

MUNISIPALITEIT
VAN
PRINS ALBERT



MUNICIPALITY
OF
PRINCE ALBERT

Rig alle korrespondensie aan:
DIE MUNISIPALE BESTUURDER
Privaatsak X53,
Prins Albert, 6930

Address all correspondence to:
THE MUNICIPAL MANAGER
Private Bag X53,
Prince Albert, 6930

E-Pos: scm@pamun.gov.za E-Mail:
Tel: +27 23 541 1036, Fax: +27 23 541 1035

Dear Sir / Madam

**REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS: NR 128/2019:
MANAGEMENT OF THE SHORT-TERM INSURANCE PORTFOLIO FOR A
PERIOD OF THREE (3) MONTHS, FOR THE PRINCE ALBERT
MUNICIPALITY, PRINCE ALBERT.**

Kindly furnish me with a written quotation for the supply of the goods/services as detailed in the enclosed schedule.

The quotation must be submitted on the letterhead of your business and **e-mailed** not later than 02 August 2019 to scm@pamun.gov.za.

The following conditions will apply:

- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the MBD 6.1 and MBD 6.2 (**Local content**) form must be scrutinized, completed and submitted together with your quotation.
- **NB: No quotations will be considered from persons in the service of the state.** Complete the MDB 4 form
- **No awards will be made to persons whose tax affairs are not in order.** Please attach a valid tax clearance
- **To combat abuse of the supply chain process the MDB 8 form must also be completed.**
- **To prevent collusion the MDB 9 form must be completed**

The forms may be written or typed and scanned.

Failure to comply with these conditions may invalidate your offer.
Should your offer be accepted the contract will be governed by the general
Conditions of contract issued by National Treasury. You will also be required to
register on the Central Supplier Database. (www.csd.gov.za). Registration is free
of charge and can be done online.

Please contact Jannie Neethling at 023 5411 036 or jneethling@pamun.gov.za
should you have any questions.

Please note the MDB forms are available on the municipality's website at
www.pamun.gov.za or can be requested from the finance department

Yours faithfully



A. VORSTER
MUNICIPAL MANAGER
26 JULY 2019

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CHECKLIST FOR COMPLETENESS OF BIDDING DOCUMENTATION

The bidder must ensure that the following checklist is completed, all necessary documentaton is attached to this bid and that all declarations are signed:

Mark with "X" where applicable

ITEMS TO BE CHECKED	YES	NO	COMMENTS
1. Valid and original Tax Clearance Certificate, attached to bid document (MBD2). - An original valid Tax Clearance Certificate must be attached to the bid document. Bidders must indicate their pin as provided by SARS to confirm validity of their Tax Clearance Certificate.			
2. Adhering to the price instructions (MBD 3.1)			
3. Attached a quotation/pricing schedule on the official letterhead of the bidder's company.			
4. Completed and signed declaration of interest (MBD4).			
5. Preference points claimed and signed declarations (MBD 6.1), where applicable.			
6. Completed and signed declaration certificate for Local production and content (MBD 6.2), where applicable.			
7. Signed declaration of the bidder's past Supply Chain Management practices (MBD 8)			
8. Completed and signed Certificate of Independent Bid Determination (MBD 9).			
9. Attached a valid B-BBEE Certificate or Sworn Affidavit, where applicable.			
10. Attached registration at Construction Industry Development Board (CIDB), where applicable.			
11. Attached Central Supplier Database (CSD) report.			

I, THE UNDERSIGNED (FULL NAME).....
CERTIFY THAT THE INFORMATION FURNISHED ON THIS CHECKLIST IS TRUE AND CORRECT.

.....
Signature

.....
Date

.....
Position

.....
Name

TAX CLEARANCE REQUIREMENTS

IT IS A CONDITION OF AN AWARD THAT -

1. The taxes of the successful awardee must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. The attached form "Information for Application for Tax Clearance Certificate", must be completed in all respects and returned to the municipality. **If you are in possession of a valid tax clearance certificate please attach a copy to speed up the process**
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate Tax Clearance Certificate. Copies of the Application for Tax Clearance Certificates are available at any Receiver' s Office.

PRINCE ALBERT MUNICIPALITY

TERMS OF REFERENCE (TOR)

RFQ 128/2018

PROFESSIONAL SERVICES: SHORT TERM INSURANCE PORTFOLIO FOR PERIOD OF 3 MONTHS

INTRODUCTION

- 1.1. Section 78(1)(e) of the Municipal Finance Management Act, No. 56 of 2003, states that “Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary.”
- 1.2. In order to comply with the above Act and to ensure that the Municipality’s assets are adequately insured and any risk exposure is minimized, the Municipality needs to appoint a Service Provider to perform the following functions:
 - 1.2.1. Negotiate and place the Municipality’s insurance portfolio with insurance underwriters and present the underwriting terms to the Municipality for acceptance
 - 1.2.2. Administer the Municipality’s short-term insurance portfolio; and
 - 1.2.3. Assess the Municipality’s insurance cover and provide advice on adequate cover to be taken out.
- 1.3. The insurance portfolio will be placed with the successful Bidder for a period of three months, from 01 July 2019 to 30 September 2019.
- 1.5. Therefore, the Municipality hereby invites tenders from reputable Short-term Insurance Intermediaries, who are members of the Financial Intermediaries Association (F.I.A.) and who comply with the Financial Advisory and Intermediary Services (F.A.I.S.) Act, for the Management of the Short-term Insurance Portfolio of the Municipality for a contract period of **three (3) months**, from 01 July 2019 ending 30 September 2019.

2. REQUIREMENTS

- 2.1. In order to ensure that the Municipality’s assets are adequately insured and any risk exposure is minimized, including keeping abreast with the latest insurance developments, it is imperative that the relevant industry related administrative assistance is provided in order to support the existing capacity that the Municipality has.
- 2.2. The municipality expects the following minimum requirements from the Service Provider:

- 2.2.1. The bidder must be a member of the Financial Intermediaries Association (F.I.A.). Proof of such membership **must** be submitted with the bid. **Failure to do so WILL result in disqualification.** The bidder must provide details of their Financial Advisory and Intermediary Services (F.A.I.S.) Act compliancy; i.e. a copy of the F.A.I.S. Certificate. A copy of the F.A.I.S. certificate **must** be submitted with the bid. **Failure to do so WILL result in disqualification.**
- 2.2.2. The bidder must have a minimum limit of R100,000,000 (100 million rand) Professional Indemnity insurance. A copy of the insurance policy schedule reflecting the limit, excess, Insurers and renewal date **must** be submitted with the bid. **Failure to do so WILL result in disqualification.**
- 2.2.3. The bidder must have a minimum limit of R50,000,000 (50 million rand) Fidelity Guarantee insurance. A copy of the insurance policy schedule reflecting the limit, excess, Insurers and renewal date **must** be submitted with the bid. **Failure to do so WILL result in disqualification.**
- 2.3. Bidders must obtain a minimum of two quotations, from the different companies offering insurance to Local Authorities, on each of the policies included in this document and must give clear motivation on the quotes recommended and substantive reasons where the lowest quotes were not recommended in full or for a certain policy type.
 - 2.3.1. A summary of quotations **must** be included in the bidding document. **Failure to do so WILL result in disqualification.**
 - 2.3.2. Any other quotations obtained over and above the minimum required as per paragraph 2.3, must be retained and be available for reference and inspection by the officials of the Municipality if necessary.
- 2.4. Notwithstanding the aforementioned, the following documentation **must** also be submitted as part of the quotation
 - 2.4.1. Proof of Insurers Solvency Margin
 - 2.4.2. Letter of Authority
 - 2.4.3. Company Registration Certificate
 - 2.4.4. Ownership Certificate & Change of Name Certificate
 - 2.4.5. Latest Audited Financial Statements (Broker AND Underwriter)

PLEASE NOTE: The bid will be regarded as non-responsive if any of the abovementioned original documents, or certified copies thereof, are not attached to the tender document.

- 2.5. The bidder must submit a bid for **Full Insurance Cover** as per detailed schedules that are provided as part of the bidding documents.
- 2.6. The bidder may submit additional alternative tenders for **Partial Self Insurance** as per detailed schedules that are provided as part of the bidder's documents. The bidder's proposal in this regard should be accompanied by a detailed summary of the relevant features of before-mentioned insurance structure.
- 2.7. The Municipality reserves the right to accept alternative bids. The Municipality is not bound to accept the lowest or any bid and reserves the right to accept any bid either wholly or a part thereof.
- 2.8. Unless otherwise specified, it is accepted that, in the case of every type of policy tendered for, the bidder will be willing to underwrite any individual policy type at the premium tendered, without any other individual policies being awarded to him.
- 2.9. The submission of a bid signifies complete acceptance of the conditions contained in these instructions.
- 2.10. Bidders must submit fully completed schedules of items for insurance cover together with each bid submitted, containing the detailed premium calculations for each class of insurance. It is compulsory that these calculations be submitted on a CD in a Microsoft Excel spreadsheet. Bidders must ensure that the bid submission include a printed version of all the relevant schedules, duly signed off.
- 2.11. Any deviations, limitations or unfamiliar conditions in respect of each policy type must be clearly stipulated and highlighted in the bid submission.
- 2.12. The bidder **must** disclose the insurer or consortium of insurers on each policy type.
- 2.13. The bidder **must** submit the draft proposed Policy Documents on each policy type.
- 2.14. A detail description of the assets, amounts insured, etc. is available on request according. However, the Municipality reserves the right to adjust details in respect of final number, description and value of individual items for insurance cover, if necessary, at the final placement of the insurance.

- 2.15. The Municipality reserves the right to notify the bidder of any adjustments, additions and or disposals during the period of the contract, for which the appropriate adjustments in premium payable / refundable must be effected.
- 2.16. Qualified bidders/tenderers, contradicting any of the standard specifications, will be disregarded at the discretion of the Municipality.

3. SCOPE OF WORK

The scope of work will be as follows:

3.1. Placement of the Municipality's Insurance Portfolio – Effective for three (3) months from 01 July 2019 to 30 September 2019.

The appointed Service Provider will be required to perform the following:

- 3.1.1. Assess the Municipality's insurance requirements as reflected in the Bid Specification;
- 3.1.2. Submit the Municipality's information with regard to the latest insurance statistics to the Insurance Underwriters;
- 3.1.3. Negotiate with the Insurance Underwriters on suitable insurance terms and premiums based on the quotations obtained by the Service Provider as set out in paragraph 2.3;
- 3.1.4. Attend insurance pre-placement meeting(s) with the Municipality to discuss the underwriting terms and premiums;
- 3.1.5. Advise the Municipality and provide quotations on additional insurance cover that might be necessary to take out to ensure that the Municipality's risk is minimized;
- 3.1.6. Place the Municipality's insurance portfolio with the Insurance Underwriters and provide the Municipality with written confirmation thereof together with details of the insurance cover placed.

3.2. Underwriting Administration

The appointed Service Provider will be required to perform the following:

- Provide quotations on any additional insurance cover required by the Municipality and place the insurance cover with the Insurance Underwriters on the Municipality's instruction and provide the Municipality with written confirmation thereof together with details of the insurance cover placed
- Meet with the Municipality's Officials whenever required by either party to discuss and advise on insurance cover.
- The Service Provider's staff members required at these meetings will depend on the technicality of the issues to be discussed.

3.3. Claims Administration

The appointed Service Provider will be responsible to handle all aspects of claims as the Municipality will not communicate directly to any legal representatives of the service provider, third parties or the Underwriter where the insurance is placed. The appointed Service Provider will be required to perform at least the following:

- 3.3.1. Administer all the Municipality's insurance claims which fall under the various categories of the insurance policies;
- 3.3.2. Administer all claims received by the Municipality from third party's claiming for personal injury or damage to their property. This includes liaising with the third parties on the Municipality's behalf;
- 3.3.3. Provide a motivation, based on substantive legal grounds, for all claims that are rejected by the Insurance Company. The Municipality reserves the right to reconsider any opinion received, to refer it back to the Broker for another opinion or recommendation. The Municipality will under no circumstances communicate directly with the Underwriter regarding any aspects of a claim;
- 3.3.4. Submit monthly updated reports in respect of all of the Municipality's claims submitted, indicating the status of each claim;
- 3.3.5. Meet with the Municipality's relevant officials, individually or in groups, whenever required by either party to discuss and advice on insurance claims.

3.5. Handling of Outstanding Claims

- 3.5.1. The current Service Provider will remain responsible for the administration and finalisation of all existing outstanding / open claims as at 30 June 2019, including claims with date of loss up to 30 June 2019 but only discovered and submitted on or after 01 July 2019;
- 3.5.2. Public Liability claims are dealt with on a claims-made basis, therefore any Public Liability claims received up to 30 June 2019 will be dealt with by the current Service Provider. Public Liability claims received on or after the commencement date of the contract with the newly appointed Service Provider will be dealt with by the newly appointed Service Provider, even where the actual date of loss is before said date.

3.6. Training of staff and active skills transfer / capacity building

- 3.6.1. Provide daily assistance and guidance with administration of claims;
- 3.6.2. Provide daily assistance and guidance with general enquiries regarding insurance policy conditions and wordings;
- 3.6.3. Provide an annual briefing workshop to relevant municipal officials regarding the insurance policy conditions and wording, within 30 (thirty) working days after the Municipality's insurance portfolio has been placed in the insurance market;
- 3.6.4. Provide training sessions as and when required on insurance related matters.

4. REMUNERATION

Remuneration will be as follows:

- 4.1. The services of the successful bidder will be for a **contract period of three (3) months**, commencing on **01 July 2019 ending 30 September 2019**.
- 4.2. The Broker Fee and Underwriting Premium as detailed in the Pricing Schedule are payable monthly by the Municipality.

5. PRICING REQUIREMENTS

- 5.1. Bidding prices must be in ZAR Currency (Rand);
- 5.2. Bidding rates must be submitted exclusive of VAT, but the final bid price submitted must include VAT;
- 5.3. The bidder must provide **maximum amounts** payable per line item, in respect of Excess Payments for each asset, as per applicable column in the detailed bidding schedules. In these instances where maximum amounts will not be tendered on any specific asset, this should be stated clearly as such next to the particular line item, and the applicable rate must then be stated for these exceptions;
- 5.4. **All Brokers fees and any other administrative fees that will be payable, must be indicated as separate items in the Gross insurance premium tendered;**
- 5.5. Where extensions are granted free of charge, please state "free" in the premium column;
- 5.6. Where a line of cover or an extension is not tendered for, please state "No Tender" in the premium column;
- 5.7. **The liability for payment of Assessor Fees must be for the account of the bidder in all instances, inclusive of alternative tenders.**
- 5.8. The premium tendered must remain firm for a period of 12 months.

6. FAILURE TO PERFORM

The following special conditions will apply:

6.1. If:

- 6.1.1. the bidder should fail to arrange the short-term insurance with the insurer/consortium stated in the contract; or
- 6.1.2. the Municipality should suffer damage as a result of the bidder's failure to perform,
- 6.1.3. it is agreed that the bidder will pay to the Municipality the following amounts, in each case to be determined by the Municipal Manager, as liquidated damages and not as a penalty:
 - 6.1.3.1. in the event of 6.1.1, an amount equal to any additional costs over and above the tender price incurred by the Municipality to arrange the short-term insurance in terms of the contract in a manner deemed fit by the Municipality, together with all costs and expenses involved. or
 - 6.1.3.2. in the event of 6.1.2, an amount not exceeding the actual damage sustained by the Municipality.

6.2. The Municipal Manager will also determine the manner in which and the time when such payment of additional costs or damages are to be paid to the Municipality and the decision of the Municipal Manager will be binding in each case.

6.3. The Municipality will have the right, without prejudice to the rights of the Municipality, to summarily sue the bidder for any damage suffered by the Municipality as a result of breach of contract by the bidder or failure as stated and to terminate the contract without any compensation to the tenderer in the following instances:

- 6.3.1. In the event of any breach of or failure by the bidder to comply with any of the provisions of this contract;
- 6.3.2. In the event of an order, provisional or final, for the sequestration of the estate of the bidder or, if an application is made for such order or, if the bidder should make an application for the surrender of his estate or, if he should enter into, make or execute, a deed of settlement for, or compound or otherwise agree to such surrender of his estate for the benefit of his creditors or proposes to do so or, where the bidder is a company, make a decision or, where the court issues an order for the liquidation of such company; and
- 6.3.3. In the event of the bidder or any person employed by the bidder paying or offering to pay any amount of money by way of a commission or fee to any councilor or person in the employ of the Municipality or giving or attempting to give to any such councilor or person any gift or compensation.

7. DEDUCTIONS (EXCESS)

Deductions (Excess) are to be shown clearly, otherwise the Municipality will accept that no deductible will apply and this may not be rectified afterwards.

8. ESTIMATED QUANTITIES REQUIRED

- 8.1. The values and amounts in the schedules available per request, fairly represent the value of assets and / or cover required by the Municipality, but will inevitably be amended upon conclusion of the final contract as the Asset Register is continuously updated and new budgets considered.
- 8.2. These are the values to be applied for the purpose of this bid assessment, based on the assumption that the portfolio will remain unchanged.

9. PRE-QUALIFICATION EVALUATION CRITERIA

The purpose of this bid is to procure a Short Term Insurance service provider to place the insurance portfolio of the municipality in the insurance market in order to maintain effective risk management and reducing the exposure of the municipality to adverse financial impact.

Please note that bidders must submit original or certified EME Certificate or BEE Scorecard as stated in MBD 6.1 and

the bidder must unambiguously provide evidence of his ability to render the service as per the bid and the proposal must include details of the following:

1. A draft of the policy wording must be attached to the bid documents.
2. A draft Service Level Agreement must be attached to the bid documents.
The draft Service Level Agreement must address the following:
 - i. A review of the cover, limits, uninsured risks, exposure and sums insured
 - ii. Confirmation of placement of cover
 - iii. Confirmation of credit rating of insurer
 - iv. Compilation of an insurance manual detailing the cover, limits, conditions and exclusions
 - v. A claims procedure
 - vi. A detailed proposal in respect of claims administration and maintenance
 - vii. Regular claim audits and recommendations
 - viii. The alignment with Council's Risk Management Plan
 - ix. An organogram of the service team allocated to the portfolio of the municipality
 - x. The provision of training to Council officials
3. The bidder must disclose the insurer on each policy type.
4. A detailed summary of the salient features of the recommended insurance structure must be addressed.

10. EVALUATION

- 10.1. Bidders will be evaluated on a comparative basis, which is the reason for the design of the bid specification and additional schedules containing the detail information for inclusion on the insurance portfolio;
- 10.2. All bids received shall be evaluated in accordance with the Municipal Finance Management Act, Act 56 of 2003 (read with its accompanying Supply Chain Management Regulations), Prince Albert's Municipality's Supply Chain Management Policy and the Preferential Procurement Policy Framework Act, Act 5 of 2000 (read with its accompanying regulations).

11. VALIDITY PERIOD OF BID

The proposal must be valid for a period of 90 (ninety) days after the closing date.

11. DETAILS OF COVER

DETAILS OF COVER	
<p>11.1 COMBINED COVER</p> <p>STANDARD COVERAGE THATCHED ROOF SPECIFIED STRUCTURES</p> <p>INSURED PROPERTY</p>	<p>This policy should provide cover against fire, lightning, explosion, earthquake, special dangers (wind, water, hail, snow, etc.) malicious damage accident damage, burglary damage, burst and flooding of water tanks, airplanes and other flying devices or flying objects.</p> <p>All built structures, including outbuildings thereof, the owner's loose and fixed fittings therein and thereon, boundary and other walls, gates, poles, fences, public access points, purification plants, reservoirs and sewage plants.</p>
<p>11.2 HOME OWNER'S RISK COVER</p> <p>Standard</p>	<p>This policy should provide cover against threats of fire, lightning, explosion, earthquake, special threats (wind, water, hail, snow, etc.) malicious damage, collision damage, burglary damage, bursting and flooding of water tanks, airplanes other flying device or objects falling from it.</p>

	INSURED PROPERTY:	All buildings (homes, residential units, hostels and apartments), including all outbuildings, swimming pools, the landlord's loose and fixed fittings therein and thereon, boundary and other walls, gates, poles, enclosures and public access connections.
11.3	OFFICE CONTENTS	Comprehensive cover, including theft.
11.4.	ALL RISK – Worldwide	This policy should provide coverage against all types of risk not excluded in terms of the policy. All the contents of any building including goods in the open within fenced property, Council's property or for which Council is accountable or has assumed accountability. Forced access or exit is required. Theft by personnel excluded Personal Injury included – R25 000
11.5.	BURGLARY	
	Coverage	
11.6.	CASH-IN-TRANSIT	
a) b) c) d) e)	Cash not in safe after hours Cheques and warrants Money other than (b) Cashboxes Clothes and personal belongings in cases of theft and robbery – per capita	
11.7.	FIDELITY GUARANTEE	Loss and or damage as a result of dishonesty of employees or Councillors. Loss of property included.
	Indemnity Limit	
11.8.	GLASS	Internal and External Plate Glass
11.9.	GOODS-IN-TRANSIT	
11.10.	PUBLIC LIABILITY	Uneven pavements, open manholes and potholes.
	Indemnity Limit	
a)	General	Unlimited
b)	Wrongful arrest and libel	Limited to R5 000 000
c)	Product Liability and defective workmanship	Limited to R5 000 000
d)	Legal Fees	Limited to R5 000 000
e)	Professional Liability: Medical Officers	Limited to R5 000 000
f)	Errors and Omissions	Limited to R5 000 000
g)	Vibrations, removal or depletion of trusses	Limited to R100 000 per annum
h)	Third Party Liability (Vehicle)	COVERAGE: All amounts for which Council becomes legally liable Retro-active date: 01 July 2015 Limited to R 5 000 000
	Fire and Explosion	
	Passenger's Liability	
i)	Salaries and Wages	
11.11.	EMPLOYERS LIABILITY	Damages for which Council becomes legally liable as a consequence of death or bodily harm or illness of any person employed under a contract of service or apprenticeship with the Municipality.
	Indemnity Limit	
11.12.	PERSONAL ACCIDENT	24 hour cover Death and/or disability as a result of violent and visible means
A.	INSURED INDIVIDUALS 13 Unnamed Councillors	
	Coverage	Coverage limited to Council activities and travel

	BENEFITS	
1.	Death	War cover included (not active participation)
2.	Permanent Disability	
3.	Temporary disability for 104 weeks	
4.	Medical Expenses	
5.	Funeral Expenses	
11.13.	PERSONAL ACCIDENT	
B.	INSURED INDIVIDUALS	24 hour cover
	13 Unnamed partners of Councillors	Death and/or disability as a result of violent and visible means
	Coverage	Coverage limited to Council activities and travel
	BENEFITS	
1.	Death	War cover included (not active participation)
2.	Permanent Disability	
3.	Temporary disability for 104 weeks	
4.	Medical Expenses	
5.	Funeral Expenses	
6.	CLAIMS PREPARATION CHARGE	
11.14.	PERSONAL ACCIDENT	
C.	INSURED INDIVIDUALS	24 hour cover
	5 Partners of Department heads	Death and/or disability as a result of violent and visible means
	Coverage	Coverage limited to Council activities and travel
	BENEFITS	
1.	Death	War cover included (not active participation)
2.	Permanent Disability	
3.	Temporary disability for 104 weeks	
4.	Medical Expenses	
5.	Funeral Expenses	
11.15.	STATED BENEFITS	
D.	INSURED INDIVIDUALS	
	All Employees	This policy type must cover all permanent Council employees following death and/or disability as a result of violent and visible means
	COVERAGE	Coverage limited to Council activities and travel
	BENEFITS	War cover included (not active participation)
a)	Death	Total Remuneration R7 million excluding Councillors and R4 million for Councillors
b)	Permanent Disability	
c)	Temporary disability for 104 weeks	
d)	Medical Expenses	
e)	Funeral Expenses	
f)	Mobility	
11.16.	VEHICLE FLEET	
	Insured Property	See Attachment A asset
	Coverage	All vehicles owned by Council are insured as well as vehicles privately owned by personnel used by Council.
11.17.	COMPUTERS	
	Insured Amount / Property	All risks covered including sudden, unforeseen, mechanical and electrical defects.
	Portable Computers	
	Increased operating cost	
	Recovery of Data	
	Software	
11.18.	MANAGEMENT LIABILITY	
	INSURED:	Local Authority, Elected or Nominated Council- or Committee members, employees and temporary employees.
	Indemnity Limit	R 1 000 000

	Special Remarks	Cover should include the following: Claim against an insured individual, where Council is not a claimant and where there is no indemnity for Council. Claim against insured individual by Council. Claim against an individual where Council has indemnified the individual.
	Coverage	Losses and/or expenses incurred as a result of Councils, councillors or official's actions because of error or omission.
11.19	Accounts Receivables	Outstanding Debtors balance - R
11.20	Loss of Income (Business Interruption)	Water Sales -R Sewerage Sales -R Removal of Refuse - R Loss of Rental - R Electricity Sales - R Claims Preparation Costs - R
11.21	MACHINERY BREAKDOWN	Specified Machinery

- The detailed schedules of the municipality's assets and values is available in MS Excel document, which may be requested from the Chief Financial Officer (Jannie Neethling – jneethling@pamun.gov.za).
- The electronic copy must be printed out and signed and dated and included with the bid submission and also submitted on a CD.

PRINCE ALBERT MUNICIPALITY

PROFESSIONAL SERVICES: SHORT TERM INSURANCE PORTFOLIO FOR PERIOD OF 3 YEARS

TENDER FORM

1. I/We _____ (full name of tenderer) the undersigned in my capacity

as _____ of the firm _____ hereby offer to PRINCE ALBERT Municipality herein represented by the Director: Financial Services (hereafter referred to as the DFS), to supply and install the equipment described in accordance with the specification and conditions of contract to the entire satisfaction of the DFS and subject to the conditions of tender, for the amount indicated hereunder:

Type of Risk Cover	TOTAL PREMIUM (EXCLUDING VAT)
3.1 Combined Cover	
3.2 Homeowners	
3.3 Office Contents	
3.4 Accounts Receivable	
3.5 All Risks	
3.6 Burglary	
3.7 Cash-in-transit	
3.8 Fidelity Guarantee	
3.9 Glass	
3.10 Goods-in-Transit	
3.11 Public Liability	
3.12 Employer's Liability	
3.13 Personal Accident: Councilors	
3.14 Personal Accident: Partners of Councilors	
3.15 Personal Accident: Partners of Heads	
3.16 Stated Benefits	
3.17 Vehicle Fleet	
3.18 Computers	
3.19 Management Liability	
SASRIA	
Combined	
Home Owner's	
Office Contents	
All Risks	
Cash-in-transit	
Goods-in-Transit	
Vehicle Fleet	
SUBTOTAL	
VAT @ 15%	
TOTAL	

CONTRACT FORM - RENDERING OF SERVICES

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

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

1. I hereby undertake to render services described in the attached bidding documents to **PRINCE ALBERT Municipality** in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number **RFQ 128/2018** 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.
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;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Amended Preferential Procurement Regulations 2017;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - General Conditions of Contract;
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 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.
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

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference numberdated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. 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.

<i>DESCRIPTION OF SERVICE</i>	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

- 1
- 2

General Conditions of Contract (GCC)

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
 - 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
 - 1.14 "GCC" means the General Conditions of Contract.
 - 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
 - 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of

entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

- 1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 "Tort" means in breach of contract.
- 1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non refundable fee for documents may be charged.
- 3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information inspection

- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent Rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance Security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque.
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified.

12. Transportation

- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified.

13. Incidental Services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty

obligations under this contract; and

- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not

vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

18. Variation orders

- 18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

19. Assignment

- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time Schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.
- 21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.
- 21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

- 22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or

within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

- (b) if the supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.
- 23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

- 23.7 If a court of law convicts a person of an offence as contemplated in Schedules 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to Schedule 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website

24. Anti- dumping and countervailing duties and rights

- 24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

8.1

- Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
 - (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

- 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

- 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified.

31. Notices

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.
- 32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of contracts

- 33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

34. Amendment

- 34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of restrictive practices

- 35.1 In terms of Schedule 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.
- 35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in Schedule 59 of the Competition Act No 89 of 1998.
- 35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

COMPARISON - PRINCE ALBERT MUNICIPALITY

2018 - 2019: Rate was 0.035% with 20% discount

2018 - 2019: Rate was 0.035% with 20% discount

Assets increased with R12 505 049

SECTION	2018 /2019		2019 /2020		SUM INSURED
	Insured Amount	Rates 2018-2019	Insured Amount	Rates 2019-2020	
Combined	R 97 000,000	0.035%	R 106 700,000	0.045%	R 106 700,000
- Standard Construction - Bldgs	R 4 000,000	0.035%	R 4 400,000	0.045%	R 4 400,000
- Swimming Pool/Pumps/Abulsion fac	R 6 000,000	0.035%	R 6 600,000	0.045%	R 6 600,000
- Approvements - Waste Water Works	R 2 500,000	0.035%	R 2 805,049	0.045%	R 2 805,049
- Approvements - Sewerage Works	R 4 000,000	0.035%	R 4 400,000	0.045%	R 4 400,000
- Reservoir & Telemetry Systems	R 4 000,000	0.040%	R 4 917,198	0.045%	R 4 917,198
- Boreholes & Equipment	R 7 000,000	0.035%	R 7 700,000	0.045%	R 7 700,000
- House Owners (Farm House)	R 100,000	0.035%	R 100,000	0.025%	R 100,000
- Property in the Open	R 1 000,000	0.035%	R 1 000,000	0.025%	R 1 000,000
- Sprinkler Leakage	R 100,000	0.035%	R 100,000	0.016%	R 100,000
- Debris Removal	R 10,000	0.035%	R 10,000	0.025%	R 10,000
- Claims Preparation Costs	R 3 375,017	0.035%	R 3 375,017		R 3 375,017
- Reasonable Precautions	R 29 717,975	0.035%	R 29 717,975		R 29 717,975
- Professional Fees (4%)					
- Escalation (18%)					
Business Interruption	R 163 720,190				R 176 225,239
Indemnity period : 12 months					
- Income	R 22 000,000	0.040%	R 23 540,000	0.038%	R 23 540,000
- Gross rentals	R -		R -		R -
- Increase in Cost of Working	R 1 000,000	0.040%	R 1 000,000	0.050%	R 1 000,000
- Additional Increase in Cost of Working	R -		R -		R -
Office Contents					
- Contents insured property	R 3 000,000	0.040%	R 3 300,000	0.150%	R 3 300,000
- Theft (forcible & violent entry or exit)	R -		R -		R -
- Loss of Rent (up to 25% of sum insured)	R 240,000	0.000%	R 240,000	0.150%	R 240,000
- Loss of Documents	R 100,000	0.000%	R 100,000	0.150%	R 100,000
- Legal Liability (Documents)	R -		R -		R -
- Increase in Cost of Working	R -		R -		R -
Business All Risks					
- All other specified items (excluding Cellphones & Laptops)	R 1 300,000	1.000%	R 1 460,535	1.50%	R 1 460,535
- Laptops (20 x Laptops @ R10 000 each)	R 200,000	3.000%	R 220,000	6.00%	R 220,000
- Technical Manager - Laptop	R -		R 18,854	6.00%	R 18,854
- Employees Personal Effect	R 5,000	1.000%	R 5,000	10.000%	R 5,000
Theft					
- First Loss Limit	R 240,000	4.000%	R 240,000	8.000%	R 240,000
Extensions					
- Property in the open (within securely fenced off area and subject to forcible and violent entry or exit from such area)	R 240,000	2.5%	R -		R -
- Theft of employee property	R -		R 60,000	10.000%	R 60,000
- Malicious Damage	R 60,000	2.5%	R 20,000		R 20,000
- Reasonable Precautions	R 10,000		R 10,000		R 10,000
- Locks and Keys	R 100,000		R 100,000		R 100,000
- Claims Preparation Costs	R -		R -		R -
Glass					
- All fixed internal & external glass at the premises (First Loss Basis)	R 30,000	2.00%	R 30,000	5.000%	R 30,000
Extensions					
- Riot and Strike (other than RSA and Namibia)	No		No		No
- Claims Preparation Costs	R 10,000		R 10,000		R 10,000

Money							
- Possession of Councillors/Employees away from insured premises on a business trip	R	5,000	0.00%			R	5,000
- On the premises outside business hours in locked safe	R	5,000				R	5,000
- Loss of or damage to crossed cheques, money or postal	R	-				R	-
- Major limit	R	20,000	3.00%	5.000%		R	20,000
- Seasonal	R	-				R	-
- Damage to Strongrooms	R	-	1.00%			R	-
- Replacements as a result of theft of money or attempt	R	60,000	3.00%	1.000%		R	50,000
Extensions							
- Locks and keys	R	2,500				R	5,000
- Clothing and personal belongings in the event of theft	R	-				R	-
- Reasonable precautions	R	-				R	5,000
- Credit cards	R	-				R	-
- Personal Accident (Assault)	R	-				R	-
- Capital Sum	R	5,000				R	10,000
- Weekly Amount	R	250				R	500
- Medical Expenses	R	2,000				R	2,000
- Riot and Strike (other than RSA and Namibia)	No					No	
- Electronic Vending machines	No					No	
Fidelity Guarantee							
- Limit any one period	R	1,000,000	2.00%	3.500%		R	1,000,000
Accidental Damage							
- Total value of property	R	-				R	-
- Limit of indemnity	R	-				R	-
Goods in Transit							
- Load Limit	R	120,000	1.5%	3.000%		R	120,000
Extensions							
- Removal of Debris	R	-				R	15,000
- Fire, Explosion, Collision and overturning	R	-				R	-
- Fire Extinguishing Expense	R	10,000				R	10,000
Group Personal Accident - 24 Hours							
- Councillors	7	R	350.00	R	950.00		150
- Temporary staff	0						0
Benefits							
- Death	R	150,000				R	200,000
- Permanent Disability						% of Death benefit as specified for particular disability	
- Temporary Total Disablement	R	300 per week max 104 weeks				R per week max 104 weeks	
- Medical expenses	R	20,000				R	20,000
- Additional death benefit	R	5,000				R	10,000
- Relocation	R	5,000				R	10,000
- Repatriation	R	5,000				R	10,000
- Mobility	R	5,000				R	10,000
Stated Benefits							
- All Municipal Employees - Council activities and travel only	R	21,800,000	0.20%	0.102%		R	21,800,000
- Councillors - 24 Hour Cover	R	-					

- Business Hours Limitation plus Commuting Limitation	R				R	-
Benefits						
- Death						3 x Annual earnings
- Permanent Disability						% of Death benefit as specified for particular disability
- Temporary Total Disablement						100% of average weekly earnings max 104 weeks
- Medical Expenses	R	20,000			R	20,000
- Additional death benefits	R	5,000			R	10,000
- Relocation	R	5,000			R	10,000
- Repatriation	R	5,000			R	10,000
- Mobility	R	5,000			R	10,000
Electronic Equipment						
- Specified Equipment	R	2,000,000		1,000%	R	2,000,000
- Technical Manager - Laptop	R	18,854		2,000%	R	18,854
- Laptops (20 x Laptops @ R10,000 each)	R	220,000		4,000%	R	220,000
Extensions						
- Prevention of Access	No				No	
- Increase in Cost of Working	R	10,000			R	50,000
- Reconstruction of Data	R	10,000			R	50,000
Machinery Breakdown						
- Specified Equipment - Limit	R				R	-
- Expediting Costs	R				R	-
Machinery Breakdown Interruption						
- Gross revenue						
- (a)	R					
Private type motor cars and minibuses seating up to 16						
- Council Vehicles		4	R	2,000.00	R	3,000.00
- All PVT Cars		0	R	-		
- ldv		15	R	2,000.00	R	4,500.00
- trucks		0	R	-	R	5,000.00
- fire engines		0	R	-	R	5,000.00
- Emergency Vehicle		0	R	-		
- trailers & Caravans		13	R	750.00	R	4,000.00
- tractors		6	R	750.00	R	1,200.00
- implements		1	R	1,000.00	R	250.00
- special types		2	R	3,500.00	R	4,000.00
- Mini Buses		0	R	-		
- Lawnmowers		0	R	-		
- Compressors		1	R	750.00	R	1,600.00
- Specified Vehicle Listing		0	R	-		
- High Valued Vehicles over R500 000 (see below)		0		0.00%		2%
Wreckage removal						
- Wreckage removal	R	10,000			R	10,000
- Fire extinguishing expenses	R	10,000			R	10,000
- Medical expenses (per occupant)	R	5,000			R	5,000
- Loss of keys	R	5,000			R	5,000
- Conveyance of explosives	No				No	
- Theft or attempted theft of radios/sound equipment	R	2,500			R	2,500
HIGH VALUED VEHICLES = 2 UNITS						
				0.00%		2
NISSAN UD TRUCKS CRONER PKE250 SEWERAGE TRUCK		CCA1141		201900.00%		R910,339
HEIL - PT1100 COMPACTOR TRUCK		CCA1626		201900.00%		R1,805,000

TOTAL VALUE OF HIGH VALUED VEHICLES		42		R2,715,339	
TOTAL AMOUNT OF VEHICLES		42		42	
LIABILITIES					
Public Liability					
- Primary Policy Limit	R	2,000,000			2,000,000
- Umbrella Policy Limit	R	23,000,000		R 31,500.00	23,000,000
TOTAL Public Liability	R	25,000,000			25,000,000
Sub-limits					
- Wrongful Arrest and defamation	R	2,250,000			2,250,000
- Errors & omissions	R	2,250,000			2,250,000
- Products liability and defective workmanship	R	2,250,000			2,250,000
- Pedal Cycles	Market value				Market value
- Legal Defense costs	R	2,250,000			2,250,000
- Professional Liability in respect of Medical Practitioners or other Medical officials	R	2,250,000			2,250,000
- Spread of fire	R	2,250,000			2,250,000
- Municipal Police liability	R	2,250,000			2,250,000
- Sub-limit use of firearms	R	250,000			250,000
- Sub-limit wrongful arrest & defamation	R	2,250,000			2,250,000
Employers Liability					
- Limit	R	3,000,000	R 750.00	R 2,250.00	3,000,000
Motor Third party Liability					
- Limit	R	2,500,000		R 11,340.00	2,500,000
- Number of vehicles			42		42

MBD 4

DECLARATION OF INTEREST

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

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

3.2 Identity Number:

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

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

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

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

3.8.1 If yes, furnish particulars.

¹MSCM Regulations: "in the service of the state" means to be –

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

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

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

3.9.1 If yes, furnish particulars.....
.....

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

3.10.1 If yes, furnish particulars.
.....
.....

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

3.11.1 If yes, furnish particulars
.....
.....

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

3.12.1 If yes, furnish particulars.
.....
.....

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

3.13.1 If yes, furnish particulars.
.....
.....

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

3.14.1 If yes, furnish particulars:
.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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

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 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.

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"/>
-----	--------------------------	----	--------------------------

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

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

.....

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 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

.....

.....

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 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.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract 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.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand 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 South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on http://www.thedti.gov.za/industrial_development/ip.jsp at no cost.

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

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

3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement 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 (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

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 Institution):

NB

- 1 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.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thdti.gov.za/industrialdevelopment/ip.jsp>. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

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

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) 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 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.

The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (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 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017

promulgated under the Preferential Policy Framework Act (PPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

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	Is the bidder or any of its directors listed on the National Treasury's database as a company or person 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 National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? (To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).	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.**

.....
Signature

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Date

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Position

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Name of Bidder

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.

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:

Prince Albert Municipality
(Name of Municipality / Municipal Entity)

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

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

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

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

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

MBD 9

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.

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Signature

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Date

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Name of Bidder

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