



**BA-PHALABORWA LOCAL MUNICIPALITY**

TENDER FOR THE APPOINTMENT OF SERVICE PROVIDER IN BA-PHALABORWA LOCAL MUNICIPALITY FOR THE:

**APPOINTMENT OF A SERVICES PROVIDER TO CO-SOURCE INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE YEARS**

**TENDER NUMBER: 16/22/23**

**CLOSING DATE: 29 MAY 2023**

**CLOSING TIME: 10H00**

**BA-PHALABORWA LOCAL MUNICIPALITY**

Private Bag x 01020

Phalaborwa

1390

Contact : Technical : Ms Makhongela MM

Procurement: Mr Selepe NW

Telephone: 015-780 6362

Fax: 015-780 6300

**NAME OF**

**BIDDER:.....**

**TOTAL BID AMOUNT: .....**

**(AMOUNT IN WORDS): .....**

**PRICE**

**ALL INCLUSIVE**

**TENDER NO: 16/22/23**

**1. Tender Notice and Invitation to bid**



## BA- PHALABORWA MUNICIPALITY

Ba-Phalaborwa Municipality hereby invites suitable professional services providers to render service), for the below listed project in the Ba-Phalaborwa Municipality of the Mopani District in Limpopo Province.

Tender documents are obtainable from Ba-Phalaborwa Municipality (civic centre) during the following times: 07:00 to 12:00 and from 13:00 to 15:30 (Monday to Friday).

Below are the significant details per project:-

TENDER NUMBER	CIDB GRADING	DESCRIPTION	COMPULSORY BRIEFING SESSION			FUNCTIONALITY	EVALUATION CRITERIA	CLOSING DATE AND TIME	Minimum Score for functionality	CONTACT PERSON
			DATE	VENUE	COST					
16/22/23	N/A	Appointment of a service provider to co-source internal audit services for a period of three years	15/05/2023 @10H00	Municipal Activity Hall	Free at the municipal website and Etender portal	Qualifications of Director (5) Qualifications of Audit Manager (financial & environmental Audits) (10) Qualifications of Audit manager (ICT Audits) (10) Qualifications of senior Auditor – Finance (10) Qualifications of Senior Auditor – Environmental Audits (10) Qualifications of Senior Auditor – ICT Auditing (10) Experience Finance Audits (10) Experience Audit Manager (10) Experience ICT Audits (10)	80/20	29/05/2023 @10H00	70%	Ms. Mokhongela MM (015) 780 6300

						Experience –Audit Manager (10) Experience – Environmental Audits (5) Methodology and skills transfer (5)				
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A compulsory briefing session will be held on the dates and times specified above at Activity Hall, BaPhalaborwa Municipality Main Office, CNR Mandela and Sealene Street.

**NB: Covid 19 principles should be adhered to. I.e. Wearing of masks, Social distancing, and Sanitizing (No bidder will be allowed if not wearing a mask)**

The bids are to be deposited in the tender box of Ba-Phalaborwa Municipality Offices situated at CNR Mandela Drive & Sealene Street in Phalaborwa, by the closing date and time as above mentioned, where after they be opened in public. No late, telefaxed or Document found in any other place or proposal from service providers who have not attended the compulsory briefing session will not be considered

Bidders should take note of the following bidding conditions:

1. Ba-Phalaborwa Municipality Supply Chain Management Policy shall apply in the evaluation and awarding of the Tender.
2. Ba-Phalaborwa Municipality does not bind itself to accept the lowest tender, reserves the right to accept the whole or part of the Tender and reserves the right not to appoint.
3. The Bid validity shall be 90 (Ninety) days from the date of closure.
4. Bidders must provide proof of the following to avoid disqualification: CSD report (Printed between the date of advert and closing date, certified ID Copies of all directors, statement of municipal rates and taxes for both company and director (s) (not older than 3 months)/letter from traditional authority not older than 3 months/ lease agreement, key personnel/service team's experience (attach certified copies of qualifications and CV; CK/Company registration, Valid tax clearance or tax pin; Certified or original valid BBB-EE certificate or sworn affidavit, proof of work experience (attach relevant appointment letter).**All the relevant returnable documents are attached to the tender document,**
5. The minimum score for functionality will be as stated above and bidders who score below will not be evaluated further on price and BBBEE preference point scoring system.

DR. PILUSA KKL  
ACTING MUNICIPAL MANAGER  
Notice No. 06 /23

## 1.1. SCOPE OF WORK

The appointed service provider will be requested to assist the in-house Internal Audit Activity to render internal audit services for the municipality in terms of the approved annual Internal Audit Plan and the Municipal Finance Management Act, 2003 (Act 56 of 2003).

The successful bidder **MAY** be required to perform the following services:

- Financial audits;
- ICT audits;
- Environmental audits

The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of Ba-Phalaborwa Municipality's system of internal control. This includes the following responsibilities:

- To render internal audit services for the municipality as and when required in terms of the approved annual Internal Audit Plan and the Municipal Finance Management Act, 2003 (Act 56 of 2003).
- To act as internal auditors or internal audit seniors, as agreed per assignment, responsible directly reporting to Chief Audit Executive and responsible for performing internal audit assignments in line with the scope and responsibilities as defined per assignment.
- To provide additional resources as and when required to supplement the In-house internal Audit Services.
- Perform specialized internal audits as and when required.

The service providers must have a methodology for specialized audits and perform its responsibilities in terms of the Ba-Phalaborwa Municipality approved Internal Audit Methodology and working papers. The Chief Audit Executive of Ba-Phalaborwa Municipality will be responsible for presenting the final audit reports in respect of work performed to the Audit and Performance Audit Committee.

In addition to the above, the scope of the internal audit work entails testing and determining whether the municipality's network of risk management, control and governance processes as designed and represented by management are adequate and functioning in a manner that will ensure:

- Risks are appropriately identified and managed;
- Interaction with various governance groups within the municipality occur as appropriate;
- Financial, managerial and operating information is accurate, reliable and timely;
- Compliance with policies, standards, procedures and applicable laws and regulations;
- Resources are acquired and used economically, efficiently and adequately protected;
- Programmes, plans and objectives are achieved;
- Quality and continuous improvements are fostered in the organization's control process; and
- All legislative and regulatory issues impacting the organization are recognized and addressed.

The following will also be regarded as forming part of the normal services:

- Liaison with the Ba-Phalaborwa Municipality including monthly meetings.
- Co-ordinating meetings.
- Confirmation of the scope of work with the Ba-Phalaborwa Municipality.
- Progress reports on a bi-weekly basis to be submitted as per agreed scope of work.
- Special attention must be given to training, skills development and skills transfer to Ba-Phalaborwa Municipality Internal Audit staff.

The successful bidder's progress and performance on the provision of internal audit services to Ba-Phalaborwa Municipality will be monitored and evaluated on a continuous basis as they are allocated work by the Chief Audit Executive and quarterly reported to the Audit Committee.

## **2. ENVISAGED WORKING RELATIONSHIP**

Ba-Phalaborwa Municipality's Chief Audit Executive will facilitate and co-ordinate the projects to be performed by the service providers. The audit assignments will be completed within the following envisaged structures:

- Projects performed fully by the Service Provider – this is where the service provider will perform an entire assignment from project planning to issuing the final report.
- Joint Teams – this is where resources from both the Service Provider and Ba-Phalaborwa's Municipality internal audit are involved in an assignment.
- Secondment of staff – this is where the resources of the Service Provider will be under the control, supervision and direction of Ba-Phalaborwa Municipality's Chief Audit Executive.

**NOTE: THE SPECIFIC ROLES AND RESPONSIBILITIES OF THE SERVICE PROVIDER AND BA-PHALABORWA'S INTERNAL AUDIT UNIT IN RESPECT OF THE ABOVE WILL BE DETERMINED ON A PROJECT BY PROJECT BASIS.**

## **3. EXTENT OF WORK**

### **3.1. Performance of audit assignments**

- Assignments are to be performed in accordance with the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing. On specialized audits, methodologies relevant to the process will be added in addition to the IIA standards.
- All audit reports and working papers will become the property of Ba-Phalaborwa Municipality.
- The performance of each assignment shall be conducted accordance with the approved annual internal audit plan and approved internal audit methodology;
- As and when work is allocated to the service providers, the responsible partner/director shall meet with the Chief Audit executive or delegate to report on progress of the work in writing;

- For planning and conducting its work the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any material defects must be reported immediately to the Audit and Performance Audit Committee without disclosing these to any other members of the staff. This also applies to instances where serious fraud and irregularity is uncovered; and the successful bidder may be required to attend strategic workshops as may be required from time to time. The cost of attendance will be for the account of Ba-Phalaborwa Municipality where necessary.

### **3.2. Timing of assignments**

Timing of assignments will be communicated by the Chief Audit Executive Audit with at least two weeks' notice to the service provider.

### **3.3. Quality assurance and review of internal audit work**

Work should conform to the Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external quality assurance as may be considered expedient by the Audit Committee, which shall be conducted periodically by, or on behalf of, the Municipality, upon two weeks' notice to the service provider as applicable.

### **3.4. Independence and objectivity of staff**

Service providers should ensure that their staff maintains their objectivity and remains independent of the activities they audit. All information obtained as a result of undertaking this assignment needs to be treated in strict confidence, and a confidentiality letter needs to be signed in connection with it.

### **3.5. Monitoring of progress of assignments**

On completion of each assignment, the project deliverable will be submitted to the Chief Audit Executive and Audit Committee as required. Progress reports may be requested from time to time.

### **3.6. Reporting of results**

Results e.g. internal audit reports shall be in the format prescribed by the municipality.

### **3.7. Reliance by Auditor General (SA)**

Ba-Phalaborwa Municipality require the service providers to perform assignments in such a manner that the AG (SA) may rely on the work of internal audit. All working papers for the audits will be the property of Ba-Phalaborwa Municipality.

### **3.8. Fraud and irregularity**

In planning and conducting the work, the service provider should seek to identify serious defects in the internal controls system, which might result in possible malpractice. Any such defects must be reported immediately to the Chief Audit Executive, Audit Committee and Accounting Officer without disclosing these to any other members of the staff involved in the possible malpractice. This also applies to instances where serious fraud and irregularity is uncovered.

### 3.9. Resources

Ba-Phalaborwa Municipality will have the rights to interview resources allocated for a particular assignment. In the proposals, the experience as well as levels of the resources to be utilized must be the same utilized on the bidding or resource with similar experience, qualifications and experience.

### 4. FINANCIAL PROPOSAL

The bidder must provide respective hourly rates of personnel to be involved. The table below provides a guideline that can be used for submissions:

<b>Audit Reviews</b>	<b>Professional rate exclusive (R)</b>	<b>VAT at 15% (R)</b>	<b>Total Professional rate VAT inclusive</b>
Director ( Partner)			
Manager – Finance and Environmental			
Manager – ICT Audits			
Senior Internal Auditor - Finance			
Senior Internal Auditor - ICT			
Senior Internal Auditor - Environmental			
<b>TOTAL</b>			

- Price per points will be in according to the table above
- Pricing will be a major factor in determining the suitability services
- The bidder must indicate all costs including value added tax (VAT).
- Ba-Phalaborwa Municipality reserves the right to negotiate any aspect of the proposed fees/pricing and disbursements with the preferred Bidder and shall not be bound to the fees/pricing submitted by any Bidder.

### Provision of Internal Audit Services – 3 years contract

The following resources are required to assist the Municipality in execution of the Internal Audit Plan:

- ✓ Director to provide quality assurance on specialised projects where the CAE does not have the skills.
- ✓ 1 Audit Manager for Financial and Environmental Audits and 1 Audit Manager for ICT Audits

- ✓ 1 Senior Auditor for Financial Audits, 1 Senior Auditor for Environmental Audits and 1 Senior Auditor for ICT Audits.

**Professional Membership**

All resources attached on the tender must be members of relevant professional bodies and their membership must be active on submission of the tender documents and on appointment, failure which will disqualify the service provider. Written proof must be submitted with the tender document and the Municipality will verify the membership.

**The co-source will be to plan, execute and report on the following projects:**

<b>2022/2023 Financial Year</b>	
<b>Project Name</b>	<b>Budgeted Audit Hours</b>
Business Continuity Planning review	200
General ICT Reviews	200
Project Management	200
Accounting Procedure and System	120
<b>TOTAL</b>	<b>1100</b>

<b>2023/2024 Project</b>			<b>2024/2025 Projects</b>	
<b>Project Name</b>	<b>Budgeted Audit Hours</b>		<b>Project Name</b>	<b>Budgeted Audit Hours</b>
ICT Reviews	500		ICT Reviews	500
Financial Discipline Reviews	200		Financial Discipline Reviews	200
Follow-Up Reviews	100		Follow-Up Reviews	100
<b>TOTAL</b>	<b>1100</b>			<b>1100</b>

**Evaluation Criteria**



The project will be evaluated on a 80/20-point score system (where 80 is for Price and 20 points will be allocated based on the specific goals points specified for the tender)

<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	<b>NUMBER OF POINTS (80/20 SYSTEM)</b>
1	20
100% Black =18	
Disability /Youth/Military Veteran =2	
2	18
At least 51% Black Owned	
4	
Less than 51% Black owned	12

**Functionality Evaluation Criteria:**

The minimum score for functionality will be 70% bidders who score below 70% will not be considered for further evaluation

<b>ITEM NO.</b>	<b>FUNCTIONALITY CRITERIA</b>	<b>WEIGHTING</b>
	<b>FUNCTIONALITY</b>	
<b>1</b>	<b>Qualifications of resources</b>  a) <b>Director –</b> <ul style="list-style-type: none"> <li>▪ Honours Internal Audit/ Accounting <b>(with CA/CIA/CIMA/CISA)</b> (5)</li> <li>▪ Degree/Honours Internal Audit/ Accounting (4)</li> <li>▪ Nation Diploma Internal Audit/ Accounting (3)</li> </ul>	<b>5</b>
<b>2.</b>	b) <b>Audit Manager – Financial &amp; Environmental Audits</b> <ul style="list-style-type: none"> <li>▪ Honours/Post Graduate Internal Audit/ Accounting <i>(with CA/CIA/CIMA)</i> (10)</li> <li>▪ Honours/Post Graduate Internal Audit/ Accounting (8)</li> <li>▪ Degree/ Diploma with (CIA/CIMA) (6)</li> <li>▪ Degree in Internal Audit/ Accounting (4)</li> </ul>	<b>10</b>
	c) <b>Audit Manager – ICT Audits</b>	<b>10</b>

ITEM NO.	FUNCTIONALITY CRITERIA	WEIGHTING
	<ul style="list-style-type: none"> <li>▪ Honours/Post Graduate Degree/Diploma in IT Auditing (<i>with CISA</i>) (10)</li> <li>▪ Undergraduate Degree in Internal Auditing/ BSC Computer Science/ Accounting with Post Graduate Degree/Diploma in IT Auditing (8)</li> <li>▪ Degree/Honours/ with CISA (6)</li> <li>▪ Degree/ Diploma in Internal Audit/ IT Auditing (4)</li> <li>▪ Diploma in Internal Audit/ IT auditing (2)</li> </ul>	
3	<p><b>d) Senior Auditor- Finance</b></p> <ul style="list-style-type: none"> <li>▪ Post Graduate Diploma/ Degree in Internal Auditing/ Accounting (<i>with CIMA/CA</i>) (10)</li> <li>▪ Degree in Internal Auditing/ Accounting with Post Graduate Degree/Diploma in IT/ Honors in Internal Auditing/ Accounting (8)</li> <li>▪ Degree in Internal Auditing/ Accounting with CIMA (6)</li> <li>▪ Degree in Accounting/ Internal Auditing (4)</li> <li>▪ National Diploma IT Auditing/Internal Audit/Accounting or degree (2)</li> </ul>	10
	<p><b>e) Senior Auditor- Environmental</b></p> <ul style="list-style-type: none"> <li>▪ Post Graduate Diploma/ Degree in Internal Auditing/ Accounting (<i>with CIMA/CA</i>) (10)</li> <li>▪ Degree in Internal Auditing/ Accounting with Environmental Diploma/ Degree (8)</li> <li>▪ Degree in Internal Auditing/ Accounting with Certificate in environmental science (6)</li> <li>▪ Degree in Accounting/ Internal Auditing (4)</li> <li>▪ National Diploma IT Auditing/Internal Audit/Accounting or degree (1)</li> </ul>	10

ITEM NO.	FUNCTIONALITY CRITERIA	WEIGHTING
	<p><b>f) Senior Auditors- ICT Auditing</b></p> <ul style="list-style-type: none"> <li>▪ Post Graduate Diploma/ Degree in IT auditing or relevant <i>(with/CISA)</i> (10)</li> <li>▪ Degree in Internal Auditing/ Accounting with Post Graduate Degree/Diploma in IT Auditing (8)</li> <li>▪ Degree in Internal Auditing/ Accounting with CISA (6)</li> <li>▪ Degree in IT Auditing/ Internal Auditing (4)</li> <li>▪ National Diploma IT Auditing/Internal Audit/Accounting or degree (2)</li> </ul>	<b>10</b>
<b>4.</b>	<p><b>Experience</b></p> <p>Bidders must demonstrate experience in executing projects of this nature. Appointment letter with contactable references to be attached.</p>	
	<p><b>Finance Audits</b></p> <p><b>The bidder must demonstrate experience in auditing financial audits and review of Annual Financial Statement or preparation of Annual Financial Statements and provide appointment letters for such experience.</b></p> <ul style="list-style-type: none"> <li>▪ 7 and more appointment letters (10)</li> <li>▪ 4 - 6 appointment letters (5)</li> <li>▪ 1 - 3 appointment letters (3)</li> </ul>	<b>10</b>
	<p><b>Audit Manager - Audit management experience:</b></p> <ul style="list-style-type: none"> <li>▪ 7 and more years (10)</li> <li>▪ 4 - 6 years (5)</li> <li>▪ 1 - 3 years (3)</li> </ul>	<b>10</b>
	<p><b>ICT Audits</b></p> <p><b>The bidder must demonstrate experience in auditing IT/ ICT audits and provide appointment letters for such experience. Conducting of IT audits on behalf of AGSA will be an added advantage</b></p>	<b>10</b>

ITEM NO.	FUNCTIONALITY CRITERIA	WEIGHTING
	<ul style="list-style-type: none"> <li>▪ 7 and more appointment letters (including appointment by AGSA) (10)</li> <li>▪ 7 and more appointment letters (8)</li> <li>▪ 4 - 6 appointment letters (5)</li> <li>▪ 1 - 3 appointment letters (3)</li> </ul>	
	<p><b>Audit Manager - Audit management experience:</b></p> <ul style="list-style-type: none"> <li>▪ 7 and more years (including appointment by AGSA)(10)</li> <li>▪ 7 and more years (8)</li> <li>▪ 4 - 6 years (5)</li> <li>▪ 1 - 3 years (3)</li> </ul>	<b>10</b>
	<p><b>Environmental Audits</b></p> <p><b>The bidder must demonstrate experience in auditing Landfill site and valuation of landfill sites and provide appointment letters for such experience.</b></p> <ul style="list-style-type: none"> <li>▪ 5 and more appointment letters (5)</li> <li>▪ 2- 4 appointment letters (4)</li> <li>▪ 1 appointment letter (3)</li> </ul>	<b>5</b>
<b>5</b>	<p><b>Skills Transfer Plan</b></p> <p>The bidder must provide a skills transfer plan which will ensure that internal staff members are capacitated by the end of the contract to execute some of the technical audits.</p> <ul style="list-style-type: none"> <li>▪ Plan with timeframes and detailed methodology on transfer of skills (5)</li> <li>▪ Generalised Plan without clear timeframes (3)</li> </ul>	<b>5</b>
	<b>TOTAL</b>	<b>105</b>

**A. Service Provider Prerequisites / Requirements**

- All bidders must attend the compulsory briefing session

- Bidders must attach signed declaration of interest forms
- Company registration certificate
- Letter from SARS with a valid pin code
- SANAS approved BBB-EE certificate/ consolidated B-BBEE certificate for J/V / updated sworn affidavit
- Proof of medical certificate for directors with disability
- Power of attorney/ letter of authority for signatory if applicable
- Joint venture agreements where applicable
- Certified ID copies of the directors/ members/ proprietors not older than three months
- Statement of Municipality Accounts as proof of residential address, if leasing, provide the lease agreement or the proof of residential address by a traditional authority in case of a non-ratable area for the **business and all company directors** (Not older than three months).
- Terms of reference fully completed and each page to be initialized.
- Latest summary report of Central Supplier Database (CSD)
- Proof of work experience (attach appointment letters)
- Key personnel experience (attach CV, Certified qualifications and ID Copies).
- Membership certificate with professional bodies (SAICA, CISA, CIMA, CIA, CA)

# **COMPULSORY MUNICIPAL BID DOCUMENTS**

**MBD1**

**PART A  
INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)**

BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
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DESCRIPTION

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).**

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS


**SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]	
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE		R	
SIGNATURE OF BIDDER	.....	DATE			
CAPACITY UNDER WHICH THIS BID IS SIGNED					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT		CONTACT PERSON			

CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			



## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR ONLINE</b>
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? NO <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/></span>
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? YES <input type="checkbox"/> NO <span style="float: right;"><input type="checkbox"/></span>
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> NO <span style="float: right;"><input type="checkbox"/> YES</span>
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> NO <span style="float: right;"><input type="checkbox"/> YES</span>
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? NO <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/></span>
<p><b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b></p>	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

**NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....

**DECLARATION OF INTEREST**

- 1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
- 1. 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 favoritism, 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 authorized 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.  
.....  
.....  
.....

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

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

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

**1. GENERAL CONDITIONS**

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

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 **To be completed by the organ of state**

*(delete whichever is not applicable for this tender).*

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

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

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

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

$$Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right) \text{ or } Ps = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

### 3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$Ps = 80 \left( 1 + \frac{Pt - Pmax}{Pmax} \right) \text{ or } Ps = 90 \left( 1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmax = Price of highest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
  - (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

*(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)*

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)

**DECLARATION WITH REGARD TO COMPANY/FIRM**

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]



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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
<b>SIGNATURE(S) OF TENDERER(S)</b>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....
	.....

## CONTRACT FORM - PURCHASE OF GOODS/SERVICES

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

### PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or services described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... 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 time of 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;
    - Proof of Tax Compliance Status;
    - Pricing schedule(s);
    - Technical Specification(s);
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - 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. 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 goods and/or works 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.
  
4. 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.
  
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

<b>WITNESSES</b>	
1	.....
2.	.....
DATE: .....	

**CONTRACT FORM - PURCHASE OF GOODS/SERVICES**

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I..... in my capacity as..... accept your bid under reference number .....dated.....for the supply of goods/services indicated hereunder and/or further specified in the annexure(s).
  
2. An official order indicating delivery instructions is forthcoming.
  
3. I undertake to make payment for the goods/services delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	TOTAL PREFERENCE POINTS CLAIMED	POINTS CLAIMED FOR EACH SPECIFIC GOAL


4. I confirm that I am duly authorized to sign this contract.

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

A large empty rectangular box intended for an official stamp.

WITNESSES

1. ....

2. ....

DATE .....

CONTRACT FORM - RENDERING OF SERVICES

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

7. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... 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.
  
8. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (iv) Bidding documents, viz
    - Invitation to bid;
    - Proof of tax compliance status;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (v) General Conditions of Contract; and
  - (vi) Other (specify)
  
9. 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.
  
10. 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.
  
11. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

12. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES	
1	..... .
2	..... .
DATE: .....	

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

- 4. I..... in my capacity as ..... accept your bid under reference number .....dated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
- 5. An official order indicating service delivery instructions is forthcoming.
- 6. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	TOTAL PREFERENCE POINTS CLAIMED	POINTS CLAIMED FOR EACH SPECIFIC GOAL

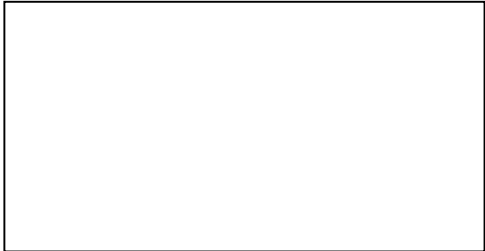
4. I confirm that I am duly authorised to sign this contract.

SIGNED AT ..... ON .....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP



WITNESSES

1 .....

2 .....

DATE: .....



## CONTRACT FORM - TENDER FOR INCOME-GENERATING CONTRACTS<sup>1</sup>

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE LESSOR/ SELLER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE LESSOR/ SELLER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

### PART 1 (TO BE FILLED IN BY THE BIDDER)

13. I hereby undertake to lease property/ purchase all or any of the goods and/or services described in the attached bidding documents from (name of institution)..... in accordance with the requirements stipulated in (bid number)..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the seller during the validity period indicated and calculated from the closing time of bid.
14. The following documents shall be deemed to form and be read and construed as part of this agreement:
- (vii) Bidding documents, viz
    - Invitation to bid;
    - Proof of tax compliance status;
    - Pricing schedule(s);
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - Declaration of interest;
    - Declaration of Bidder’s past SCM practices;
    - Special Conditions of Contract;
  - (viii) General Conditions of Contract; and
  - (ix) Other (specify)
15. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) quoted covers the leased property/ all the goods and/or services specified in the bidding documents; that the price(s) cover all my obligations and I accept that any mistakes regarding price(s) and calculations will be at my own risk.
16. 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.

---

<sup>1</sup> “Tender for income-generating contracts” has the same meaning as defined in the Preferential Procurement Regulations, 2022.

- 17. I undertake to make payment for the leased property/ goods/services as specified in the bidding documents.
- 18. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
- 19. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

<b>WITNESSES</b>	
1	.....
3.	.....
DATE: .....	

**CONTRACT FORM - TENDER FOR INCOME-GENERATING CONTRACTS**

**PART 2 (TO BE FILLED IN BY THE LESSOR/ SELLER)**

- 7. I..... in my capacity as..... accept your bid under reference number .....dated.....for the leasing of property/ purchase of goods/services indicated hereunder and/or further specified in the annexure(s).
  
- 8. I undertake to make the leased property/ goods/services available in accordance with the terms and conditions of the contract.

ITEM NO.	DESCRIPTION	PRICE (ALL APPLICABLE TAXES INCLUDED)	TOTAL PREFERENCE POINTS CLAIMED	POINTS CLAIMED FOR EACH SPECIFIC GOAL

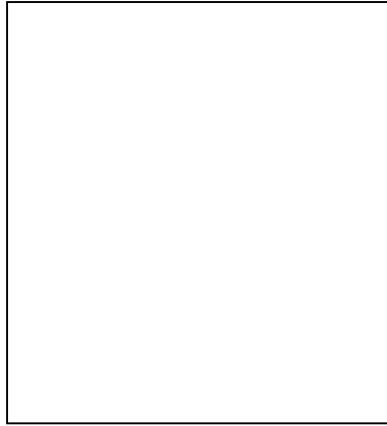
4. I confirm that I am duly authorized to sign this contract.

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP



WITNESSES

3. ....

4. ....

DATE .....

## MBD 8

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

1. This Municipal Bidding Document must form part of all bids invited.
2. It serves as a declaration to be used by 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> <input type="checkbox"/>	<p>No</p> <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)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	<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>		
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"/>
4.7.1	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**

## **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 (MBD 9) 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.**



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>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.

**<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.**

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



# BA-PHALABORWA MUNICIPALITY

## Fraud and Corruption Declaration Form

I (*Name*) \_\_\_\_\_ duly authorized to act on behalf of  
(*Company name*) \_\_\_\_\_ hereby declare to Ba-Phalaborwa  
Municipality that the company:

- a. it has declared to Ba-Phalaborwa Municipality any circumstances that could give rise to a conflict of interest or potential conflict of interest in relation to the current procurement action;
- b. None of the directors of the company is employed by the state;
- c. The company is not blacklisted by the national treasury;
- d. Has not negotiated or tried to negotiate with any municipal official to try to gain information or preference to win the bid, if found the bidder's details will be submitted to national treasury for blacklisting of the company;
- e. it has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept any direct or indirect benefit (financial or otherwise) arising from a procurement contract or the award thereof;
- f. all the information submitted in the bid is truthful and there is no misrepresentation;
- g. it adheres to the Prevention and Combating of Corrupt Activities Act 12 of 2004;
- h. it is solvent and in a position to continue doing business for the period stipulated in the contract after contract signature, if awarded a contract by Ba-Phalaborwa Municipality;
- i. it has zero tolerance to Fraud and Corruption and has appropriate procedures in place to prevent and respond to Fraud and Corruption in line with the legislation.

The Company understands that a false statement or failure to disclose any relevant information which may impact upon Ba-Phalaborwa Municipality's decision to award a contract may result in the disqualification of the company from the bidding exercise and/or the withdrawal of any offer of a contract with Ba-Phalaborwa Municipality. Furthermore, in case a contract has already been awarded, Ba-Phalaborwa Municipality shall be entitled to rescind the contract with immediate effect, in addition to any other remedies which the municipality may have by contract or by law.

**Company Name:**

.....

**Name and Title of duly authorized representative**

Name: .....

Date: ..... Title: .....

Signature:  
.....

**Witness**

Name: ..... Signature ..... Date: .....

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