



BA-PHALABORWA MUNICIPALITY

**PROVISION OF DEBT COLLECTION SERVICES FOR PHALABORWA  
LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS**

TENDER NUMBER: 20/24/25 (TENDER)

Closing Date: 23/06/2025

Time: 09h00

Venue: Tender Box (Main Office)

Tender Documents are available from the municipal website and the E-tender portal.

<b>Ba-Phalaborwa Municipality</b> Budget and Treasury Office: Contact: Selepe NW Manager: Supply Chain Tel: (015) 780 6300	<b>Ba-Phalaborwa Municipality</b> Budget and Treasury Office: Contact: Tshishonga N Manager: Revenue and Collection Tel: (015) 780 6300
<b>Name of Tenderer:</b> .....	
<b>Type of service to be rendered:</b> .....	
<b>TOTAL AMOUNT TENDERED (ALL INCLUSIVE):</b> .....	

## TENDER NO: 20/24/25

### 1. Tender Notice and Invitation to bid



#### BA- PHALABORWA MUNICIPALITY

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

Tender documents are obtainable from the municipal website and E-tender portal.  
Below are the significant details per project:-

TENDER NUMBER	CIDB GRADING	DESCRIPTION	COMPULSORY BRIEFING SESSION			FUNCTIONALITY	EVALUATION CRITERIA	CLOSING DATE AND TIME	Minimum Score for functionality	CONTACT PERSON
			DATE	VENUE	COST					
20/24/25	N/A	Provision of debt collection services for Ba-Phalaborwa Municipality for a period of 36 months	29/05/2025 @10H00	Municipal Activity Hall	Free at municipal website and E-tender portal	Debt Collection and tracing software (10) Team experience in debt collection (10) Access to legal services (5) Professional bodies (15) Methodology	80/20	23/06/2025 @09H00	70%	Mkhabela BP (015) 780 6300

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 bids are to be deposited in the tender box of Ba-Phalaborwa Municipality Offices situated at CNR Mandela Drive & Sealene Street in Phalaborwa, by the closing date and time as above mentioned, where after they are open in public. No late, telefaxed or Document found

in any other place or proposal from service providers who have not attended the compulsory briefing session will not be considered.

Bidders should take note of the following bidding conditions:

1. Ba-Phalaborwa Municipality Supply Chain Management Policy shall apply in the evaluation and awarding of the Tender.
2. Ba-Phalaborwa Municipality does not bind itself to accept the lowest tender, reserves the right to accept the whole or part of the Tender and reserves the right not to appoint.
3. The Bid validity shall be 90 (Ninety) days from the date of closure.
4. Bidders must provide proof of the following to avoid disqualification: CSD report not older than 3 months, SAPS 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 pin, proof of work experience (attach relevant appointment letter). **All the relevant returnable documents are attached to the tender document,**
5. The minimum score for functionality will be as stated above and bidders who score below will not be evaluated further on price and specific goals specified for the tender.

MS ME MPHACHOE  
ACTING MUNICIPAL MANAGER  
Notice No. 56 /25

## 1. INTRODUCTION

Ba-Phalaborwa Municipality wishes to appoint debt collection agency with Revenue Management, Debt Collection infrastructure and expertise, on an as and when required basis, for a period 36 months, to assist in the rendering of the following services:

1. Collection of arrear metered service charges from active and in-active customers as identified by the Ba-Phalaborwa Municipality.
2. Collection of arrear un-metered service charges from active and in-active rate payers as identified by the Ba-Phalaborwa Municipality.
3. Collection of arrear sundry charges from customers from active and in-active account holders as identified by Ba-Phalaborwa Municipality
4. Trace and contact debtors handed over with overdue accounts.
5. Arrange reasonable repayment amount and terms in line with the Ba-Phalaborwa Municipality Credit Control and Debt Collection Policy and By-law.
6. Ensure that the debtors deposit the arrear monies into the Ba-Phalaborwa Municipality bank accounts.
7. Have defaulting debtors listed at credit bureaus were allowed in terms of legislation and in consultation with the Ba-Phalaborwa Municipality.
8. Issue summons to defaulting debtors in consultation with Ba-Phalaborwa Municipality
9. Delivery of legal notices related to hand over accounts and do site inspections where needed.
10. Provide any other legal assistance in matters incidental to the collection of the debt.
11. In terms of the Ba-Phalaborwa Municipality approved Credit Control and Debt Collection Policy and By-law as well as other relevant legislation, the successful tenderer/supplier will be required to as an initial stage to first. embark on debt collection processes and doing so exhaust all debt collection measures before proceeding with legal action against debtor
12. Commission quoted for collection should be market related and consider initial expenses incurred by the service provider should legal action proceed against debtors whereby initial debt collection processes fail. It is the intention of Ba-Phalaborwa Municipality to award this tender to a single service provider.
13. The lowest bidding price will not necessarily be accepted, and Ba-Phalaborwa Municipality reserves the right to determine market related rate of commission to be offered to the successful bidders.
14. If the rates of the highest scoring bidder are deemed to be below the market, all acceptable bidders below the market will be offered their own rates. Subsequently, all acceptable bidders above the market may be offered uniform rates which are deemed to be market related as defined by the industry.
15. Arrear metered, un-metered and sundry service charges will be service charges outstanding for a period of 90 days' and older, from due date, or such alternative period / date the council may determine.

## **5. PROJECT DELIVERABLES/TECHNICAL REQUIREMENTS**

The Service provider will be required to assist the Ba-Phalaborwa Municipality with the following:

### **16. Customer data verification**

- The Ba-Phalaborwa Municipality shall from time to time and in its sole discretion instruct the service provider to collect any debt by delivering to the service provider, electronically or any other form reasonably acceptable, details of debt and debtor details as reflected on the Ba-Phalaborwa Municipality financial system (Sage200) to enable the service provider to collect such debt.
- If current debtor information is incorrect or insufficient, service provider is to make use of any legal tracing method or access any relevant external data source to obtain correct debtor details. These details are to be submitted to the Ba-Phalaborwa Municipality to update records.
- Have Credit Bureau relationship/ Data mining capabilities

### **17. Notices**

- The service provider will be required to issue and deliver notices as prescribed by relevant statutory prescriptions for the pre-legal and/or legal notices to clients on handed over accounts.
- Service provider will issue reasonable pro-active reminders including personal contact, demand for payment and opportunity for re-dress in respect of all accounts handed over for collection.
- Service provider will allow sufficient time for account holder to respond to reminders and / or personal contact.
- The service provider will, in the absence of sufficient response and / or proactive actions from account holder register "adverse listing" against debtor at Credit Bureau (Written approval from Divisional Head: Revenue).

### **18. Debt Collection**

- The service provider will be required to recover all collectable debts handed over to it by all legal means necessary.
- Trace and contact debtors with overdue accounts for instructions handed over
- Identification of indigent debtors in the normal debt collection procedures, not already registered in terms of policy and issue referral to client. (Indigent registration forms and conditions will be made available to all successful TENDERERS).
- Agents to assist account holders with resolving of hand-over account enquiries in terms of the Ba-Phalaborwa Municipality administrative or credit control procedure.

- The collection of arrear payments due to Council, including interest, legal penalties, Value Added Tax, and any other arrear amount reflected on the rate payer's hand-over account.
- Arrange reasonable repayment amount and terms in line with the Ba-Phalaborwa Municipality Credit Control and Debt Collection Policy and By-law and advise the Ba-Phalaborwa Municipality in electronic format as prescribed by Ba-Phalaborwa Municipality from time to time.
- Ensure that debtors deposit the money into the Ba-Phalaborwa Municipality bank accounts

## **19. Legal Services**

- Bidders must show a large degree of expertise in the field of collections, must have the necessary skills, knowledge and capacity to manage the pre-legal and legal processes
- The service provider will be required to and must be able to take legal action against debtors for the collection of municipal debt on accounts handed over to them. Such actions will include issuing of summons, the obtain of judgements, the issuing of warrants of execution and sale of attached assets.
- In instances where summonses are defended, the bidder will be required to have the necessary knowledge and skills to effectively litigate in both the Magistrate and High Court and represent the Ba-Phalaborwa Municipality in court, as part of the debt collection process (Such defended matters must be reported to the Divisional Head:- Finance: Revenue and Divisional Head: Corporate Legal Services for approval before authority can be given to proceed. Matters defended must always be done in conjunction with and support of Corporate Legal Services)
- Taking the necessary action against debtors placed under administration or debt review.
- An in-depth knowledge of the liquidation process and insolvency law will further be required in instances of winding up estates for deceased estates and liquidations to limit Ba-Phalaborwa Municipality's exposure and ensure all amounts due to the Ba-Phalaborwa Municipality are collected
- Prior written approval to be obtained from the Divisional Head: Finance Revenue in respect of the following proceedings:
  1. Issuing of summons
  2. Blacklisting
  3. Attachment of movable assets
  4. Sale in execution of immovable assets
  5. Defended matters.
  6. Sequestration or liquidation proceedings
- In terms of remunerations, Ba-Phalaborwa Municipality will pay full collection commission on payments made towards the handed over debt and the service provider needs to collect any legal costs directly from the

debtor. It is important to note that the service provider will at own risk proceed with legal action against the debtor and any initial legal expenses incurred will remain for the responsibility of the service provider.

- Service provider will record all actions taken against debtor.
- Report to the Ba-Phalaborwa Municipality any problem areas and/or municipal services and/or account queries raised by consumers
- Assessing and advising the Ba-Phalaborwa Municipality on the prospects and cost effectiveness of recoverability of debt in terms of applicable legislation.
- Advise the Ba-Phalaborwa Municipality on possible write-offs

**> Executive Comprehensive monthly debt collection report**

- The service provider will be required to submit in electronic format as prescribed by Ba-Phalaborwa Municipality from time to time on the following

1. Status of debts handed over
2. Detailed action taken
3. Debts recovered
4. Irrecoverable debts
5. Age analysis of the debts
7. Number of debtors traced successfully
8. Debtors referred to the credit bureau
9. General summary of the debtors' report and
10. Challenges and recommendation

- The above report will be required to consist of a summary overview as well as report per individual matters handed over to the Service Provider.
- The submission, in electronic format as prescribed by Ba-Phalaborwa Municipality from time to time, of updated account holders personal contact or related details.
- A quarterly report covering the 1<sup>st</sup> quarter, 2<sup>nd</sup> quarter, 3<sup>rd</sup> quarter and 4<sup>th</sup> quarter covering each financial year period and must detail the following
  1. Consolidated debt collection analysis for the quarter/ year
  2. Recommendations on strategies to be used in the future in managing debts

**20. Debt Management system**

- The service provider must have capable hardware, software and server capacity to manage the revenue value chain.

- The service provider must make use of a sophisticated computer system to manage the debt collection process on behalf of Ba-Phalaborwa Municipality.
- The service provider must have IT systems that are compatible to the Ba-Phalaborwa Municipality system for the purpose of interface, and capable of their staff accessing the Ba-Phalaborwa Municipality software applications.
- Have a Revenue data management system
- Call Centre and Call recording infrastructure
- The successful bidder should have a minimum of 15 dedicated staff members allocated to this tender

## **11. EXTENT OF COLLECTION PROCESS**

21. Comprehensive debt collection service is required, focusing on the following legislation and policies as amended from time to time.

- The Constitution.
- National Legislation.
- Local Government Legislation.
- By-Laws.
- Debt Collections and Credit Control Policy.
- Indigent Policy.
- Ba-Phalaborwa Municipality Resolutions.

22. The Ba-Phalaborwa Municipality will identify accounts to be handed over to appointed service provider only after certain internal debt control procedures have been affected. These procedures will include, but will not be limited to, the issue of pre-termination notices, the restriction and/ or suspension of water and/ or electricity supply or any internal collection strategy and/ or incentive implemented by Ba-Phalaborwa Municipality.

23. The service provider must recover all collectable debts by all legal means necessary, use reputable credit bureau where necessary and as well as providing an executive comprehensive monthly debt collection report.

24. Allocation of Work

- Work will be allocated to the successful appointed service provider
- An SLA will be entered into with all appointed service providers in this regard. The appointed service providers are expected to uphold the service standards articulated in the SLA all the time. The service providers will be reviewed monthly and quarterly. Service providers that do not meet their contractual obligation may be excluded from further allocation of work.
- The Ba-Phalaborwa will issue formal instruction to the appointed debt collector to collect such amounts owing to it, as it may decide from time to time. These instructions will include active and in-active accounts.
- In-active accounts are defined as accounts where the owner of property or tenant vacated premises or sold property and where no active services are levied whilst an arrear amount remained payable.



## 12.COMMISSIONABLE COLLECTIONS

25. Commissionable collections will be considered only if the total or adjusted hand over amount on date of hand-over is paid to Council and receipted in the Council's financial system.
26. Amounts identified by the debt collector, to have been received by Council and deposited into the Councils bank account more than 90 days prior to identification, but not yet allocated to the rate payers account and where insufficient information is reflected on bank statement to effectively allocate payment to rate payer account.
27. Amounts collected in terms of FORMAL DEBT REPAYMENT ARRANGEMENT as prescribed by the Ba-Phalaborwa Municipality will only be commissionable if receipted and if the conditions of agreement are adhered to for the duration of agreement not exceeding the Debt Collection Agency appointment.
28. Amounts receipted in terms of court order and or judgment.
29. Amounts receipted in terms of proceeds from "Sale in Execution" of movable or immovable assets.
30. But will exclude:
  - Any amounts collected by the service provider more than the amount handed over or adjusted hand over amount even if such excess amount was collected because of error on the part of the Council or service provider.
  - Adjusted portion of hand-over account due to administrative, billing or account enquiry error.
  - Accounts withdrawn from hand-over process.
  - Clearance debt in terms of Section 118 of Systems Act (32 of 2000) applied for before or after hand-over for collection, except on special instructions for matters specifically handed over for balances not recovered via Section 118 clearances.
  - Amounts identified by the debt collector, to have been received by Council than 90 days prior to identification but not yet allocated to the rate payer's account.
  - Amounts identified by the debt collector, to have been received by Council and deposited into the Councils bank account more than 90 days prior to identification, but not yet allocated to the rate payers account but where sufficient information is reflected on bank statement to effectively allocate payment to levy payer account.
31. Commissionable collections will specifically EXCLUDE any amount of capital debt, legal costs, other costs and interest written off and / or adjusted by the Ba-Phalaborwa Municipality as an incentive, administrative error or specific circumstance as approved by the Ba-Phalaborwa Municipality in terms of delegated authority.

## **13. WITHDRAWAL OF INSTRUCTIONS**

### **32. Ba-Phalaborwa Municipality Instructions**

- The Ba-Phalaborwa Municipality may at any time instruct the service provider to cease proceedings against any debtor and withdraw any such instruction in respect of the collection of amounts owing by any debtor.
- The Ba-Phalaborwa Municipality will not be required to submit reasons to the service provider for withdrawal instruction.
- The Ba-Phalaborwa Municipality reserves the right to withdraw an instruction which becomes a defended claim, and where there is little prospect of success for the Ba-Phalaborwa Municipality.

### **33. Unsuccessful collections**

- After a period of three months from date of collection instruction being issued, the service provider is to return the instruction and all relevant documentation to Ba-Phalaborwa Municipality, if no movement on the process of the recovery is evident on request of Ba-Phalaborwa Municipality, or if no satisfactory arrangement has been concluded with debtor to pay outstanding debt.
- The Ba-Phalaborwa Municipality shall be entitled to call for reasons from the service provider as to why no collection of debt was achieved and the service provider shall be obliged to furnish such reasons to the Ba-Phalaborwa Municipality.
- The Ba-Phalaborwa Municipality reserves the right to request documented proof of action taken in the collection process at any given time. Should the service provider refuse and or neglect to provide the necessary proof as aforementioned, the Ba-Phalaborwa Municipality reserves the right to remove such instruction from the service provider without further notice.
- In the event of unsuccessful collections, the Ba-Phalaborwa Municipality reserves the right to re-allocate the hand-over files to appointed debt collectors based on performance and at discretion of the Divisional Head Income, irrespective of appointed area of service.

## **14. ADDITIONAL CONDITIONS**

34. The service provider once appointed, by acting as agents for the Ba-Phalaborwa Municipality, will be required to heed the principles and conditions of the legislation and policy, always when dealing with debtors
35. The service provider will refrain from having any contact or dealings with account holder as from the date the withdrawal instruction is issued by Ba-Phalaborwa Municipality, defended matter is handed over to Ba-Phalaborwa Municipality or if file is returned due to unsuccessful collection.
36. The service provider will have no claim against any collections or payments made after the date of withdrawal of hand-over instruction.

37. The Ba-Phalaborwa Municipality will not be liable for the payment of ANY costs incurred by the service provider up to the time of withdrawal of instruction.
38. The Council may, at its sole discretion, amend or temporarily suspend any of the collection processes, without any compensation in respect of uncollected debt payable to service provider.
39. It is a requirement of this tender that debtors be treated humanely and with utmost empathy. The dignity of the debtors must be always upheld. Failure to uphold this requirement by a service provider will be seen as a breach of contract.
40. The Ba-Phalaborwa Municipality expects a high standard of delivery and that all reasonable steps to recover the debt as speedily, cost effectively and appropriately as possible, will be instituted timeously and without undue delay. It is expected that the bidder must have traced the debtor and notify the debtor that the service provider will be collecting the outstanding debt on behalf of the Ba-Phalaborwa Municipality within 2 months of receipt of an instruction.
41. Service provider will not accept work from the Council when the Debtor is the client of the service provider; to avoid a conflict of interest.
42. The service provider must be fully insured against all accidents or misfortunes including death of or Injury to persons and loss or damage to property arising out of the condition or execution of any work in terms of this tender.
43. The Ba-Phalaborwa Municipality reserves its right, to withdraw an account from the service provider at no cost to the Ba-Phalaborwa Municipality if the instruction was given due to an administration error on the part of Ba-Phalaborwa Municipality.
44. The service provider will always observe and confirm account holder's identity when entering an arrangement and keep record of power of attorney.
45. The service provider will always furnish the debtor with written proof of acceptable arrangement entered after confirmation was received of payment.
46. The service provider is only authorized to comment on the specific amount handed over and not to create an expectation to the debtor for possible reconnection or other outstanding amounts not allocated to the specific debt collector.
47. The award is subject to the signing of a Service Level Agreement between the successful bidder/s and the Ba-Phalaborwa Municipality.
48. The successful bidder must supply its own resources in respect of offices, personnel, vehicles and equipment required.
49. Sequestration or liquidation proceedings must be a very last resort, and the Bidder must establish that the Debtor has sufficient assets to cover claims.

## **15.COMPUTER LINK**

50. The appointed service provider shall obtain a suitable electronic link between the Ba-Phalaborwa Municipality's financial system or Application, and the computer system operated by the collection agent, to enable the Ba-Phalaborwa Municipality to transmit instructions to the collection agent electronically.

51. The service provider will ensure that their computer systems are compatible, in all aspects, with the system of the Ba-Phalaborwa Municipality and they will abide by the ICT policies.
52. The computer link will further be utilized for:
- To verify balance outstanding on any account in respect of which a hand-over instruction has been issued.
  - To ascertain whether payments have been made by account holder.
  - To verify current debtor's personal details.
  - To ascertain whether the debtor has made any settlement arrangements with the Ba-Phalaborwa Municipality.
  - To obtain such relevant account information as may be required to address account disputes and or enquiries.
  - To capture notes with reference to every dealing with the debtor, which includes but is not limited to details of contact (date & Time), promise to pay details, follow up calls, down payment requirements, period of arrangements and other details necessary to record per file.
  - To download account reconciliations

## **16. ADMINISTRATIVE OFFICE**

53. The successful bidder must have an administrative/ satellite office within Ba-Phalaborwa Municipality to manage customer enquiries.

## **9. CONDUCT OF SERVICE PROVIDER**

54. The information supplied by the Ba-Phalaborwa Municipality or obtained by the service provider shall not be used by the service provider for any other purpose other than for the collection of the outstanding debt.
55. The service provider shall ensure that the Ba-Phalaborwa Municipality is not prejudiced or projected in an unfavourable manner and shall always act within the ambit of the law, the Ba-Phalaborwa Municipality credit control policy and maintain acceptable customer care standards.

## **10. PROGRESS REPORTING**

56. Weekly / Monthly reports by the service provider must be in the format as prescribed by the Divisional Head Revenue,
57. These reports must be submitted by the service provider by the 10<sup>th</sup> working day by every month, or on a weekly basis, as requested.
58. Reports to be submitted by service provider in respect of Current Debt, Inactive Debt, Businesses and Residential Debt.
59. All required reports as specified from time to time must be addressed to the Divisional Head Revenue.
60. Regular feedback is required on outstanding matters not collectable.

61. The responsible management team of the successful bidder is required to meet monthly with the respective Credit Control Managers.
62. All verified debtor information including telephone numbers, addresses, names (deed searches), and identification numbers must be supplied to the Ba-Phalaborwa Municipality in electronic monthly reports to update the necessary information on the Ba-Phalaborwa Municipality system. The successful bidder may be required to change, at own cost, existing management report formats at the request of the Municipality.

## **11. INSURANCE**

63. The successful bidders shall be required to submit Professional Indemnity insurance to the Ba-Phalaborwa Municipality before the commencement of work to the value of R10 000 000.

## **12. WARRANTIES**

64. The Attorney acting on behalf of the Ba-Phalaborwa Municipality warrants that it shall always be registered member of the LPC (Legal Practise Council)
65. The Collection agency warrants that it shall always be a member of the Council for Debt Collectors.
66. Should legislation be amended to include attorneys to be required to register and be member of the Council for Debt Collectors, such attorneys shall ensure immediate compliance with any statutory requirements.

## **13. TERMINATION**

67. The contract will terminate on completion of contract period or upon written notification by the Ba-Phalaborwa Municipality due to non-performance of the debt collector.
68. NO commission or fees will be payable in respect of any collection made or payment received after the termination date of contract, except on matters where the legal process have been initiated before the end of the contract, specifically the summons process and subsequent processes, thereafter regular progress reporting will be required and where no acceptable progress is not evident, the matter may be withdrawn with no further notice and expense to Ba-Phalaborwa Municipality.
69. The service provider will hand over all relevant material, progress reports and files in respect of unresolved matters on termination date. Should the service provider fail to perform to the satisfaction of Council, and in terms of the service level agreement, the services of the said service provider may be terminated at the discretion of the Council. If terminated, all relevant documentation is to be handed back to the Ba-Phalaborwa Municipality and NO claims will be made against Ba-Phalaborwa Municipality in respect of outstanding arrangement commissions, fees and I or costs.
70. In the event of termination due to failure to perform Ba-Phalaborwa Municipality reserves the right to re-allocate the handover files to appointed debt collectors

based on performance and at discretion of the Divisional Head: Finance Revenue, irrespective of appointed area of service.

#### **14. PROCESS AND CAPABILITY PROPOSAL**

Bidders are required to submit full details on the following collection processes and capabilities:

- Access to external debtor data information with clear distinction between Government, Provincial, Municipal and Private Sector data basis.
- Proposed methodology to be applied in respect of Pre-Legal and Legal Process.
- Legal capabilities.
- Anticipated timeframes in respect of all collection processes.
- Call Centre capabilities.
- Availability of bidder enquiry staff within Ba-Phalaborwa Municipality area of jurisdiction.
- Network and computer systems to be deployed.
- Previous experience in debt collection matters.
- Capacity, skills and experience.
- Detailed proposal on composition of team specifically allocated towards this bid with relevant qualifications.

#### **NOTE**

#### **REQUIRED DOCUMENTS: FOR THE PROCESS OF EVALUATION**

##### **1. BIDDER MUST SUBMIT THE FOLLOWING DOCUMENTS WITH THE BID:**

1.1. The bidder must provide proof of valid subscription/ software license/ownership to confirm Debt Collection software resources is owned/utilized by the bidding entity. A recent invoice/ statement/confirmation letter in the name of each of the entities will be accepted. i. Where the software is owned (internally developed applications) and no subscription or license can be submitted as proof of ownership, an affidavit must be submitted. For subscription or software license the following information must be included.

- The name and version of the software product.
- The date of purchase.
- The name of the company on the invoice.

##### **1.2. Staffing Profile**

- CVs of nominated Contract Manager, Onsite Agent, Call centre SAgents and Legal Practitioner.
- All relevant qualifications attached therein.
- Right of admission certificates as an Attorney or Advocate.

- Right of appearance in the High Court.
  - Fidelity Fund Certificate/ Letter of good standing with LPC.
  - Valid proof of registration with the Council for Debt Collectors relating to staff of the Debt Collection Firm.
  - Experience and Industry Requirements
- 1.3. The bidder must submit five contactable references, three of which must be local government reference and from any other sector. The signed reference letters must confirm the current/prior contract work done and giving details of the total number of handed over accounts per contract worked on, in terms of the relevant experience.
  - 1.4. The experience must be in respect of the bidding entity and copies of the contactable references must be provided in respect of the experience given (All signed reference letters must be submitted together with an appointment letter for the main contract, for the relevant project completed).
  - 1.5. A valid registration letter with the LPC for the legal practice firm,
  - 1.6. A valid registration letter with the Council for Debt Collectors for the debt collection firm.
  - 1.7. A valid registration letter with ADRA
  - 1.8. All bidders must attend the compulsory briefing sessions
  - 1.9. Bidder must attach signed declaration (MBD4) forms attached to the tender document
  - 1.10. Company registration certificate
  - 1.11. Original valid tax clearance certificate/ letter from SARS with valid pin code
  - 1.12. Power of attorneys/letter of authority for signatory if applicable
  - 1.13. Signed Joint venture agreement if applicable
  - 1.14. Certified ID copies of the directors/members/proprietors certified by SAPS not older than three (3) months
  - 1.15. All copies must be certified by SAPS not older than three (3) months
  - 1.16. Full registration report of Central Supplier Database (CSD) with valid reference between opening and closing date of tender advert
  - 1.17. All qualification must be SAQA approved
  - 1.18. Statement of Municipality Accounts as proof of residential address, if leasing, provide the lease agreement and copy of the owner's statement of municipality account or the proof of residential address by a traditional authority in case of a non-ratable area for the **business and all company directors** (Not older than three months)
  - 1.19. Terms of reference fully completed and each page to be initialled.

No	Description	Points
1.	<p><b>Debt Collection &amp; Tracing Software</b></p> <p>Bidders are expected to provide proof (license / contract with a service provider or similar) of having an in-house software or system for debt collection process that is currently in use.</p> <p>And /or Bidders are expected to provide proof (contract with a service provider or similar) of having access to tracing/cleansing tools.</p>	<p><b>(10)</b></p> <p>10</p>
2.	<p><b>The Team</b></p> <ul style="list-style-type: none"> <li>- The Project Director/Manager should have a minimum of a NQF7 certification and ten (10) years' experience in the field of debt collection services. A detailed CV including certified copies of qualifications must be submitted with the bid.</li> <li>- The Project Director/Manager with NQF7 and minimum of seven (7) years' experience in the field of debt collection services. A detailed CV including certified copies of qualifications must be submitted with the bid.</li> <li>- The Project Director/Manager with NQF7 and a minimum of five (5) years' experience in the field of debt collection services. A detailed CV including certified copies of qualifications must be submitted with the bid.</li> <li>- A detailed CV of the legal person who will be handling the legal collection process. Certified copies of qualifications must be submitted with the bid.</li> <li>- No legal representative provided</li> <li>- The Team Members (at least two) with NQF6 and a minimum of three (3) years' experience in the field of debt collection Services. A detailed CV including certified copies of qualifications must be submitted with the bid</li> </ul>	<p><b>(20)</b></p> <p>8</p> <p>5</p> <p>3</p> <p>5</p> <p>0</p> <p>7</p>



3.	<b>Previous experience in debt collection</b>  Bidders are required to submit proof of similar (debt collection) completed work. <ul style="list-style-type: none"> <li>- Appointment Letter (5+)</li> <li>- Appointment Letter (3+)</li> <li>- Appointment letter (Less than 3)</li> </ul>	<b>(10)</b>  10 5 0
4.	<b>Access to Legal Services</b>  <ul style="list-style-type: none"> <li>- Bidders are required to provide proof of access to legal services, either in-house or outsourced. If outsourced, include partnership/consortium or other agreement confirming the working relationship.</li> </ul>	<b>(5)</b>  5
5.	<b>Registration Bodies</b>  <ul style="list-style-type: none"> <li>- A valid registration letter with ADRA</li> <li>- A valid registration letter with the LPC (Legal Practice Council) for the legal practice firm</li> <li>- A valid registration letter with the Council for Debt Collectors for the debt collection firm.</li> </ul>	<b>(15)</b>  5 5 5
6.	<b>Debt Collection Methodology</b>  Bidders are required to provide details of debt collection and legal debt collection methodology. (Including Skill Transfer) <ul style="list-style-type: none"> <li>- Very clear methodology presented:</li> <li>- Unclear methodology presented:</li> <li>- Include a schedule of timeframes showing when each of your proposed deliverables as included in your proposal will be achieved.</li> </ul>	<b>(15)</b>  10 3 5
	<b>TOTAL</b>	<b>75</b>

**NOTICE TO TENDERS:** Service providers are required to score a minimum total point of 70% (70 points out of 100) on functionality only, in order to be considered for further evaluation. Failure to score the minimum specified percentage for functionality will render the bid to be non-responsive.

Description	Table Number	Maximum points to be allocated	Points Claimed by Tenderer	Allocated points
Debt Collection and Tracing Software	1	10		
The Team	2	20		
Previous Experience in Debt Collection	3	10		
Access to Lega Services	4	05		
Registration Bodies	5	15		
Debt Collection Methodology	6	15		
<b>TOTAL</b>		<b>75</b>		

**SUPPLY CHAIN POLICY USING 80/20 PREFERENCE POINT SYSTEM NOTE:**  
Combined specified goals (JV) will be used. 20 points will be allocated based on the specified goals points specified for the tender.

Description		Maximum points to be allocated	Points claimed by tenderer	Allocated points
<b>Price (80 points)</b>	Price	80		
	<b>Sub-total</b>	<b>80</b>		
<b>Specified goals (20 points)</b>	Specified goals status level of contributor	20		
	<b>Sub-total</b>	<b>20</b>		
<b>TOTAL</b>		<b>100</b>		

**Specified goals Notes:** For disability points medical certificate must be submitted, for military veterans a letter from Dept. of Defence and Military Veterans must be submitted.

<b>Specific Goal</b>	<b>Number of points allocated</b>	<b>Verification documents</b>
Black	2.5	CSD Report/ ID copies
Women	2.5	ID copies/CSD report
Youth	10	IC Copies/CSD report
Disability	5	Medical Certificate
	<b>20</b>	

# **COMPULSORY MUNICIPAL BID DOCUMENTS**

## INVITATION TO BID

<p><b>(a) YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE BA-PHALABORWA LOCAL MUNICIPALITY</b></p>
--

BID NUMBER: .....

CLOSING DATE: .....

CLOSING TIME: .....

DESCRIPTION.....

---

**The successful bidder will be required to fill in and sign a written Contract Form (MBD 7).**

---

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)

<p>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</p>
---

**(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)**

<p>THE FOLLOWING PARTICULARS MUST BE FURNISHED</p> <p>(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)</p>
--

NAME OF BIDDER

.....

POSTAL ADDRESS

.....

STREET ADDRESS

.....

TELEPHONE NUMBER

CODE.....NUMBER.....

CELLPHONE NUMBER

.....

FACSIMILE NUMBER CODE .....

.NUMBER.....

E-MAIL ADDRESS

.....

VAT REGISTRATION NUMBER

.....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN ATTACHED? (MBD 2)  
YES/NO

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE  
GOODS/SERVICES/WORKS OFFERED?

YES/NO

(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER

.....

DATE .....

CAPACITY UNDER WHICH THIS BID IS SIGNED

.....

TOTAL BID PRICE.....

TOTAL NUMBER OF ITEMS OFFERED.....

**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](http://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 [www.sars.gov.za](http://www.sars.gov.za).
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>.
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 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, shareholder):.....

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number: .....

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

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

3.8.1 If yes, furnish particulars. ....  
.....

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

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999); (e) a member of the accounting authority of any national or provincial public entity; or (f) an employee of Parliament or a provincial legislature.

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



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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between

Any other bidder and any persons in the service of the state who  
May be involved with the evaluation and or adjudication of this bid?

**YES / NO**

3.11.1 If yes, furnish particulars

.....

.....

3.12 Are any of the company's directors, trustees, managers,  
Principle shareholders or stakeholders in service of the state?

**YES / NO**

3.12.1 If yes, furnish particulars.

.....

.....

3.13 Are any spouse, child or parent of the company's directors?  
Trustees, managers, principle shareholders or stakeholders  
In service of the state?

**YES / NO**

3.13.1 If yes, furnish particulars.

.....

.....

3.14 Do you or any of the directors, trustees, managers,  
Principle shareholders, or stakeholders of  
this company Have any interest in any  
other related companies or  
Business whether or not they are bidding for this contract.

**YES / NO**

3.14.1 If yes, furnish particulars:

.....

.....

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

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....

.....

**Capacity**

**Name of Bidder**

## MBD 6.1

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

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

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

---

#### 1. GENERAL CONDITIONS

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

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

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

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

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

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

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

**80/20**

**or**

**90/10**

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

Where

- $P_s$  = Points scored for price of tender under consideration
- $P_t$  = Price of tender under consideration
- $P_{min}$  = Price of lowest acceptable tender

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

### 3.2.1. POINTS AWARDED FOR PRICE

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

80/20

or

90/10

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

## 4. POINTS AWARDED FOR SPECIFIC GOALS

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

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system)  (To be completed by the organ of state)	Number of points allocated (80/20 system)  (To be completed by the organ of state)	Number of points claimed (90/10 system)  (To be completed by the tenderer)	Number of points claimed (80/20 system)  (To be completed by the tenderer)
100% black owned				
Woman				
Youth				
Directors with disability				

#### **DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation

- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

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

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

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

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

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

**1. GENERAL CONDITIONS**

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

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

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

a) The applicable preference point system for this tender is the 80/20 preference point system.

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

(a) Price; and

(b) Specific Goals.

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

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	<b>80</b>
<b>SPECIFIC GOALS</b>	<b>20</b>
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state



## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

**80/20**

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

$P_{\min}$

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{\min}$  = Price of lowest acceptable tender

## 4. POINTS AWARDED FOR SPECIFIC GOALS

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

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system: or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

The 80/20 preference point system is applicable, corresponding points must also be indicated as such.

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

<b>The specific goals allocated points in terms of this tender</b>	<b>Number of points allocated (80/20 system) (To be completed by the organ of state</b>	<b>Number of points claimed (80/20 system) (To be completed by the tenderer)</b>
<ul style="list-style-type: none"> <li>• 100% company owned/director/s/shareholders by people who are Black</li> <li>• Woman</li> <li>• Youth</li> <li>• Directors with disability</li> </ul>		

## DECLARATION WITH REGARD TO COMPANY/FIRM

- 4.3. Name of company/firm.....
- 4.4. Company registration number: .....
- 4.5. TYPE OF COMPANY/ FIRM
- ☐ Partnership/Joint Venture / Consortium
  - ☐ One-person business/sole propriety
  - ☐ Close corporation
  - ☐ Public Company
  - ☐ Personal Liability Company (Pty) Limited
  - ☐ Non-Profit Company
  - ☐ State Owned Company [TICK APPLICABLE BOX]
- 4.6. I, the undersigned, who is duly authorized to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:
- i) The information furnished is true and correct.
  - ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
  - iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct.
  - iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
    - (a) disqualify the person from the tendering process.
    - (b) recover costs, losses, or damages it has incurred or suffered as a result of that person's conduct.
    - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favorable arrangements due to such cancellation.
    - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....  
**SIGNATURE(S) OF TENDERER(S)**

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

.....

.....

## 1. CONTRACT FORM - PURCHASE OF GOODS/SERVICES

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

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

1. I hereby undertake to supply all or any of the goods and/or services described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid;
    - Proof of Tax Compliance Status;
    - Pricing schedule(s);
    - Technical Specification(s);
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - Declaration of interest;
    - Declaration of bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.

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

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES

1 .....

2. ....

DATE: .....

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

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

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

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

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1. ....

2. ....

DATE .....

4. CONTRACT FORM - RENDERING OF SERVICES

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

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

7. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
8. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (iv) Bidding documents, viz
    - Invitation to bid;
    - Proof of tax compliance status;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (v) General Conditions of Contract; and
  - (vi) Other (specify)
9. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
10. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
11. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
12. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES

1 .....

2 .....

DATE: .....



CONTRACT FORM - RENDERING OF SERVICES

6. PART 2 (TO BE FILLED IN BY THE PURCHASER)

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

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

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

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

NAME (PRINT).....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1 .....

2 .....

DATE: .....

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

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

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

13. I hereby undertake to lease property/ purchase all or any of the goods and/or services described in the attached bidding documents from (name of institution)..... in accordance with the requirements stipulated in (bid number)..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the seller during the validity period indicated and calculated from the closing time of bid.
14. The following documents shall be deemed to form and be read and construed as part of this agreement:
- (vii) Bidding documents, viz
    - Invitation to bid;
    - Proof of tax compliance status;
    - Pricing schedule(s);
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Special Conditions of Contract;
  - (viii) General Conditions of Contract; and
  - (ix) Other (specify)
15. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) quoted covers the leased property/ all the goods and/or services specified in the bidding documents; that the price(s) cover all my obligations and I accept that any mistakes regarding price(s) and calculations will be at my own risk.
16. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
17. I undertake to make payment for the leased property/ goods/services as specified in the bidding documents.
18. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
19. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

#### WITNESSES

1 .....

2 .....

DATE: .....

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

CONTRACT FORM - TENDER FOR INCOME-GENERATING CONTRACTS

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

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

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

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

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

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

3. ....

4. ....

DATE .....

## 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? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <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><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
4.2.1	If so, furnish particulars:		
4.3	<p>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?</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	<p>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?</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
4.4.1	If so, furnish particulars:		
4.5	<p>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?</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>

4.7.1	If so, furnish particulars:
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### 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**

**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 *per 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**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

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

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

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



7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation);
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder



## BA-PHALABORWA MUNICIPALITY

### Fraud and Corruption Declaration Form

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

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

The Company understands that a false statement or failure to disclose any relevant information.

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

#### Company Name:

.....

#### Name and Title of duly authorized representative.

Name: .....

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

Signature: .....

#### Witness

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

