

MBIZANA LOCAL MUNICIPALITY



CONCEPT DOCUMENT

FOR

FIXED ASSET AUCTIONING

THE MBIZANA LOCAL MUNICIPALITY

PROPOSAL CALL FOR AUCTIONING OF FIXED ASSETS

1. PURPOSE OF REPORT

To seek the Bid Specification Committee's approval for the calling of public tenders based on the Specifications below.

2. BAKGROUND

The budget and treasury office is tasked among other things with the management of municipal assets from acquisition, operation, maintenance and disposal when deemed appropriate.

According to section 12.3 of the Asset Management Policy the Chief Financial Officer shall consolidate the requests received from the various departments and shall promptly report the consolidated information to the Budget and Treasury Standing Committee recommending the process of alienation to be adopted.

3. SCOPE OF WORKS

This contract calls for suitably qualified and experienced Service Providers to submit proposals for the auctioning of Municipal assets assessed and found to be unsuitable for use which still have some value left in them.

The Service Provider is to perform the auction process within the area. The area is deemed to be one of the Mbizana Municipality Properties i.e. Cultural Village in town. Full details of the management Plan must be submitted together with the tender for adjudication purposes. The following is the list of assets identified for auction:

CODE	DESCRIPTION	ACQUISITION DATE	CONDITION 2018/19	ASSET COST	BOOK VALUE DISPOSED
3776	COMPUTER CPU	14-Oct-09	Broken	R 5 436.56	R -
3779	COMPUTER CPU	01-Jul-09	Broken	R 8 200.00	R -
2075	COMPUTER MONITOR	01-Jul-09	Broken	R 950.00	R -
1888	COMPUTER MONITOR	01-Jul-09	Broken	R 950.00	R -
1893	COMPUTER DESKTOP PRINTER	01-Jul-09	Broken	R 7 180.20	R -256.87
1847	COMPUTER CPU	15-Jun-12	Redundant	R 998.80	R -
8518	COMPUTER CPU	01-Jul-09	Redundant	R 1 540.00	R -209.65
2391	COMPUTER CPU	01-Jul-09	Redundant	R 8 200.00	R -
2540	COMPUTER CPU	01-Jul-12	Redundant	R 1 900.40	R -857.60
3395	COMPUTER CPU	10-May-14	Redundant	R 4 424.69	R -400.75
1946	COMPUTER CPU	01-Jul-09	Redundant	R 4 200.00	R -
1726	COMPUTER CPU	01-Jul-09	Redundant	R 4 200.00	R -
2020	COMPUTER DESKTOP PRINTER	01-Jul-09	Redundant	R 2 400.00	R -
9983	Projector	01-Jul-09	Redundant	R 8 200.00	R -
676	Projector	01-Jul-09	Broken	R 2 185.00	R -
1797	TV FLAT SCREEN	28-Jun-10	Broken	R 14 830.00	R -
9913	Hooker Machine	10-Nov-11	Broken	R 900.00	R -293.43
5076	Till rolls scanner	31-Jan-19	Broken	R 2 295.11	R -1 104.57
5075	COMPUTER MONITOR	27-Jun-16	Broken	R 11 998.00	R -
1356	COMPUTER CPU	07-Jan-15	Broken	R 260.13	R -32.08
1809	COMPUTER CPU	01-Jul-12	Broken	R 4 200.00	R -
1818	COMPUTER MONITOR	01-Jul-09	Broken	R 950.00	R -
3768	COMPUTER CPU	01-Jul-09	Broken	R 1 510.64	R -60.92
1523	COMPUTER DESKTOP PRINTER	01-Jul-12	Broken	R 2 583.09	R -215.45
2774	COMPUTER DESKTOP PRINTER	01-Jul-08	Broken	R 9 900.00	R -1 178.09
3532	COMPUTER CPU	01-Jul-09	Broken	R 1 510.64	R -60.92
1827	COMPUTER CPU	01-Jul-12	Broken	R 998.80	R -
3777	COMPUTER CPU	15-Jun-12	Broken	R 1 510.64	R -60.92
1763	COMPUTER DESKTOP PRINTER	01-Jul-12	Broken	R 850.79	R -207.08
1426	TELEVISION	01-Jul-09	Poor	R 2 873.98	R -244.06

CODE	DESCRIPTION	ACQUISITION DATE	CONDITION 2018/19	ASSET COST	BOOK VALUE DISPOSED
4028	COMPUTER MONITOR	01-Jul-08	Broken	R 2 100.37	R -84.44
HVY158EC	2016 JEEP GRAND CHEROKEE	01-Nov16	Redundant	R 748 728.76	R 483 863.40
7	Truck Tyres	No Indicated	Poor	R -	R -
2	Tractor Back Tyres	No Indicated	Poor	R -	R -
1	Grader Front Tyre	No Indicated	Poor	R -	R -
11	4x4 Tyres	No Indicated	Poor	R -	R -
2	195-R 15 Tyres	No Indicated	Poor	R -	R -
5	Suv Tyres	No Indicated	Poor	R -	R -
				R912 102.62	R463 534.27

4. COMMISSIONING OF THE PROCESS.

The Service Provider shall be totally responsible for advertising, following up all due processes of auctioning and management of the process. All costs arising from the above works shall be borne by the Service Provider in its entirety.

Any damages to Council Assets shall be immediately repaired or replaced at no extra cost to Council. The Service Provider is to ensure that all work is executed in strict accordance with the Occupational Health & Safety Act or any other relevant legislation.

The Council shall not be held liable for any loss or damages incurred by the Service Provider during the execution of the works. The Service Provider shall indemnify and hold the council harmless against any claims made against the council arising from or related to the execution of the works.

The Service Provider shall be responsible for the erection of all necessary signage required for the project. Signage shall be erected as directed by the Municipality's Representative and in accordance with the Municipality's By-Laws or any other legislation. Where notices are to be published in newspapers, the Municipality's Representative shall advise the Service Provider in which newspaper notices are to be published.

5. REMUNERATION TO COUNCIL

The Service Provider shall detail in the Remuneration Schedule hereto the percentage remuneration the Service Provider proposes to the Council after the execution of work. The remuneration shall be based on the total gross actual turnover income. Audit Reports to this effect must be submitted to the Chief Financial Officer for verification purposes. Payment to the Council must be effected within 7 days commencing from the day of auction. Any other remuneration packages offered must also be detailed in the proposal for adjudication purposes.

6. SAFEGUARDING OF ASSETS DURING THE AUCTION PROCESS

The onus shall rest with the Service Provider to safeguard the Municipal Assets during the execution of the works. The Council shall not be held liable for any loss or damages sustained by the Service Provider due to the Service Provider's failure to implement adequate security measures for this purpose. The Council will, however, assist the Service Provider (where possible) with the safeguarding of the equipment during the execution of the works without detracting from the Service Provider's duty in this regard.

7. TIME WITHIN WHICH THE WORKS SHALL COMMENCE

All work is to commence within 14 days from date of letter of acceptance or by any other such time as may be mutually agreed between the Service Provider and the Council.

8. ESTIMATED COST OF THE WORKS

There is no cost to Council. All costs arising from the execution of this contract shall be borne by the Service Provider in its entirety.

MBD1

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (MBIZANA LOCAL MUNICIPALITY)					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	12H00
DESCRIPTION	FIXED ASSET AUCTIONING				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
The Reception Area					
Mbizana Local Municipality					
51 Winnie Madikizela Street					
Bizana					
4800					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		<input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

<p>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>[IF YES ENCLOSE PROOF]</p>	<p>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</p>	<p><input type="checkbox"/>Yes <input type="checkbox"/>No</p> <p>[IF YES, ANSWER PART B:3]</p>
<p>TOTAL NUMBER OF ITEMS OFFERED</p>		<p>TOTAL BID PRICE</p>	<p>R</p>
<p>SIGNATURE OF BIDDER</p>	<p>.....</p>	<p>DATE</p>	
<p>CAPACITY UNDER WHICH THIS BID IS SIGNED</p>			
<p>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</p>		<p>TECHNICAL INFORMATION MAY BE DIRECTED TO:</p>	
<p>POSITION HELD</p>	<p>Assets & SCM Manager</p>	<p>POSITION HELD</p>	<p>Chief Financial Officer</p>
<p>CONTACT PERSON</p>	<p>Mr Z Khala</p>	<p>CONTACT PERSON</p>	<p>Mr Z.A Zukulu</p>
<p>TELEPHONE NUMBER</p>	<p>039 251 0230 ext. 2113</p>	<p>TELEPHONE NUMBER</p>	<p>039 251 0230 ext. 2032</p>
<p>FACSIMILE NUMBER</p>	<p>N/A</p>	<p>FACSIMILE NUMBER</p>	<p>N/A</p>
<p>E-MAIL ADDRESS</p>	<p>khalaz@mbizana.gov.za</p>	<p>E-MAIL ADDRESS</p>	<p>zukuluz@mbizana.gov.za</p>

**PART B
TERMS AND CONDITIONS FOR BIDDING**

MBD 1

1. BID SUBMISSION:	
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED—(NOT TO BE RE-TYPED) OR ONLINE	
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.	
2. TAX COMPLIANCE REQUIREMENTS	
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.	
2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.	
2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.	
2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.	
2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

Declaration of Interest (MBD4)

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

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

3.2. Identity Number:

3.3. Position occupied in the Company (director, trustee, shareholder²):

3.4. Company Registration Number:

3.5. Tax Reference Number:

3.6. VAT Registration Number:

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

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

3.8.1. If yes, furnish particulars.

.....

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

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

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

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

3.9.1 If yes, furnish particulars.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES (MBD 8)

- 1 This Municipal Bid Document must form part of all Bid 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 Bid Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 In order to give effect to the above, the following questionnaire must be completed and submitted with the Bid.

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

4.2	Is the Bidder or any of its directors listed on the Register for Bid Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Bid Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the Bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the Bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the Bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

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

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

.....
Signature

.....
Date

.....
Position

.....
Name **of** **Bidder**

TIFICATE OF INDEPENDENT BID DETERMINATION (MBD 9)

1. This Municipal Bid 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 Bid (or Bid rigging).² Collusive Bid 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 Bid process or the execution of the contract.
1. 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.
2. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the Bid:

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying Bid:

BID NO:

in response to the invitation for the Bid made by:

MBIZANA LOCAL MUNICIPALITY

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

I certify, on behalf of:that:

1 Includes price quotations, advertised competitive Bids, limited Bids and proposals.
2 Bid rigging (or collusive Bid) 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 Bid process. Bid rigging is, therefore, an agreement between competitors not to compete

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 Bid.
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) Bid 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**

CONTRACT FORM - RENDERING OF SERVICES (MBD 7.2)

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 Bid documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the Bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bid documents, viz
 - Invitation to Bid
 - Tax clearance certificate
 - Pricing schedule(s)
 - Filled in task directive/proposal
 - Preference claims in terms of the Preferential Procurement Regulations 2001
 - Declaration of interest
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my Bid; that the price(s) and rate(s) quoted cover all the services specified in the Bid 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)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES	
1
2

CONTRACT FORM - RENDERING OF SERVICES (MBD 7.2)

PART 2 (TO BE FILLED IN BY THE PURCHASER)

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

DESCRIPTION OF SERVICE	PRICE (VAT INCL)	COMPLETION DATE	BBBEE POINTS CLAIMED

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES	
3
4

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

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

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

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

1.2

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

1.3 Points for this bid shall be awarded for:

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

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

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

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

- (a) “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) “**B-BBEE status level of contributor**” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by

an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

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

3. POINTS AWARDED FOR PRICE

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

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

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

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

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

6.1 B-BBEE Status Level of Contributor: = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME	QSE
	√	√
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		

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

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in

paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>	<p style="text-align: center;">..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>
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9. EVALUATION CRITERIA

Tendering System shall be used for this contract.

Service Providers shall be evaluated in terms of a Two Stage Evaluation System and in terms of the 80/20 Preference Point System in accordance with the Preferential Procurement Regulations 2017, issued in terms of Section 5 of the Preferential Procurement Policy Framework Act, Act No. 5 of 2000.





In order to score points, Service Providers must submit the following information together with their tender for adjudication purposes:-

- Detailed Company profile detailing company experience must also include certified copies of ID Documents of Directors,
- At least 3 Bona-fide contactable references where similar work was conducted in the past 3 years must also be indicated in the.
- Proof that the Service Provider is registered with the Auctioneers Professional Body
- Company experience – Copies of letters from organizations where work of a similar nature was undertaken must be submitted together with the tender. Bona-fide contactable references must also be indicated.
- Tax matters to be in order prior to the award of the contract.
- Certificate of good standing with workman's compensation.

- Certified copy of company registration.
- Project implementation Plan.

Percentage (%) Commission	%
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10. APPROVAL SIGNATURES

 <hr/> <p>Mr V.T. Tuswa Asset Management Officer tuswav@mbizana.gov.za</p>	 <hr/> <p>Mr M Nqwazi Manager: Information Technology nqwazim@mbizana.gov.za</p>
 <hr/> <p>Mr Z.K. Khala Manager: SCM khalaz@mbizana.gov.za</p>	 <hr/> <p>Ms A Ntongana Supply Chain Officer ntonganaa@mbizana.gov.za</p>