



TENDER DOCUMENT
Tender Number: 2020/21/10

TENDERS FOR THE
PROVISION OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS

CLOSING TIME	:	12H00
CLOSING DATE	:	Tuesday, 30 March 2021
Tender Document fee (none refundable) :		R350.00

Tenders must be properly received and deposited in the Tender box on or before the closing date and before the closing time. No late Tender offers will be accepted under any circumstances. Tender offers must be submitted in a sealed envelope properly marked in terms of the Tender number and Tender description as indicated above, at the Municipal Office situated at New Hanover, Main Road Opposite the Police Station. No Tender offers will be accepted via facsimile or telegram.

SERVICE PROVIDER'S DETAILS

Name of Service Provider:	
Contact Person:	
E-mail Address:	
Telephone Number:	() Code
Fax Number:	() Code
Physical Address:	
Postal Address:	

NOTE:

The Service Provider shall be deemed to have satisfied himself/herself/themselves as to all the conditions and circumstances affecting this Tender, including the physical aspects of working areas, and by the submission of a Tender, will confirm acceptance of the conditions and circumstances applicable to any subsequent contract.

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Service Providers are advised to check the number of pages and, should any be missing, duplicated, reproduction indistinct, description is ambiguous, or this document contain any obvious errors, they shall inform the Supply Chain Management Unit of uMshwathi Municipality at once, and have the same rectified. No liability whatsoever will be incurred in respect of errors in any quotation document due to the service provider's failure to observe this requirement.

uMSHWATHI MUNICIPALITY

TENDER NOTICE



**INTERNAL AUDIT SERVICE
TENDER No. 2020/21/10**

uMshwathi Municipality hereby invites Internal Audit Firms with the relevant expertise and experience to tender for the provision of Internal Audit Services, as contemplated under Section 165 of the Municipal Finance Management Act, Act No 56 of 2003, for a period of thirty six months. period. The Service Provider including the proposed professional team must be registered with a well recognised board in the auditing and accounting profession.

The physical address for collection of tender documents is uMshwathi Municipal Offices, 1 Main Road (R33), Opposite New Hanover SAPS, New Hanover, 3230. Documents may be collected during working hours **Monday, 15 March 2021 @09h00** upon payment of non-refundable tender fee of R350, payable in cash **only** and/or downloaded on the e-tender portal website (<https://etenders.treasury.gov.za>).

Proposals are to be completed in accordance with the conditions outlined in the tender document. All proposals must be submitted in sealed envelopes clearly marked: **INTERNAL AUDIT SERVICE PROPOSAL - T2020/21/10** and deposited in the Tender Box that is situated in the foyer of the uMshwathi Municipality offices in Greytown Road, New Hanover by **not later than 12H00 on Tuesday, 30 March 2021**, where the tenders will be opened in public. Late submission will not be considered under any circumstances.

Bids will be evaluated using 80/20 principle of the Preferential Procurement Policy Framework Act No. 5, 2000 as amended to date. Functionality consideration for the bid is a minimum qualifying score of 70% as set out in tender document. Bids that fail to achieve the minimum points for functionality will be deemed non-responsive.

All enquiries technical queries can be directed to SN Lunga and SCM queries to Mrs B. Ntinga on the office number 033 816 6800. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE AS DEFINED IN THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS (GOVERNMENT GAZETTE NO 40553 DATED 20 JANUARY 2017).

NM MABASO
MUNICIPAL MANAGER

uMSHWATHI MUNICIPALITY
INTERNAL AUDIT
Tender No. 2020/21/10

FORM OF TENDER AND SPECIFICATIONS

1. SUBMISSION OF TENDERS

Tenders must be submitted on the Tender Form annexed hereto.

Tender documents must be completed in ink, and only original hand-priced tenders will be considered. The use of correction fluids will not be permitted, and will lead to disqualification. Any alterations must be made in ink and initialed by the Tenderer.

Tenders shall remain valid for a period of sixty days from the date closing thereof.

2. COMMUNICATION WITH MEMBERS OF THE COUNCIL OR COUNCIL EMPLOYEES

Tenderers are advised that no tenderer shall offer, promise or give any person or persons connected with the tender or the awarding of a contract any gratuity, bonus, discount or consideration of any kind in connection with the obtaining of any contract, nor communicate with any member of the Council or a Council employee on a question affecting the awarding of a contract which is the subject of a tender, during the period between the date of closing of tenders and the date of notification of the successful tender; provided always that the Procurement Officer may obtain additional information from a tenderer to enable him/her to formulate his/her recommendation to the Council.

Any attempt to contravene this condition which is brought to the attention of the Procurement Officer may result in the disqualification of the tenderer.

3. TAX MATTERS

All prices and rates shall be quoted as net in South African currency and shall be INCLUSIVE OF VALUE ADDED TAX.

NO TENDER SHALL BE CONSIDERED UNLESS THE TENDER SUBMISSION INCLUDES AN ORIGINAL TAX CLEARANCE CERTIFICATE ISSUED BY THE SOUTH AFRICAN REVENUE SERVICES.

4. RATES

The prices / rates quoted in the tender shall be deemed to include all costs including, inter alia, facilities, materials, plant, labour, patent rights and royalties, insurance, computer systems and software and any and all other costs to be incurred by the contracting company in the execution of the contract.

5. ALTERATIONS BY TENDERER

If a tenderer wishes to submit alternative proposals for consideration or wishes to change the contract requirements or quantities, or to qualify the tender in any way, such proposals and / or changes are to be listed in the Alterations by Tenderers document attached hereto, failing which the tender will be deemed to be unqualified.

6. INCOMPLETE PROPOSALS

Should there be any difference or discrepancy between the prices or particulars contained in the Tender Form and those contained in any covering letter from the tenderer, the prices or particulars contained in the Tender Form shall prevail.

7. ACCEPTANCE OF ANY TENDER

The Council does not bind itself to accept the lowest or any tender and reserves the right to accept the whole or any part of a tender. The Council does not bind itself to providing reasons for the acceptance or rejection of any tender.

8. DOMICILIUM CITANDI ET EXECUTANDI

For the purpose of the service of all documents and the giving of notice as may be required in terms of this contract or as a result of any action arising in conjunction with it, the municipality chooses the Municipal Offices, Main Road, New Hanover.

9. DATA SHEETS AND TENDER FORM

Tenderers are required to complete all data sheets and the Tender Form attached hereto in their entirety for evaluation and adjudication purposes. The Tender Form must be stamped and commissioned by a Commissioner of Oaths. Failure to comply with these provisions will render the tender unresponsive.

10. BUSINESS PARTICULARS

All tenderers, including each member of a joint venture, are required to provide the following information in the form of signed binding declarations, for adjudication purposes.

- a) The form of business, for example partnership, sole proprietor, close corporation;
- b) BBBEE certificate
- c) Tax clearance certificate.

A tenderer submitting false information will be regarded as having committed a fraudulent act and may thereby cause the tender to be rejected by the Council.

uMSHWATHI MUNICIPALITY
Notice No: 2020/21/10
Internal Audit Services Requirements

SPECIAL CONDITIONS OF CONTRACT

Introduction

uMshwathi Municipality is ideally situated within the uMgungundlovu District Municipality immediately adjacent to Pietermaritzburg. uMshwathi comprises of four major urban centres (New Hanover, Wartburg, Dalton, and Cool Air) as well as rural residential settlements of Appelsbosch, Swayimane, Mpolweni, Thokozani and Ozwathini. uMshwathi covers an area of about 1 811 km². A detail information about the municipality can be found on the municipality Integrated Development Plan 2020/2013 which is available on the municipality website for download.

Proposal request

UMshwathi Municipality hereby invites written proposals from Internal Audit Firms with the relevant expertise and experience to tender for the provision of internal audit function , as contemplated under section 165 of the Municipality Finance Management Act, Act no. 56 of 2003 for a period of three years subject to annual renewal.

Internal audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the degree to which the internal control environment supports and promotes the achievement of the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. To this end, internal auditing is a management tool that furnishes the Accounting Officer with analyses appraisals, recommendations and information concerning the activities reviewed.

- (a) The prospective service provider is required to submit proposals in respect of the scope of work set out below:
- Provide internal audit services that are independent, objective and adds value to UMshwathi Municipality's operations. In particular the internal audit should:
 - Co-ordinate all reviews, evaluations and/or investigation of activities within uMshwathi Municipality.
 - Liaise with the external auditors and ensure that the audit programmes are complementary and
 - Comply with standards, codes of conduct and ethics that are promulgated from time to time by the relevant professional bodies.

(b) An effective internal audit function should provide;

- Assurance that the management processes are adequate to identify and monitor significant risks;
- Confirmation of the effective operation of the established internal systems;
- Credible processes for feedback on risk management and assurance; and
- Objective confirmation that the Council receives the right quality of assurance and information from management and that this information is reliable.

(c) The internal audit plan should be based on the risk assessment as well as on issues highlighted by the audit committee and senior management.

(d) Internal audits should be conducted in accordance with the standards set by internal auditors (IIA). The internal audit service must prepare, in consultation with and for approval by the audit committee:

- a rolling three year strategic internal audit plan based on its assessment of key areas of risk for the UMshwathi Municipality, having regard to its current operations, those proposed in its strategic plan and its risk management strategy;
- an annual internal audit plan for the first year for the rolling three year strategic internal audit plan; and
- plans indicating the proposed scope of each audit in the annual internal audit plan.
- reports to the audit committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.

(e) The total process of risk management, which includes a strategy to manage the risks, is the responsibility of the accounting officer and senior management. The internal audit function should assist management in monitoring, evaluating and assessing significant departmental risks, and by providing assurance as to the effectiveness of related internal controls.

(f) The internal audit function must report directly to the accounting authority and shall report at all audit committee meetings. The functions must be independent of activities that are audited, with no limitations on its access to information.

(g) The internal audit function should co-ordinate with other internal and external providers of assurance to ensure proper coverage of financial, operation and compliance controls and to minimize duplication of effort.

(h) The internal audit function must assist the accounting authority in maintaining effective controls by evaluating those control to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

(i) The internal audit function must assist the accounting authority in achieving the objectives of the UMshwathi Municipality by evaluating and developing recommendations for the enhancement or improvement of the processes through which:

- objectives and values are established and communicated;
- the accomplishment of objectives is monitored;
- accountability is ensured and

- corporate values are preserved
- (j) In terms of Treasury regulation the internal audit service should assess the operational procedures and monitoring mechanisms over all transfers made and received, including transfers in terms of the annual Division of Revenue Act.
- (k) Bids received will be tested for low-balling as defined by the Institute of Internal Auditors of South Africa (IIASA) prior to the award. Should it be found to be the case the municipality would disqualify the bid.

EVALUATION OF PROPOSAL

- (a) Proposals will be evaluated initially on functionality criteria as indicated under evaluation section of this document.
- (b) Proposals that do not score the minimum of 70 points or more for functionality will be deemed non- responsive and will not be evaluated further. Only those bidders who score more than 70 out of 100 points will be evaluated further on the 80/20 preference points system.

COST OF PROPOSAL AND NEGOTIATIONS

The costs of preparing the proposal and of negotiating the contract are not reimbursable as a direct cost of the service.

CLARIFICATION OF THE PROPOSAL REQUEST (RFP)

- (a) No briefing session will be held.

All enquiry concerning the RFP should be addressed to:

MUNICIPAL MANAGER

uMshwathi Municipality
Private Bag X 29
Wartburg
3233
Telephone 033 816 6800
Fax 033 502 0286

- (b) At any time before the submission of the Proposal, the Municipality may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, modify the tender document by amendment. The amendment will be sent in writing by facsimile or electronic mail to all bidders that requested proposal documents. The amendment will be binding on them.
- (c) The Municipality may at its discretion extend the deadline for the submission of Proposals.
- (d) The Municipality is not bound to accept any of the proposals submitted.

PREPARATION OF PROPOSAL

(a) Functional Proposal

In preparing the functional proposal of the document bidders are expected to examine the documents comprising the proposal request in detail. Material deficiencies in providing the information requested may result in the rejection of a proposal as non-responsive.

(b) Pricing Proposal

In preparing the cost/pricing proposals bidders are expected to examine the documents comprising this RFP in detail. Please ensure that pricing is provided in detail.

ADDITIONAL CONDITIONS OF BID

- Bids are to remain open for acceptance for a period of ninety (90) days from the date on which they are to be lodged and may be accepted at any time during the said period of ninety (90) days.
- All prices and details must be legible to ensure the bid will be considered for adjudication.
- The bidder must submit a comprehensive company profile, including a detailed exposition of comparable work done previously.
- The bidder must submit the Curriculum Vitae of professionally qualified personnel that will be assigned to the project as well as a detailed summary of relevant experience of each person.
- No advance payments will be made for any reason whatsoever. Accounts shall be based on hours completed to date. Any fees or remuneration is inclusive of Value Added Tax.

OBJECTIVES

- The internal Audit Activity is an independent appraisal function established within the uMshwathi Municipality to examine and evaluate the economy, effectiveness and efficiency of its activities as a service to management and the Council.
- According to the Municipal Finance Management Act (Act No 56 of 2003) Chapter 14 Section 165, each Municipality must have an internal audit unit. This service may be outsourced if the municipality requires assistance with its capacity.
- To have access to different specialized expertise it was decided to outsource the internal audit function to an audit service provider.
- The service provider will assist the Municipality to accomplish the internal audit service objectives, and to assist in complying with the MFMA.
- The audit activity will report directly to the Municipal Manager and the Audit Committee.

SCOPE OF WORK

- (a) This tender will be for a period minimum of three years subject to annual renewal.
- (b) The audit service will assist in the executing of review according to the following :
 - i. Risk Assessment; A risk based annual audit plan;
 - ii. Executive Audit Engagements follow up reviews and compliance reviews;
 - iii. Reviews of the performance management system and
 - iv. Assisting in any forensic or ad hoc investigations.
 - v. Secretarial Services to the Audit Committee.
- (c) All reviews must meet the International Standards for the Professional Practice of Internal Auditing and Code Ethics of the Institute of Internal Auditors.

Obligations of Service provider

Obligation of successful service provider in relation to this assignment will as follows:

- Manage the overall Internal Audit Service;
- Prepare the Strategy and Annual Audit Plans;
- Identify the annual package of work to be completed by the Service Provider ;
- Agree the annual work package with the Service Provider including timings, specific content, general scope and appropriate staffing mix;
- Prepare and present reports to and attend the Governance and Audit Committee;
- Issue, at any time, such instructions on the conduct of any particular project or audit as is considered necessary;

Performance measurement

Performance of the service provider shall be done using, using a range of objective measures. They may include, but will not be limited to :

- completion of audits throughout the year in accordance with the agreed timetable contained in the operational plans;
- completion of 'ad-hoc' reviews within agreed timescales;
- compliance with the specified deadlines for completion of fieldwork, holding of exit meetings, the issue of draft and final reports and follow-up action and reports;
- attendance at meetings as specified;
- compliance with stated quality control system;
- compliance with the agreed methodology
- the volume and frequency of rejected work;
- that audit reports demonstrate audit coverage which is in line with the agreed objectives;
- that audit reports accurately reflect findings and clearly communicate the work carried out, conclusions and recommendations;
- the monetary value of actual and/or potential savings or benefits identified by value for money reviews.

In addition, the municipality will also consider the following items when assessing performance in the Agreement:

- compliance with agreed staffing requirements, including availability of staffing resources, continuity of staff, qualifications, expertise etc;
- compliance with agreed documentation standards;
- feedback from Secondary Clients;
- that conclusions and recommendations in reports are reasonable, appropriate and practical, and are supported by the evidence collected;

- availability of a responsive, helpful and polite service with prompt response to queries raised;
- liaison with external auditors;
- the Contractors contribution to the image and profile of the Internal Audit Services within the Council;
- the opinion of the Council's external auditors on the adequacy and effectiveness of the Internal Audit Services.

Obligations of the Service Provider

- The Service Provider shall be expected to appoint a Contract Manager as a single point of contact under this Agreement. The Contract Manager shall be responsible for working closely with the Senior Manager in the Office of the Municipal Manager in performing the following Internal Audit Services under this Agreement:
- To manage, plan and carry out audits as approved by the Performance and Risk Committee of the Municipal Manager from the Audit Plan. This may include IT and other specialist audits as well as any testing performed to meet external audit's requirements;
- From time to time, carry out any special project reviews as assigned by the Accounting Officer or Council;

In undertaking this work, the Service Provider shall be expected to:

- Liaise and build good working relationships with clients and managers throughout the Council, so they have complete confidence in the integrity, independence and capability of the Internal Audit Services;
- Discuss and agree recommendations and management responses;
- Propose and agree with the Audit Committee and Performance Committee the systems based methodology or other methodology to be used in conducting audit assignments;
- Undertake work of the highest quality and have in place appropriate procedures and management controls to ensure that this is achieved;
- Attend any committee or any specific meeting of the Council as required.
- Ensure that as an integral part of every audit, a full range of tests are designed based on an assessment of risk and materiality. The tests applied shall provide assurances to demonstrate the accuracy of transactions, compliance with procedures and adequacy of internal check and control. Sample sizes shall be sufficient to be representative of the population being tested and shall satisfy the external auditor's requirements for sample sizes and additional samples where errors are detected. Specific tests aimed at the identification of fraud and corruption shall also be effected where considered appropriate by the Service Provider (on the basis of risk and materiality) or where instructed by the Accounting Officer or Council;
- Use up-to-date and effective techniques (including the use of computer-aided audit techniques, where appropriate) in order to maximise efficiency and effectiveness.

- Not make any variations or modifications to the programme or incur costs over and above the audit days agreed in individual audit terms of reference without the prior consent of the Accounting Office or properly delegated staff member or Council;

Liaison with External Audit

In order to provide an efficient service and to avoid duplication of effort, the service provider shall co-operate with the external auditor to ensure that activities are coordinated appropriately.

Systems Audit

The Service Provider shall undertake Systems Audits in accordance with the Annual Plan at the daily rate for internal audit set in the price schedule of the Services provider's Response. System Audits are those designed to assess the adequacy of the system in achieving its objectives, to identify the risks involved and to evaluate the controls within the system.

The Service Provider shall determine whether computerised and other systems are sufficiently sound to ensure that all financial transactions are adequately controlled and proper to the Council and that they ensure that the operational functions of the area under review can be effectively achieved.

Computer Audit

The Service Provider shall undertake specialised Computer Audits using specialist computer audit staff in accordance with the Annual Audit Plan at the daily rate for computer audit set out in pricing schedule of the Services Provider's Response.

Computer Audit work shall be undertaken in a manner consistent with applicable Guidelines for Information technology audits. The Services Provider shall be required to demonstrate that audits of this nature are carried out by suitably trained and qualified staff.

Follow Up Audits

Follow up audit visits shall be carried out, to ensure that recommendations have been implemented, at the appropriate daily rate set out in pricing schedule of the Service Provider's Response. All audits which result in an opinion of a limited level of assurance shall be subject to follow up.

System of Quality Control

The Service Provider shall maintain a system of quality control to ensure that its staff complies with and work is completed to professional standards and the Code of Practice for Internal Audit in Local Authorities and that conclusions and recommendations are appropriate.

The details of the Service Provider's quality control system shall be made available to the Municipality.

EVALUATION

PROPOSAL EVALUATION

- Proposals will firstly be evaluated for Functionality as detailed below based on a score out of 100 points.
- Proposals that do not score the minimum of **70 points** or more for functionality will be deemed not responsive and will be eliminated from further consideration.
- Only bidders who score more **70 points** or more will be evaluated further on the 80/20 preference points system.
- The Bid Evaluation Committee of the Municipality will determine whether the technical and costing proposals are complete, i.e. whether all the items as required have been costed. If not the proposal **may be rejected as non-responsive**.
- Full details of the functional areas mentioned below must be supplied:

Functionality – Scores

The following score will be used to calculate points for the functionality of the proposal. Refer to the following section “Functionality criteria” when completing this section.

REF	Functionality Area	Maximum Score
A	<p>EXPERIENCE AND RELEVANT PROJECTS</p> <p>Provide details of similar contracts where Internal Audit Services have been provided within the last 5 years (please refer to scoring guidance).</p> <p>Scoring Points will be awarded as follows for each valid reference that meets the evaluation requirements.</p> <p>Quoted reference from local government = 8 point per project Quoted reference from Provincial or National government = 6 point per project Quoted reference from private sector = 4 point per project</p> <p>Evidence required</p> <ul style="list-style-type: none"> - Letter of appointment not older than five years - Reference letter given account of work performance - Value of appointment must not be less than R200 000.00 <p>References should ideally reflect contract of similar size. Please note: We reserve the right to verify evidence provided. It is therefore your responsibility to ensure that the contact details provided are up to date.</p>	24

B	RELEVANT EXPERTISE Provide the summary of qualifications as shown below. Information required : details of the number of general internal auditors and the percentage of your staff who hold professional qualifications relevant to internal audit services or are training for a relevant professional qualification for the organisation as a whole Please provide details of other relevant qualifications. ONLY qualifications of personnel that will be used on the assignment must be provided: CV, certified proof of qualification and proof of profession registration must be submitted for points to be awarded.	40
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Details	CIA (SA) Qualified (maximum = 2)*	CA(SA) / Government Auditors / (maximum = 2)*	Other relevant professional Qualification (example LLB, Forensic auditors (maximum = 1)*	CISA Qualification (maximum= 1)*
Points	10	10	10	10
Bidder's Allocation Tick applicable category and indicate the Number of personnel per category				

*maximum number of personnel per category with a specified qualification that can be submitted to claim points.

Please insert pages in the same format if the space is insufficient.

REF	CRITERIA	Maximum Score
C	<p>Business Continuity</p> <p>Does your organisation have a Business Continuity Plan.</p> <p>If yes, please enclose a copy of your plan and briefly describe what key actions your organisation will take to ensure continued provision to customers should there be a major event; for example, should there be a resignation of main internal audit partner which results in loss of staff or a fire or utility failure resulting in loss of your building. The business continuity plan must amongst other things cover the issues as outline below</p> <ul style="list-style-type: none"> - Operation under lock down - Long term plan for the business - Financial sustainability plan (must cover the duration of the contract) - Pending litigation / (recent reputational damage) - Disaster recovery plan - Professional indemnity insurance - Company profile 	20

D	Firm independent Quality Review score Acceptable: Evidence of up to date ISO9001 certification (or equivalent) relating to the service required and the business unit delivering the service Or No accreditation but a systematic process in place for ensuring Quality Assurance. Not Acceptable: Inadequate, or no evidence of business quality arrangements covering major internal audit issues. Or No response submitted (Maximum 10 000 words)	16
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Please insert pages in the same format if the space is insufficient.

TOTAL	100
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UNDERTAKING
I declare that to the best of my knowledge the answers submitted in this section are correct. I understand that the information will be used in the process to assess my organisation's suitability during tender evaluation for the municipality and I am authorised to sign on behalf of my organisation. I understand that the Contracting Authority may reject this tender in its entirety if there is a failure to answer all relevant questions fully or if I provide false/misleading information
Form completed by
Name and Position within the Organisation:
Date:
Signature:

Marking score guide

	Rating of Responses	Maximum Score Percentages
1	Very good or fully compliant submission Meets all requirements and fully explained in comprehensive detail.	90 – 100
2	Good or fully compliant Meets all requirements and is explained in reasonable details	70 – 80
3	Satisfactory submission Meets the essential requirements and is explained in adequate detail	50 – 60
4	Weak or partially compliant (Minor Issues) Submission which in some areas falls short of requirements and is poorly explained	30 – 40
5	Unacceptable or non compliant (Major issues) / non submission Submission which fails to meet requirements and is not explained.	0 – 20
TOTAL		100

For purposes of comparison and in order to ensure a meaningful pre-evaluation bidders are requested to furnish detailed information in substantiation of compliance to the pre-evaluation criteria mentioned above.

A bid that scores less than 70 points out of 100 in respect of “functionality” will be regarded as a non-responsive proposal and will be disqualified.

MBD 3.1 PRICING SCHEDULE – FIRM PRICES

The price must be tendered in total including VAT and disbursements with a break down per year which states an hourly tariff for the different staff components.

A template has been provided to assist with a fair process of adjudication.

NB: The estimated number of hours will be regarded as a guideline only when evaluating the proposal.

UMSHWATHI MUNICIPALITY INTERNAL AUDIT SERVICES

Year 1 (1 July 2021 – 30 June 2022)

Audit Activity	Frequency	Staff mix *	Estimated Hours on	Rate per Hour	Annual Cost (Including VAT)
Audit planning and reporting					
Initial risk assessment	Annually		50		
• 4 Departments • 1 Strategic (municipal manager)					
Strategic and operational internal audit plan	Annually		50		
Audit committee preparation and reporting	Quarterly		50		
Risk Committee attendance and preparation	Quarterly		10		
Project management and administration	Ongoing		40		
Compliance review (compulsory)					
Performance management	Quarterly		40		
Division of Revenue Act	Annually		20		
Risk based audit reviews (based on risk	Ongoing		40		

assessment results)					
Follow – up Review on implementation	Ongoing		40		

*Specify staff mix per audit activity showing estimated hours and rate per hour per level of seniority.

Please insert pages in the same format if the space is insufficient.

Audit Activity	Frequency	Staff mix *	Estimated Hours on site	Estimated Hours off site	Rate per Hour	Annual Cost (Including VAT)
Number of visits to execute on site audit of audit plan (excluding Internal Audit Committee meetings)	Ongoing		300			
Total annual S & T to accommodate on site visits as mentioned above (minimum of 4 committee meetings per annum plus.....audit visits to accommodate on site hours Travelling cost per visit Subsistence and accommodation per visit						
Total Price (to be carried forward to form of tender)						

*Specify staff mix per audit activity showing estimated hours and rate per hour per level of seniority.

Please insert pages in the same format if the space is insufficient.

Year 2 (1 July 2022 – 30 June 2023)

Audit Activity	Frequency	Staff mix *	Estimated Hours on site	Rate per Hour	Annual Cost (Including VAT)
Audit planning and reporting					
Initial risk assessment	Annually		40		
<ul style="list-style-type: none"> □□□ Departments 1 Strategic (Municipal Manager's Office) 	Annually				
Strategic and operational internal audit plan	Quarterly		50		
Audit committee preparation and reporting	Quarterly		50		
Risk Committee attendance and preparation	Ongoing		50		
Project management and Administration			50		
Compliance review (compulsory)					
Performance management	Quarterly		40		
Division of Revenue Act	Annually		20		
Risk based audit reviews (based on risk assessment results)	Ongoing		40		
Follow – up Review on implementation	Ongoing		40		
Number of visits to execute on site audit of audit plan (excluding Audit and Risk Committee meetings)	Ongoing		250		

Total annual S & T to accommodate on site visits as mentioned above (minimum of 4 Audit committee meetings per annum plus.....audit visits to accommodate on site hours Travelling cost per visit Subsistence and accommodation per visit					
Total Price (to be carried forward to form of tender)					R

Year 3 (1 July 2023 – 30 June 2024)

Audit Activity	Frequen cy	Staff mix *	Estimate d Hours on site	Rate per Hour	Annual Cost (Including VAT)
Audit planning and reporting					
Initial risk assessment <ul style="list-style-type: none"> • 4 Departments • 1 Strategic (Office of the Municipal Managers) • 	Annually		50		
Strategic and operational internal audit plan	Annually		50		
Audit committee preparation and reporting and Secretarial services	Quarterly		50		
Risk Committee attendance and preparation	Quarterly		10		
Project management and administration	Quarterly		40		
	Ongoing				
Compliance review (compulsory)					
Performance management	Quarterly		30		
Division of Revenue Act	Annually		20		
Risk based audit reviews (based on risk assessment results)	Ongoing		60		
Follow – up Review on implementation	Ongoing		40		
Number of visits to execute on site audit of audit plan (excluding Internal Audit Committee meetings)	Ongoing		250		

Total annual S & T to accommodate on site visits as mentioned above (minimum of 4 Audit committee meetings per annum plus.....audit visits to accommodate on site hours Travelling cost per visit Subsistence and accommodation per visit					
Total Price (to be carried forward to form of tender)					R

*Specify staff mix per audit activity showing estimated hours and rate per hour per level of seniority.

Please insert pages in the same format if the space is insufficient

Staff Rates per hour

Year 1 (2021 – 2022)

Audit Activity	Computer Auditor Rate per hour	Project Manager Rate per hour	Forensic Auditor Rate per hour	Director Rate per hour	Senior Staff Rate per hour	Trainees Rate per hour
Provide a Rate per hour for potential ad hoc costs in respect of Forensic and other Auditing projects that may be sourced periodically e.g. VAT investigation, etc (List projects and tariffs)						

*Please insert pages in the same format if the space is insufficient.

Year 2 (2020 – 2023)

Audit Activity	Computer Auditor Rate per hour	Project Manager Rate per hour	Forensic Auditor Rate per hour	Director Rate per hour	Senior Staff Rate per hour	Trainees Rate per hour
Provide a Rate per hour for potential ad hoc costs in respect of Forensic and other Auditing projects that may be sourced periodically e.g. VAT investigation, etc (List projects and tariffs)						

*Please insert pages in the same format if the space is insufficient.

Year 3 (2023 -2024)

Audit Activity	Computer Auditor Rate per hour	Project Manager Rate per hour	Forensic Auditor Rate per hour	Director Rate per hour	Senior Staff Rate per hour	Trainees Rate per hour
Provide a Rate per hour for potential ad hoc costs in respect of Forensic and other Auditing projects that may be sourced periodically e.g. VAT investigation, etc (List projects and tariffs)						

*Please insert pages in the same format if the space is insufficient.

SECTION 3.1: MBD1: BID FOR THE REQUIREMENTS OF THE MUNICIPALITY OF UMSHWATHI

REQUEST FOR PROPOSAL 2020/21/10	
CLOSING DATE: 30 March 2021	CLOSING TIME: 12:00
DESCRIPTION: THE PROVISION OF AN INTERNAL AUDIT SERVICE FOR THE UMSHWATHI MUNICIPALITY	

Bid documents, placed in a sealed envelope and clearly marked with the bid number on the outside, may be posted to:

The Tender Box
UMshwathi Municipality
Private Bag X29
Wartburg
3233

Or

deposited in the tender box situated on the reception area, Municipal Building, New Hanover main road opposite police station

Please note:

- Bidders must ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.
- All bids must be submitted on the official forms. Forms may not be retyped.
- This bid is subject to the General Conditions of Contract (GCC) and, if applicable, any other special conditions of contract included in this tender document.
- The successful bidder will be required to fill in and sign a written Contract Form (MBD7).

THE FOLLOWING PARTICULARS MUST BE FURNISHED. FAILURE TO DO SO MAY RESULT IN YOUR BID BEING NOT BEING ACCEPTED.

MUNICIPAL SUPPLIER DATABASE REGISTRATION NO:.....

NAME OF BIDDER:

.....

POSTAL ADDRESS:

.....

.....

.....

STREET ADDRESS :

.....

.....

.....

.....

.....

TELEPHONE: AREA CODE: NUMBER.....

FACSIMILE: AREA CODE: NUMBER.....

E-MAIL ADDRESS (IF AVAILABLE):

NAME OF CONTACT PERSON:

CELL PHONE NUMBER OF CONTACT PERSON:

Has a valid original tax clearance certificate been submitted YES /
NO

Income Tax Number
.....

Name of taxpayer
.....

Identity number of taxpayer (if applicable)
.....

Employer's PAYE registration number (if applicable)
.....

Company or CC Registration No YES / NO / NOT
APPLICABLE

Are you the accredited representative in South Africa YES / NO / NOT
for the goods / services offered by you?
APPLICABLE

DELIVERY BASIS:

Is the delivery period firm?	YES / NO
Period required for delivery after receipt of order (days)	
Is the price (inclusive of VAT) firm?	YES / NO
Discount offered:	Conditional/Unconditional
If conditional, state condition:	
Is offer strictly to specification/terms of reference	YES / NO

If not to specification/terms of reference. Please state deviation(s) if any:

.....
.....

BANK DETAILS (IF APPLICABLE):

BANK NAME: _____

BRANCH: BRANCH CODE: _____

ACCOUNT HOLDER: _____

ACCOUNT NUMBER: ACCOUNT TYPE: _____

OFFICAL STAMP FROM BANK

.....
AUTHORISED BANK OFFICIAL

AUTHORISED SIGNATURE:

NAME:

CAPACITY:

DATE:

uMSHWATHI MUNICIPALITY

Internal Audit Services Requirements

Notice No: 2020/21/10

RESPONSIVENESS AND EVALUATION CRITERIA

NB: uMshwathi Municipality may verify any information submitted in terms of this proposal and any information that is incorrect may result in that Tender being automatically disqualified and not considered further.

RESPONSIVENESS CRITERIA

No tender will be considered by uMshwathi Municipality unless it meets the following responsiveness criteria (for the Tender to be considered responsive, the Tender **must** meet the following requirements):

- The Tender must be **properly received in a sealed envelope** clearly indicating the description of the service and the Tender number for which the Tender is submitted.
- The Tender must be **deposited in the relevant Tender box** as indicated on the notice of the Tender on or before the closing date and time of the Tender.
- The **official Tender document** must be fully completed in indelible black ink. Where information requested does not apply to the Tenderer and the space is left blank, it will be deemed to be not applicable.
- All requested **relevant and/or additional documentation** such as compliance certificates, professional registration, artisan qualification, etc, must be submitted with the Tender document.
- The Tenderer must be in **good standing** to do business with the public sector in terms of Regulation 38 of the Supply Chain Management Regulations (Government Gazette 27636 of 30 May 2005).
- If the entity submitting a Tender is a Joint Venture or Consortium or Partnership, each party to that formation must submit the above information.
- The Tenderer must adhere to the **Pricing Instructions**.
- The **Tenderer's Details** must be provided.
- The necessary document **authorising the Representative to sign** and submit the Tender on the Tenderer's behalf must be completed and signed.
- The **Declaration of Interests** by the Tenderer must be completed and signed.
- The tenderer must complete a schedule of **Relevant Expertise** ;
- The tenderer must complete a schedule of **Previous Experience** ;

EVALUATION OF TENDERS

All Tenders received shall be evaluated in terms of the Supply Chain Management Regulations, of uMshwathi Municipality's Supply Chain Management Policy, uMshwathi Municipality's Procurement Policy Initiative and the Revised Preferential Procurement Policy Framework Act 2011, including relevant practice notes. The Council reserves the right to accept all, some, or none of the tenders submitted – either wholly or in part – and it is not obligated to accept the lowest Tender.

The Council may invite tenderers for oral presentations of their proposals and interview them prior to the approval of the tender. The Council will not be liable for the costs incurred by any tenderer in connection with such interview.

The bidders past track record will be taken into considered in evaluating the bids.

AREAS TO BE INCLUDED IN EVALUATION PROCESS:

- Relevant Expertise
- The Schedule of Relevant Expertise must be completed
- Previous Experience

The Schedule of Previous Experience must be completed and must list recent previous work. **NB** At least 3 contactable references must be provided.

uMSHWATHI MUNICIPALITY

Internal Audit Services Requirements

Notice No: 2020/21/10

GENERAL CONDITIONS OF CONTRACT

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1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the tendering documents for the receipt of tenders.
 - 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 tenderer, and includes collusive practice among tenderers (prior to or after tender submission) designed to establish tender prices at artificial non-competitive levels and to deprive the tenderer 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 tendering 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 subService Provider s) 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 tender will be manufactured.
- 1.17 “Local content” means that portion of the tendering price, which is not included in the imported content provided that local manufacture does take place.
- 1.18 “Manager’s Representative” shall mean the Special projects Manager of uMshwathi Municipality.
- 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 “Municipality” shall mean the uMshwathi Municipality.
- 1.20 “Municipal Manager” Or ‘Manager” shall mean the Municipal Manager of uMshwathi Municipality.
- 1.21 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.22 “Project site,” where applicable, means the place indicated in tendering documents.
- 1.23 “Purchaser” means the organization purchasing the goods.
- 1.24 “Republic” means the Republic of South Africa.
- 1.25 “SCC” means the Special Conditions of Contract.
- 1.26 “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.
- 1.27 “Supplier” means the successful tenderer who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.28 “Tenderer” shall mean the person or persons undertaking to supply the respective Services specified herein and shall include the legal personal representative, successors and assigns of the Supplier.
- 1.29 “Tort” means in breach of contract.

- 1.30 "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.
- 1.31 "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 tenders, contracts and orders including tenders 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 tendering 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 tendering documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a tender. Where applicable a non-refundable fee for documents may be charged.
- 3.2 Invitations to tender 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 tendering 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 tenderer 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 located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the tendering 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-tendering testing will be for the account of the tenderer.
- 8.2 If it is a tender condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the tenderer or Service Provider'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 tendering 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 and 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 fulfillment 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 tender, with the exception of any price adjustments authorized or in the purchaser's request for tender 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 Service Provider may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the Service Provider 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 contracts if not already specified in the tender. Such notification, in the original tender 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 subService Provider (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 judgment 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.

24. Antidumping and countervailing duties and rights

- 24.1 When, after the date of tender, 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.

28. Limitation of Liability

- 28.1 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

- 28.2 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.
- 28.3 Except in cases of criminal negligence or willful 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 tender 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 tender 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 tenderer whose tax matters are not in order. Prior to the award of a tender SARS must have certified that the tax matters of the preferred tenderer are in order.

32.4 No contract shall be concluded with any tenderer whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of contracts

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

34. Amendment of contracts

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.

35. Prohibition of restrictive practices

35.1 In terms of section 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 Service Provider (s) was / were involved in collusive bidding.

35.2 If a bidder(s) or Service Provider (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 section 59 of the Competition Act No 89 Of 1998.

35.3 If a bidder(s) or Service Provider (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 Service Provider (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 Service Provider (s) concerned.

uMSHWATHI MUNICIPALITY
Internal Audit Services Requirements

Notice No: 2020/21/10

AUTHORITY OF SIGNATORY TO SIGN

(To be completed when the Tender is submitted by a Company, Corporation or Firm)

I, the undersigned, am authorized to enter into this Contract on behalf of

.....
.....

by virtue of resolution/letter dated, **a certified copy of which is attached.**

Signature:

Name (in capital letters) :

In his/her capacity as :

Date :

As Witnesses:

1. Signature:Name:

2. Signature:Name:
.....

TAX CLEARANCE REQUIREMENTS

IT IS A CONDITION OF BIDDING THAT -

1. The taxes of the successful bidder must be in order with the Receiver of Revenue.
2. The attached form "Application for Tax Clearance Certificate (in respect of bidders)", must be completed in all respects and submitted to the Receiver of Revenue where the bidder is registered for tax purposes. The Receiver of Revenue will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of twelve (12) months from date of issue. This Tax Clearance Certificate must be submitted in the original together with the bid. Failure to submit the original and valid Tax Clearance Certificate may invalidate the bid.
3. In bids where Consortia / Joint Ventures / Sub-Service Provider s 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.

MBD2/ Application for tax Certificate...

**APPLICATION FOR TAX CLEARANCE CERTIFICATE
(IN RESPECT OF BIDDERS)**

1. Name of taxpayer / bidder:

2. Trade name:

3. Identification number:

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

4. Company / Close Corporation registration number:

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

5. Income tax reference number:

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

6. VAT registration number (if applicable):

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

7. PAYE employer's registration number (if applicable):

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

Signature of contact person requiring Tax Clearance Certificate:.....

Name:

Telephone number: Code:..... Number:

Address:

.....

.....

DATE: 20____ / ____ / ____

PLEASE NOTE THAT THE COMMISSIONER FOR THE SOUTH AFRICAN REVENUE SERVICE (SARS) WILL NOT EXERCISE HIS DISCRETIONARY POWERS IN FAVOUR OF ANY PERSON WITH REGARD TO ANY INTEREST, PENALTIES AND / OR ADDITIONAL TAX LEVIABLE DUE TO THE LATE- OR UNDERPAYMENT OF TAXES, DUTIES OR LEVIES OR THE RENDITION RETURNS BY ANY PERSON AS A RESULT OF ANY SYSTEM NOT BEING YEAR 2000 COMPLIANT.

[MBD 2]

uMSHWATHI MUNICIPALITY

Internal Audit Service Requirements

Notice No: 2020/21/10

FORM OF TENDER – PRICING

Sir,

Having examined the tender documentation of the above mentioned services, I/we offer to provide the uMshwathi Municipality with our professional services for the function of Internal Auditors, in conformity with the aforesaid documentation, for the sum as set out hereunder:

Year 1 (first 12 months) R_____ VAT inclusive

Year 2 (second 12 months) R_____ VAT inclusive

Year 3 (third 12 months) R_____ VAT inclusive

Total for three years (36 months) is as follows:

R_____ (words) _____

Or such other sum as may be ascertained in accordance with the contract.

I/we are registered VAT vendors and the above price INCLUDES VAT.

I/we acknowledge that the VAT vending status as disclosed on this tender form shall remain constant for all purposes under this contract and no claim for adjustment will be entertained for any such claim.

In the event of there being any errors of extension or addition in the priced schedule of quantities (and/or specification), I/we agree to their being corrected, the rates being taken as correct.

I/we undertake to complete and deliver the whole of the works comprised in the contract within the time stated.

I/we are formally associated by written agreement with the following firms, corporations or companies:

(Enter Nil if no affiliations)

I/we are fully paid up members in good standing of the following organisation(s):

(Enter Nil if no affiliations)

My/Our VAT vendor registration number is: _____

I/We bank at the _____ branch of

_____ where I/we have a _____

Account (no. _____)

Bankers contact name _____ & tel no. _____

I/we acknowledge that proof of the information entered in this offer required in terms of this document and/or provisional Letter of Acceptance, will be submitted and that the absence of such information or the failure to comply will render this offer unresponsive (invalid).

It is agreed and understood that this tender is valid for 3 months from the date hereof and that it, together with your final letter of acceptance, shall constitute a binding contract between us.

I/We understand that uMshwathi Municipality is not bound to accept the lowest or any tender and acknowledge that the uMshwathi Municipality may, if in its absolute discretion good and sufficient grounds are brought to its attention in writing within 5 working days from date hereof, decline to consider my/our offer.

Yours faithfully

SIGNATURE: _____

ON BEHALF OF: _____

POSTAL ADDRESS: _____

STREET ADDRESS: _____

(A street address where the
Tenderer can be reliably contacted _____
must be given for the purpose of
domicilium citandi et executandi) _____

DATE: _____

MBD 6.4 DECLARATION OF INTEREST

1. Any legal person, including persons having a kinship with persons employed by or who are members of the Municipality, including a blood relationship, may make an offer in terms of this invitation to tender. However, persons employed by the Municipality on a full time basis, either as permanent or contract staff or who are members of the Municipality, are specifically excluded from making offers in terms of this tender.
2. In view of possible allegations of favouritism, should a tenderer or his/her representative, be connected with or related to an employee(s) of the Municipality, who may in one way or the other be involved in the administration and/or adjudication of the tender, it is required that the tenderer or his/her authorized representative declare his/her position in relation to the employee or member of the Municipality and/or take an oath declaring his/her interest, where:
 - the legal person on whose behalf the tender document is signed, has a relationship with the employee or member of the Municipality, or
 - where it is known that such a relationship exists between the person and persons for whom the declarant acts and a person(s) who are employees or members of the Municipality, who may in one way or other be involved in the administration and/or adjudication of the tender.
3. In order to give effect to the above, the following questionnaire must be completed AND submitted with the tender:

**(a) Are you or any person employed by you connected with an employee or member of the Municipality?*

YES / NO

If yes, please state particulars

**(b) Do you, or any person connected with the tenderer, have any relationship (family, friend, other) with an employee or member of the Municipality, who may in one way or another be involved in the administration and/or adjudication of this tender?*

YES / NO

If yes, please state particulars:

**(c) Are you, or any person connected with the tenderer, aware of any relationship (family, friend, other) between the tenderer and any employee or member of the Municipality who may in one way or the other be involved in the administration and/or adjudication of this tender?*

YES /

NO

If yes, please state particulars:

* Delete whichever is not applicable.

DECLARATION BY TENDERER

I/WE, THE UNDERSIGNED (FULL NAME)

IN HIS/HER CAPACITY AS

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 3(a) to (c) ABOVE IS CORRECT. I ACCEPT THAT THE uMSHWATHI MUNICIPALITY MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

SIGNATURE

DATE

POSITION

NAME OF TENDERER

As Witnesses:

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

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

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

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

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

1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the.....system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

POINTS

1.3.1.1 PRICE

1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION

Total points for Price and B-BBEE must not exceed 100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- 2.1 **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.3 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 2.8 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less .
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the Service Provider and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **“non-firm prices”** means all prices other than “firm” prices;
- 2.13 **“person”** includes a juristic person;
- 2.14 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;

- 2.15 **“sub-contract”** means the primary Service Provider’s assigning, leasing, making out work to, or employing, another person to support such primary Service Provider in the execution of part of a project in terms of the contract;
- 2.16 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

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

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

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

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that
such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-Service Provider is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

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

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

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

8 SUB-CONTRACTING

- 8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)
- 8.1.1 If yes, indicate:
- (i) what percentage of the contract will be subcontracted?%

(ii) the name of the sub-Service Provider ?

.....

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

.....

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

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm :

9.2 VAT registration number :

9.3 Company registration number :
.....

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated

.....

Registered Account Number

Stand Number

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

.....

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

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the Service Provider may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

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

WITNESSES:

1.

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

2.

DATE:.....

ADDRESS:.....

.....

.....

.....

.....

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 (name of the institution).....in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number **2020/13/12** 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);
 - proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Statement of previous experience
 - (iv) Resources schedule
 - (v) Alterations by service provider
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 fulfillment 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)

WITNESSES

1

2

DATE:

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

MBD 7.2

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY uMshwathi Municipality)

1. I..... in my capacity as.....
2. accept your bid under reference numberdated.....for the rendering of

services indicated hereunder and/or further specified in the annexure(s).
3. An official order indicating service delivery instructions is forthcoming.
4. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	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

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 of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	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)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		

4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

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

I ACCEPT THAT, IN ADDITION TO THE CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all 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:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:_____that:

(Name of Bidder)

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

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js9141w 4

STATEMENT OF PREVIOUS EXPERIENCE

The nomination of services, preferably of a similar nature to the services in this contract and which the service provider has successfully provided, is required for adjudication purposes.

Please list in full the employer's name and address and the name of the professional person responsible for supervising the services. Where the services have been supervised by a consultant, the name and address of the firm should also be provided.

Failure to comply with either of these requirements may prejudice the service provider.

NAME OF ORGANIZATION	NATURE OF SERVICES	CONTACT PERSON & NUMBER	PRICE

Please insert pages in the same format if the space is insufficient.

TENDERER: DATE.....

RESOURCES SCHEDULE

Service Providers are required to submit details of their management, office and supervisory resources, training programmes, yard and office facilities, full-time workforce, including trainees, and plant, vehicles and equipment for adjudication purposes.

Please insert pages in the same format if the space is insufficient.

TENDER: DATE

ALTERATIONS BY SERVICE PROVIDER

Should the service provider desire to make any changes or modifications to the contract or specification, then the service provider shall set out the proposals clearly on this sheet or, alternatively, state them in a covering letter attached to the quotation, and mention the letter/s on this sheet. If the form is not filled in, the quotation will be deemed to have been based upon this document.

If no departures or modifications are desired, this sheet must be marked NIL, and signed by the tenderer.

PAGE	CLAUSE OR ITEM

TENDERER: DATE.....