5 years' experience	12%	720 hours		
Accountant 4	a Qualified auditor (completed articles / equivalent learnership) with less than 5 years' experience	14%	840 hours		
Accountant 3	a Clerk in his/her 3rd year of articles / equivalent learnership	10%	600 hours		
Accountant 2	a Clerk in his/her 2nd year of articles / equivalent learnership	10%	600 hours		
Accountant 1	a Clerk in his/her 1st year of articles / equivalent learnership	8%	480 hours		
Students	Students / interns / equivalent	2%	120 hours		
Support services	Assistant / administrative staff	2%	120 hours		
Specialists	Specialist skills and expertise	4%	240 hours		

PRICING SCHEDULE 2.3: YEAR 3					
Title	Description	Gearing ratio (%)	Number of hours	Per hour Tariff (Incl. VAT)	Total cost: Year 3 (Incl VAT)
TOTAL		100%	8,000 HOURS		

10.4. **PRICING SCHEUDLE 3:** Persons who will be involved in ad hoc assignments and special projects

	PERSON AND SPECIALIST AREA	STAFF LEVEL	HOURLY RATE	DAILY RATE
		<i>Add separate sheet</i>		

10.5. **PRICING SCHEDULE 4:** Travel and other expenses. Only actual costs are recoverable and proof of expenses must accompany certified invoices

	DESCRIPTION OF EXPENSES	RATE	QUANTITY
1	Travel (only travelling to sites)		
2	Accommodation (3* hotel or equivalent)		
3	Technology costs	<i>Add separate sheet</i>	
4	Other costs (specify)		

10.6. **PRICING SCHEDULE 5: Availability and rates of all internal audit and specialist resources**

No	Staff names	Staff level	Field (Internal Audit/Specialist etc)	Availability per month (hours)	Rate per hour
		<i>Add separate sheet</i>			

10.7. Are the rates quoted firm for the full period of the contract? If not firm for the full period, provide details of the basis on which adjustments/increases will be applied.

.....

.....

SIGNED: -----

DESIGNATION: -----

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/s.**

I/we agree that this offer shall remain valid for a period of **120 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: **D ADONIS**

Signature: _____

Capacity: **ACTING MUNICIPAL MANAGER**

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

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

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official 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.

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.

**DECLARATION FOR PROCUREMENT ABOVE R10 MILLION
(ALL APPLICABLE TAXES INCLUDED)**

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

1 Are you by law required to prepare annual financial statements for auditing? ***YES / NO**

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

.....
.....

2. Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days? ***YES / NO**

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services toward any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

.....
.....
.....
.....

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? ***YES / NO**

3.1 If yes, provide particulars.

.....
.....

.....

.....

4 Will any portion of goods or services be sourced from outside***YES / NO** the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

4.1 If yes, furnish particulars.

.....

.....

.....

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT. I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

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

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

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

1. GENERAL CONDITIONS

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

1.2 To be completed by the organ of state

(Delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the **90/10** preference point system.
- b) The applicable preference point system for this tender is the **80/20** preference point system.
- c) Either the **90/10 or 80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

- (a) Price;
- (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	80/90
BBBEE	10/5
SPECIFIC GOALS	10/5
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:

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = 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:

80/20

or

90/10

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{max} = 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	1.5
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 Western Cape	4	2
Outside the borders of the Western Cape	2	1

Bidder's 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.

George Municipality will reserve the right to use any and all available information at its disposal, including conducting site visits and inspections to verify a bidder's claim of having a local STAFFED / MANNED AND OPERATIONAL office within the George Municipal area.

The principle of substance over legal form, as defined in the Standards of Generally Recognised Accounting Practice (GRAP), will be applied in such assessments. (This means that even though a bidder may present a rental agreement, the claim of having a local office will be assessed in its actual substance and not by only accepting the legal documentation.)

The purpose of the locality points is to promote local economic development within the George Municipal area and any bidder attempting to circumvent the substance of this initiative through any means, including by means of fronting, will be reported to the National Treasury for blacklisting on the Central Supplier Database (CSD).

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 BBEE: =(maximum of 5 or 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 5 or 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: MM014/2024
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 _____ 2024

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.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 “Countervailing duties” are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the 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.

21.4 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.

21.5 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.