

# **BA-PHALABORWA LOCAL MUNICIPALITY**

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

ACQUISITION OF ENTERPRISE MANAGEMENT SYSTEM FOR A PERIOD OF THREE (3) YEARS

#### TENDER NUMBER: 05/21/22

#### CLOSING DATE: 29/06/2021

CLOSING TIME: 11H00

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NAME OF BIDDER:				
TOTAL BID AMOUNT:				
(Amount in words) PRICE:				



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#### 1. INTRODUCTION

Ba-Phalaborwa Local Municipality require to procure Enterprise Management System for a period of 36 months. The current EMS was procured through transversal procurement system.

#### 2. ROLE OF THE MUNICIPALITY

In a nutshell the Municipality's role could be described as to provide services to and ensure the socio economic development of the Ba-Phalaborwa area to the benefit of all the residents by providing good, effective and efficient governance.

#### 3. OBJECTIVE

To appoint service provider to provide the Enterprise Management System for a period of three (3) years

#### 4. SCOPE OF WORK

# ACCOUNTING SYSTEM FEATURES SPECFICATIONS (SUPPLY AND TRAINING) OVERVIEW

Section 62(1)(c) of the MFMA provides that the municipality must ensure that it has and maintains effective, efficient and transparent systems of financial and risk management and internal control, This relates to all financial applications, including those used for revenue, expenditure, supply chain, asset and liability management, payroll] performance management, and accounting, It is imperative that the municipality

operate effectively and utilize financial applications optimally to present credible information on a timely basis for internal and external use,

The municipal regulations, issued in terms of MFMA, on standard Chatt of Accounts(mSCOA) Gazette No.37577provides for the following key objectives:

- 1 Improved data quality and credibility
- 2 The achievement of a greater level of standardization
- 3 The development of data sets critical for whole of government reporting

4. The standardization and alignment of the local government accountability circle by the regulation of not only the budget and in-year repotting formats but also the annual report and annual financial statement formats.

5. The creation of the opportunity to standardize key business processes with the consequential introduction of further consistency in the management of municipal finances.

6. Improved transparency, accountability and government through uniform recording of transactions at posting account level detail

7. Enabling deeper data analysis and sector comparisons to improve financial performance

8. The standardization of the account classification to facilitate mobility in financial skills within local government and between local government and other spheres as well as the private sector and to enhance the ability of local government to attract and retain skilled personnel.

Since the piloting phase of mSCOA implementation has now been concluded, the aim of this bid is to appoint a municipal financial management system with internal control functions provider who is able to provide solutions to municipality in accordance with the mSCOA regulations, applicable legislations and processes as indicated in the specifications

The system vendor will be appointed to enable municipality to implement a system somon best suited to the municipality's individual requirements

#### SCOPE OF WORK

This bid is for the supply and implementation of an Integrated Financial Management System with internal control functions (system) as per the specification below.

The system must, at a minimum, comply with the seven main components of municipal financial management and control. The seven components must integrate seamlessly with the mSCOA general leger and comply at posting level to mSCOA Regulations and GRAP.

The main components / modules should be as follows:

- 1 General Leger as per mSCOA regulation
- 2 Biffing for the municipality
- 3 Supply chain management that complies with regulation
- 4 Assets management and tracking
- 5 Inventory management
- 6. Budget module aligned to IDP as regulated .
- 7. HR and Payroll module with leave management
- 8. Performance Management System

There are eighteen major business processes that have been defined within Local Government. These business processes are defined in the specification.

Each business process has been fragmented into sub-processes to enable alignment to practical work streams common to municipalities. Legislative or business requirements provide further explanation of the sub -process.

The business processes are as follows:

- 1 Corporate Governance
- 2. Municipal Budgeting, planning and Modelling
- 3. Indigent control
- 4. Pre-paid Electricity
- 5. Cash Payment System
- 6 Financial Accounting
- 7. Costing and Reporting
- 8. Project Accounting
- 9. Treasury and Cash Management

10. Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable

1 1 Grant Management

- 12. Full Asset Life and Resource Management
- 1 3. Real Estate and Resource Management
- 1 4. Human Resource and Payroll Management
- 15 Customer Care, Credit Control and Debt Collection
- 16 Valuation Roll Management
- 17. Land Use Building control
- 18. Revenue Management and

19. Performance Management System Functionality within systems, acting as enablers of the business processes, have been added and describes how systems must assist municipalities in maintaining proper execution and achievement of business process milestones and deliverables.

An indicator has been placed with each required system functionality to specify what the relevancy of the said requirement is for the mSCOA regulation. Transactional indicates that the functionality must, at the point of source, be made within the mSCOA segmentation The derived indicator allows for transactions to be originated from sub - systems and updated into the general [edger in segments.

For each of the detailed system requirements within the pricing schedule the following breakdown of pricing will be required:

Licence Fees:

- > Once -off licence, where the system solution requires an initial once-off fee
- Annual maintenance fee, where software maintenance fees are payable annually or in monthly instalments
- Annual sewice level agreement fee, where fees are payable to ensure support is available, for example, helpdesk, after implementation onsite support, where support staff are placed at the municipality other than the number of weeks go live support.

#### Implementation

- > Assessment of current status on or offsite investigation of the current financial data
- Organizational change management: Cost to ensure that organizational change management is addressed during implementation

> Assessment of requirement: During assessment for the current status, requirements must be •identified

Customization and setup of parameters: Operating system and server (setup of seiver with related software) Database setup (Cost of setup required data base) Security and roles definition (the cost of configuring users access and security features) and Software solution (Customjsing software solution to fit client requirement) > User acceptance testing: Test environment setup and testing to an accepted level for users

>Implementation training: Training for the size of municipality

>Refresher training: Training plan for the next three years

Handholding: Cost to have support staff onsite for a number of weeks to ensure al\$ processes have been tested. First billing cycle completed, Salary run done, Asset financial transactions integrated, General ledger month-end done, and statutory reporting submitted.

The system must be fully integrated or fully interfaced; i.e. General Ledger, Accounts Payable, Accounts Receivable and Fixed Assets,

The system must include an integrated Cashbook.

• The system must be able to provide as a minimum basic budgeting facilities. The system must support Accruals/Resource based accounting practices.

#### **SECURITY**

The system must allow an unlimited number of "potential" USerS subject to licensing requirements;

The system must control user access via an authentication mechanism based on a unique username and password login for each user,

The system should store the user passwords in the database using irreversible encryption methods.

The system must ensure that all authentication data and the mechanism itself is protected against unauthorized access.

The system should allow the System Administrator to specify the minimum password length and whether passwords are case sensitive or not,

The system must not echo the password on screen, instead the system must display an asterisk C) similar character.

The system must allow the System Administrator to specify who can amend user passwords:

The system must log user access (including reporting): • date last used • unsuccessful log-in attempts (user name, password and workstation)

The system must log user activity; for example, by function.

#### CONTROL ACCESS

The system should allow for each user to be assigned to a user group; for example by job function or departmental structure/hierarchy.

The system should allow the definition of different levels of access control for each user group to allow for segregation of duties and delegated financial authority levels; for example, supplier creation, supplier modification. invoice entry and invoice authorization.

The system should provide full access control at both a functional level and a data level.

The system must not display any function or information to which the user has not been granted access: •menus/screens • transaction types; i.e. documents transaction data; i.e. single accounts or groups of accounts • standing data

The system must split access control by activity: add • modify change • delete • enquire • report

The system must apply the access to the running of standard and ad-hoc reports I enquiries as well as the core functionality.

The system should provide a configurable default user access control; for example, grant "enquire-all", "change-none" type permissions.

The system should be capable of operating on a network that will allow remote access; for example, using two-factor authentication via a key fob device and a network password.

#### TRANSACTEON PROCESSING

The system must permit users to amend or cancel (delete or void) any transaction at any time prior to authorization or the commitment of data to the database, subject to process and user access controls.

> The system should facilitate the correction of miss postings; i.e. by the posting afa simple reversal transaction. > The system must allow narrative to be attached to any transaction or transaction line.

> The chat of accounts underpins the financial functionality of the overal} system. The system shouEd provide a common chart of accounts across all modules, consisting of multiple (at least 5) key elements (dimensions), for example:

 $\checkmark$  cost Centre code, representing a section or department against which income] expenditure or activity is to be recorded  $\checkmark$  expense head code (natural account)) reflecting what expenditure has been incurred, income received, balance sheet accounts etc.

 $\checkmark$  job code, an additional analysis code; for example, a project code thus allowing expenditure incurred across a range of cost centers to be recorded and tracked to a specific project  $\checkmark$  activity code, a further analysis code allowing further breakdown of expenditure  $\checkmark$  sector code a further analysis code allowing further breakdown of expenditure Note: as Departments reporting structures change) there should be the flexibility for more key elements (dimensions) to be added and flexibility in the number of characters in the Chart of Accounts fields.

- The system must permit additions and amendments to the chad of accounts structure without corrupting existing data at any (eve] in a simple and efficient way; i.e. without the need to rebuild the chart of accounts For example in the event of a Departmental reorganization, it must be possible to transfer Cost Centers and all associated data to a new or another existing Cost Centre and replot on the data accordingly. When required, the application of changes must be from a specific effective date within the financial year, In particular, audit trails of previous data entry and processing should remain intact,
- > The system should provide for the dynamic insertion of new account code combinations which are created for the first time that a transaction is posted to that account code, provided that all the elements of the account code exist and the combination valid, subject to process and user access controls.
- The system' should provide a facility for the bulk creation and amendment of account code combinations; for example, upload chart of accounts changes from spreadsheet file.

- The system must have the ability to identify elements which are for expenditure and income (operating statement items) and for assets and liabilities (balance sheet items).
- The system must permit the deactivation of elements so that no postings are possible (subject to process and user access controls); either:
  - ✓ permanently (with option to re-open) or ✓ temporarily

controlled by the use of specific open and closed dates

> The system must prevent active elements from being deleted; i.e. when they are postings to the account. ➤ The system should allow inactive elements to be deleted; i.e. where there has been no posting to the account element, subject to the appropriate security/access control and audit trail.

> The system should provide validation procedures for individual elements and combinations of account codes,

- i.e. posting rules, to determine valid account code combinations.
- The system should control user access to individual elements and combinations of account codes, in terms of posting and enquiries/reporting etc.
- > The system must provide controls ensuring that, for each element of the account code, any new codes are included in at least one hierarchy; for example, all new cost centers will point to an existing organizational parent.
- The system should provide the ability to move an element from one area of a hierarchical structure to another, with associated data being automatically realigned, subject to appropriate security/access control.

#### ACCOUNTING PERIODS

> The system should allow the addition of additional periods if required for yearend purposes.

> The system must not allow periods to be deleted once data has been posted to them,

- The system must allow multiple years to be open at the same time though posting for ordinary users will only be possible in the current year,
- The system must provide the functionality to open and close accounting periods to control posting of transactions into current and/or previous/futuæ periods.
- The system must allow periods and/or years to be re-opened if necessary the system must recalculate all forward balances on reclosing (with a ripple effect throughout all further periods/years). This must be managed under strict controls.

 $\gg$  The system must roll closing balances from one period into the opening balances for the subsequent period(s).

- > The system must allow/prevent the posting of transactions to present, future and previous periods and yea1S, with security defined at user [eve'; for example:
  - certain users may post to an open past or future period, as well as the current period,
    - while others are restricted to posting to the current period only
- The system must allow prior year and audit adjustments to be made throughout the current year. This must be subject to strict security/ access control. All such adjustments must be also applied to the current year where relevant.
- > In particular, the system must allow posting to a new year/period before any accounts for the previous year period have been finalized.
- The system must recalculate all forward balances after posting adjustments have been made
- The system must warn the user if they attempt to post to a non-
- current period.
- P

## DATA ENTRY VALIDATION, LOOKUP

- Data entry should be kept to a minimum with automation being used wherever possible to reduce the number of keystrokes.
- The system must provide automatic validation during data entry (with ability to make corrections) of all codes including (but not limited to):
  - entity codes
  - each element of the General Ledger account code
  - supplier and customer codes
  - tax codes

> The system must not allow final posting of entries until the relevant validation checks have been performed.

- > The system should have the option to produce a validation report once the data has been input, if required. The validation report should contain positive verification that the data has successfully passed the checks set out below.
- The system should support wildcard lookups; for example, drop down list of ail matching entries with facilities to allow the user to identify and select the required entry; for example, a list of creditors and their addresses.
  - > The system must provide the following input controls:
  - data type; for example, alpha, numeric or alphanumeric
  - minimum field size; for example, at least two characters within range/outside limits; for example, valid day within month
  - > The system should provide the following input controls:
  - inappropriate punctuation; for example, inappropriate characters in monetary values

• check digits; for example, last digit of payable order. relationship with other fields; for example, start/end dates relationship with other data already in the system; for example, transaction reference

> The system must provide duplicate invoice checking; for example, an invoice being posted has been posted to the same customer with either the same external reference number, date or amount. The system must offerone of two duplication check options, if required and provide one of the following actions:

• prevent entry of duplicate invoices • warn the user before allowing the duplication of invoices

#### AUDITING AND SYSTEM INTEGRITY Audit Log

> The system must provide comprehensive auditing facilities covering all data entity and user activity.

- > The system must record sufficient information to permit users and external audits to check easily the completeness of the audit trail.
  - > The audit trail/log must record as a minimum:
  - username/password
  - workstation
  - date/time stamp
  - all relevant transaction data
  - all relevant standing data
  - > The system must record all attempted security violations

#### Audit Reporting

> The system must provide built-in audit reports

> The system must also allow user-defined audit reports to be created using the report writer.

> The system must allow the user to select/sort the audit data, for example by:

- username, data item
- > The system should allow the audit report to be:
- displayed on screen
- printed to hardcopy output
- saved to electronic output; for example,. ASCII, RTF, PDF file

#### System Integrity

> The system must incorporate full system integrity controls including (but not limited to):

• controls to reduce the risk to the integrity of the system in terms of data input and data changes (including interfaces)

- reports and enquiries to monitor and report on the integrity of the system
- procedures to verify the referential integrity of the database
- functions to restore system integrity from a backup or a rollback segment.

The system must provide transaction data integrity facilities including (but not limited to): reconciliation of control accounts to subsidiary

ledgers

• maintaining the General Ledger in balance • reconciliation of General Ledger transactions to balances

- · reconciliation of Accounts Payable transactions to supplier balances
- · reconciliation of Accounts Receivable transactions to customer balances

 reconciliation of Fixed Assets to asset control accounts > The system must also:

• verify the creation of valid account code combinations • verify the creation of customer codes, supplier codes and bank sort codes • validate automatic system referencing; for example, journal numbers

#### Archiving

- > The system must provide the System Administrator comprehensive archiving facilities to allow data which is no longer required on a day-today basis to be summarized and removed from the main application database.
  - > The system must allow all data to be archived:
  - transaction data . standing data
  - > The system should allow archived data to be viewed and reported on.
  - > The system must provide facilities to allow archived data to be restored.

> The system must not permit financial data to be deleted other than via the standard archiving procedures.

#### **Enquiries**

> The system must allow access to all prior year/period data (if not archived off system).

The system should allow searches based on partial codes; for example, all salary costs regardless of source, showing all accounts that match the selection. Note that it should be possible to use 'wildcards' in searches in any position of the code, replacing as well as trailing characters if required.

> The system should allow simple and quick navigation and access to:

• drill down to obtain more' detail; for example, from a period balance, see the underlying transactions

• drill up to summarize data

• drill around to follow cross references; for example, from a payment, see a list of associated invoices and • drill across to other ledgers/modules; for example, from General Ledger summary accounts to the original transactions original in Accounts Payable

> The system should allow all screen enquiries to be printed or saved to a file.

All enquiry screens should have the ability to scroll forwards and backwards when looking at more information than will fit in a single window\*

#### Report Writer

- > The system must provide either a built-in report writer or integrate with an industry standard standalone reporting application capable of repotting across all data, subject to user access control; for example, (including but not limited to) eo MS Excel, Pdf viewer, MS Word, Notepad
- The report writer should be intuitive, user-friendly and functionally rich and allow relative novices to construct useful reports. It is essential that these data processing/reporting routines may be defined without specialist programming knowledge. In other words, the skills to define these processes may be acquired by any PC literate user with appropriate training; for example, the use of drag and drop layout tools, dropdown lists of valid fields and formula wizards etc.
  - > The system must not permit the report writer to update the database.
  - > The system should provide a web browser based version of the report writer.
- > The system must be delivered with a suite of standard financial and management reports; for example (including but not limited to) trial balance, balance sheet, profit and loss statement, day book.

> The system should be capable of the production of the annual accounts including a full user-defined cash flow statement.

> The standard reports should be flexible and allow selection by any r<sup>3</sup>/<sub>4</sub><sup>p</sup>ant data; for example:

account codes account types (assets, liabilities)

- analysis types 
   transaction/batch numbers and ranges
- dates and periods amount ranges and sorting
- and grouping by:
- account code
- activity date account type and
- debit or credit balance

> The report writer should be capable of reporting on:

- transaction data . standing data
- current year and periods
- prior years and periods

> The report writer should be able to combine financial and nonfinancial information.

> The system should also allow users to define their own reports.

> The system should allow user-defined reports to be saved for future re-use.

The report writer must be: provided with a graphical interface to allow the drop and WYSIWYG (What You See ...Is What You Get ) editing/page layout\*

The report write!' should allow a user to copy existing reports and edit/delete them.

> The report writer should allow a user to create their own reports by selecting screens and fields.

- > The report writer should allow a report being sent to disk to be saved in a number of different formats including (but not limited to):
  - ASC\I text

. RTF

- PDF (Adobe Acrobat)
- Microsoft Excel
- XML
- csv

#### G<u>ENERAL LEDGER</u>

➢ The General Ledger must be fully integrated or fully intel faced with Accounts Payable, Accounts Receivable, Cash Book and Fixed Assets. ➢ The system must be able to support multiple entities; for example, business units, separate companies (for example Trading companies).

- > The system must maintain self-balancing ledgers.
- The system should apply updates in real time automatically to the modules, unless relating to a process which has been specifically designated as a batch process for control purposes; for example, cheque 11,1 11 processing.
- > The system should have the ability to group cost Centre/account codes into multiple summary code combinations for reporting purposes, in order to ensure that income and expenditure analyses reflect the Department<sup>s</sup> reporting hierarchy, which may vary from the standard chart of accounts 'view' of the Department.

> The system must support multiple transaction types.

> The system must allow the definition of multiple VAT rates; for example, standard, zero-rated, exempt, no recoverable.

#### JOURNALS

- The system must allow the entry and posting of journals as a two stage process comprising (1) input of the entry and (2) its checking, amending, and authorization which will lead to the automatic updating of the General Ledger with no further intervention required.
- The system should provide the capability for employee and monetary approval limits for journaf approval to be different for different managers depending on the approval submission path; i.e. through user access controls.

> The system should allow the online entry of: • a single journal or • a batch of journals

- The system should allow the storage of partially completed journals (which may be out of balance) and their Subsequent retrieval for completion; i.e. transactions can only be posted when they are in balance
- $\succ$  The system should provide journals to cover both the transfer of items within the

General Ledger and between and Cashbook.

- > The system should support multiple journal types including (but not limited to):
- standard
- recurring, allow users to specify the recurring date
- reversing; allow users to specify the reversing date
- combined reversing recurring
- template; to facilitate frequently used journals
- allocation
- prior period and prior year

> The system should also support both reversing and non-reversing accrual journals.

- > The system should allow journals to be auto-numbered (if required) with the option to use different numbering sequences per journal type.
  - The system should allow for journal numbers to be auto-checked for duplicates
- > The system should allow narrative (at least 200 characters) to be added to each journal header and journal item line.

> The system should allow to have an unlimited number of lines, with a mixture of debits and credits.

> The system should allow users to adjust, subject to security, currency exchange rates for each journal line,

COST ALLOCATION/APPORTIONMENT

- The system should have the ability to generate regular, automatic journals to simplify the posting of overhead allocations to cost centers, projects, activities etc.
   The methods of apportionment should cover:
  - percentage based . pro-rated . statistical based . budget-based and
  - amount-based
- > The system should provide a seamless link to the General Ledger allowing such basis to be used. It is likely that these bases will change from one accounting period to the next.

> The system should allow the balances that the allocations are based upon to be an account code; for example:

single account ranges of accounts

• cost centre or ranges of cost centres

#### PERIOD END PROCESSING

> The system must allow independent closure of accounting periods in the application.

- > The system should allow the period end roll over in feeder systems such as Accounts Payable and Accounts Receivable to take place in advance of that of the General Ledger; i.e. hold the General Ledger open for a few days after dosing the Accounts Payable and Accounts Receivable.
- The system should prevent feeder systems such as Accounts Payable and Accounts Receivable modules transferring journal information to the General Ledger without the General Ledger users being notified: even if the sub ledger period has been opened.

> The' system must allow for future processing of transactions while still closing the current period.

The system must update accounting balances and perform a roll forward when a new General Ledger period is opened.

> The system must provide standard period end processing including (but not limited to):

- automatic checks that all batch interface routines have been executed
- reversal of accruals
- update of monthly transaction [records
- preparation of full period audit trail
- standard monthly journals processing

> The system must allow for an efficient and effective monthly reconciliation mechanism of reconciling the:

• Accounts Payable to the Accounts Payable control accounts in the General Ledger

• Accounts Receivable to the Accounts Receivable control accounts in the General Ledger

• Fixed Assets to the Fixed Assets cost, accumulated depreciation and depreciation expense accounts in

General Ledger

#### YEAR END PROCESSING

- The system must allow year-end adjustments in the General Ledger after the Accounts Payable and Accounts Receivable Ledgers have been closed for the year.
- The system must allow users to input to and report normally on current and future years while still working on the previous accounting year.
- The system must, at year-end close, provide automatic clearing of operating cost statement accounts to a designated 'general fund' account and carry forward balances on balance sheet designated accounts to provide for opening balances of the new year's balance sheet,
- The system should allow a year end to be forced at any point in the financial year, for example, to allow for bodies that are wound up part way through a year.

#### BUDGET MANAGEMENT

As required by the national treasury, the budget must be able to be accessed via a portal (Online) by the national treasury and the system must be SCOA compatible ad include the following:

> The system must have fully integrated or fully interfaced budgeting and forecasting functionality,

> The financial functionality of the system must be underpinned by the General Ledger chart of accounts.

> The system should support multiple iterations of budgets/forecasts.

 $\succ$  The system should be able to hold budgets at any level of the Chat of Accounts.

> The system should support budgeting against both financial and statistical entries.

> The system should allow budgets to be imported from the following file formats:

- Microsoft Excel
- CSV file

> The system should allow budget information to be exported in the following formats:

- Microsoft Excel
- CSV, ASCII text file etc.

### CASH MANAGEMENT

> The system's cash book facility must be fully integrated or fully interfaced with the General Ledger, Expenses Claims, •Petty Cash, Accounts Payable and Accounts Receivable.

- > The system must support the maintenance of multiple cash books and bank accounts; for example, individual cash books in respect of various bank accounts operated by the Municipality with different banks.
- > The system should have the ability to manage multiple petty cash accounts and their associated control accounts.
- > The system should assist with the reconciliation of cash books and statements. This will involve a combination of electronic and manual matching; for example, interest charges and sundry receipts.

The system should provide facilities to easily and quickly manage and forecast cash requirements. > The system must be able to integrate with Payrolf (to do employee deduction)

The system must be able to correctly handle VAT.

## BANK RECONCILIATION

> The system should provide the ability to load the bank statement and auto reconci\e in one step.

- > The system should allow matches to be confirmed, suspended or rejected.
- > The system should provide warnings when discrepancies on statements, in respect of statement numbers, statement dates and closing balances are identified.
- > The system should allow missing statements that are subsequently received to be reconciled in the normal manner.
- The system should allow reconciliation errors and mismatches to be brought to the user's attention
- . BILLING

Þ

Municipal Billing

- Billing Frequency
- Customer Categories
- ➢Flexible Tariff Structure for Fixed and Consumption
- Services
  - Rates Billing
    - Sanitation Billing
    - ➢Consumption Billing
    - >Indigent Support-Subsidy Billing
  - Database Management Tool
  - Aligned to latest Property Legislation

**Key Features** 

- Sanitation
- ➢ Electricity
- Water
- Rates

A

- Bills & Statements
- > User Security
- Maintenance v/

Classification

- ✓ Meters and Meter Types v/
- RateTariffs <sup>v</sup>/ Propetties,
- Portions and Services
  - ➢Billing Servtces.
  - Meter Readings
- > Meter Reading Adjustments
  - ➢Meter updates
  - ➢ Billing Run
- Receipts
- Receipts Reversals
- Fin alization

Credit control

Function > Arrangeme nts > Disconnect ion ≫ Recon nection > Charging reconnection fee ≫ Group Accounts **Other Features** 

- > Direct intewation to Accounts Receivable and General Ledger accounts
- > Debtors age analysis reports
- > Pre and Post Billing reports
- > Exception reports
- > Monthly Customer tatements

National Treasury Reports

#### **OTHER FUNCTIONS INCLUDE:**

Accounts Payable

Creditor/Supplier Management

Purchase Invoices

Purchase Credit/Debit Notes

Purchase

Payments

Remittance

Advices

Purchase Journals

Cash AilocationIMatching

DebtorlCustomer Management

Invoices Credit/Debít Notes

Receipts .

Journals...

Credit Control/Management

**Fixed Assets** 

#### Evaluation of Bid offers

Bidders will firstly be evaluated on their responsiveness as follows:

A bid not complying with the peremptory requirements stated hereunder will be regarded as not being an "Acceptable bid", and as such will be rejected, "Acceptable bid" means any bid which, in all respects} complies with the conditions of bid and specifications as set out in the bid documents, including conditions as specified in the Preferential Procurement Policy Framework Act (Act 5 of 2000) and related legislation as published in Government Gazette number 22549, dated 10 August 2001, in terms of which provision is made for this policy.

1 . If a tax clearance certificates tax pin or certified copy thereof not older than three months (or in the case of a joint venture, of all the partners in the joint venture) has not been submitted with the bid document on closing date of the bid.

2 if any pages have been removed from the bid document, and have therefore not been submitted or a copy of the original bid document has been submitted.

3, Failure to complete the schedule of quantities as required, only lump sums provided.

- 4. Scratching out, writing over or painting out rates] without initialing next to the amended rates or information affecting the evaluation of the bid.
  - 5, The use of correction fluid (i.e. tippex) or any erasable ink, e.g. pencil.
  - 6. Non-attendance of mandatory/compulsory briefing session

 The Bid has not been properly signed by a party having the authority to do so, according to the example of "Authority for Signatory"

8. No authority for signatoty submitted - See example, where it is stated that a duly signed and dated original or certified copy of the company's relevant resolution (for each specific bid) of their members or their board of directors. must be submitted.

9. The bidder attempts to influence, or has in fact influenced the evaluation and/or-awarding of the contract

10. The bid has been submitted either in the wrong bid box or after the relevant closing date and time

- 1 1. If any municipal rates and taxes or municipal service charges owed by the bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months.
- 12 The accounting officer must ensure that irrespective of the procurement process followed) no award may be given to a person
  - a) who is in the service of the state, or;

b) if that person is not a natural person\* of which any director, manager\* principal shareholder or stakeholder, is a person in the service of the state; or;

c) who is an advisor or consultant contracted with the municipality in respect of contract that would cause a conflict of interest.

13. Bid offers will be rejected if the bidder or any of his directors is listed on the Register of Bid Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector.

14. Bid offers will be rejected if the bidder has furnished the municipality with fraudulent documents.

15. Failure to attach a copy of a valid signed Joint Venture/Cons01tium agreement (if applicable) to the bid document

16. Form of offer not completed and signed by the authorized signat01Y.

17. Cefiified ID copies of the directors/ members/ proprietors not older than three months

18. BBB-EE certificate (optional)/ in case of joint venture consolidated BBB-EE certificate must be submitted

19. Latest registration report of Central Supplier Database (CSD) with valid reference number. (Printed between the tender opening and closing date)

#### FUNCTIONAL EVALUATION

- Only bidders who have complied with all mandatory requirements will be evaluated for functionality, during this phase bidder's response will be evaluated for functionality based on minimum total score of 70% for the functional requirements per category of municipality as defined in paragraph.
- Bidders must as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.
- Bidders will not rate themselves, but need to ensure that all information required is supplied, The BEC will evaluate and score all responsive bids and will verify all documents submitted by the bidders.
- > The BEC members will individually evaluate the responses received against the following criteria:

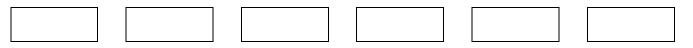
Bidder evaluation criteria for functionality	Functional Requirements	Weight
Project Methodology and approach	Documentary evidence to demonstrate a structured approach and work methodology/approach through a concise capability statement/project proposal proving the ability to perform the activities as outlined in the scope of work and technical specification. In addition, this work methodology/ approach must include a clear statement of the bidders understanding of the Mscoa classification framework and implementations on system functionality as it relates to financial management system with internal control functions.	20
	Structured approach and work methodology is Good =20 Structured approach and work methodology is Satisfactory = 7 Structured approach and work methodology is Poor =3	
Previous experience Appointment and recommendation letter indicating the successful use of MSCOA from the client.(Must be signed and stamped by the client)	Documentary evidence to demonstrate previous experience of the bidder in undertaking projects of this nature, and a proven track record. In this regard bidders are required to provide a portfolio of local government specific experience within financial management system with internal control functions environment. Contactable references with proven success must also be submitted	30
	<ol> <li>Appointment and recommendation =5</li> <li>Appointments and recommendation = 10</li> <li>Appointments and recommendation = 15</li> <li>Appointment and recommendation 30</li> </ol>	

Organogram	Company structural evidence to be provided	10
Location	Company located within the Limpopo Province Province = 3 Mopani = 5 Local =10	10
Security	IT Security Management (Certified by SABS* ISO)	10
Compliance	Registration and recognition documentation by National Treasury on mSCOA must be submitted.	20
Total		100

# PRICING (ALL INCLUSIVE)

# Installation, Configuration and initial setup fees (Onsite Solution)

Once off License fee (Software)	R
Requirement assessment (Scoping & Business Processes)	R
Customise and setup (Data Cleansing & Implementation)	R
Testing	R
Training	R
Accommodation and travel	R
TOTAL INSTALLATION, CONFIGURATION AND INITIAL SETUP	R



# Software and Service fees (Software as a Service) & Onsite support fees

Annual Maintenance Fee Year 1	R
Annual Services Fee Year 1	R
Accommodation and travel	R
TOTAL FOR YEAR 1	R

# Year 1: (includes travel & accommodation)

# Year 2: (includes travel & accommodation)

Annual Maintenance Fee Year 2	R
Annual Services Fee Year 2	R
Accommodation and travel	R
TOTAL FOR YEAR 2	R

## Year 3: (includes travel & accommodation)

Annual Maintenance Fee Year 3	R
Annual Services Fee Year 3	R
Accommodation and travel	R
TOTAL FOR YEAR 3	R







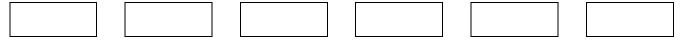


Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

# Grand Total: All inclusive

Installation, Configuration and Initial Setup Fees	R
Year 1	R
Year 2	R
Year 3	R
Grand Total for 3 years	R

The above costs from installation, configuration, & initial set up fees, year 1, year 2
 & year 3 includes accommodation and travel fees.



Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

#### 6. MANAGEMENT OF THE PROJECTS

The Municipality (through the Corporate Services) shall be entitled to audit any aspect of the work. The Service provider shall ensure that all work is executed in accordance with procedures, which comply to accepted practices with the Act and the Regulations.

#### 7. DURATION OF PROJECT

Three years.

#### 8. ALTERATIONS TO DOCUMENTS

Not make any alterations or additions to the Term of Reference, except to comply with instructions issued by the employer, or necessary to correct errors made by the Service Provider. All signatories to the Bid offer shall initial all such alterations. Erasures and the use of masking fluid are prohibited.

No alternative Bid officer will be considered

#### 9. FORMAL AGREEMENT AND CONDITIONS OF CONTRACT

The award of the contract is subject to the successful bidder entering into an agreement with Ba-Phalaborwa Municipality.

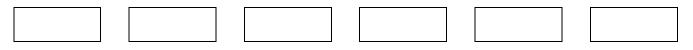
#### 10. DECLARATION OF CONFIDENTIALITY

The Service Provider(s) shall regard all information in, or in support of the project as confidential and may not use any information for personal or 3<sup>rd</sup> party gain

#### 11. CONTACTABLE OFFICIALS FOR CLARIFICATION

Compulsory site briefing will be held as per the advert. Prospective bidders are required to meet with the representative of the Employer at Ba-Phalaborwa Municipality, Head Office. Only a single representative per company will be required as signatory on the date of compulsory briefing.

Enquiries regarding clarification of aspects mentioned in this TOR can be addressed to Mr. Chuene R during office hours at Tel. no: **(015) 780 6300** or Supply Chain Office 015 780 6362.



#### **BA-PHALABORWA LOCAL MUNICIPALITY**

#### TENDER NUMBER: 05/21/22

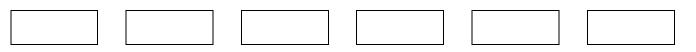
#### TENDER FOR THE APPOINTMENT OF SERVICE PROVIDER IN BA-PHALABORWA LOCAL MUNICIPALITY:

ACQUISITION OF ENTERPRISE MANAGEMENT SYSTEM FOR A PERIOD OF THREE (3) YEARS

#### (All Documents and Schedules MUST BE SUBMITTED for the Tender to Qualify)

T2.1	Returnable Schedules requ	ired for Bid evaluation purposes
1	Form 1.1	General Information
2	Form 1.2	Certificate of attendance at briefing Session
3	Form 1.3	Authority for Signatory/ power of attorney
4	Compulsory municipal bid documents	Full Completion of MBD Forms
		Joint venture agreement if Applicable
		CSD registration report (Printed between the date of advert and closing date)
		BBB-EE Certificate or a sworn affidavit or consolidated BBB-EE certificate in case of Joint Venture agreement
		Valid TAX Clearance or Pin
		Proof of Company Registration (CK)
		Certified copies of municipal accounts / lease agreement / tribal authority confirmation letter of the company and owners not older than 3 months
		Certified ID copies of company directors not older than 3 months
		Company Profile

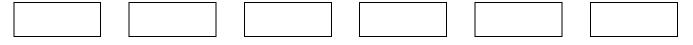
The bidder must submit the following documents:



Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

#### FORM 1.1 GENERAL INFORMATION

Details of person responsible for the tender process:
Name:
Contact number
Address of office submitting the tender:
Address:
Telephone no:
Fax no:
E-mail address:



## FORM1.2 CERTIFICATE OF ATTENDANCE AT SITE VISIT

This is to certify that (Tenderer)				
of	(address)			
named below at the compulsory meeting held for all ter <b>at</b>	was represented by the person(s)			
I / We acknowledge that the purpose of the meeting was works and / or matters incidental to doing the work spe- to take account of everything necessary when compilin	cified in the tender documents in order for me / us			
Particulars of person(s) attending the meeting:				
Name:	Signature:			
Capacity:				
Name:	Signature:			
Capacity:				
Attendance of the above person(s) at the meeting is confirmed by the Employer's representative, namely:				
Name:	Signature:			
Capacity:	Date and Time:			

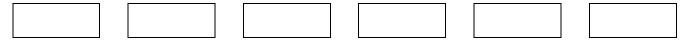
#### FORM 1.3 CERTIFICATE FOR AUTHORITY OF SIGNATORY

Signatories for Companies must establish their authority by attaching a copy of the relevant Resolution of the Board of Directors, duly signed and dated, to this form.

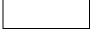
AN EXAMPLE IS SHOWN BELOW:

"Ву	Resolution	of	the	Board	of	Directors	at	а	meeting	on
2021										
Mr/Mrs/I										
Has bee	n duly authorise					on with the Ten				tals)
SIGNED COMPA	) NY		ON			BEHAL	F			OF
IN			IIS			CAPACITY	,			AS

SIGNATURE OF SIGNATORY



# COMPULSORY MUNICIPAL BID DOCUMENTS











#### (a) YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE BA-PHALABORWA LOCAL MUNICIPALITY

BID NUMBER:	CLOSING DATE: 29 JUNE 2021	CLOSING TIME: 11H00
DESCRIPTION		

The successful bidder will be required to fill in and sign a written Contract Form.

BID DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:

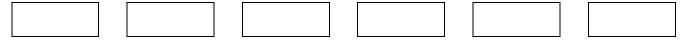
Cnr Nelson Mandela & Sealane Street Phalaborwa 1390

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

- (b) The bid box is generally open 24 hours a day, 7 days a week.
- (c) ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

(d) NB: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (as defined in Regulation 1 of the Local Government: Municipal Supply Chain Management Regulations)



### THE FOLLOWING PARTICULARS MUST BE FURNISHED (FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER
POSTAL ADDRESS
STREET ADDRESS
TELEPHONE NUMBER
CODENUMBER
CELLPHONE NUMBER
FACSIMILE NUMBER
CODENUMBER
E-MAIL ADDRESS
VAT REGISTRATION NUMBER

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN ATTACHED? (MBD 2) YES/NO
HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (MBD 6.1) YES/NO
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)
A VERIFICATION AGENCY ACCREDITED BY THE SOUITH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)
(Tick applicable box)
(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED? YES/NO (IF YES ENCLOSE PROOF)
SIGNATURE OF BIDDER
DATE
DATE 
DATE  CAPACITY UNDER WHICH THIS BID IS SIGNED
CAPACITY UNDER WHICH THIS BID IS SIGNED COTAL BID PRICE
CAPACITY UNDER WHICH THIS BID IS SIGNED
CAPACITY UNDER WHICH THIS BID IS SIGNED COTAL BID PRICE COFFERED COFFERED ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE

Municipality / Municipal Entity: Ba-Phalaborwa Local Municipality

**Department**: Finance

**Contact Person:** Mr. Selepe NW **Tel:** (015) 780 6303

#### ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

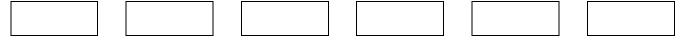
AS PER THE ADVERT.

MBD 2

#### TAX CLEARANCE CERTIFICATE

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

- 1. In order to meet this requirement bidders are required to complete in full form TCC001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids. Copies of form TCC 001 are available from any SARS branch office nationally or on the website www.sars.gov.za.
- 2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website <u>www.sars.gov.za</u>.
- 6. Exemption to the provision of a Tax Clearance Certificate will be granted provided that:
  - a) The bidder is registered on the vendor database of the municipality and a valid tax clearance certificate was submitted together with the application for registration
  - b) If the closing date of the price quotation or bid falls within the expiry date of the tax clearance certificate that is in the municipality's possession.



#### **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.

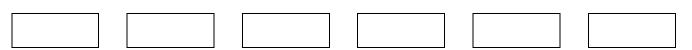
3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

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 R	egulations: "in the service of the state" means to be –

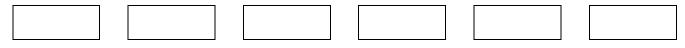
- (a) a member of
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;

(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.	



Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

3.14 Do you or any of the directors, trustees, managers, Principle shareholders, or stakeholders of this company Have any interest in any other related companies or Business whether or not they are bidding for this contract. YES/NO 3.14.1 If yes, furnish particulars:

> ..... .....

4. Full details of directors / trustees / members / shareholders. (a)

Full Name	Identity Number	State Employee Number

..... Signature

..... Date

.....

.....

Capacity

Name of Bidder

## BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) STATUS LEVEL CERTIFICATES

## Bidders are required to submit original and valid B-BBEE Status Level Verification Certificates or certified copies thereof together with their bids, to substantiate their BBBEE rating claims.

Bidders who do not submit B-BBEE Status T Level Verification Certificates or are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE but should not be disqualified from the bidding process. They will score points for out of 90 or 80 for price only and zero points out of 10 or 20 for B-BBEE.



# 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 BBBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

#### 1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
  - the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
  - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the.....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:
- 1.3.1.1 PRICE.....

#### 1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION

#### Total points for Price and B-BBEE must not exceed

100

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.

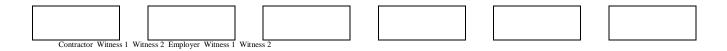


POINTS

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:

80/20 or 90/10



		Ps	01	<i>Pt</i> [	] <i>P</i> min □□	or	$Ps \sqsubset$	900010	$Pt \square$
$P$ min $\Box$									
	Where	9		<i>P</i> min			<i>P</i> min		
	Ps	=	Points scored for	r compara	ative price of bid unde	er consid	eration		
	Pt	=	Comparative price	ce of bid u	under consideration				
	Pmin	=	Comparative price	ce of lowe	est 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	14
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.
- 5.4 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.

(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 (delete which is applicable)

#### 8.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted? .....%

Contractor Witness	s 1 Witn	ess 2 Employer Witness 1	Witnes	s 2			

(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

- D 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]

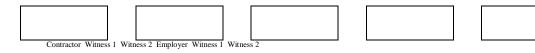
# 9.7 MUNICIPAL INFORMATION

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 authorized 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 favorable 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)	
Contractor Witnes	ss 1 Witness 2 Employer Witness 1 Witness 2		

DATE:
ADDRESS:

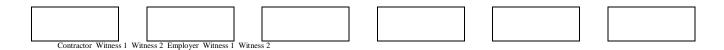


#### DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 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.

ltem	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database	Yes	No
	of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?		
	(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).		
	The Database of Restricted Suppliers now resides on the National Treasury's website( <u>www.treasury.gov.za</u> ) and can be accessed by clicking on its link at the bottom of the home page.		
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters	Yes	No
	in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?		
	The Register for Tender Defaulters can be accessed on the National		
	Treasury's website ( <u>www.treasury.gov.za</u> ) by clicking on its link at the bottom of the home page.		
4.2.1	If so, furnish particulars:		



4.3	Was the bidder or any of its directors convicted by a court of law (including court of law outside the Republic of South Africa) for fraud or corruption duri the past five years?		Yes		No
4.3.1	If so, furnish particulars:				
ltem	Question	Ye	S	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?	Ye	is ]	No	
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?	Ye	is ]	No	
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

.....

Nome of Didder

Position

Name of Bidder

Contractor Witness 1 Wit	ness 2 Employer Witness 1	Witness 2	



## 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.



CERTIFICATE OF INDEPENDENT BID DETERMINATION	MBD
I, the undersigned, in submitting the accompanying bid:	<i>/</i>
Number and Description)	(Bid
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	espect:
I certify, on behalf of:	
that: (Na of Bidder)	me
1. I have read and I understand the contents of this Certificate.	

- I understand that the accompanying bid will be disgualified if this Certificate is found not to 2. 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.
- Each person whose signature appears on the accompanying bid has been authorized by the 4. bidder to determine the terms of, and to sign, the bid, on behalf of the bidder.
- For the purposes of this Certificate and the accompanying bid, I understand that the word 5. "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - has been requested to submit a bid in response to this bid invitation; (a)
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - provides the same goods and services as the bidder and/or is in the same line of (c) business as the bidder.
- The bidder has arrived at the accompanying bid independently from, and without 6. 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

