



**K O U G A**  
local municipality  
*Prosperity through vision*

<b>NOTICE NO: 87/2012</b>	
<b>REQUEST FOR A HIRING OF GRADER</b>	
Closing Date	<b>31 July 2012 @ 12:00</b>
Name of tendering firm:	
Contact Person ( <i>Full Names</i> ):	
Tel No.:	Cell No.:
Fax No.:	
Supplier Database No.:	
Signature of Tenderer:	
Issued By:	
KOUGA LOCAL MUNICIPALITY	
PO Box 21	
JEFFREYS BAY , 6330	

**NB: THIS TENDER WILL BE EVALUATED ON THE 80/20 POINT SCORING SYSTEM**

**PLEASE TAKE NOTE OF ALL LISTED INSTRUCTIONS AND COMMENTS**

- NB: PLEASE ENSURE THAT YOU FAMILIARIZE YOURSELF WITH THE COMPLETE DOCUMENT AND INITIAL ALL THE PAGES OF THE DOCUMENT AS WELL AS SIGN ALL PAGES WHERE IT IS REQUIRED TO DO SO.
- ALL FORMS IN THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED WITH THE RELEVANT DOCUMENTATION REQUIRED.
- HAND IN THIS TERMS OF REFERENCE DOCUMENT WITH THE COMPULSORY REQUIRED DOCUMENTATION.
- DO NOT RE-TYPE THE PRICING SCHEDULE.

**N.B. THESE DOCUMENTS (IF APPLICABLE TO YOUR ENTITY) MUST BE ADDED TO EACH CONTRACT SUBMITTED.**

**FAILURE TO COMPLY MAY RESULT IN NON ACCEPTANCE**

	<b>PROOF THAT THE BIDDER COMPLIES WITH THE OCCUPATIONAL HEALTH AND SAFETY ACT AND IS REGISTERED FOR WORKMEN COMPENSATION PURPOSES.</b>
	<b>COMPANY REGISTRATION NO/ FORMAL REGISTRATION DOCUMENTS/JV AGREEMENTS</b>
	<b>V.A.T . REGISTRATION NO.</b>
	<b>ORIGINAL AND VALID SARS TAX CLEARANCE CERTIFICcate</b>
	<b>B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE FOR ANY PREFERENCE POINTS TO BE CLAIMED (VALID, ORIGINAL OR A CERTIFIED COPY MUST BE SUBMITTED)</b>
	<b>CERTIFIED IDENTIFICATION DOCUMENTS OF DIRECTORS/MEMBERS/PARTNERS/SOLE PROPRIETOR ATTACHED</b>
	<b>LATEST MUNICIPAL BILLING CERTIFICATE</b>

## PERSONAL DETAILS OF THE TENDERER

PLEASE PROVIDE THE FOLLOWING DETAILS:

### Name of Company/Close Corporation/Partnership/Sole Trader/Private Person

.....

(Clearly state whether your business is a Company/Close Corporation/  
Partnership/Sole Trader or if you are an individual)

Company/Close Corporation's Registration No. ....

1.2 Value Added Tax Registration No. ....

OR

Income Tax Reference No. ....

### 1.3 Name(s) and details of Shareholders and Directors

Name	% Shareholding	Director (Y/N)	ID Number

**IT IS COMPULSORY IN THE CASE OF A FEMALE DIRECTOR / MEMBER OR PARTNER TO ALSO FURNISH HER MAIDEN NAME, AND IF APPLICABLE, ALL HER PREVIOUS MARRIED NAMES**

1.4 The Tenderer's Representative for the purpose of this Tender is:

.....

**2. STREET ADDRESS OF REGISTERED OFFICES**

Street address, which address the Tenderer chooses as it's domicilium citandi et executandi for all purposes of this Tender.

.....

.....

**3. POSTAL ADDRESS**

.....

.....

.....

**2. CONTACT DETAILS**

**4.1 TELEPHONE NUMBERS**

Business: Code ..... ..

Cell: .....

4.2 Facsimile Number: Code ..... .....

4.3 Email address: .....

**5. COMPANY RESOLUTION**

5.1 A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorizing the representative to submit this Tender on the Tenderer's behalf must be attached to the Tender Document on submission of same.

5.2 A Tender shall be eligible for consideration only if it bears the signature of the Tenderer or of some person duly and lawfully authorized to sign it for and on behalf of the Tenderer.

**6. BANK DETAILS (FOR FUTURE ELECTRONIC BANK TRANSFERS) – PLEASE SUBMIT A RECENTLY (PAST 3MONTHS) STAMPED LETTER FROM THE BANK CONFIRMING ACCOUNT DETAILS.**

NAME OF BANK	ACCOUNT NAME	BRANCH CODE NO.	BANK A/C NO.

**CERTIFICATION:**

**I declare that the information in this annexure is true and correct in all respects.**

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

# **KOUGA MUNICIPALITY**

## **GOVERNMENT PROCUREMENT:**

General Conditions of Contract- applicable to this contract- please refer to [www.treasury.gov.za](http://www.treasury.gov.za)

### **NOTICE NO: 87 OF 2012**

#### **SPECIAL CONDITIONS OF CONTRACT**

Tenders are hereby invited for the Hiring of Grader with an engine capacity not less than 130 KW for 8 (eight) Hours per day.

The tender should include the following:

1. Fuel
2. Operator
3. Establishment
4. All maintenance on grader
5. Value added Tax

#### **1. REQUIREMENTS**

1.1 The work covered by this specification shall be carried out in accordance with the Council's General Conditions of Tender.

1.2 The requirements are for the occasional hire of such items of plant, machinery, equipment and accessories as detailed in the Schedule of Rates as attached for use on any work within the Kouga Municipal area.

#### **2. DURATION OF CONTRACT**

The services to be provided in terms of this Contract will be on an as and when required basis for a period of one month from date of awarding and can be extended with another one month

#### **3. GUARANTEE**

No guarantee can be given that each or any item of plant will be required during the course of the year.

#### **4. NOTICE**

Notification will be given on ordering as to the approximate duration of hire required.

## 5. COMPLETION OF SCHEDULES

Tenderers must complete the schedules in this tender as regards rates for working time, idle time, delivery to site, and state registration or identification number, size or capacity, insurance, etc., in respect of each item of plant offered for hire.

## 6 ASSIGNMENT

6.1 This contract is personal to the Contractor and the Contractor shall not sublet, assign or make over the Contract or any part thereof, to any person without the written consent of the Municipality and on such conditions as it may approve.

6.2 During the currency of the Contract, should the selected Tenderer not be in a position to supply the plant after reasonable notice, then the Municipality shall call on the second or third Tenderer to supply the plant at the rates tendered by him.

6.3 The Municipality reserves the right to hire the item of plant considered most suitable for the work to be undertaken, even though it may not be the lowest tender.

## 7. ACCIDENT, INSURANCE AND PERSONAL PROTECTIVE EQUIPMENT

7.1 The Contractor is to ensure that any item of plant offered for hire is adequately covered by insurance and he shall indemnify the Municipality against any claim whatsoever arising out of any accident or incident while the plant is under the control of the Contractor's operator.

7.2 Similarly the Contractor is to ensure that the operator and labourers in attendance on any plant are adequately covered by insurance.

7.3 The Contractor is to ensure that all Plant/Operator permits, certificates and authorities for legal use of the plant in terms of current legislation are obtained.

7.4 The Contractor is to ensure that all necessary personal protective equipment is supplied and maintained in good condition. In addition, the Contractor is to ensure that protective equipment is worn by operators at all times.

## 8. DELIVERY IN GOOD ORDER AND MAINTENANCE

All plant made available for use under this Contract shall be in sound working condition, capable of output for which the plant is designed. If, in the opinion of the Municipal Fleet Manager, the plant is not in sound working order so as to give maximum output, he may request the Contractor to either remove his plant or replace it with plant in sound working order.

## 9. COMMENCEMENT AND TERMINATION OF HIRE

The hire period shall commence from the time when the plant arrives on the job and shall continue until the services of the plant are terminated by the site Foreman or his representative at the Works Site.

## 10. LOADING, UNLOADING AND TRANSPORTING

Where it is necessary for any plant to be transported to the work site, the following conditions shall apply:

10.1 The loading, transporting and unloading of any plant shall be the responsibility of the Contractor and he shall indemnify the Municipality against all claims for damage to the plant or injury to any persons during the loading, transporting or unloading.

10.2 Unless otherwise specified, the Contractor shall arrange for the transporting of the plant to and from the site and such cost of loading, transporting and unloading shall be borne by the Municipality at the scheduled rates.

If the plant is brought from a point at a greater distance than the Contractor's Depot, the charge for the transporting shall be only from the Contractor's Depot. However, if the plant has to be brought from another Municipal work site, the plant is to be transported direct from the first work site and such cost of transporting shall be borne by the Municipality.

Where plant travels under its own power, time spent travelling to and from the work site shall be paid for as working time on the following basis:

Time allowed for travelling to the work site will be a maximum of ½ hour for work sites falling within a 25 kilometre radius.

Time allowed for travelling from the work site to Contractor's depot at the end of the hire period will be a maximum of ½ hour.

(iii) The rates payable in respect of plant travelling to work sites situated beyond a 25 kilometre radius will be by negotiation between the Contractor and the Municipality.

## 11. SECURITY/PROTECTION OF PLANT SUPPLIED WITH OPERATOR

11.1 The Contractor shall provide sufficient coverings and the like for the adequate protection of the plant when not in use on the job and suitable sheds for the use of operators during inclement weather.

11.2 The Contractor shall be responsible for the provision of security for the adequate protection of his plant for the full period it is on the site. The Municipality will accept no liability for damage caused by vandalism or any other manner whatsoever. The Contractor shall also be responsible for the adequate lighting of the plant during the hours of darkness whenever it is on a public thoroughfare.

## 12 CONTROL OF PLANT BY CONTRACTOR'S OPERATOR

12.1 The operator on any item of plant shall receive his direction from the site Foreman placed in authority on the job on which the plant is working, and shall to the best of his ability endeavour to carry out such directions. It must be clearly understood that the efficient operation of the plant is the responsibility of the operator, and the Municipality shall not be held responsible for any damage that may occur to either the plant, other plant, vehicles, buildings, boundary fences and the like, or any injury to operator as a result of the operation of such plant.



12.2 The operator shall decide whether the plant under his control is capable of performing the work that he has been directed to carry out and if he considers that the plant is too light or not designed to do such work, he may refuse to undertake the work and the site Foreman shall accordingly arrange for other plant to carry out such work.

12.3 In view of this provision, the Contractor shall have no claim on the Municipality should his plant suffer damage while operating on any work under this Contract.

### 13. DAMAGE TO ROADS

Care shall be exercised by the Contractor to prevent damage to roads, public or private, used by his vehicles and plant. All such damage shall be made good at the expense of the Contractor. In the case of public roads, all repairs and restoration of the damaged road surface shall be carried out by the Municipality at the expense of the Contractor.

### 14. BREAKDOWN AND MAINTENANCE

14.1 Should the plant break down during operation, full allowance shall be made to the Municipality for any stoppage caused by the development of an inherent fault, or fair wear and tear, and for all stoppages for normal running repairs.

14.2 The Contractor shall be responsible for the cost of all maintenance and repairs to the plant from all causes for which service the Contractor must make due allowance in the hire rates.

### 15. FUEL, OIL AND GREASE

15.1 Oil and grease shall be supplied by the Contractor and the cost thereof shall be included in the hire rates tendered.

Where the cost of fuel is shown as a separate charge on the schedule of rates, copies of fuel slips must be submitted with the Tax Invoice.

Fuel shall be charged for at the ruling price. No surcharge is to be added to the fuel price.

Where it becomes necessary for the Municipality to supply any fuel, oil or grease, the cost of such shall be shown as a deduction on any invoice or statement submitted for payment.

### 16. RETURN OF PLANT FOR REPAIRS

If, at any time after the date of delivery, any item of plant is in need of repairs, the Contractor may stop the further use thereof until such repairs have been carried out on the site, or the Contractor may arrange for the plant to be sent to his Depot. In the latter event, he shall be entitled to replace such plant forthwith with similar plant. The

Contractor shall pay all transport charges involved in the removal of such plant to the depot for repairs and the delivery of the substituted plant.

16.2 Should there be any undue delay due to the plant being out of commission, the Municipality reserves the right to cancel the order for the plant and to engage plant elsewhere at the same or the next lowest rate.

## 17. OTHER STOPPAGES

Any stoppages, not covered under Breakdown or Idle Time as provided in Clauses 14 and 21, due to bad ground conditions, or any machine being recovered from soft ground shall be charged out at full operating rates unless due to inefficient operation.

## 18. LOSS OF USE OF OTHER PLANT DUE TO BREAKDOWN

Where a combination of items of plant work as a unit together, e.g. tractor and scraper, such items shall be deemed as a unit for the purpose of breakdown.

## 19. CONSEQUENTIAL LOSSES

The Municipality shall not hold the Contractor liable for any consequential loss or damage due to or arising from a breakdown or stoppage of the plant through any cause whatsoever, or through non-arrival arising from accident or breakdown during loading, unloading or transport of the plant.

## 20. BASIS OF CHARGING

20.1 The Contractor shall provide each item of plant with a triplicate time record book which is to be completed by the operator. Timesheets are to be completed in full with the following times clearly shown. The sets of pages must be uniquely numbered.

- Working time
- Idle time i.e. machine switched off on site
- Overtime
- Travel time to site

Each time record sheet shall be signed by the site Foreman, in charge of the work, who must be identified by name and personal number, and such sheet shall bind the Municipality and the Contractor to accept the working time shown thereon.

20.2 Reasonable stoppages due to changing of equipment shall be charged at idle time rates.

## 21. IDLE TIME/LUNCH BREAKS

21.1 Idle time occasioned by the plant standing idle (i.e. machine switched off on site) during normal working hours, not due to breakdowns, or maintenance, shall be paid for at the idle time rates laid down in the Schedules of Rates.

21.2 Idle time due to inclement weather when the Municipality's work is stopped for a full day shall be paid at idle time rates but not exceeding 2 hours for any one day.

21.3 Full allowance shall be made to the Municipality in respect of lunch/tea time breaks which must be clearly shown on the time record sheets.

## 22. OPERATOR'S WAGES, etc.

Unless otherwise specified, the hire rate for any item of plant shall include the driver's or operator's wages and other emoluments.

## 23 OVERTIME

Working of plant outside normal hours shall include operator overtime rates as indicated in the schedules. Where no rates are indicated, overtime shall be charged at rates to be mutually agreed, but any increase will not exceed the increased wages paid to the operator.

## 24. REMOVAL OF WORKMEN

The Contractor shall employ operators, drivers or workmen on any item of plant, such persons as are careful, skilled and experienced in their several trades and callings, and the site Foreman shall be at liberty to object to and require the Contractor to remove from the works any person employed by the Contractor in and about the execution of the works who, in the opinion of the site Foreman, misconducts himself or is incompetent or negligent in the proper performance of his duties. Such persons shall not again be employed upon the works without the permission of the site Foreman.

## 25. ORDERS

25.1 All items of plant hired will be authorized by the issue of an official Municipal order.

25.2 Under no circumstances should plant be made available unless prior authorization through the issue of an official order has been made.

25.3 Any break in the period during which a particular item of plant is hired, must be identified by the issue of a new order.

## 26. RATES AND CONDITIONS OF PAYMENT

26.1 Payment for plant hired will be in accordance with the Schedules of Rates and will be made against invoices certified correct by the Manager Technical Services.

26.2 Tax invoices shall be rendered weekly, quoting order number, fleet identification number as well as the period of hire and shall be substantiated by duplicate copies of the time record sheet in accordance with Clause 20.

26.3 Payment will be made within 30 days of the invoice being received by the Manager Technical Services.

## 27. HEALTH AND SAFETY

27.1 The Municipality and the Contractor agree, in terms of the provisions of Section 37(2) of the Occupational Health and Safety Act, 1993 (Act 85 of 1993, hereinafter referred to as "the Act"), that the following arrangements and procedures shall apply between them to ensure compliance by the Contractor with the provisions of the Act, namely:

The Contractor undertakes that the appropriate officials and employees of the Contractor will fully acquaint themselves with all relevant provisions of the Act and the regulations promulgated in terms of the Act;

The Contractor undertakes that all relevant duties, obligations and prohibitions imposed in terms of the Act and regulations will be fully complied with;

The Contractor hereby accepts sole liability for such due compliance with the relevant duties, obligations and prohibitions imposed by the Act and regulations, and expressly absolves the

Municipality from itself being obliged to comply with any of the aforesaid duties, obligations and prohibitions;

The Contractor agrees that any duly authorised officials of the Municipality shall be entitled (although not obliged) to take such steps as may be necessary to ensure that the Contractor has complied with his undertakings as set out more fully in paragraph (a) and (b) above, which steps may include, but will not be limited to, the right to inspect any appropriate site or premises occupied by the Contractor, or to inspect any appropriate records held by the Contractor.

The Contractor shall be obliged to report to the Municipality any investigation, complaint or criminal charge which may arise as a consequence of the provision of the Act and Regulations, pursuant to work performed in terms of this Contract, and shall, on written demand, provide full details in writing, of such investigation, complaint or criminal charge.

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To avoid confusion and unnecessary delay, tenderers are requested to submit the name and telephone number of the official who should be contacted when any item of plant is ordered by the Municipality.

NAME OF PERSON RESPONSIBLE FOR HANDLING OF PLANT AND FROM WHOM PLANT MAY BE ORDERED:

NAME : .....

ADDRESS: .....

.....

.....

.....

TELEPHONE NO.: .....

FAX NO. : .....

Please state the geographical Area In Which The Company's Business Premises Are Situated.  
(e.g. Port Elizabeth, Uitenhage, etc.) in the space below.

.....

**NOTICE NO: 87 OF 2012**

**SCHEDULE OF RATES- HIRE OF GRADER**

<u>MAKE AND MODEL</u>	<u>YEAR</u>	<u>FLEET / REG NO.</u>	<u>HIRE RATES (Incl. Operator, Fuel &amp; Oil)</u>		<u>OPERATOR OVERTIME RATES</u>		<u>FINAL LEVEL</u>		<u>TRANSPORT TO AND FROM SITE</u>
			<u>IDLE</u>	<u>OPERATING</u>	<u>WEEK DAY</u>	<u>SUNDAY/PUBLIC HOLIDAY</u>	<u>OPERATOR</u>		
			<u>PER HR</u>	<u>PER HR</u>	<u>PER HR</u>		<u>Y</u>	<u>N</u>	

Final Level Operator : .....

Insured all risk?.....

Name of Insurance Company:.....

Date of Renewal of Premium:.....

Are Operators covered by Workmen's Compensation?.....

(Fleet/ Registration Numbers must be stated) (All Rates to be including VAT)

.....

Authorizing Signature

.....

Date

.....

On behalf of

.....

Name of bidder

Please attach detail formal cost breakdown if necessary.

## Form of Offer

**NOTICE NO: .87/2012**

### **HIRING OF GRADER**

1. I hereby undertake to render services/goods described in the attached bidding documents to Kouga Municipality in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number: 87 /2012 at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. **The offered total of the price for the Hiring of Gader for Kouga Municipality inclusive of Value Added Tax as quoted on Page fourteen(14) is correct.**
4. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
5. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.



- 6. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
- 7. I confirm that I am duly authorized to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES	
1	.....

**DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state\*(please see definition of "person in the service of the state at bottom of this section).

2. Any legal person, having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in the service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.

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

3.1 Full Name .....

3.2 Identity number.....

3.3 Company Registration Number.....

3.4 Tax Reference Number.....

3.5 VAT Registration Number.....

3.6 CIDB Registration Number .....Grading:.....

3.7 Are you presently in service of the state\* **YES / NO**

3.7.1 If so, furnish particulars.

.....  
 .....

3.8 Have you been in the service of the state for the past **YES / NO**

twelve months?

3.8.1 If so, furnish particulars

.....  
.....

3.9 Are you connected with any persons in the service of  
the state?

**YES / NO**

3.9.1 If so, state 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 adjudication of this bid?

**YES / NO**

3.10.1 If so, state particulars.

.....  
.....

3.11 Are you, aware of any relationship (family, friend, other)  
between the bidder and any person employed by the  
state who may be involved with the evaluation and or adjudication of this bid?

**YES / NO**

3.11.1 If so, state particulars.

.....

.....

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

3.12.1 If so, furnish particulars.

.....

.....

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

3.13.1 If so, furnish particulars.

.....

.....

**DECLARATION**

I, THE UNDERSIGNED (NAME) .....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature.....

Date .....

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.

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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, 2011.**

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### 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 R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to not exceed R1 000 000 (all applicable taxes included) and therefore the 80/20 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

	POINTS
<b>1.3.1.1 PRICE</b>	80
<b>1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.4 Failure on the part of a bidder to fill in and/or to sign this form and 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 an Accounting Officer as contemplated in the Close

Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

- 1.5. 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

- 2.1 **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;
- 2.3 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 **“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 services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **“consortium or joint venture”** 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;
- 2.8 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less .
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **“non-firm prices”** means all prices other than “firm” prices;

- 2.13 **“person”** includes a juristic person;
- 2.14 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### **3. ADJUDICATION USING A POINT SYSTEM**

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

#### 4. POINTS AWARDED FOR PRICE

##### 4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

#### 5. Points awarded for B-BBEE Status Level of Contribution

5.1 In terms of Regulation 5 (2) and 6 (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	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0



- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

## **6. BID DECLARATION**

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

## 7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: ..... = .....(maximum of 10 or 20 points)

**(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).**

## 8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO

8.1.1 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? YES / NO (delete which is not applicable)

## 9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm :.....

9.2 VAT registration number :.....

9.3 Company registration number :.....

9.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

.....

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated .....

Registered Account Number .....

Stand Number .....

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?

.....

9.9 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 contribution indicated in paragraph 7 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 paragraph 7, 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 contribution 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) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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 BIDDER(S)

DATE:.....

ADDRESS:.....

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

# POINT ALLOCATION

		UP TO	ABOVE
		R1 000 000	R1 000 000
		80/20	90/10
<b>A</b>	<b>PRICE</b>	80	90
<b>B</b>	<b>PREFERENCE POINTS</b>	20	10

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

1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

- a. take all reasonable steps to prevent such abuse;
- b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
- c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_

(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of : \_\_\_\_\_ that:  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>9</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.

.....  
Signature Date

.....  
Position Name of Bidder

<sup>3</sup> 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.

## **DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

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

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

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

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME) .....**

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS  
DECLARATION FORM TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY  
BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

