



BA-PHALABORWA LOCAL MUNICIPALITY

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

**PROVISION OF DEBT COLLECTION SERVICES FOR BA-PHALABORWA MUNICIPALITY FOR A
PERIOD OF THREE (3) YEARS
TENDER NUMBER: 17/21/22**

CLOSING DATE: 16 FEBRUARY 2022

CLOSING TIME: 11H00

BA-PHALABORWA LOCAL MUNICIPALITY

Private Bag x 01020

Phalaborwa

1390

Contact : Technical : Mr Tshitsonga N

Procurement: Mr Selepe NW

Telephone: 015-780 6362

Fax: 015-780 6300

NAME OF BIDDER:.....

Commission fees (Vat Inclusive)

% of the amount successfully collected.....

TENDER NO: 17/21/22

1. Tender Notice and Invitation to bid



BA- PHALABORWA MUNICIPALITY

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

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

Below are the significant details per project:-

TENDER NUMBER	CIDB GRADING	DESCRIPTION	COMPULSORY BRIEFING SESSION			FUNCTIONALITY	EVALUATION CRITERIA	CLOSING DATE AND TIME	Minimum Score for functionality	CONTACT PERSON
			DATE	VENUE	COST					
17/21/22	N/A	Provision of debt collection services for Ba-Phalaborwa Municipality for a period of three (3) years	21/01/2022 @11H00	Municipal Activity Hall	Free at the municipal website and E-tender portal	Company Experience (20) Number of personnel to provide service (10) Experience and Qualification of Senior Management (20) Methodology (25) Municipal/Government Experience (25)	80/20	16/02/2022 @11H00	60%	Mr. Tshitsho nga N (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.

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

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

Bidders should take note of the following bidding conditions:

1. Ba-Phalaborwa Municipality Supply Chain Management Policy shall apply in the evaluation and awarding of the Tender.

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

DR. PILUSA KKL
ACTING MUNICIPAL MANAGER
Notice No. 01 /22

1. INTRODUCTION

The Ba-Phalaborwa Local Municipality has an approved Credit Control and Debt Collection Policy and By-law which cater for indigent relief. In terms of this Policy and By-law and other relevant legislation, the Council may embark on its own debt collection actions in the first instance and in doing so may exhaust all internal measures before taking legal action against debtors. The purpose of this tender is to seek the assistance of service provider in the legal action process, to ensure that monies due and payable to the Council are collected and to provide legal assistance in matters incidental to the collection of the debt. It is the intention of the Council to award this tender to successful bidder from whom debt collection will be required from time to time for a three (3) year period.

2. DESCRIPTION OF THE SERVICES REQUIRED

1. DETAILED SCOPE OF WORK

A COMPREHENSIVE DEBT SERVICE IS REQUIRED FOCUSING ON:

The pre-legal debt collection services for the collection of revenue on overdue accounts of 90 days and above, on a commission basis, include the following:

- Debtor identification through an arrears extract or preferably through an interface with Ba-Phalaborwa Municipality's system.
- Filtering arrears information for import into the Service Provider's system,
- Also be available to be on-site twice a week to ensure thorough communication and skills transfer on debtor related matters,
 - (i) Soft and hard tracing
 - (ii) Letter of demand,
 - (iii) Telephonic and SMS interaction with debtor,
 - (iv) Negotiating acceptable payment agreements in accordance with the Credit Control and Debt Collection Policy, such agreements will apply to all debt arrangements,
 - (v) Follow up on negotiated agreements,
 - (vi) Identification of defaults on negotiated agreements.

The legal debt collection services for the collection of revenue on overdue accounts interpreted and handed off for legal collection, on a per service billing, include the following:

- (i) Soft and hard tracing
- (ii) Preparation of summonses
- (iii) Obtaining judgements
- *Preparation of reports according to time frames as set out below:*

Monthly Reports

- (i) Arrangements made for domestic, businesses and indigents
- (ii) indigent applications (monthly/quarterly/annually);
- (iii) Final demands issued – delivered and posted
- (iv) Billing and account queries
- (v) Correspondence handled with debtors

- (vi) Payment level statistics

Quarterly Reports

- (i) Matters handed over and handed over statistics
- (ii) Workflow statistics for all actions
- (iii) The contractor's performance during that financial quarter
- (iv) A comparison with targets of and with performance in the previous financial quarter
- (v) The development of performance targets set by the Contractor for the following quarter
- (vi) Measures that were or are to be taken into account to improve performance and
- (vii) Prior to the effective date and quarterly thereafter in conjunction with designated municipal
- (viii) Manager or his nominee, to perform a quarterly assessment of the current situation by
- (ix) Identifying possible constraints and developing plans to overcome the constraints
- (x) An analysis of Ba-Phalaborwa Municipality's outstanding debtor's book
- (xi) Recommendations in terms of improved customer care, and
- (xii) Proposed specific projects, the area of focus, resources required and proposed outcomes.

Annual Reports

- (i) The contractor's performance during that financial year, in comparison with targets of and with performance in the previous financial year,
- (ii) The development of performance targets set by the contractor for the following year.

- SPECIFIC SYSTEM REQUIREMENTS

The system should cater for all credit control and debt collection functions e.g. :

- (i) Telephone and SMS warnings;
- (ii) Final demands
- (iii) Arrangements
- (iv) Summonses
- (v) Acknowledgements of Debt
- (vi) Emolument attachment orders
- (vii) Judgements
- (viii) Letter of Execution
- (ix) Instruction to remove and sell
- (x) Prescription of debt
- (xi) Sequestration, estates and liquidations
- (xii) Social Assessments
- (xiii) Recommendations to write off
- (xiv) Management Reports
- (xv) Daily back-ups

- PROVISION FOR DOUBTFUL DEBT

The successful bidder must provide statistics or on request subject to budget and approval by the Accounting Officer) perform the provision for doubtful debt annually before 31 July.

- OTHER VALUE ADDING MODULES

Subsequent to the awarding of the tender as per above specifications the preferred bidder will be afforded the opportunity to present supplementary modules or solutions to increase the collection rate as well as the overall customer relations. (subject to budget and approval by the Accounting Officer)

4.1 ADDITIONAL CONDITIONS:

A COMPREHENSIVE DEBT SERVICE IS REQUIRED FOCUSING ON:

- The Constitution
- National Legislation
- Local Government Legislation
- By laws
- Policy
- Council resolutions as amended from time to time.

- 4.1.1** Successful candidates, by acting as agents for the Ba-Phalaborwa Local Municipality, will be required to heed the principles and conditions of the legislation and policy, at all times when dealing with debtors.
- 4.1.2** It is a requirement of this tender that debtors be treated humanely and with the utmost empathy. The dignity of the debtors must be upheld at all times. Failure to uphold this requirement by a successful bidder will be seen as a breach of the tender process and the contract will be terminated.
- 4.1.3** The Council may, at its sole discretion, amend or temporarily suspend any of the collection processes, without any compensation being paid.
- 4.1.4** The Council will be monitoring the collection to cost ratio of work handed over and in cases where costs outweigh the collections, the Council reserves the right to withdraw the work at its sole discretion.
- 4.1.5** The Council 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 at least the first two steps, i.e. notifying the debtor that the successful bidder will be collecting the claim on behalf of Council and a final demand, **will be taken within one month of receipt of an instruction.**
- 4.1.6** The successful bidder will not accept work from the Council if and when the debtor is their client; so as to avoid a conflict of interest.
- 4.1.7** This tender only applies to matters in the township's and Agricultural areas (Namakgale, Lulekani, Gravelotte & **Gritjie**)
- 4.1.8** **Payments to Council – Debtors /Customers will pay directly to the Council**
- 4.1.9** The successful tenderers shall ensure that adequate staff with skills and qualifications, acceptable to the Council, will be readily available to perform these tasks.
- 4.1.10** The successful tenderer must apply its own resources in respect of offices, personnel, vehicles and equipment required.

- 4.1.11 The successful tenderer may be required to change, at own costs, existing management report formats at the request of Ba-Phalaborwa Local Municipality.
- 4.1.12 The successful tenderer must conduct its business during the business hours of Ba-Phalaborwa Local Municipality and must be easily accessible to debtors and Client officials. **The successful tenderer must have a local office within the Ba-Phalaborwa Municipal area.** In the event where the successful tenderer doesn't have a local office in Phalaborwa boundaries, he/she will be required to set up an office within 30 days of the inception of the tender.
- 4.1.13 Towards the end of the expiry date of this contract, it will be necessary to implement a handover process so as to not compromise the debt collection process and to enable the Council to withstand any legal challenge. This process will be in consultation with all parties.
- 4.1.14 A debt of 90 plus days will be handed over

5 EVALUATION CRITERIA

Evaluation of Tenders

Tenderers will be pre- evaluated in terms of critical requirements and functionality of the tender submissions. Tenderers that do not conform to ALL of the minimum requirements and functionality will be deemed not responsive and only those bidders who adhere, satisfy and fore fill ALL of the core requirements and functionality will be evaluated further in terms of price and preferential points system.

PRE – QUALIFICATION CRITERIA
1.1 Valid certified copy of LAW firm's Fidelity Fund Certificate (either as Entity Bidding or Lead Entity of Consortium Bidding).
1.2 Bidders must demonstrate and provide proof of rendering a debt collection service for municipalities for a period of three (3) years and above within the past seven (5) years within the borders of SA (Example: Copy of contract, letter of recommendation, copy of tender awarded)
N.B Government Gazette, 29 July 2011 (Rule number 5) will apply
1.3 A certified copy of admission as Attorney
1.4 A certified copy of Registration with Law Society

- 1.6 Debt collectors who are registered with a council for debt collectors established in terms of section 2 of Debt Collectors Act, Act no. 114 of 1998 (proof of certified certificates)
- 1.7 All bidders must attend the compulsory briefing session
- 1.8 Bidders must attach signed declaration of interest forms
- 1.9 Company Registration Certificates
- 1.10 Original Tax clearance certificate/letter from SARS with a valid pin code
- 1.11 B-BBEE certificate/ sworn affidavit/ Consolidated B-BBEE where applicable
- 1.12 CSD summary report

FUNCTIONAL CRITERIA <ul style="list-style-type: none"> - The criteria is 80/20 where 80 is for price and 20 for B-BBEE - The minimum score for functionality will be 60%, bidders who score below 60% will not be considered for further evaluation 	80	100
<p style="text-align: center;">Experience and qualifications</p> <p>1.1 Company Experience. The company must attach appointment letters in debt collection services.</p> <p>less than 5 appointment letters = 10 points</p> <p>5 – 10 appointment letters = 15 points</p> <p>10 + appointment letters = 20 points</p> <p>1.2 Number of personnel to provide service. The organogram of the company must be attached as well as an indication of which staff will be dedicated to Ba-Phalaborwa Municipality.</p> <p>less than 2 staff dedicated to Phalaborwa = 0 points</p> <p>3 – 5 staff dedicated to Phalaborwa = 5 points</p> <p>>6 staff dedicated to Phalaborwa = 10 points</p> <p>1.3 Experience and Qualification of Senior Management. The CV's and qualification certificates of the senior management must be attached as proof to earn points.</p> <p>less than 5 years' experience with legal qualification = 10 points</p> <p>5 – 10 years with legal qualification = 15 points</p> <p>10 years with legal qualification = 20 points</p>		

<p>1.4 Methodology = 25 points</p> <p>Description of the detailed plan = 15 points</p> <p>Execution of the plan = 10 points</p> <p>No detailed plan = 0 points</p>		
---	--	--

Municipal/Government Experience	25	
<p>2.1 Bidders must demonstrate and provide proof of rendering a debt collection service to a municipal for a period of no less than three years. (25 points)</p> <p>2.2 If no municipal finance track record can be provided, references of existing clients serviced with contact details must be provided (maximum of 5 references) (15 points)</p>		

6 PRICING SCHEDULE

- a) A commission percentage applicable to pre-legal services based on successful collection of debt for debtors aged 90 days and above. As the pricing is a percentage of successful collection no annual pricing increase is applicable.
- b) Due to the fact that magistrate court and where applicable high court rates must apply we consider the bidders to have a uniform pricing structure for Legal proceedings, so no formal unit price is required (after pre-legal has been concluded unsuccessfully and it is agreed with the Municipality that the account holder must be pursued and legal action commences).
- c) Hourly rates for face to face consultation by a practicing attorney in good standing must include costing for travel at the expense of the bidder as no additional provision for this will be made from the Ba-Phalaborwa Local Municipality
- d) Tender rates must be submitted on the Pricing Schedule. Any alternative offers, deviations from the specifications, or explanatory notes must be submitted separately

Description:		PROVISION OF DEBT COLLECTION SERVICES	
ITEM	DESCRIPTION		UNIT CHARGE
	1. Commission fees (vat inclusive)		
	<i>Successful collection 90 days and above</i>	% of the amount successfully collected%

COMPULSORY MUNICIPAL BID DOCUMENTS

INVITATION TO BID

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

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)

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

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

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

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER
CODE.....NUMBER.....

CELLPHONE NUMBER
.....

FACSIMILE NUMBER CODENUMBER.....

E-MAIL ADDRESS

VAT REGISTRATION NUMBER

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

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (MBD 6.1) YES/NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

- AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) ☐
 A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS) ☐
 A REGISTERED AUDITOR ☐

(Tick applicable box)

(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)

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

YES/NO
(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER

DATE

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.
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.
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 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 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, 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:
.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

a)

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, 2017.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

- a) The value of this bid is estimated to exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	
B-BBEE STATUS LEVEL OF CONTRIBUTOR	
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

are not claimed.

- 1.6 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

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“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 goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 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

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

Where

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

Ps = Points scored for price of bid under consideration
 Pt = Price of bid under consideration
 Pmin = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (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	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted?
 (*Tick applicable box*)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

7.1.1 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 or QSE

(Tick applicable box)

YES		NO	
-----	--	----	--

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

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

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

8.8 Total number of years the company/firm has been in business:.....

8.9 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 contributor indicated in paragraphs 1.4 and 6.1 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 paragraphs 1.4 and 6.1, 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 contributor 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) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

WITNESSES

1.
2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

.....
ADDRESS

.....

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

MBD 6.2

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9.(1) and 9.(3) make provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Regulation 9.(3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 1.4. Where necessary, for bids referred to in paragraphs 1.2 and 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.5. A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.6. The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \left(\frac{x}{y} \right) \times 100$$

Where

- x imported content
y bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

- 1.7. A bid will be disqualified if:

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

- the bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and.
- this declaration certificate is not submitted as part of the bid documentation.

2. Definitions

2.1. **“bid”** includes advertised competitive bids, written price quotations or proposals;

2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);

2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;

2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility(close corporation, partnership or individual).

2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;

2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and

2.9. **“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.

3. The stipulated minimum threshold(s) for local production and content for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

have any imported content?

YES / NO

4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.6 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below:

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER
LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF
EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY
(CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

IN RESPECT OF BID No.

ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):
.....

NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, (full names), do hereby declare, in my capacity as of(name of bidder entity), the following:

The facts contained herein are within my own personal knowledge.

I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.

The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y)	R
Imported content (x)	R
Stipulated minimum threshold for Local content (paragraph 3 above)	
Local content % as calculated in terms of SATS 1286	

If the bid is for more than one product, a schedule of the local content by product shall be attached.

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

WITNESS No. 2 _____	DATE: _____
----------------------------	--------------------

Contractor	Witness 1	Witness 2	Employer	Witness 1	Witness 2

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>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? 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.	Yes <input type="checkbox"/>	No <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.**

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

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.

--	--	--	--	--	--

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

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);

Contractor Witness 1

Witness 2 Employer

Witness 1

Witness 2

- (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

Contractor Witness 1 Witness 2 Employer Witness 1 Witness 2

Contractor

Witness 1

Witness 2

Employer

Witness 1

Witness 2