

# **Inkosi Langalibalele Local Municipality**



**Inkosi Langalibalele**  
LOCAL MUNICIPALITY, UMKHANDLU WENDAWO

## **TENDER DOCUMENT**

**TENDER NO: ILM 07/18/19**

### **PROVISION OF SHORT TERM INSURANCE**

**TENDERER:** \_\_\_\_\_  
\_\_\_\_\_

**TENDERED AMOUNT: R** \_\_\_\_\_  
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# INVITATION TO BID



**Inkosi Langalibalele**  
LOCAL MUNICIPALITY, UMKHANDLU WENDAWO

## INKOSI LANGALIBALELE LOCAL MUNICIPALITY

SHORT TERM INSURANCE

**BID NO: ILM 07/18/19**

The Inkosi Langalibalele Municipality hereby invites proposals from suitable service providers which are registered as an Insurance Provider to provide Insurance services to the Inkosi Langalibalele for a period of 3 years.

Project Name	Bid No	Compulsory Briefing Date	Closing Date
Provision of Short Term Insurance	ILM 07/18/19	10 JULY 2018	30 JULY 2018

Proposals are hereby invited in terms of Section 83 of the Municipal Systems Act, Act 32 of 2000 (as amended) and Sections 110 and 112 of the Municipal Finance Management Act, Act 56 of 2003, for Insurance Services for 3 Years for the Inkosi Langalibalele Local Municipality.

Tender documents will be available in pdf format as from 05 July 2018 on the Inkosi Langalibalele Municipality webpage ([www.umtshezi.co.za](http://www.umtshezi.co.za)) and e-tenders website ([www.etenders.gov.za](http://www.etenders.gov.za)).

A compulsory briefing session to be held at Inkosi Langalibalele Municipality offices, Civic building, Victoria Street, Estcourt on **10 July 2018 at 10:00 (AM)**.

Sealed bid document with the contract number, description of the bid endorsed on the envelope, with the bidder's details clearly indicated, must be labelled "**Short Term Insurance**" and must be deposited in the Bid box in the foyer of the Municipal Building, Victoria Street, Estcourt, 3310, on or before 12:00 on Monday, **30 July 2018** at which time bids will be opened in public. Bids received after the said closing date and time and not clearly marked as prescribed will not be accepted.

The 80/20 preference points will be considered. Bid documents may only be submitted on the bid documentation that is issued. An original valid Tax Clearance Certificate and original valid B-BBEE Status Level Verification Certificates or certified copies must accompany the proposal document.

The Inkosi Langalibalele Local Municipality is not bound to accept the lowest or any bid and reserves the right to accept the whole or part of a bid.

### BID ENQUIRIES

Bid enquiries are to be addressed to Mr E Desai at telephone number no. 036 342 7839, e-mail [desai.ebrahim@ilm.gov.za](mailto:desai.ebrahim@ilm.gov.za)

*The INKOSI LANGALIBALELE Municipality does not bind itself to accept the lowest or any bid and reserves the right to accept a bid in whole or any part. The municipality further reserves the right not to award this bid.*

**MR P.S. MKHIZE**  
**MUNICIPAL MANAGER**

**Notice: 37/18**

# CONDITIONS OF THE BID

## A. GENERAL

1. Bid documents must be completed in black ink and prices must **NOT** include VAT.
2. **All pages and annexures must be initialed / sign in full signature where required.**
3. The lowest or any bid will not necessarily be accepted and Inkosi Langalibalele Local Municipality reserves the right to accept the whole or any part of a bid or to reject any or all the bid without stating the reasons thereof.
4. No bid will be accepted by fax or e-mail.
5. Bids are to remain open for acceptance for a period of one-hundred and twenty (120) days from the date they are lodged and may be accepted at any time during the said period of one hundred and twenty (120) days.
6. All prices and details must be legible / readable to ensure the bid will be considered for adjudication.
7. Full details of services offered must be supplied together with the return documents. All additional documents returned with the bid documents must be firmly bound and marked as “**Additional**” to the specific bid reference number.
8. Only bids on Inkosi Langalibalele Local Municipality official bid document will be accepted and the original document must be returned, fully completed and signed, in the form presented. **Failure to do so will invalidate such bid.**
9. **Corrections may not be made by means of a correcting fluid. In the event of a mistake having been made it shall be crossed out in ink and be accompanied by a full signature at each and every alteration. The Municipality reserves the right to reject the bid if corrections are not made in accordance with the above.**
10. Should it be considered necessary by the bidder that officials of Inkosi Langalibalele Local Municipality should proceed to other centers for inspection purposes, such costs shall be for the account of the bidder
11. This contract will be governed by Inkosi Langalibalele Local Municipality “Conditions of the Bid” only and not any conditions supplied by the bidder.
12. The bidder must submit a comprehensive company profile, for example the founding company statements, as well as detailed exposition of previous work done.
13. If items are not bid for a line must be drawn through the space in pen.
14. Only bids received by **12:00** on the given closing date in the bid box will be considered.

## B. DEMONSTRATIONS AND INSPECTIONS

1. All bidders must be prepared to demonstrate where required, free of charge and obligation, at the Inkosi Langalibalele Local Municipality or any other area within the boundary of the Inkosi Langalibalele Municipality, any services offered in this bid.
2. Where officials are required to attend demonstrations or inspections outside the boundary of the Inkosi Langalibalele Area, all costs to attend such demonstration must be borne by the bidder

# GENERAL CONDITIONS OF CONTRACT

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# General Conditions of Contract

## 1. Definitions

The following terms shall be interpreted as indicated:

- 1.1. **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2. **“Contract”** means the written agreement entered into between the purchaser and the 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 anything 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
- 1.16. supply to the purchaser under the contract.
- 1.17. “**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.
- 1.18. “**Local content**” means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.19. “**Manufacture**” means the production of products in a factory using labor, materials, components and machinery and includes other related value-adding activities.
- 1.20. “**Order**” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.21. “**Project site,**” where applicable, means the place indicated in bidding documents.
- 1.22. “**Purchaser**” means the organization purchasing the goods.
- 1.23. “**Republic**” means the Republic of South Africa.
- 1.24. “**SCC**” means the Special Conditions of Contract.
- 1.25. “**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.
- 1.26. “**Supplier**” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.27. “**Tort**” means in breach of contract.
- 1.28. “**Turnkey**” means a procurement process where one Consultant assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.29. “**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 goods, 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 nonrefundable 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**

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

## **6. Patent Rights**

- 6.1. The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

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

(b) 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

(c) a cashier's or certified cheque.

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

## **8. Inspections, tests and analysis**

8.1. All per-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, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or 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 analyzed 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 22 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
- 9.3. 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 supplier 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

**15.2.** 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.

**15.3.** 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.

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

**15.5.** 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.

- 15.6.** 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 supplier 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 vary more than 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 this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

## **21. Delays in the supplier's performance**

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

- 21.2. If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3. 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 canceling the contract, be entitled to purchase goods 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
- 22.2. remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

## **23. Termination for default**

- 23.1. The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
  - (b) if the supplier fails to perform any other obligation(s) under the contract; or
  - (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.1. 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.

## **24. Antidumping and countervailing duties and rights**

- 24.1. When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable 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 goods 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
- 27.4. court of law.
- 27.5. Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

- (b) the purchaser shall pay the supplier any monies due the supplier 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 as 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.

# SCOPE OF WORK

The Inkosi Langalibalele Municipality hereby invites tenders from suitably qualified and experienced Short Term Insurance Brokers. The contract period is expected not to exceed three (3) years. The ideal service provider should be experienced in rendering insurance services to public entities or government institutions and have a sound track record of work of similar nature. Bidders are requested to attach proof of the above on the respective company letterhead.

1.1 The scope of work includes and addresses the following:

- 1.1.1 Provision of short term insurance cover for the ILM Municipality movable assets and other associated corporate perils.
- 1.1.2 Provision of regular services including advice and consultation on Risk Management and Cost Saving measures.
- 1.1.3 A comprehensive and specific insurance portfolio that represents INKOSI LANGALIBALELE MUNICIPALITY in all insurance related matters with the insurers.
- 1.1.4 Implementation Plan for three (3) years contract with specific details which will be offered by the successful service provider and will be reviewed annually.
- 1.1.5 Service Providers are required to quote on the best value for money insurance covers out in the market relating to the items as per the annexure

## INKOSI LANGALIBALELE LOCAL MUNICIPALITY

<u>COVER</u>	<u>SUB-SECTION</u>	<u>SUM INSURED</u>
Combined	Standard Construction Buildings	R 510,654,145
	Escalation - 10%	
	Inflation - 10%	
	Standard Construction Buildings – Contents	Included
	Substations, Mini subs, transformers etc,	R 600,036,470
	Property in the open	R 150,000
	Inventory	R 3,000,000

House Owners	Buildings	R 3,198,501
	Contents	R 212,495
Business Interruption	Revenue	R 2,800,000
Office Contents	Contents	R 13,544,008
	Theft - Forced entry / Exit	Included
	Loss of Documents	R 500,000
	Legal Liability - Documents	R 100,000
Business All Risk	Specified Items	R 3,920,911
	Laptops	R 1,412,977
	Tablets / Iphones	R 584,273
	Cellphones	R 27,595
Glass	Fixed Glass	R 150,000
Money	Major Limit	R 1,000,000
	Seasonal	R 1,000,000
	Crossed cheques, money or postal orders	R 3,000,000
Fidelity Guarantee	Limit per period	R 400,000
Accidental Damage	Limit of Indemnity	R 200,000

Goods in Transit	Load Limit	R 500,000
Group Personal Accident	Civil Defence, Voluntary Firemen, Co-Opt Firemen	Total Number = 40
	Death Benefit	R 50,000
	Permanent Disability	% of Death Benefit
	Temporary Total Disability	R 500 per week max 104 weeks
	Medical Expenses	R 10,000
Stated Benefit	Annual Earnings - Employees	R 71,013,716
	Annual Earnings - Councillors	R 12,603,229
	Death Benefit - Employees	4x Annual Earnings
	Death Benefit - Councillors	2x Annual Earnings
	Permanent Disability	% of Death Benefit
	Temporary Total Disability	100% weekly earnings max 104 weeks
	Medical Expenses	R 10,000
Electronic Equipment	Specified Equipment	R 12,731,548
	Software	R 1,106,666
	Escalation - 10%	
Machinery Breakdown	Specified Equipment	R 400,000,000
Machinery Breakdown Interruption	Gross Revenue	R 1,100,000
Motor Fleet - Own Damage	Private	20
	LDVs	48
	Trucks	15
	Fire Engines	6
	Tractors	26
	Trailers	20
	Special Types	12
	Implements	2
	Accessories	3
	High Valued Vehicles	6
	Car Hire	3

High Valued Vehicles	D6N Track type tractor	R 2,072,199.00
	Isuzu FTR850 refuse compactor	R 1,085,562.00
	Caterpillar grader (CAT014HTXZH02190)	R 1,800,000.00
	Grader	R 1,983,600.00
	UD Trucks	R 1,089,380.00
Public Liability	Limit	R 100,000,000
Employers Liability	Limit	R 100,000,000
Motor Third Party Liability	Limit	R 2,250,000

Sasria – Assets
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Sasria - Councillors - x 46
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# CLAIMS HISTORY

INKOSI LANGALIBALELE MUNICIPALITY		
	 Inkosi Langalibalele	
CLAIMS HISTORY		
2015 – 2016		
Claim Description	DATE OF LOSS	GROSS R'
theft of laptop	20/07/2015	-
Laptop accidentally dropped	22/09/2015	12 499.90
Storm damage to roof and carport	31/10/2015	61 616.00
Ipad stolen	14/01/2016	5 701.67
Lost Tablet	12/02/2016	-
Insured rear ended TP	02/07/2016	3 500.00
Insured hit into TP	16/09/2015	-
Loss of keys	03/10/2015	5 000.00
Insured hit into TP	16/09/2015	565 147.02
Front bumper & headlights damaged goats from the side of the road	09/10/2015	17 608.41
Vehicle bumped into a goat on the road-damaging the bumper.	11/10/2015	7 396.36
Insured disturbed by an old truck tyre on the road, then vehicle went off the road and collided with trees.	19/11/2015	86 908.73
TP vehicle reversed onto the insureds vehicle and damaging the back.	03/01/2016	18 109.32
TP vehicle came from behind and damaged the back of the insured vehicle.	06/01/2016	30 123.69
Insured scratched the vehicle on a steel on the side of the bridge	21/04/2016	19 014.46
Insured hand-braked not engaged properly and vehicle hit a TLB	18/04/2016	31 029.10
Poles fell onto vehicle.	29/04/2016	44 077.30
Tools stolen from the back of the truck whilst the driver went into some shop to buy food.	07/04/2016	-
Community was protesting for service delivery. Hall and creche damaged.	06/06/2016	-
Third Party went through a pothole and got their vehicle damaged.	18/03/2016	-
Child fell in uncovered drain sustaining injuries	15/03/2016	28 699.05
Insured's truck was transporting jojo tanks and one of the tanks fell onto third party vehicle.	05/04/2016	19 046.06
<b>TOTAL</b>		<b>955 477.07</b>
2016 – 2017		
Claim Description	DATE OF LOSS	GROSS R'
Injury - Councillor Dlamini	2016/03/08	10 000.00
Insured collided with a speaker vehicle of another municipality vehicle trying to avoid hitting a 3rd party vehicle which was travelling on no man's land	04/01/2017	353 000.00
TP smashed insured's vehicle at the back	26/05/2017	54 761.00
Insured collided with TP	17/05/2017	20 000.00
Vehicle stolen	24/06/2017	89 000.00

Municipal Officer involved in an accident whilst on duty.	25/03/2017	65 346.47
<b>TOTAL</b>		<b>712 214.94</b>
<b>2017 – 2018</b>		
<b>Claim Description</b>	<b>DATE OF LOSS</b>	<b>GROSS R'</b>
Samsung cellphone accidentally fell down and the screen cracked.	14/08/2017	2 060.00
Insured reversed into TP vehicle.	07/08/2017	-
Third party alleges that his vehicle was rear ended by insured's vehicle.	07/08/2017	17 059.44
Samsung Tablet went missing at a council meeting	29/08/2017	2 000.00
Samsung tablets went missing at the council meeting	29/08/2017	2 000.00
One of the municipal traffic officers was involved in an accident whilst on duty.	26/10/2017	72 070.78
Insured and TP collided at an intersection.	10/12/2017	30 000.00
Injured in a car accident	15/09/2017	30 000.00
Stone damage	17/02/2018	1 050.00
<b>TOTAL</b>		<b>156 240.22</b>

# **SPECIAL CONDITIONS OF CONTRACT**

## **PROFILE OF TENDERING COMPANY**

The tendering companies are required to attach to their quotation a short summary of their operations including:

- 1.2 A background of the company, policies and actual achievements. Breakdown of shareholding percentages in respect of Black Economic Empowerment and previously disadvantaged persons within the company.
- 1.3 A brief outline of the length of time operating in the Short-term Insurance industry, the extent, nature and area of current operations (excluding current services to the INKOSI LANGALIBALELE MUNICIPALITY) and approximate numbers of support staff employed within the company that will interact with the INKOSI LANGALIBALELE MUNICIPALITY;
- 1.4 A list of current contracts held by the company, corporation, division or branch that will be supplying the service as well as telephone and fax numbers of senior persons of such clients who could be contacted for references;
- 1.5 The physical address of the office that will be providing the service. A visit to the office may be made by the Bid Evaluation Committee before the contract is awarded;
- 1.6 Full contact details (telephone, fax, cell phone numbers and email address) of those persons who may be contacted in connection with the Bid Evaluation Committee visit.

## **2. LEGALITIES AND RULES**

Proposal received from the bidders will be assessed by the relevant committee for implementation.

- 2.1 The INKOSI LANGALIBALELE MUNICIPALITY reserves the right to appoint or not to appoint.
- 2.2 All bidders must include a draft copy of a proposed SLA with their proposal document.
  - 2.2.1 Separate SLA's must be drafted for INKOSI LANGALIBALELE MUNICIPALITY and shall be for a period of 3 years each, with insurance covers renewable annually.

### 3. CONFIDENTIALITY

A contractual pre-requisite is to comply with the INKOSI LANGALIBALELE MUNICIPALITY's Confidentiality Agreements. It must be noted that all company information is confidential. Once appointed, the successful bidder will be expected to enter into a Confidentiality Agreement with the INKOSI LANGALIBALELE MUNICIPALITY.

### 4. SUBMISSION FORMAT

- 4.1 The bidder must submit one (1) Original proposal
- 4.2 The sealed envelope must be placed in the tender box marked as **INKOSI LANGALIBALELE MUNICIPALITY Short – Term Insurance Broking Services** at the Main Reception Area INKOSI LANGALIBALELE MUNICIPALITY offices.
- 4.3 The bidder should provide the full legal corporate name of each Company/Individual identified in this tender document; and the name, title, address, telephone number, facsimile number and e-mail address of the individual to be contacted with respect to the submission. Include the URLs (website address), if applicable.
- 4.4 Each respondent must complete all the prescribed Municipal Bid Document (MBD) as listed in this tender document.
- 4.5 Each respondent must furnish all the regulatory documents and any other information as required.
- 4.6 If a courier service company is to be used for delivery of this tender document, the bid document description must be endorsed on the delivery note/courier packaging and the courier must ensure that documents are placed or dropped into the tender box. **The INKOSI LANGALIBALELE MUNICIPALITY will not be held responsible for any delays where tender documents are handed to the INKOSI LANGALIBALELE MUNICIPALITY Receptionist.**
- 4.7 The Bidder may be required to make a formal presentation of their proposal to the relevant Committee as and when they will be requested.
- 4.8 No late submission shall be accepted.
- 4.9 Bid Documents are late if they are received at the address given in the document; after closing date and time.

- 4.10 Bid Documents that are not received by the deadline will not be considered and will be returned to the proposer unopened, if the return address has been stated.
- 4.11 No Electronic, E-mail or Faxed Proposals shall be accepted.
- 4.12 All costs related to this proposal shall be carried by the proposer.

## **5. TENDER VALIDITY PERIOD**

Responses to this bid document received will be valid for a period of 120 days counted from the closing date of the submission.

## **6. COMPULSORY BRIEFING SESSION**

A compulsory briefing session will be held at Inkosi Langalibalele Local Municipality Civic building, Estcourt on the 10<sup>th</sup> of July 2018 at 10:00. Failure to attend the briefing session will automatically disqualify the bidder concerned.

## **7. SUPPLIER PERFORMANCE MANAGEMENT**

- 7.1 Supplier Performance Management is viewed by the INKOSI LANGALIBALELE MUNICIPALITY as critical component in ensuring value for money acquisition and good supplier relations between the INKOSI LANGALIBALELE MUNICIPALITY and all its suppliers.
- 7.2 The successful bidder shall upon receipt of written notification of an award, be required to conclude a Service Level Agreement with the INKOSI LANGALIBALELE MUNICIPALITY, which will form an integral part of the supply agreement. The agreement will serve as a tool to measure, monitor and assess the supplier performance level and ensure effective delivery of service, quality and value add to INKOSI LANGALIBALELE MUNICIPALITY's business.
- 7.3 Bidders are required to comply with the above condition, and also provide a scorecard on how their performance is being measured to achieve the objectives of this condition.

## **8. INKOSI LANGALIBALELE MUNICIPALITY'S RIGHTS**

- 8.1 The INKOSI LANGALIBALELE MUNICIPALITY is entitled to amend any tender conditions, validity period, specifications, or extend the closing date of tenders before the closing date. All tenderers, to whom the tender documents have been issued, will be advised in writing of such amendments in good time.
- 8.2 The INKOSI LANGALIBALELE MUNICIPALITY reserves the right not to accept the lowest tender or any tender in part or in whole. It normally awards the contract to the tenderer who proves to be fully capable of handling the contract and whose tender is technically acceptable and/or financially advantageous to the INKOSI LANGALIBALELE MUNICIPALITY.
- 8.3 The INKOSI LANGALIBALELE MUNICIPALITY reserves the right to award this tender to a purely empowerment company or may award this tender on condition that a joint venture with an empowerment company is formed. This will be added to the criteria when evaluating the tenders.

8.4 The INKOSI LANGALIBALELE MUNICIPALITY reserves the right to award this tender as a whole or in part without furnishing reasons.

## **9. UNDERTAKINGS BY BIDDER**

9.1 The bidder hereby offers to render all or any of the services described in the attached documents to the INKOSI LANGALIBALELE MUNICIPALITY on the terms and conditions and in accordance with the specifications stipulated in this Tender Documents (and which shall be taken as part of, and incorporated into, this Proposal at the prices inserted therein).

9.2 Bid documents submitted by Companies must be signed by a person or persons duly authorized thereto by a resolution of a Board of Directors, a copy of which Resolution, duly certified be submitted with the Tender.

9.3 The Bidder shall prepare for a possible presentation should INKOSI LANGALIBALELE MUNICIPALITY require such and the tenderer shall be notified thereof no later than 4 (four) days before the actual presentation date.

9.4 The Bidder hereby agree that the offer herein shall remain binding upon him/her and receptive for acceptance by the INKOSI LANGALIBALELE MUNICIPALITY during the validity period indicated and calculated from the closing hour and date of the Tender. This proposal and its acceptance shall be subject to the terms and conditions contained in this tender document.

9.5 The Bidder furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her Tender response and that the price(s) and rate(s) quoted cover all the work/item(s) specified in the Tender response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accept that any mistakes regarding price(s) and calculations will be at his/her risk.

## **10. REASONS FOR DISQUALIFICATION**

10.1 The INKOSI LANGALIBALELE MUNICIPALITY reserves the right to disqualify any bidder, who does any one or more of the following, and such disqualification may take place without prior notice to the offending investor, however the bidder will be notified in writing of such disqualification:

10.2 Bidder who do not submit a valid and original Tax Clearance Certificate on the closing date and time of the bid;

10.3 Bidders who submitted incomplete information and documentation according to the Requirements of this bid document;

10.4 Bidders who submitted information that is fraudulent, factually untrue or inaccurate information;

10.5 Bidders who received information not available to other vendors through fraudulent means; and/or

10.6 Bidders who do not comply with mandatory requirements as stipulated in this bid document

# EVALUATION CRITERIA

## STAGE 1: SUBMISSION OF FICA DOCUMENTS

The following compulsory documentation must be submitted with the proposal:

### FICA REQUIREMENTS AND ADDITIONAL INFORMATION REQUIRED

Authenticated copies are permissible		
No	Document	Checked (√/X)
1.	Company profile	
2.	B-BBEE certificate: Only SANAS or SWORN Affidavits shall be accepted.	
3.	Company registration (CIPC) and Company Documents	
4.	Power of Attorney/ Letter of Authority / and/or Resolution Authorizing the Director to sign all the document	
5.	Proof of Audited Financial Statements of 3 latest consecutive years;	
6.	6.1 Confirmation of Residential Address or Business Address	
	6.2 Proof of residence of directors	
7.	SARS Registration and Valid Tax Clearance Certificate must be valid at the time of the submitting this Bid Document	
8.	VAT Registration Certificate	
9.	CV, ID Copies and Profile of Directors, Team Members and Supporting Staff Members	
10.	Company Organogram with Positions	
11.	Proof that the broker and/or insurer is authorized by the Financial Services Board to provide insurance- FSB Number	
12.	Certified copy of Certificate of Registration in terms of the FAIS Act	
13.	Certified copy of certificate of IGF (Intermediary Guarantee Facility) worth a minimum of R500,000	
14.	Proof of professional indemnity cover of a minimum of R16,500,000	
15.	Proof of a Fidelity Guarantee Cover of R 11,000,000	
16.	Draft Service Level Agreement	
17.	Joint Venture Agreement/ Consortium/ Sub Contracting Agreement, Signed (where applicable)	
18.	Current and completed contracts with contactable references and values of the contracts	

<b>Authenticated copies are permissible</b>		
<b>No</b>	<b>Document</b>	<b>Checked (√/X)</b>
19.	A letter from the bank which stipulates your company's financial risk in terms of low, medium or high in terms of financial standing at the bank i.e. bank rating letter,(not more than 3 months old)	
20.	Proposal/Methodology/ Approach	
21.	Project Plan with clear time lines (This must address all the phases of the project)	
22.	MBD 1 - Invitation to Bids	
23.	MBD 2 - Tax Clearance Certificate Requirement	
24.	MBD 4 - Declaration of Interest	
25.	MBD 6.1 - Preference points claim form in terms of the Preferential Procurement Regulations	
26.	MBD 8 - Declaration of Bidders Supply Chain Practices	
27.	MBD9 - Certificate of Independence	
28.	Form of Bid	

**NOTE:**

- **Please Tick (√) if available and (X) if not available.**
- **Tax Clearance Certificate must be valid at time of submitting this bid document.**
- **In case of a Consortium, Joint Venture or Subcontractor, the documents listed above must be submitted for each Consortium/JV member or subcontractor as well as certified copy of a relevant agreement.**
- **It must be noted that the evaluation of the proposal will be conducted in line with the scope of work indicated in this document.**
- **Only SANAS or SWORN AFFIDAVIT B-BBEE certificates shall be accepted.**
- **Non-submission of the above documents will render this tender invalid.**

**STAGE 2: TECHNICAL/FUNCTIONALITY STAGE:**

In order to qualify for the next stage of evaluation, the investor must score a minimum of 70 points.

(A)	(B)	(C)	(D)	(E)
CRITERIA	DESCRIPTION	WEIGHT	FUNCTIONALITY RATING	Portfolio of Evidence (POE)
Company Experience in Short Term Insurance Broking	Experience of prospective company in Short Term Insurance Broking services	25	25 points: 15 years and more. 20 points: 8-14 years 15 points: 4-7 years 10 points :3years	Proof of years in Short Term Insurance Broking services
Company Profile indicating Short Term Brokerage insurance	Company Profile indicating Short Term Brokerage in State Owned Entities, Constitutional Institutions, Government Department and Municipalities	20	20 points : All of the above 5 points: State Owned Entities 5 points: Constitutional Institutions 5 points : Municipalities 5 points : Government Departments	Proof of Contracts, claims handling and claims ratio executed to be attached
Proposal, Methodology, Approach and Project Plan	A clearly defined Proposal including:  Detailed Project plan with clear time lines  Detailed process Plan on how the account will be managed i.e. processing of claims, queries, etc.  The quality of the criteria to provide cover to be used i.e. What will be regarded as a valid claim to maximum risk?  Provide a detailed methodology	25	25 Points : All of the above  10 Points – Detailed Project Plan with clear time lines  5 Points- Process plan 5 Points – Risk Advice  5 Points - Methodology	Detailed Project Plan, Process Plan, Risk Management Advice Methodology and Approach

(A)	(B)	(C)	(D)	(E)
CRITERIA	DESCRIPTION	WEIGHT	FUNCTIONALITY RATING	Portfolio of Evidence (POE)
	including how the Service Provider will conduct services between the Client, Broker and Insured Party		and Approach	
Proposed Team Members relevant experience and Qualifications	<p>The relevant team members and other team assistants should have a minimum of five (5) years' experience and relevant qualifications in the Short Term Insurance Brokerage</p> <p>Submit a general Curriculum Vitae/profile for each of the key personnel which highlights experience that is relevant.</p> <p>Company Organogram.</p>	15	<p>15 points- 15 years relevant experience and a relevant qualification in insurance /risk financing.</p> <p>10 points -10 years relevant experience and a relevant qualification in insurance /risk financing.</p> <p>5 points- 5 year's relevant experience and a relevant qualification in insurance /risk financing.</p>	Team Members Cv's, certified copy of qualifications and Organogram
Testimonials or references	Testimonials or references (confirmed by client other than INKOSI LANGALIBALELE MUNICIPALITY) of handling big accounts for a minimum of three (3) years	15	<p>15 points : 4 and more references;</p> <p>10 points: 2 -3 references;</p> <p>5 points: 1 reference.</p>	Testimonials of the references on the respective company letterheads including the contact person with their contact details

(A)	(B)	(C)	(D)	(E)
CRITERIA	DESCRIPTION	WEIGHT	FUNCTIONALITY RATING	Portfolio of Evidence (POE)
	Total Score	100		

**NOTE:** The qualifying score for functionality is 70 points. All the bidders that fail to achieve the minimum qualifying score on functionality shall not be considered for further evaluation.

**STAGE 3: PRICE AND B- BBEE - 80/20 Preferential Procurement Point - 2017**

- Bids will then be evaluated on an 80/20 basis, where 80 points is assigned for price and 20 for B-BBEE points as outlined in Preferential Procurement Regulation of 2017
- Only SANAS or SWORN AFFIDAVITS B-BBEE certificates shall be accepted for scoring.

# MBD FORMS

## MBD 2

### TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
3. The valid Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
6. Applications for the Tax Clearance Certificates 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](http://www.sars.gov.za).

**DECLARATION OF INTEREST**

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

**3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, hareholder<sup>2</sup>):.....

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....

.....

<sup>1</sup>MSCM Regulations: "in the service of the state" means to be –

(a) a member of –

(i) any municipal council;

(ii) any provincial legislature; or

(iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....  
 .....

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

3.11.1 If yes, furnish particulars

.....  
 .....

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

3.12.1 If yes, furnish particulars.

.....  
 .....

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

3.13.1 If yes, furnish particulars.

.....

.....

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

3.14.1 If yes, furnish particulars:

.....  
.....

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

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:

- 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

- a) The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- b) The 80/20 preference point system will be applicable to this tender

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	<b>80</b>
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	<b>20</b>
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

## 2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

## 3. POINTS AWARDED FOR PRICE

### 3.1. THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

Where

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

**4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR**

4.1. In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

**5. BID DECLARATION**

5.1. Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

**6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1**

6.1. B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)  
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

**7. SUB-CONTRACTING**

7.1. Will any portion of the contract be sub-contracted?  
 (**Tick applicable box**)

YES		NO	
-----	--	----	--

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....

- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

**(Tick applicable box)**

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

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

<b>Designated Group: An EME or QSE which is at last 51% owned by:</b>	<b>EME</b> √	<b>QSE</b> √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1. Name of company/firm:.....

8.2. VAT registration number:.....

8.3. Company registration number:.....

**8.4. TYPE OF COMPANY/ FIRM**

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

**8.5. DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....

.....

.....

.....

**8.6. COMPANY CLASSIFICATION**

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

**8.7. MUNICIPAL INFORMATION**

**Municipality where business is situated:**

.....

**Registered Account Number:** .....

**Stand Number:**.....

8.8. Total number of years the company/firm has been in business:.....

8.9. I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

WITNESSES	
1.	.....
2.	.....

.....	
SIGNATURE(S) OF BIDDERS(S)	
DATE:	.....
ADDRESS	.....
	.....
	.....

**DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS**

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

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

**1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

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

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

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

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

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

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

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

**LOCAL CONTENT DECLARATION**  
**(REFER TO ANNEX B OF SATS 1286:2011)**

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

**IN RESPECT OF BID NO.** .....

**ISSUED BY:** (Procurement Authority / Name of Institution):  
 .....

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thdti.gov.za/industrial\\_development/ip.jsp](http://www.thdti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

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

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in**

**paragraph 4.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**FORM OF BID**

To: Municipal Manager  
 Inkosi Langalibalele Local Municipality  
 P.O. Box 15  
 Estcourt  
 3310

- 1) I/We hereby tender to supply and deliver in consignments as and when ordered by the Council at prices quoted. all or any of the supplies and/or render all or any of the services described in the attached documents to the Inkosi Langalibalele Municipality on the terms and conditions and in accordance with the specifications stipulated in the tender documents (and which shall be taken as part of, and incorporated into, this tender) at prices and on the terms regarding time for delivery and/or execution inserted therein.
  
- 2) I/We agree that:
  - a. The offer herein shall remain binding upon me/us and open for acceptance by the Inkosi Langalibalele Municipality during the validity period indicated and calculated from the closing time of the tender;
  
  - b. This tender and its acceptance shall be subject to the terms and conditions contained in the Preference Certificate;
  
  - c. 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 Council 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 Council and I/we will then pay to the Council any additional expense incurred by the Council having either to accept any less favorable tender. The Council shall also have the right to recover such additional expenditure by set-off against monies which may be due to become due to me/us under this or any other tender or contract and pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Council may sustain by reasons of my/our default;
  
  - d. If my/our tender is accepted the accepted amount may be communicated to me/us by letter or order by ordinary post or registered post and that the S A Post Office Ltd shall be regarded as my/our agent, and delivery of such acceptance to S A Post Office Ltd shall be treated as delivery to me/us;
  
  - e. I/we understand that the Council is not bound to accept the lowest or any tender and also reserves the right to divide the contract between one or more tenderers;
  
  - f. This tender, together with Council’s written acceptance thereof, shall constitute a binding contract between us;
  
  - g. That this contract or part thereof shall not be ceded;
  
  - h. 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 at (full address of this place):

\_\_\_\_\_

\_\_\_\_\_

3) 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) 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/own risk.

a. 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 fulfillment of this contract.

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

c. Are you duly authorized to sign the tender?  YES  NO

d. Has the Declaration of interest been duly completed and included with the other tender forms?  YES  NO

## 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	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?  <b>(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).</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <b>(To access this Register enter the National Treasury’s website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, click on the icon “Register for Tender Defaulters” or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).</b>	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:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**MBD 9 (CERTIFICATE OF INDEPENDENT BID DETERMINATION)**

**[The Tender shall complete and sign the MBD 9 schedule. Failure to complete and sign will invalidate the tender]**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_ (Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_ (Name of Institution)

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

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> 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.

**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.**

<b>Signature</b>	<b>Date</b>
<b>Position</b>	<b>Name of Bidder</b>

<b>BBBEE VERIFICATION CERTIFICATE</b>
---------------------------------------

**[The Tender shall attach a valid original or a certificated copy of the BBBEE Verification Certificate. Failure to submit the certificate will result in a score of zero points]**

Failure on the part of a bidder to submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

# CERTIFICATE OF ATTENDANCE AT CLARIFICATION MEETING

This is to certify that:

\_\_\_\_\_ (Tenderer)

of \_\_\_\_\_ (address)

\_\_\_\_\_

was represented by the person(s) named below at the compulsory clarification meeting held for all tenderers at

INkosi Langalibalele Municipality, Civic building, Victoria Street, Estcourt,

on \_\_\_\_\_ 20\_\_\_\_\_ starting at 10h00am.

We acknowledge that the purpose of the meeting was to acquaint ourselves with the Site of the works and / or matters incidental to doing the work specified in the tender documents in order for us take account of everything necessary when compiling our rates and prices included in the tender.

## Particulars of person(s) attending the meeting:

Name \_\_\_\_\_ Signature \_\_\_\_\_

Capacity \_\_\_\_\_ Date & Time \_\_\_\_\_

**Attendance of the above persons at the meeting is confirmed by the Employer's representative, namely:**

Name \_\_\_\_\_ Signature \_\_\_\_\_

Capacity \_\_\_\_\_ Date & time \_\_\_\_\_