



BA-PHALABORWA MUNICIPALITY

PROFESSIONAL SERVICE PROVIDER TO PREPARE GRAP COMPLIANT ANNUAL FINANCIAL STATEMENTS AND TO CONDUCT ASSETS MAINTENANCE AND VERIFICATION FOR A PERIOD OF 36 MONTHS (THREE YEARS)

TENDER NUMBER: 04/21/22 (TENDER)

Closing Date: 30/06/2021

Time: 11h00

Venue: Tender Box (Main Office)

Tender Documents: R1000. 00 at the municipality and free on the municipal website and e-tender portal

Ba-Phalaborwa Municipality Budget and Treasury Office: Contact: Ndzimande A Acting Chief Financial Officer Tel: (015) 780 6303	Ba-Phalaborwa Municipality Office of the Municipal Manager Contact: Selepe NW Manager: Supply Chain Management Tel: (015) 780 6300
Name of Tenderer:	
Year one Amount:	
Year two Amount:	
Year three Amount:	
TOTAL AMOUNT TENDERED:	
ALL INCLUSIVE	

TENDER NO: 04/21/22

1. Tender Notice and Invitation

Ba-Phalaborwa Municipality invites interested service providers to bid for a professional service provider to prepare gap compliant Annual Financial Statements and to conduct assets maintenance and verification for a period of 36 months (three years).

TENDER NUMBER	DESCRIPTION	COMPULSORY BRIEFING SESSION			COST	EVALUATION CRITERIA	CLOSING DATE AND TIME	CONTACT PERSON
		DATE	TIME	VENUE				
04/21/22	professional service for the preparation gap compliant of annual financial statements and to conduct assets maintenance and compilation of asset register for a period of three years	11/06/2021	10h00	Activity Hall	R1000. 00 at the municipality and free on the municipal website and e-tender portal	80/20	30/06/2021 @11h00	Mr AT Ndzimande (015) 780 6317

A compulsory briefing session will be held on the dates and times specified above at Activity Hall, Ba-Phalaborwa Municipality, Main Office, CNR Mandela and Sealene Street

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

NB: Covid-19 guidelines should always be adhered to: wearing of masks, Social Distancing, Sanitizing etc. (No bidder will be allowed access to municipal buildings if not wearing masks)

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 letters). All the relevant returnable documents are attached in the tender document,**

5. The minimum score for functionality will be 70 points and bidders who score below 70 points will not be evaluated further on price and BBB-EE preference point scoring system.

**MI MOAKAMELA
MUNICIPAL MANAGER**

OBJECTIVE

To assist Ba-Phalaborwa Local Municipality in preparation of Grap Compliant Financial Statements and the maintenance of a Grap compliant Fixed Asset Register (Movable and Immovable) for a period of three years.

BID CONDITIONS AND INFORMATION

1. Bidders must adhere to the bid conditions, otherwise the bid will be disqualified.

2. Agreement

The successful bidder will be expected to sign the service Level agreement after appointment by the Ba-Phalaborwa Municipality that his/her bid has been accepted.

3. Completion of Bid Documents

- a) The original bid document must be completed fully in black ink and signed by the authorised signatory to validate the proposal. All the pages must be initialled by the authorised signatory. Failure to do so may result in the invalidation of the bid,
- b) Bid documents may not be retyped or altered in any way, Bidder must complete the original issued bid document and original issued returnable.
- c) Tender documents must be completed with non-erasable ink. Any tender document completed with pencil will not be acceptable and shall be disqualified.
- d) Ensure that there are no errors or omissions.
- e) Bids price submitted must include vat where applicable.
- f) Failure to comply with any of the above will result in the invalidation of the bid.

4. Alteration or Qualification of Bid

- a) No unauthorised alteration of this set of bid documents will be allowed after the closing date. Any unauthorised alteration will disqualify the proposal automatically. Any ambiguity has to be cleared with contact person for the bid before the closure date.
- b) The submission should be entirely legible. Any changes made to the original text of bid should be crossed through and signed for. **DO NOT USE CORRECTION FLUID** as this may invalidate your submission.

5. Signatory

- a) A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorising the representative to submit this bid on the bidder's behalf must be attached to the Bid Document on submission of same where applicable.
- b) A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorised to sign it for and on behalf of the bidder.

6. Submission of Bid

- a) The bid must be put in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the bid number, title as well as closing date and time and placed in the Tender Box at the Ba-Phalaborwa Local Municipality
- b) Faxed, e-mailed and late bids will not be accepted. Bids may be delivered by hand, by courier, or posted at the bidder's risk and must be received by the deadline specified above, irrespective of how they are sent or delivered.
- c) Clearly mark the back of the envelope with your bidder's name and address.

7. Opening, Recording and Publications of Bids Received.

- a) Bids will be opened in public immediately after the bid closure date, or at such time as specified in the bid documents. If requested by any bidder present, names of the bidders, and if practical the total amount of each bid and of any alternative bids will be read out loud.
- b) Bids received in time recorded and entered in a register which is open for public inspection.
- c) Late bids will be registered and returned unopened unless the bidder did not clearly specify their address at the back of the envelope.

8. Tax Clearance Certificate, Tax Matters and VAT

- a) Tender offers will only be accepted if the tenderer provides written proof from SARS that the tenderer either has no Tax obligations or has made arrangements to meet outstanding Tax obligations.
- b) Upon submission of a bid/quote the bidder automatically grants confirmation that SARS may, on an ongoing basis during the contract term disclose the bidders Tax Compliance status to the municipality.
- c) Prices must always be VAT inclusive where applicable.

9. Evaluation of Bids

Bids will be evaluated in terms of their responsiveness to the bid specifications and requirements as well as such additional criteria as set out in the bid document.

10. Acceptance or Rejection of a Bids

The Ba-Phalaborwa Municipality reserves the right to withdraw any invitation to submit a bid and/or to re-advertise or to reject any bid or to accept a part of it. The Ba-Phalaborwa Municipality does not bind itself to accepting the lowest bid.

11. Registration on Accredited Supplier Database

It is expected of all prospective service providers who are not yet registered on the Central Supplier Database to register online (www.csd.gov.za) and verify their company information Ba-Phalaborwa Municipality Database Department. The Ba-Phalaborwa Municipality reserves the right not to award proposals to prospective suppliers who are not registered on the CSD (Central Supplier Database).

12. BBBEE Certificate

For the proof of B-BBEE status level of contributor the bidder must submit an original or certified copy of a valid verification certificate from a verification agency accredited by SANAS and recognized as an Accredited B-BBEE

Verification Agencies (www.sanas.co.za/afdirectory/bbbee_list.php) or original or certified completed AFFIDAVIT downloaded from www.thedti.gov.za/economic_empowerment/bee_codes.jsp

13. Tender offers will only be accepted if: -

- a) the financial offer is market related (See Regulation 6 (9) and section 7 (9) of the 8(9) OF Preferential Procurement Regulation 2017.
- b) the tenderer or any of its directors/shareholders is not listed on the Register of Tender 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 terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector.
- c) the tenderer has not:
 - 1. abused the Employer's Supply Chain Management System.
 - 2. or failed to perform on any previous contract and has been given a written notice to this effect.
 - 3. and the tenderer has completed the Compulsory Declaration and there are no conflicts of interest which may impact on the tenderer's ability to perform the contract in the best interests of the employer or potentially compromise the tender process.

14. Requirements for the Joint Venture

- a) J V agreement,
- b) original or certified copy of consolidated BBBEE certificate, and
- c) letter of signatory.

15. Site Inspection Information Meetings

None

16. Procurement Policy

- a) Bids will be awarded in accordance with the Preferential Procurement Regulations, 2017 pertaining to the Preferential Procurement Policy Framework Act, No 5 of 2000.
- b) The latest General Conditions of Contract and any Special Conditions of Contract will apply
- c) The Ba-Phalaborwa Local Municipality Supply Chain Management Policy will apply. This policy is obtainable from Ba-Phalaborwa Local Municipality offices and is available on the municipal website.

17. Expenses Incurred in Preparation of Bid

The Ba-Phalaborwa Municipality shall not be liable for any expenses incurred in the preparation and submission of the bid.

18- Wrong Information Furnished

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have

been incorrect, the Ba-Phalaborwa Municipality may, in addition to any other legal remedy it may have, recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

19. Validity Period

Bids shall remain valid for 90 days after the bid closure date.

20. General and Special Conditions of Contract

The General Conditions of Contract as well as any Special Conditions of Contract that may form part of this set of bid documents will be applicable to this bid in addition to the conditions of bid.

21. Municipal Rates, Taxes and Charges

The bidder to provide their municipal account of rates and taxes of both the Bidding entity and its directors' in its Bid Document submission. Any bidder which is or whose directors are in arrear with their municipal rates and taxes due to any Municipality within South Africa for more than three months and have not made an arrangement for settlement of or same before the bid closure date will be disqualified.

If the bidder is renting the office a Lease Agreement must be attached to the bid document

OR Affidavit from SAPS stating that the bidder is not obliged to pay municipal rates with a letter from a ward councillor is submitted with the tender document.

22. Contact with Municipality after Bid Closure Date

Bidders shall not contact the Ba-Phalaborwa Municipality on any matter relating to their bid from the time of the opening of the bid to the time the contract is awarded for additional information in respect of amendments of bids. Any effort by the firm to influence the Ba-Phalaborwa Municipality in the bid evaluation, bid comparison or contract award decisions may result in the rejection of the bid.

23. Evaluation Criteria

The minimum point to be scored for functionality / quality should be equal to 70 % in order to be considered for further evaluation. Failing to score the minimum required points will lead to immediate disqualification.

23.1 Functionality requirements

Requirements for professional services team

The following are minimum requirements for the professional services team. Failure to comply with the minimum requirements for the professional services team will lead to the tender being regarded as non-responsive and will lead to disqualification of the tenderer. The tenderer must ensure that CVs as well as certified copies of academic qualifications and professional registrations and/certification are included in their tender submissions.

The proposed project leader may fulfil anyone (only) of the roles of the following key project team members, however, in such an instance the proposed project team leader must comply with the requirements set for both the project team leader as well as the key team role to be fulfilled. Key team roles, in addition to the project leader, are:

- The asset management specialist
- The project lead accountant – Senior Manager - AFS
- The project lead accountant – Senior Manager - FAR
- The project lead civil engineer
- The project lead electrical engineer

Table 1: Professional registrations and awarding body

Professional registration / certification		Awarding body	
Chartered Accountant	CA(SA)	South African Institute of Chartered Accountants	SAICA
Certified Senior Practitioner in Asset Management	CSAM	South African Asset Management Association	SAAMA
Professional Engineer	Pr.Eng	Engineering Council of South Africa	ECSA
Professional Engineering Technologist	Pr.Tech. Eng	Engineering Council of South Africa	ECSA
Professional Valuer	N/A	South African Council for Property Valuers	SACPVP
Professional GISc Practitioner	N/A	South African Geomatics Council	SAGC

Table 2: Minimum requirements for professional services team

Resource	Minimum academic qualifications	Professional registration and/or certification	Minimum years professional experience
Project leader	Honours degree or higher in the management sciences, accounting or a built environment discipline	Any of the following: CSAM CA(SA) Pr.Eng or Pr. Tech. Eng	8 years
Asset management specialist	Minimum of Bachelors degree or equivalent	Member of SAAMA	5 years
Project lead accountant	Honours degree in Accounting	CA	5 years
Second project accountant	Minimum of Bachelors degree or equivalent in Accounting	CIMA	5 years
Project lead civil engineering professional	Minimum of Bachelors degree or equivalent	Registration as either a Pr. Tech Eng or as a Pr. Eng	5 years
Project lead electrical engineering professional	Minimum of Bachelors degree or equivalent	Registration as either a Pr. Tech Eng or as a Pr. Eng	2 years

Table 3: Minimum requirements for professional services team – Part of returnables

Resource	Minimum academic qualifications	Professional registration and/or certification	Minimum years professional experience
Property valuer	Minimum National Diploma in Real Estate Management or equivalent	Registration as a Professional Valuer without any restrictions	8 years
Facilities management specialist	Minimum of Bachelors degree or equivalent in Real Estate, Facilities Management or similar	Registration as a Professional Valuer without any restrictions	5 years
GIS Professional	Minimum of Bachelors degree or equivalent	Registration as a Pr GISc	3 years

23.2 Company Track Record

Given the importance of sound financial management and the impact of audit outcomes related to the asset register and quality of annual financial statements, the Ba-Phalaborwa Local Municipality wishes to procure the services of a capable asset management company and financial statements preparation with a strong track record of success related to the scope of services required. Accordingly, tenderers need to demonstrate:

A track record of success in the establishment, maintenance and updating of financial asset registers in the public sector environment, and reference letters from at least three (3) public sector clients within the past five (5) years indicating unqualified audit outcomes on asset registers prepared by the tenderer.

23.3 Capacity Building and Skills Transfer

Tenderers must submit a clear methodology on the transfer of skills.

23.4 Methodology

Tenderers must submit a clear methodology on how work is to be executed.

NB: Assistance on Asset Management Plan and Asset Maintenance is an activity to be costed upon agreement with the successful bidder but will be capped at the rates on which the bid is appointed on.

24. EVALUATION OF TENDER OFFERS

The procedure for the evaluation of responsive tender offer is the 80/20 preference. Pricing Low does not guarantee appointment. A firm must obtain a minimum of 70 points out of the 100 points on functionality to be considered for price and BBB-EE evaluation where the 80 will be used for price only and the 20 for points awarded for B-BBEE status level of contribution.

Any false information provided by the bidder will lead to automatic disqualification

All supporting documents must be submitted at the time of tender submission to enable the bid to be evaluated in accordance with the procedure outlined, the evaluation team will score each tender on the information provided (*Please index file accordingly*).

NO	CRITERIA	WEIGHT	
1.1	Organisational Experience in Similar projects: Previous experience of similar tasks (Please attach appointment letters and reference letters)	40	
	Over 5 projects (2 AFS and 3 Assets)		30
	3-5 projects		20
	1-2 projects		10
1.2	Reference letters indicating unqualified audit outcomes on similar work either AFS or Assets prepared by the tenderer in the past years from public sector clients (Provide reference letters and Audit Reports) * <i>* A reference letter indicating that the service provider managed to improve an audit outcome relating to the work similar to this advertised task, following first appointment by a client *Reference letters to be Stamped by client.</i>	10	
	The tenderer did not provide reference letters	0	
	The tenderer provided 5 or less reference letters	5	
	The tenderer provided six and above reference letters	10	
2.	Qualification and experience (Please provide CV and <u>certified qualifications</u>)	45	
	2x Chartered Accountants (5 marks each)		10
	Asset management Specialist (CASM)* The Asset Management Specialist is not a CASM The Asset Management Specialist is a CASM <i>* Certified Senior Practitioner in Asset Management (CASM) is a qualification awarded by the South African Asset Management (SAAMA)</i>		0 25
	Engineers (ECSA Member) 1x Electrical 1x Civil		5 5
4.	Methodology	15	
	No methodology was provided		0
	The methodology presented is unlikely to lead to achievement of the project objectives and/or: Does not address the full scope of the project Is unclear Does not take into consideration project risks, timelines, or other important considerations		5
	A clear, robust methodology was presented that fully addresses the scope of work to be performed over the entirety of the contract period. Key project risks were identified, and mitigation measures proposed. A project plan has been submitted that considers statutory submission dates and other key considerations. The skills transfer plan should form part of this methodology.		10
	TOTAL	100	

To qualify for the next step in the evaluation bidders must have a minimum score of 70% or above on functionality.

SCOPE OF WORK - ASSETS

The Municipality has the following assets all of which form the scope of work required:

No	Description	GRAP Standard(s)
1.	Land, Buildings, Infrastructure, Community Assets, Capital work in progress	GRAP 17: Property, Plant and Equipment (PPE); GRAP 21 & 26: Impairment of assets
2.	Movable assets (Furniture, Office Equipment, Motor vehicles etc)	GRAP 17: Property, Plant and Equipment (PPE); GRAP 21 & 26: Impairment of assets
3.	Investment Property	GRAP 16: Investment Property; GRAP 21 & 26: Impairment of assets
4.	Intangible Assets	GRAP 31: Intangible Assets; GRAP 21 & 26: Impairment of assets
5.	Heritage assets	GRAP 103: Heritage Assets; GRAP 21 & 26: Impairment of assets

Terms of reference

- 1) Physical verification and labelling of all assets of the Municipality, to ensure completeness and existence of property, plant and equipment;
- 2) The municipality will provide barcodes or request the appointed service provider to provide a quote for the provision of these barcodes.
- 3) Assign and effect a unique asset identification number by bar-coding and capturing new assets not included in the current fixed asset register;
- 4) Compile a new asset register for all assets in accordance with the accounting practices as prescribed by GRAP, MFMA and National treasury guidelines;
- 5) Reconcile capital work in progress noting amounts that require capitalisation and unbundling;
- 6) Preparation of reconciliation between asset register and general ledger and post adjusting journals required;
- 7) The re-assessment of useful lives, residual values and depreciation method of Property, Plant and Equipment;

- 8) Calculations of the adjusting journals for the re-assessments of the useful lives, residual values and depreciation method;
- 9) Investigate and correct prior year errors in any thereby assisting the entity in successfully addressing the audit findings and qualifications on PPE as per the Auditor-General's report;
- 10) Review and update a Fixed Asset Management Policy – GRAP17 compliant;
- 11) Obtain GPS co-ordinates for immovable assets;
- 12) Review contracts payments for possible misallocation of asset related payments;
- 13) Provide detail methodology applied for assessment and impairment of assets where applicable; Identification, measurement and recording of possible impairment losses;
- 14) Prepare an Audit file with supporting documents for all adjustments made, including additions;
- 15) Provide support during the audit process and resolve all queries relating to this appointment, including accompanying auditors on site visits and attend meetings to resolve audit findings in order to achieve a clean audit opinion;
- 16) Transfer of skills to the Municipal Officials;
- 17) Compliance to the municipal Standard Chart of Accounts (mSCOA) regulations incorporating the seven (7) segments.
- 18) Aid during the audit process, including accompanying auditors on verification and
- 19) Review of all reconciliations
- 20) Close out report.

SCOPE OF WORK - AFS

The Scope of work required for the preparation of AFS is as follows;

FINANCIAL STATEMENT AREA	Scope
Prior period errors	<ul style="list-style-type: none"> • Review AGSA Management letters and audit reports for 2018/2019 and 2019/2020 and identify all unresolved audit findings and help management to resolve them; • Prepare and audit file for prior period error adjustments; • Restate the opening trial balance and prepare GRAP compliant restatement note;
	<ul style="list-style-type: none"> □ Engage AGSA before year end so that they can audit opening balances;
VAT	<ul style="list-style-type: none"> • Identify all VAT sensitive accounts as per Chart of Accounts and using VAT 419 guideline, verify that all transactions for the year were treated correctly for VAT; • Reconcile the VAT 201 and VAT SA from SARS to the VAT votes on general ledger;
Chart of Accounts	Verify that vote descriptions clearly describe the accounts relating to different sections of the Trial Balance to allow for ease of use, trail and general understanding of users.
Journals entries into the general ledger	<ul style="list-style-type: none"> • Obtain all journals posted into the general ledger and verify that they are accurate and adequately supported by underlying documentation; • Conduct In-house training sessions for the staff responsible for posting transactions to ensure that they are continuously on the look-out for erroneous postings, and understand the adequacy of information supporting journals;
Inventory (Consumables)	<ul style="list-style-type: none"> • Verify accuracy of inventory quantities at year end both current and prior. Make sure the stock sheets are complete and accurate; • Correct /update stock item descriptions so that the descriptions on the stock valuation report correctly describe the nature and type of inventory items; • Verify completeness and accuracy of stock issues and receipts in the general ledger; • Determine that NRVs of closing inventory in both current and prior year and prepare restatement journals and notes;

<p>Inventory (Land)</p>	<ul style="list-style-type: none"> • Reconcile the land inventory register to the valuation roll; • Trace land inventory to the registers at the deeds offices and verify accuracy of details on register; • Determine the appropriateness of valuation of land at NRV (lower of cost or Net Realisable value); • Determine the accuracy of classification of land inventory as either inventory, property plant and equipment or investment property; • Trace all land parcels on the list on land inventory to the Billing system and make sure no billings are raised on them; • Perform reconciliation of opening to closing land inventory and trace land sales to cost of sales;
<p>Revenue – (Rent Income)</p>	<p>Reconcile the investment Properties register to the rent received, lease agreements and receipts;</p> <ul style="list-style-type: none"> ┆ Verify that all properties rented are supported by lease agreement; ┆ Verify that all rental income is accurately recorded in GL and that the VAT element is treated correctly; ┆ Update Investment property register with properties that are on rentals register; ┆ Verify that the investment properties register indicates the status of the investment property (Vacant, rented out etc); ┆ Trace all the properties on the investment property register to the billing system and make sure there is no billing happening thereon; ┆ Identify Old inactive tenant accounts and isolate all income billed in respect of such former tenants is reversed and that such accounts be closed to avoid overstating rental income and debtors. ┆ Rent accruals – Reconcile rent income accrued to the signed lease Agreements; ┆ Identify all investment properties that are occupied by tenants but they have no lease agreements and are not paying rent and quantify revenue loss. Advise council on an appropriate way forward. All properties with expired lease agreements should have the lease agreements renewed before end of year; <p>Isolate all rent accounts on the debtors age analysis and make sure they are accurate and recoverable;</p>

	<p>Roll must be removed from the system as any income accruing from such will not be collectible;</p> <ul style="list-style-type: none"> □ Identify all Municipal properties from the valuation roll and reverse all property rates revenue billed thereon. Also make sure that these are marked as such on the system so that future billings will not happen on same.
Revenue (Motor Vehicle Licensing)	<ul style="list-style-type: none"> ┆ Verify that all transactions relating to each financial year are recorded in the correct financial year.; ┆ Make sure that the accounting system must be adjusted to ensure that all Motor Vehicle Licensing income votes are marked for VAT exclusion. Make adjustments to remove all VAT incorrectly accounted for on vehicle licenses. However, the agency fee should have VAT charged on it; ┆ Reconcile third party transactions making sure that they are treated correctly in terms of GRAP;
Revenue (Prepaid Electricity)	<ul style="list-style-type: none"> ┆ Reconcile sales reports received from CG Sales against the sales that are recorded on the system on a monthly basis; ┆ Reconcile sales reports received from CG Sales against money that is deposited into the bank by CG Sales as well as record the commission paid to CG Sales as an expense in the books of the municipality; ┆ Check Cut- off at year end to make sure debtors and revenue relating to prepaid electricity sold near year-end are recorded in the correct accounting period; ┆ Deferred income - calculate a reasonable estimate of deferred income on Prepaid Electricity sold but not yet utilised by customers at year end. The income deferred in the previous year must then also be realised in the statement of financial performance.
Revenue (Traffic Fines)	<ul style="list-style-type: none"> ┆ Reconcile traffic fines on E-Natis to the General ledger; ┆ Analyse the traffic fines debtors and verify recoverability of them. Prepare the listing of all traffic fines outstanding and age them.
Revenue (Selling of Municipal Land)	<p>Analyse the land sales receipts and verify that the revenue vote, amongst all other, includes income recorded with the correct VAT treatment. VAT should be deducted from the selling price of land and the output should be declared to SARS.</p>

Revenue - (Conventional Electricity and Water Sales)	<p>Carry out an exercise to identify all meters that have not been accruing charges and get correcting entries processed. The same applies to water meters which also have the same issues. All unread meters should be followed up and be billed in the following month. At year end, all missed billings should have adjustments posted by way of estimating the consumption.</p>
Debtors	<ul style="list-style-type: none"> ┆ Complete master file information - the system master file for all debtors in the system be completed with all required details to identify a customer; ┆ Identify all Municipal properties and deactivate them from billing; ┆ Perform Sub-Ledger to General Ledger Reconciliation and clear all differences; ┆ Recalculate provision for doubtful debts for both current and prior year and make adjustments into the general ledger; ┆ Review and clear all suspense accounts;
Payables	<ul style="list-style-type: none"> ┆ Review/Perform monthly Creditors Reconciliations to ensure that records are accurate; ┆ Review and reverse year-end accruals in the following financial year so that records for payables are not misstated; ┆ Assist the municipality with reconciling retentions between the general ledger and projects' files; ┆ Assist the municipality with reconciling and clearing any differences in the water and sanitation accounts and transactions between itself and the District Municipality.
Employee Costs	<p>Review/Perform Payroll reconciliations to ensure that payroll reports and general ledger agree. Variances noted from the reconciliation process must be posted to the respective GL accounts to bring the account in to balance and / or any discrepancies noted on the Payroll must be investigated and resolved timeously.</p>
Bank and Cash	<p>Review bank reconciliations and make sure all reconciling items are valid and cleared timely;</p>
Supply Chain Management	<p>Assist the Municipality with reconstructing the list of all irregular expenditures and then investigates all the expenditures in terms of the regulations and follow through all the legislated consequences management steps as stipulated in the Act.</p>

Training and skills transfer	<ul style="list-style-type: none"> • Carry out formal training and on the job training with the municipal staff on the following: <ul style="list-style-type: none"> • Preparation of audit files; • Preparation of financial statements of Case Ware; • GRAP items affecting the Municipality;
	<ul style="list-style-type: none"> • The service provider must note that all its work must be done together with municipal officials so that there will be an effective skills transfer.
Interim Financial Statements	<ul style="list-style-type: none"> • Prepare interim financial statements • The IFS must be substantially complete and compliant with all relevant GRAP Standards;
Preparation of financial statements	<ul style="list-style-type: none"> □ Prepare draft financial statements for the Municipality in compliance with GRAP using Case Ware;
	<ul style="list-style-type: none"> • Prepare an audit file supporting all financial statement areas of the AFS; • Reconcile AFS to the audit file and supporting schedules to ensure they are accurate and complete;
Audit support	<ul style="list-style-type: none"> • Remain on the premises of the municipality for the entire project until audit is complete; • Attend audit steering committee meeting and respond to /advise the municipality of audit/AFS issues; <ul style="list-style-type: none"> • Respond to auditors requests for information and queries;

1. Prerequisite /Service Provider Requirements

1.1 All bidders must attend the compulsory briefing session

1.2 Bidders must attach signed declaration of interest forms attached

1.3 Company registration certificate

1.4 Original valid tax clearance certificate / letter from SARS with a valid pin code

- 1.5 BBB-EE certificate/Sword Affidavit
- 1.6 Latest CSD summary report not older than 1 month.
- 1.7 Power of attorney/ letter of authority for signatory if applicable
- 1.8 Joint venture agreements where applicable
- 1.9 Proof of municipal account (not in arrears for more than 3 months).
- 1.10 Certified ID copies of the directors/ members/ proprietors

2. Pricing

The price must be **all inclusive**, e.g. Travelling, Accommodation etc.

	Year 1	Year 2	Year 3
Prepare grap compliant Annual Financial Statements	R	R	R
Assets Maintenance and Verification	R	R	R
Total all inclusive	R	R	R

Total Amount Tendered for

Year	Amount (All Inclusive)
• Year one total costs	
• Year two total costs	
• Year three total costs	
TOTAL AMOUNT TENDERED (All Inclusive):	

DECLARATION OF INTEREST

- 1. No bid will be accepted from persons in the service of the state¹.
- 2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

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

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, hareholder²):.....

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.

.....

¹MSCM Regulations: “in the service of the state” means to be –
(a) a member of –
(i) any municipal council;
(ii) any provincial legislature; or

- (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official 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.

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....

.....

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

3.11.1 If yes, furnish particulars

.....
.....

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

3.12.1 If yes, furnish particulars.

.....
.....

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

3.13.1 If yes, furnish particulars.

.....
.....

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

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

MBD 5

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

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

1 Are you by law required to prepare annual financial statements for auditing?

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

.....
.....

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

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

2.2 If yes, provide particulars.

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

* Delete if not applicable

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

3.1 If yes, furnish particulars **YES / NO**

.....
.....

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

***YES / NO**

4.1 If yes, furnish particulars

.....
.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

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

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
 - the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and
 - the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).
- 1.2 The value of this bid is estimated to 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:

	POINTS
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.
- 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 Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act; Black
- 2.4 **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 2.8 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less .
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **“non-firm prices”** means all prices other than “firm” prices;
- 2.13 **“person”** includes a juristic person;
- 2.14 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account

all factors of non-firm prices and all unconditional discounts;

- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

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

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

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

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

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

- 5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	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.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

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

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

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

8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted?%
- (ii) the name of the sub-contractor?

(iii) the B-BBEE status level of the sub- contractor?

(iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm :.....

9.2 VAT registration number :.....

9.3 Company registration number :.....

:

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated

Registered Account Number

Stand Number

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

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.

- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution

WITNESSES:

1.

.....
SIGNATURE(S) OF BIDDER(S)

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.**

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>The Database of Restricted Suppliers now resides on the National Treasury’s website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury’s website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
4.2.1	If so, furnish particulars:		

4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	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 bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

MBD 9 CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____ (Bid
Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:

_____ that: (Name
of Bidder)

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

- (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder.
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation);
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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