



KGATELOPELE LOCAL MUNICIPALITY

TENDER NO:

KLM2021/22/014

**MANAGEMENT OF PREPAID ELECTRICITY VENDING SYSTEM AND AUDITING OF
PREPAID ELECTRICITY METERS**

NAME OF TENDERER:	
TENDERER'S ADDRESS:	
TEL NUMBER:	
E-MAIL ADDRESS:	
CSD NUMBER:	
TENDER AMOUNT INC. VAT:	

TENDER NOTICE - ADVERT

INVITATION TO BID

Kgatelopele Local Municipality invites suitable service providers to bid for the following project(s):

Bid No.	Bid description	Contract Period	Availability of documents	Briefing session date and time	Closing date and time	Points System
KLM2021/22/014	Management of Prepaid Electricity Vending System and Auditing of Prepaid Electricity Meters	36 Months	17 June 2022	N/A	19 July 2022 @ 12H00	80/20

Evaluation

Tenders will be evaluated and adjudicated in line with the Supply Chain Management policy of the municipality using an 80/20 preference points system.

Bid documents with detailed specifications and information can be downloaded on Kgatelopele Local Municipality's website at www.kgatelopele.gov.za and on e-Tender Publication Portal at www.etenders.gov.za from Friday, 17 June 2022.

All sealed bids clearly marked with the Project name and bid number must be placed in the Tender Box at the offices of the Kgatelopele Local Municipality, 222 Barker Street, Danielskuil, 8405, on or before **12:00pm on the specified closing date** at which time submissions will be opened in public. Tender box will be accessible from Monday to Sunday from 07h30am to 05h00 pm.

Please note that it is a prerequisite of the Municipality that all service providers are to be registered on the **National Treasury Central Supplier Database (CSD)** and include in their bids, the tax clearance certificate or their Master Registration Number or tax compliance status PIN to enable the municipality to verify the bidder's tax compliance status. Registration on CSD can be done at www.csd.gov.za or at your nearest Treasury and Kgatelopele Municipal Offices.

Kgatelopele Municipality is under no obligation to accept the lowest or any quote and reserves the right to accept the whole or part of quote and reserves the right to re-advertise if it so wishes to. No reasons for the acceptance or rejection of any quote will be given.

Where applicable, bids will be evaluated on local content and bidders are requested to complete the relevant section of the bid document accordingly.

Bids will be evaluated according to the Kgatelopele Local Municipality's Supply Chain Management Policy, Preferential Procurement Policy Framework Act (Act 5 of 2005) and the Preferential Procurement Regulations, 2017, and Broad Based Black Economic Empowerment Act (Act 53 of 2003).

NB: Suppliers are advised NOT to make copies or any alterations to the Tender documents, except to comply with instructions issued by the municipality.

Enquiries : Ms. Vuledzani Mathoho (053 384 8609)

Mr A. Tieties
Acting Municipal Manager

T1.1 INVITATION TO BID

MBD1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE
(KGATELOPELE LOCAL MUNICIPALITY)

BID NUMBER: KLM2021/22/014
CLOSING DATE: 19 July 2022
CLOSING TIME: 12:00 pm
DESCRIPTION: MANAGEMENT OF PREPAID ELECTRICITY VENDING SYSTEM
AND AUDITING OF PREPAID METERS

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

TENDER DOCUMENTS ARE TO BE DEPOSITED IN THE BID BOX SITUATED AT:

Kgatelopele Municipal Offices, Barker Street, Danielskuil, 8405

Wooden Tender Box at Municipal Offices Entrance on the left-hand side, opposite the receptions

Sealed Bid Documents must be submitted in an envelope clearly indicating, "**BID NUMBER AND DESCRIPTION**" on the outside and must reach the tender box at the stipulated physical address above by no later than **12h00pm Tuesday, 19 July 2022** All bids will be opened in public at the municipal building

Bids which are late, incomplete, unsigned, completed by pencil, sent by telegraph, facsimile, electronically or E-mail and without compulsory required documents will be disqualified.

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open from 07h30 until 16h45 Monday to Friday weekdays, and 08h00 until 12h00 midday on Saturdays.

N:B NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (REGULATION 1 OF THE LOCAL GOVERNMENT : MUNICIPAL SUPPLY CHAINS MANAGEMENT REGULATIONS)

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

T1.2 TENDER DATA

1. GENERAL

The conditions of Tender in the standard conditions of the Tender as contained in Annex F of SANS 294 – *Construction Procurement Processes, Methods and Procedures* which contain references to the Tender Data for details that apply specifically to this tender.

The Tender Data shall be read with the Standard Conditions of Tender in order to expand on the Tenderer's obligations and the Employer's undertakings in administering the tender process in respect of the project under consideration.

The Tender Data hereafter shall have precedence in the interpretation of any ambiguity or inconsistency between it and the Standard Conditions of Tender.

Each item of the Tender Data given below is cross-referenced to the relevant clause in the standard Conditions of Tender.

2. TENDER DATA APPLICABLE TO THIS TENDER

2.1 The Employer of this contract is: **KGATELOPELE LOCAL MUNICIPALITY**

2.2 Tender Documents,

TENDER

T1: Tendering Procedures

T1.1: Tender Notice and Invitation to Tender

T1.2: Tender Data

T2: Returnable Documents

T2.1: List of Returnable Documents

T2.2: Returnable Schedules and Forms

CONTRACT

Part 1: Scope of Works

C1.1 Scope of Work

Part 2: Pricing Data

C2.1: Pricing Schedule

Part 3: Agreement and Contract

C3.1: Form of Offer and Acceptance

C3. 2: Contract Data

A Tenderer will not be eligible to submit a tender if:

(a) the Contractor submitting the tender is under restrictions or has principals who are under restrictions to participate in the Employer's procurement due to corrupt or fraudulent practices;

(b) the Tenderer does not have the legal capacity to enter into the contract;

(c) the Contractor submitting the tender is insolvent, in receivership, bankrupt or being wound up, has his affairs administered by a court or a judicial officer, has suspended his business activities, or is subject to legal proceedings in respect of the foregoing;

(d) The Tenderer does not comply with the legal requirements stated in the Employer's procurement policy;

(e) The Tenderer cannot demonstrate that he possesses the necessary professional and technical qualifications and competent, financial resources, equipment and other physical facilities, managerial capability, personnel, experience and reputation to perform the contract;

(f) The Tenderer cannot provide proof that he is in good standing with respect to duties, taxes, levies and contributions required in terms of legislation applicable to the work in the contract

COMPLIANCE TO ADMINISTRATIVE REQUIREMENTS

Bidders will be evaluated on the following administrative compliance

- Company to be CSD compliant or JV to be CSD compliant
- Issuance of Power of attorney / authority for signatory of JV
- Form of offer to be completed in figures and words
- Pages which need to be signed are to be signed or initialized
- Schedule of construction plant to be included (Proof of ownership to be attached or lease agreement)
- Schedule of company experience: Active and completed projects should be supported by appointment letters and completion certificates
- Certified copy of B-BBEE certificate (If JV, certified copy of consolidated B-BBEE certificates)
- Certified copies of Cipro Documents (if JV, submit documents for all JV partners)
- Certified ID copies of all directors / members / shareholders of company / business (If JV, submit documents of associated directors/members/shareholders of the respective JV partners)
- Submit signed and initialized JV Agreement where applicable
- Letter of intent for providing a Guarantee must be from a reputable Institution
- Submission of Original Letter of Good standing with Compensation Commission (Compensation for injuries and Disease Act)
- Submission of Occupational Health and Safety Plan
- No price amendment without signature in the bills of quantities
- Bidder must not alter the bid document or submit a copy of the original bid document
- Bidder to sign the attendance register at the briefing session
- Company / JV partners to submit audited financial statements for the past 2 years
- Completion of MBD documents (MBD 1, 3.1, 4, 6, 8, 9)
- Bidder to submit statement of municipal rates indicating municipal rates and taxes for the company / business as well as directors / members / shareholders (SAPS affidavit for non-rated municipal areas & or Copy of lease agreement with signed letter or confirmation from landlord to certify such an arrangement – letter not to be less than 3 months)
- Bidders are to separate their submission into two envelopes. One clearly marked “TECHNICAL” and the other marked “FINANCIAL”. The financial offer will be evaluated if bidder’s technical submission scores 45 points and above.

Tenders will be evaluated and adjudicated in line with the Supply Chain Management policy of the municipality using an 80/20 preference points system.

CONDITIONS TO ACCEPTANCE OF TENDER OFFER

Tenders Will be Accepted on Condition that;

- The tender offer is signed by a person authorized to sign on behalf of the Tenderer and authority of signatory is attached.
- A valid tax clearance certificate is included with his tender.
- The tenderer has signed and initialized all pages of the tender document
- Tenderer's declaration of compliance with the occupational health and safety act No.85 of 1993 and the construction regulations of 2003 as well as the tenderer's health and safety plan to being included with his tender submission.
- A tenderer who has submitted a tender as a joint venture has included an acceptable joint venture agreement with his tender.
- The tender document has not been unbundled or tampered with.
- The tenderer or a competent authorized representative of the contractor who submitted the tender has attended the compulsory clarification meeting or site inspection.
- The tenderer or any of its principals is not listed on the register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act 2004 as a person prohibited from doing business with the public sector.
- The tenderer has not abused the Employer's Supply Chain Management system or has failed to perform on any previous contract and has been given a written notice to this effect.
- The tenderer or any of its principals, directors or managers is not employed in the service of the state or any municipality. In the event that such principals are involved, official approval from the Executing Authority regarding carrying out remunerative work outside of the public service must be included in the tender submission.
- The Employer is satisfied that the tenderer or any of his principal have not influenced the tender offer and acceptance by the following criteria;
 - Having offered, promised or given a bribe or other gift or remuneration to any person in connection with obtaining or execution of this contract.

- Having acted in a fraudulent or corrupt manner in obtaining or executing this contract.
- Having approached an officer or employee of the Employer or the Employer's Agent with the objective of influencing the award of a contract in the tenderer's favour.
- Having entered into any agreement or arrangement, whether legally binding or not with any person, firm or company to refrain from tendering for this contract or as to the amount of the tenderer to be submitted by either party.
- Having disclosed to any person, firm or company other than the Employer, the exact or approximate amount proposed of his proposed tender.
- The Employer may, in addition to using any other legal remedies, repudiate the tender offer and acceptance and declare the contract invalid should it have been concluded already.

T2.1 LIST OF RETURNABLE DOCUMENTS

The tenderer must complete/submit the following returnable documents:

1. Schedule of Returnable Documents for Tender Evaluation

- A: Tender Site Meeting register (not compulsory)
- B: Record of Addenda to tender documents
- C: Certificate of Authority for Joint Ventures / Close Corporation / Partnership / Company / Sole Proprietor (Certified copies of Identity documents in case of sole proprietor)
- D: Registration certificates of entities – joint Ventures / Close Corporation / Partnership /Company / Sole proprietor
- E: Schedule of tenderer's experience
- F: Schedule of Key personnel
- G: Curriculum Vitae of Key personnel
- H: Qualifications of key personnel
- I: Schedule of Subcontractors
- J: Schedule of Plant and Equipment
- L: Copy of the workmen's compensation registration certificate (or copy of payment of contributions in terms of the compensation for occupational Injuries and Disease Act No. 130 of 1993)
- M: An original valid tax clearance certificate issued by the South African Revenue Services
- N: Form of intent to provide a performance guarantee
- O: B-BBEE Status Level Verification Certificate
- P: Filled in / Signed forms MBD 1, 3.1, 4 , 6.1, 6.2 , 8 and 9

T2.2 RETURNABLE SCHEDULES / FORMS

CERTIFICATE OF ATTENDANCE

This is to certify that (*Tenderer*).....

of(*address*).....

..... Was represented by the person(s) named below at the compulsory meeting held for all tenderers

I / We acknowledge that the purpose of the meeting was to acquaint myself / ourselves with the site of the works and / or matters incidental to doing the work specified in the tender documents in order for me / us to take account of everything necessary when compiling our rates and prices included in the tender.

Particulars of Person(s) attending the meeting:

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

Capacity.....

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

Capacity.....

Attendance of the above person(s) at the meeting is confirmed by the Employer's representative, namely:

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

Capacity:..... Date and Time.....

RECORDS OF ADDENDUM TO TENDER DOCUMENTS

I / We confirm that the following communications received from the Employer or his representative before the date of submission of his tender offer, amending the tender documents, have been considered in this tender offer.

ADD No.	DATE	TITLE OF DETAILS

SIGNATURE:.....
(of person authorized to sign on behalf of tenderer)

DATE.....

CERTIFICATE OF AUTHORITY OF ENTITY

Indicate the status of the tenderer by ticking the appropriate box hereunder. The tenderer must complete the certificate set out below for the relevant category.

(I) Company	(II) Close Corporation	(III) Partnership	(IV) Joint Venture	(V) Sole Proprietor

(I) CERTIFICATE FOR COMPANY

I....., chairperson of the Board of Directors of
....., hereby confirm that by resolution of the
Board (Copy attached) taken on.....20.....

Mr/Mrs....., acting in the capacity of
....., was authorized to sign all
documents in connection with this tender and any contract resulting from it on behalf of the
company.

Signature of Chairman.....

Signature of Signatory.....

As Witnesses:

1..... Name in Block Letters.....

2..... Name in Block Letters.....

Date:.....

(II) CERTIFICATE FOR CLOSE CORPORATION

We the undersigned, being the key members in the business trading as..... hereby authorize Mr/Mrs..... acting in the capacity of.....to sign all documents in connection with the tender for the contract No..... and any contract resulting from it on our behalf.

Signature of Signatory.....

As Witnesses:

1..... Name in Block Letters.....

2..... Name in Block Letters.....

Date:.....

NAME	ADDRESS	SIGNATURE	DATE

NOTE: This certificate is to be completed and signed by all of the key members upon whom rests the direction of the affairs of the close corporation as a whole.

(III) CERTIFICATE FOR PARTNERSHIP

We the undersigned, being the key members in the business trading as..... hereby authorize Mr/Mrs..... acting in the capacity of.....to sign all documents in connection with the tender for the contract No..... and any contract resulting from it on our behalf.

Signature of Signatory.....

As Witnesses:

1..... Name in Block Letters.....

2..... Name in Block Letters.....

Date:.....

NAME	ADDRESS	SIGNATURE	DATE

NOTE: This certificate is to be completed and signed by all of the key members upon whom rests the direction of the affairs of the partnership as a whole.

(IV) CERTIFICATE FOR JOINT VENTURE

We the undersigned, are submitting this tender offer in joint venture and hereby authorize Mr/Mrs....., authorized signatory of company..... to act in capacity of lead partner, to sign all documents in connection with the tender for the contract No.....and any contract resulting from it on our behalf.

This authorization is evidenced by the attached power of attorney signed by legally authorized signatories of all the partners to the joint venture.

Signature of Signatory.....

As Witnesses:

1..... Name in Block Letters.....

2..... Name in Block Letters.....

Date:.....

NAME OF FIRM	ADDRESS	AUTHORIZING SIGNATURE

NOTE: This certificate is to be completed and signed by all key partners upon who rests the direction of the affairs of the partnership as a whole.

(V) CERTIFICATE FOR SOLE PROPRIETER

I....., hereby confirm that I am the sole owner of the
business trading as.....

Signature of Sole Owner.....

As Witnesses:

1..... Name in Block Letters.....

2..... Name in Block Letters.....

Date:.....

FORM OF INTENT TO PROVIDE A PERFORMANCE GUARANTEE

The tenderer must attach hereto a letter from the bank or institution with whom he has made necessary arrangements, to the effect that the said bank or institution will be prepared to provide the required performance guarantee when asked to do so. A proforma is attached the tenderers to use.

PRO-FORMA FOR A PERFORMANCE GUARANTEE

PERFORMANCE GUARANTEE

Employer: *(Name and Address)* _____

Contact No. _____

(Contract Title) _____

WHEREAS _____

(hereinafter referred to as the "Employer") Entered into, a Contract With

(hereinafter called "the contractor") on the _____ day of _____ 20_____

At _____

AND WHEREAS it is provided by such Contract that the Contractor shall provide the Employer with security by way of a guarantee for the due and faithful fulfilment of such Contract by the Contractor;

AND WHEREAS _____ (hereinafter referred to as "the Guarantor") Has / Have at the request of the Contractor, agreed to give such guarantee;

NOW THEREFORE WE, _____

Do hereby guarantee and bind ourselves jointly and severally as Guarantor and Co-principal Debtors to the Employer under renunciation of the benefits of division and exclusion for the due and faithful performance by the contractor of all the terms and conditions of the said Contract, subject to the following Conditions:

1. The Employer shall, without reference to and/or notice to us, have complete liberty of action to act in any manner authorized and/or contemplated by the terms of said Contract, and / or to agree to any modifications, variations, alterations, directions

or exclusions of the Completion Data of the works under the said Contract, and that its rights under this guarantee shall in no way be prejudiced nor our liability hereunder be affected by reason of any steps which the Employer may take under such contract, or of any modification, variation alterations of the Completion Date which the Employer may make, give, concede or agree to under the said Contract.

2. This guarantee shall be limited to the payment of a sum of money
3. The employer shall be entitled, without reference to us, to release any guarantee held by it, and to give time to or compound or make any other arrangement with the contractor.

However, upon receipt by us of an authenticated copy of the certificate of completion in terms of the Contract, the amount of liability shall be reduced by 50%, which shall be in force until the issue of the Final Approval Certificate at expiry of the Defects Liability Period.

4. This guarantee shall remain in full force and effect until the issue of the Certificate of Completion in terms of the Contract, unless we are advised in writing by the Employer before the issue of the said Certificate of his intention to institute claims, and the particulars thereof, in which event this guarantee shall remain in full force and effect until all such claims have been paid of liquidated.
5. Our total liability hereunder shall not exceed the sum of

_____ (in words)

R_____ (in figures)

(10% of the tender Sum) that amount I/ we agree to hold at your disposal.

6. The Guarantor reserves the right to withdraw from this guarantee by depositing the Guaranteed Sum with the beneficiary, whereupon the Guarantor's liability hereunder shall cease.

I/We declare that I/We, on behalf of the Guarantor, waive the legal exceptions available to a guarantor and undertake to pay the said amount or such portion thereof as may be demanded, immediately on receipt of a written demand from you.

A certificate under your hand shall be sufficient and satisfactory evidence as to the amount of the Guarantor's liability for the purpose of enabling provisional sentence or any similar relief to be obtained against the Guarantor.

This guarantee is neither negotiable nor transferable, and must be surrendered to the Guarantor in the event of the full amount of the Guarantee being paid to the Employer.

7. I/We hereby choose our address for the serving of all notices for all purposes arising here from as

IN WITNESS WHEREOF this guarantee has been executed by us at: _____

On this _____ day of _____ 20_____

1..... Signature.....

2..... Signature.....

Duly authorized to sign on behalf of the (*Guarantor*).....

Address.....

.....

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

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

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

NAME OF BIDDER

.....

POSTAL ADDRESS

.....

STREET ADDRESS

.....

TELEPHONE NUMBER

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

CELLPHONE NUMBER

.....

FACSIMILE NUMBER

CODE NUMBER.....

E-MAIL ADDRESS

.....

VAT REGISTRATION NUMBER

.....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN ATTACHED? (MBD

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

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (MBD 6.1)

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

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

(Tick applicable box)

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)

A REGISTERED AUDITOR



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

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

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

(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER

.....

...

DATE

.....

...

CAPACITY UNDER WHICH THIS BID IS SIGNED

.....

TOTAL BID PRICE

TOTAL NUMBER OF ITEMS OFFERED

.....

.....

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Municipality / Municipal Entity: Kgatelopele Local Municipality
Department: Supply Chain Management Unit
Contact Person: Vuledzani Mathoho
Tel: 053 384 8609

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person: Marishe Swarts -Income and Kyle Maddocks (IT)
Tel: 053 384 860

MBD3.1

**PRICING SCHEDULE -
FIRM PRICES
(PURCHASES)**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES
(INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE
VARIATIONS) WILL NOT BE CONSIDERED**

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of Bidder.....	Bid Number.....
Closing Time	Closing Date

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID:

SCOPE OF WORK

DETAIL SPECIFICATIONS AND REQUIREMENTS FOR THE MULTI-UTILITY ONLINE VENDING SYSTEM AND THIRD-PARTY VENDING

The Kgatelopele utility herewith invites proposals for a multi-utility pre-paid vending system / solution that will be fully integrated with the Kgatelopele utility’s existing financial system and applications and function on the existing electronic infrastructure. The period of appointment will be for a period of 3 years with an option to extend the contract for another 2 years.

Bids from suitable service providers will be evaluated according to the set criteria as set out in this document.

1. DESCRIPTION OF THE SERVICES REQUIRED

The scope of the contract as detailed in this specification is as follows:

- 1.1. The supply, delivery, installation, training and commissioning of the most optimal vending solution for both electricity and water STS meters, including a cloud based back-end, billing system integration and distributed 3rd party 24-hour vending, offered by the tenderer within the framework and performance specification as detailed in this document.
- 1.2. Stand-by and support required as detailed in this document.
- 1.3. Disaster recovery and business continuity as specified.

- 1.4. The supplier should propose additional proven methodologies of revenue enhancement solutions for the Kgatelopele utility.

2. REQUIREMENTS

2.1. Use Of Reasonable Skill and Care

In applying the scope of work, it is expected of the service provider(s) to render services that commensurate with the highest expectations of professionals in the industry and to ensure that all legislative requirements are met.

It is expected of the service provider to take ownership of the project and to facilitate a process that commensurate with the integrity of the municipality as a public institution to ensure successful completion of project within budget estimates and time frames.

It will also be required of the service provider to report back at project management team meetings and to contribute to reports on the process progress and outcomes to the relevant officials and/or committees if need be.

It will be required of the service provider to prepare a detailed phased project program for the project within 2 weeks of appointment. This must include system testing and user acceptance. The Service Providers are required to acknowledge the dynamics of proper planning for the practical completion of the project. The completion of the project will be within three (3) months after allocation of the tender.

3. NORMATIVE REFERENCES

The solution offered must be compliant with SABS 1524, the STS Specifications and SABS IEC 1036. The following standards contain provisions which through reference in the SABS 1524 constitute provisions of this specification.

SABS 1524-1:1994	Single-phase electricity dispensing systems, Part 1: Electricity Dispensers.
SABS IEC 1036:1990	Alternating-current static Watt-hour meters.
NRS 009-4-2:1994	National electricity meter cards and associated numbering standards section two national electricity meter number. (Replacing MCI57).
MC 115	National electricity meter card specification for ED's (will be replaced by a NRS spec in future)
Licensed STS Document	Standard transfer specification documents.
ESKOM XMLVend 2.1	Eskom's specification for standardization of vending client/server protocols
NRS 009-1:1994	Electricity Sales Systems Part 1: Glossary system overview. Preferred requirements for applications in the electricity supply industry.

4. DETAILED SPECIFICATION OF VENDING SYSTEM

5.1 SYSTEM CONFIGURATION

- In making an assessment of the hardware, software, network infrastructure availability and requirements at each of the current vending offices, the tenderer shall keep in mind the system configuration required by the Kgatelopele utility and utilize the current infrastructure belonging to the Kgatelopele Municipality. It remains the responsibility of the tenderer to ensure compliance to the tenderer's minimum requirements.

-
- The vending system must be TCP/IP compliant and functional over Ethernet on a LAN/WAN environment. WIFI, GPRS, ADSL and Diginet lines must also be accommodated.
 - The vending solution offered by the tenderer must be capable of managing and vending to both electricity and water STS meters from a common platform and user interface. A single consumer record must have the capacity to have both water and electricity meters linked to it.
 - A hosted database configuration set is required with standby disaster recovery capability for business continuity.
 - A disaster recovery plan shall be provided with all necessary hardware and infrastructure utilized.
 - Assurance of business continuity in the event of a catastrophic systems and / or communications system breakdown in the Municipal environment must be provided. A description of associated redundancies built in to the offered solution must also be provided
 - The system should have the capacity provide for a monthly update of a local database copy in the Kgatelopele utility premises if and when required.

5.2 PHYSICAL LOCATION OR CLOUD BASED OF SERVERS AND WORKSTATIONS

The configuration envisaged by the municipality is one where the management and vending server(s) will be located off-site in a high availability environment with redundant power and connectivity. Full disaster recovery and business continuity will be provided for.

Vending workstations (credit dispensing units) will be required at each of the vending offices. The system must not be limited to existing workstations and locations. The tenderer is required to evaluate the existing hardware at each of the current offices and make an optimum solution recommendation to the municipality.

5.3 SYSTEM CAPACITY

The system shall be designed to ultimately accommodate a minimum of 200 000 consumers/meters. The system shall have the capacity to retain a five (5) year transaction history (estimated 50 million transactions) in the live database and older transactions in an archive database. Any system limitations shall be indicated by the tenderer.

5. PERFORMANCE SPECIFICATION

- A full and detailed functionality description of the system shall be provided by the tenderer.
- The tenderer shall not focus on provisioning of computer hardware since the Kgatelopele utility might provide such once the minimum specification of the hardware required is known. It is however required that full specification (and pricing) of equipment is specified to ensure optimum performance of the system. For this reason, it is also imperative that tenders should be quite clear on where the Kgatelopele Municipality's hardware and/or networks lack the capability and/or capacity to function properly with the system proposed by the tenderer.

A detailed graphical drawing depicting the proposed network and system layout must be drafted to clarify and indicate solution functionality. Should changes be required, full specifications and pricing must be provided.

- The system proposed by the tenderer should at least make sure that:

Different servers are utilized for different applications such as:

- Database functions
- Management applications
- Transactions
- Encryption / Security
- Disaster recovery
- Cloud Based

The network protocols shall be TCP/IP and be able to operate real-time over GPRS/3G/EDGE/HSDPA/GPRS/WIFI/ADSL/Diginet as available in certain areas in the on-line mode

- In order to simplify the third-party integration, process the system will comply with Eskom XMLVend 2.1 (or later). It would be preferred that the system is native XML i.e. that there is no translation interface between the system and an XML client and that all client/server interfaces are based on the XML standard.
- The system shall be a single database solution which from which both management functions and vending take place for all meter and utility types. All updates to customer data must be immediately available at vending terminals and all transactions made at all sales outlets must be immediately available for reporting on.
- The vending terminal solution shall be web based or a web application which automatically updates from the host server should updates be posted. Security and data encryption will be provided by mutually authenticated SSL between the vending terminal and the server.
- The solution should have the capability to provide pre-paid vending services over the internet/intranet. Customers should be able (should the Kgatelopele utility wish to activate these options) to purchase prepaid electricity either via the Internet or a cell phone as follows:
 - A registered service on the web where the customer registers for the service. This includes providing the required financial information and then simply authenticating on every transaction. The Kgatelopele Local Municipality's vending and credit management rules must still be applicable and transactions must be made against the Kgatelopele utility local vending system not an offline copy.
- The system should cater for integration to vending mechanisms such as automatic cash handling machines, self-service terminals and other third-party vending networks by providing an API specification to the alternate provider. The tenderer shall assist with integration testing.
- The solution shall be able to function on low-bandwidth requirement between remote vending points (credit dispensing units) and the central prepaid system (system master station) and optimized to run over networks (such as GPRS), with the maximum packet size being minimal and clearly indicated. GPRS/WIFI/ADSL/DIGINET connection points should be created on the Kgatelopele Local Municipal infrastructure to directly serve transactions on this type of networks.
 - The vending system shall cater for integration with the systems / applications in use. The Kgatelopele utility uses Sage as the financial system. The nature of the integration catered for must include periodic bulk export / import of arrears balances / collections to / from the billing system.
- Name of all vendors to appear on the history

- The service provider must indicate their approach to the requirements of mSCOA with respect to data exchange between systems.
 - The system must cater for storage of all information to comply with financial services regulations (e.g. the storage of all sales/vending transactions).
 - The vending system will provide web-based interface to allow for management functionality and reporting over the Kgatelopele Local Municipal Intranet and internet. Connections will be secured by mutually authenticated SSL between the management terminals and the web server. The standard Microsoft Internet Explorer will be used for this. The system must ensure that the program supports the latest version of Microsoft Internet Explorer and always keep up with updates by Microsoft. The currently deployed version of Microsoft Internet Explorer is IE8.
 - Tamper monitoring and specific technologies to effect notifications in this regard should be catered for in the solution.

7. SYSTEM / OPERATION REQUIREMENTS

7.1 GENERAL

The administrator(s) must have the option to link directly into the server from their offices for e.g. management, reports, etc. Maintenance staff must have the option to link into the system over a 3G data connection from remote locations to perform customer maintenance functions.

All licenses required must be clearly defined and a list provided with license cost. All limitations must clearly be indicated.

All current data on the current vending systems used by the municipality must be catered for on the supposed vending system. The last 3 years data must be migrated into the supposed vending system from the current vending system.

7.2 ACCESS

It must be possible to allocate access rights into the system into users and user groups. Access rights allocations shall be transferred during the data migration process and distributed throughout the system. The vending system must allow for activation of password ageing functionality. If this function is activated, the password of the particular user shall expire after a definable amount of time. Early password expiry warnings must be available. In addition, a concurrent log-in limit for log-in attempts is also required. User IDs not used or disabled permanently must not be able to be removed from transaction history data. A full audit trail on user IDs and movement must be kept. Access rights must be configured by the Kgatelopele Local Municipality.

7.3 ARREARS

The vending system offered by tenderer shall make it possible for the municipality to deduct arrears from moneys tendered by consumers to purchase pre-paid electricity. The vending system must be able to define within the applicable arrears scheme and/or credit control policy of the municipality different arrears recovery categories/indexes. Within each category/index, the system shall allow for various recovery alternatives. This must be included and enforced in all electricity dispensing strategies and/or systems, inclusive of third-party vending systems.

The system shall allow for at least:

- Fixed percentage of transaction recovery
- Service based recovery

-
- Full arrear payment recovery - History
 - Partial arrear recovery and limited sales
 - Bill payments at other stores like Spar and OK Foods

7.4 BLOCKING

The vending system offered by the tenderer will allow for profiled blocking of purchases by customers based on arrears balances in specific account types. Blocking will be configurable by account type and will allow for either no sales or limited monthly sales to customers with arrears balances.

Customers with shared service accounts will all be unblocked simultaneously when any one blocked account is paid in full.

7.5 ENGINEERING

The system must make provision for the generation of all STS engineering vouchers directly from the management terminal and these vouchers can be printed, viewed (without printing) or sent via SMS.

An Android smart phone-based Engineering application must be provided. The application must allow for issuing of engineering tokens and for field meter replacements with an audit trail including GPS coordinates.

7.6 FREE ISSUES / REPLACEMENT TOKENS

The vending system should allow the issuing of vouchers free of charge with the requirement to add reasons and free text notes to each issue.

7.7 KEY MANAGEMENT

The vending system must support the upload of key management files (KMF) into the system database to configure and connect encryption devices, for STS encryption algorithms. This can be used to load details of new area keys into the encryption device. STS certification is required for Key Management and must include both STS Electricity and Water certification.

7.8 LIMITS

The vending system should allow a limit for the amount of credit that any individual workstation or group of workstations in the system can issue without re-authorization. This amount can be defined per workstation.

The credit update of a workstation must be done by a supervisor (or another user with appropriate access rights) updating the credit limit via the management interface. All updates will be recorded; the records will include the previous credit balance and the user identity, the date and time of the update and a reference field with free text entry. The update will automatically print for audit purposes.

Electricity token limits will be set at terminal group level. These limits may be exceeded by operators with the input of a password to confirm the transaction value.

7.9 MESSAGES

The vending system should allow the utility to define voucher messages that are printed at the bottom of the printed voucher. The municipality must have the option to change the messages according to requirements.

7.10 REGISTRATION

The vending system must be able to track any historical connections between the meter, point of connection and the consumer.

7.11 VENDING

Vending to a consumer shall only be possible when a point of connection and meter are linked to the consumer and a tariff has been selected. The customer must still be able to do payments although blocked for pre-paid electricity sales.

Should the information on the database differs from the information on the meter card, no token must be generated.

7.12 SEARCH AND FILTER

The vending system should support full search for the following items in registration:

7.12.1 Consumer surname, first names, ID number, postal address details, comments, blocking codes, account number, point of connection, meter serial number, ERF number.

All of these searches can be incremental searches or full word searches. Once the search criteria are entered, the system must display the first record matching the search condition or the closest field at any one time for the search.

7.13 REPORTS

The vending system should support a set of standard reports and the capability to customize and / or create new Reports. The tenderer undertakes to add or alter reports according to the needs of the Municipality for at least the first six months free of charge.

Printer selection and formatting according to operating system availability must be supported. Exporting of all reports to at least Excel or PDF must be supported. The standard reports required should include:

7.13.1 Standard operator reports

- Operator actions between dates grouped by date
- List of all users registered on the system
- List of all the user's groups and their functions
- List of all the groups and their respective functions

7.13.2 Standard consumer reports

- Number of consumers registered by town between dates
- List of POC'S grouped by system area code
- List of all STS meters registered on the system
- List of towns registered on the system
- List of disconnected meters by POC between dates
- List of disconnected meters by disconnect reason between dates
- Consumer information for POC'S
- Total new connections per town
- Total installed meters per town
- Meter replacements per town
- All consumers in alphabetic order

7.13.3 Standard transaction reports

-
- List of transactions grouped by date between dates
 - Sum of transactions grouped by transaction type and tariff
 - List of credit and debit card transactions between dates
 - Total electricity bought between dates by consumer
 - Free issues between dates per meter
 - Cheque List between dates
 - Low purchases of electricity over a specified period
 - Total electricity bought in the last 30 and 90 days
 - Breakdown of consumer's purchase times between dates
 - List of accounts blocked per month & user
 - Balancing report of credit amounts used against physical transactions
 - Reversals between dates
 - Summary of all end of shifts for a user between dates
 - All transactions for a meter between custom dates
 - Arrears owed by consumer – Linked with financial system
 - Daily cash reconciliation report
 - All transactions for an account between dates
 - Low consumption report
 - Indigent high purchase report
 - Total sales by town
 - Total sales by operator
 - All transactions for one shift on one user
 - Shift details for one user
 - IBT customer purchase breakdown with graph
 - IBT month sales analysis by Tariff Class
 - Stand has more than one meter allocated to the meter
 - Tempering history per meter

7.13.4 Engineering Reports

- Current power limit for a meter
- Current power limit for all meters
- Audit trail on Amperage changes
- Reports in the vending system must be able to be previewed before printing.

7.14 SOFTWARE

The vending system should be able to use/support the Windows 10, or earlier software/operating systems

7.15 TARIFFS

The vending system must support the use of vending-based tariffs. The system must cater for pre-defined tariffs by date to be created in advance. Tariff structure of current vending systems must be accommodated.

Meter Tariff Index and Customer Tariff Class must not be linked in the system in order to avoid key changes when tariffs are changed, for instance from an Indigent to Domestic tariff.

7.16 BLOCK TARIFFS

A block tariff module or stepped tariffs must be able to be defined.

7.17 VAT

The vending system shall support the use of vending-based VAT where the VAT is calculated at the time of vending.

7.18 SECURITY

The vending system interconnections shall be secured with mutually authenticated SSL certificates. The tenderer must describe the process of issue and management of these certificates.

Passwords must meet the Auditor General's requirements in terms of complexity and expiry. An optional One Time Pin for system administrators must be provided for.

7.19 ACCOUNT PAYMENTS

In vending, it should be possible to pay off arrears amounts or portions thereof separately from the purchase of actual electricity.

The solution shall also allow for debtor payments and sundry payments if and when required by the Kgatelopele Municipality. This functionality will allow and provide the Kgatelopele utility the capability of collecting account payments, arrear amounts as well as sell pre-paid services.

The business rules of the municipality will apply at all times. Current account amounts, arrear amounts, linked account amounts and blocking codes will be transferred from the financial system to the vending system.

The system must make provision for capturing of debit- and credit cards payments and cancellation of payments (not tokens). Cancellation options must be linked to access rights.

NOTE: The debit card and credit card options must be configurable for each workstation.

The system must work in such a manner that the pre-paid electricity sales as well as the account payment amount be deducted from the credit amount on the dispensing unit.

The system must make provision for account payments on conventional meter accounts and rates accounts.

The cashier must be warned before a transaction is finally accepted.

The system must allow the cashier different search options but at least the following:

- Swipe meter card
- Manually key in meter number
- Manually key in billing account number

7.20 VENDING AMOUNTS

For each workstation in a vending system, a list of predefined typical purchase amounts must be able to be setup individually.

7.21 THIRD PARTY VENDING

The service provider must be integrated with third party vending providers in order to provision the Municipality with a broad-based third-party footprint to sell prepaid electricity and/or water locally and nationally.

The footprint must include retail chain stores, banks, petrol stations web-based sales using credit card and/or EFT, and non-retail vendors. The service provider must indicate the process and cost, if any, of deploying additional footprint with non-retail (informal) vendors to areas where there is deemed to be insufficient coverage.

The service provider should indicate the process that they use to deal with non-retail (informal) vendors that are over-charging customers.

The service provider must describe in detail their remittance process where monies collected are paid across to the municipality. This must include payment schedules and administration requirements.

7.21 IMPLEMENTATION AND COMMISSIONING

The tenderer shall be responsible for the conversion of current Kgatelopele Municipal system data, static as well as historical transaction as well as all meter related data to the new system of which the cost must be included in the proposal.

7.22 SYSTEM CHANGES AND ENHANCEMENTS

The tenderer shall indicate corporate policy requirements on system enhancements and changes, including mSCOA compliance and the upcoming key rollover.

8. SYSTEM SITE VISIT/DEMONSTRATION

The Kgatelopele utility retains the right to request a full system demonstration and/or site visit. The tenderer undertakes to arrange as such. A full list of current system users with contact details should be supplied by the tenderer. The municipality reserves the right to contact any of these users and the tenderer undertakes to arrange a site visit to any user(s) as indicated by the Municipality within a specified timeframe as agreed on.

9. CUSTOMER REFERENCES

The Kgatelopele utility may wish to contact one or more of the tenderer's reference clients during the tender evaluation period. Please provide contact names and details of the individuals who should be contacted in this regard.

Contact with your reference clients will be arranged through the tenderer, but the Kgatelopele utility reserves the right to conduct these information sharing sessions without representatives from the tenderer being present.

10. THIRD PARTY VENDING

The system shall be able to be integrated with third party vending platforms such as the banks and mobile companies using standards-based XML messaging. The tenderer must indicate the aggregators proposed for third party vending and the vending channels provided. A list of vending sites or proposed vending sites must be provided.

A supporting letter from the aggregator is required.

SCOPE OF WORK FOR TID ROLLOVER OF STS PREPAID ELECTRICITY METERS

1. Introduction

SALGA has recently instructed all municipalities to address this urgent issue where attention and action is required in the global prepayment industry to update all STS Prepaid Meters in order for them to continue accepting credit tokens after the 24th of November 2024.

2. Problem Statement

The Token Identifier (TID) is a 24-bit field, contained within an STS token. It is used to determine if a token has already been used in a prepaid meter. The TID represents the number of minutes elapsed since the base date of 1 January 1993. The TID data element is fixed in length – and therefore at some date in the future– it will run out of space – and that date is the 24th of November 2024. This means that any token generated after that date, will not work in the prepaid meter unless the meter has been upgraded to the new version of STS. We do this upgrade by simply entering two key-change tokens into each meter which then makes the meter compliant and future proof.

It is an urgent situation for the following reasons:

- The scourge of GHOST VENDING continues. TID Rollover KILLS GHOST VENDING
- Prevalence of a deprivation of a basic service
- Interruption of an essential service
- Loss of water and electricity revenue due to meters not being able to accept tokens
- Heightened tension that may lead to violence and possible loss of life
- Possibility of lack of security to municipal property leading to excessive damage
- Possibility that the municipality may not be able to render essential community services that are subsidised out of the water and electricity revenue.

3. Solution

vending system must be upgraded and certified as STS6 compliant by the STS Association. Service provider must start the TID Rollover on our prepaid electricity meters. comprehensive package of solutions must be developed which will caters for multiple methodologies to ensure that Kgatelopele municipality has the best possible chance of achieving a successful rollover process and that 100% of Kgatelopele meters will be updated well before the looming 2024 cut-off date occurs.

4. multi-pronged approach and offer must be developed such as the following channels:

4.1. Self-service channel

The self-service channel allows the homeowner or tenant to perform the TID rollover at their convenience.

4.1.1. The three self-service options are:

- Website – customers can request TID key-change tokens to perform the TID rollover online.
- USSD – customers can request TID key-change tokens to perform the TID rollover using their cell phones via a USSD string *130* which does not incur any cell phone charges
- WhatsApp – customers can register and request TID key-change tokens to perform the TID rollover using their cell phones via WhatsApp Physical visit to the meter by Service provider technician We understand that there are a number of communities where the self-service model may not be suitable. We are therefore able to visit each prepaid customer to ensure that the TID process is completed by one of our qualified technicians.

4.2. During the visit the technician can also perform the following key tasks:

- Meter audit – faulty, tampered, damaged meters will be reported for remedial action
- Customer data verification
- Stand, account, address and GIS verification
- Account number verification for accurate arrears collection

- Verification of municipal services (rates and taxes charges)
- Verification of metered services (water and electricity)

4.3. Public Participation and Communication

Service provider will work with the department of communications within the municipality in order to ensure that all prepaid customers are aware of the TID Rollover process and what it entails. Service provider will provide a troubleshooting customer support centre for customers and technicians to resolve TID rollover issues promptly and efficiently.

Pricing schedule

Action type Price (excl. VAT)

Self-service TID rollover R /meter

Onsite TID rollover & meter audit R /meter

Public Participation and Media Package On quotation

COMPLIANCE SCHEDULE

No.	Question	Yes / No	Comments
1	Does the system comply with all the STS specifications as listed in the tender? STS certificate to be supplied. Is the system certified for both Water and Electricity vending?		
2	Does the system allow for configuration by the municipality for various system requirements?		
3	Is a list of system limitations attached?		
4	Is a full, detailed functionality description of the system attached?		
5	Is there a detailed strategy for the upcoming key rollover included with an indication of cost to the Municipality?		
6	Is a detailed graphical drawing of the proposed network and system attached?		
7	Is a detailed disaster recovery plan attached?		
8	Is a comprehensive 3rd Party payment remittance process attached?		
9	Are different servers utilized for the different applications e.g. transaction server, management server, etc.?		
10	Is this a single database solution with no data transfer or replication required?		
11	Does the system have the capability to provide pre-paid services to both water and electricity customers using a single interface? Does a single Customer record have the ability to link to multiple meter account types?		
12	Does the system integrate to other vending mechanics such as automatic cash handling machines, self-service terminals and other third party options using Eskom XMLVend as an interface language?		
13	Is the system native XML or does it require a translation interface for XML based vending?		
15	Does the system allow for convenience charges to be charged at specific vending outlets over specific periods?		
16	Does the system provide for integration to the other systems in use at the municipality through the following options: periodic bulk export/import/registration of data/meter to and from other business systems, on-line real-time per transaction synchronization of data? Have		

	the requirements of mSCOA been addressed in the offer?		
17	Does the system comply with financial services regulations regarding storage of data?		
18	Does the system provide WEB integration for management functionality and reporting? Specify what standard will be used.		
19	Can the administrators log into the servers directly from their offices? Can admins log in remotely over the internet?		
20	Is a list of license requirements with limitations attached?		
21	Does the system provide for smart metering?		
22	Does the system provide for access rights into the system for uses and groups?		
23	Does the system provide for user ID disabled or removed to remain in history transaction data?		
25	Does the system provide for arrear recovery in line with the credit control policy of the municipality?		
26	Does the system provide for at least the following arrear recovery alternatives: fixed percentage of transaction recovery; service-based recovery; full arrear payment recovery; partial arrear payment recovery with limited electricity sales?		
27	Does the system provide for "free issues" (EBSST token) to specific customers like indigents?		
28	Does the system allow a "free issue" (EBSST token) to indigents without having to purchase electricity or pay arrear amounts even if system is set to full arrear recovery?		
29	Does the system print "duplicate invoice" or "copy invoice" on a receipt if the "free issues" (EBSST token) is requested more than once in a calendar month?		
30	Does the system allow the generation of all engineering tokens directly from the system master station?		
31	Does the system allow all engineering tokens to be either printed, viewed without printing or sent through SMS?.		
32	Does the system support all the different types of engineering vouchers as specified the tender?		
33	Can the abovementioned amount be defined per workstation?		
34	Does the system provide for up-front vending?		
35	Does the system provide for messages at the bottom of the token voucher which can be changed by the municipality according to the municipality's requirements?		
36	Does the system keep all historical connections between the meter, point of connection and the customer?		
37	Does the system allow vending when a point of connection, meter or tariff is not linked to a customer?		
38	Does the system allow payment of accounts although a blocking code is active that does not allow the customer to purchase pre-paid electricity tokens?		
39	Does the system provide for at least the standard reports as stipulated in the tender?		
40	Does the system allow for preview of reports before printing?		

41	Does the system support the use of vending-based tariffs?		
42	Does the system provide for pre-defined tariffs by date to be created in advance?		
43	Does the system accommodate the current vending structures of the municipality?		
44	Does the system support IBT (stepped tariffs)?		
45	Does the system support vending-based VAT that is calculated at time of vending?		
46	Does the system provide for batch numbers to follow sequentially and print a breakdown of all money received separately?		
47	Does the system provide for the payment of arrear amounts, current amounts or linked account separately from purchasing pre-paid electricity tokens?		
48	Does the system provide for the cashier to enter the full amount from which the arrear amount will automatically be deducted and the remainder of the money will then automatically be allocated towards pre-paid electricity sales?		
49	Does the system make provision to warn the cashier before finalizing any transaction?		
50	Does the system provide for integration of historical data?		
51	Is a list of current system users with full contact details supplied?		
52	Was an assessment of current infrastructure done and an optimum solution recommendation attached?		
53	Is the system TCP/IP compliant and be able to operate real-time over Ethernet on a LAN/WAN/WIFI/GPRS/3G/EDGE/HSDPA/ADSL/DIGINET environment as available in certain areas?		
54	Does the system support vending stations running on at least Windows XP?		
55	Are all communications between client and server secured by mutually authenticated SSL certificates?		
56	Is provision made for periodic data synchronization with an off-line database in the municipal environment?		
55	Does the system support the latest version of The standard Microsoft Internet Explorer and always keep up with updates by Microsoft.		
57	Does the system function under low-bandwidth requirements with minimum packet size? Please specify the band-width.		
58	Is there an aggregator support letter attached?		

11. FUNCTIONALITY

Tenderers must score a minimum of 60 points.

Item	Description	Value	Score	
1	Single interface, integrated multi-utility system, vending both water and electricity	15	Full description and STS approval	15
			No description and/or STS approval	0
2	Broad based third-party vending footprint provided to municipalities including retail,	15	5 years or more	15
			2 years or less	5
			No experience	0

	banks, informal sector and web vendors				
3	Hosted on-line vending provided to municipalities	15	5 years or more	15	
			2 years or less	5	
			No experience	0	
4	Disaster recovery and business continuity plan	10	Plan included	10	
			No plan	0	
5	Letters from municipalities confirming third party vending and arrears collection	15	3 letters	15	
			2 letters	10	
			1 letter	5	
6	Detailed mSCOA implementation approach included	10	Plan included	10	
			No plan	0	
7	Overview of approach to the STS key rollover	10	Plan included	15	
			No plan	0	
8	Mobile engineering application for field staff	10	Comprehensive tool	10	
			Basic tool	5	
			No tool	0	

PRICING:

Pricing must include for all categories and items of expenditure and bidders must include it on the Pricing Schedule for this purpose. Additional information may be submitted separately.

NO	DESCRIPTION	UNIT	QTY	Amount
	Management of Prepaid Electricity Vending System			R
	Auditing of Prepaid Meters			R
				R
				R
				R
				R
				R
				R
				R
				R
	Other			R
	SUBTOTAL			R
	VAT@ 15%			R

	TOTAL	R
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A breakdown of the costing to be attached.

MBD 4

DECLARATION OF INTEREST

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

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

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, 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?
NO

YES /

3.8.1 If yes, furnish particulars.

.....
.....

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

(a) a member of –

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

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

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

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

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

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....
.....

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

3.11.1 If yes, furnish particulars

.....
.....

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

3.12.1 If yes, furnish particulars.

.....
.....

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

3.13.1 If yes, furnish particulars.

.....
.....

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

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

MBD6.1

**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).

1.21.2

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

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
TECHNICAL FUNCTIONALITY	60
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points must not exceed	160

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) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 \\
 P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) & \mathbf{or} & P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)
 \end{array}$$

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
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

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

7. SUB-CONTRACTING

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

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

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

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

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

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

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

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

APPLICABLE BOX]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

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

8.9 I/we, the undersigned, who is/are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on 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 shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

.....

SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

MBD 6.2

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the **Preferential Procurement Regulations, 2011** and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub- contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

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

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

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

2. Definitions

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

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

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

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

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

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

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

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

2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

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

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

4. Does any portion of the services, works or goods offered have any imported content?

(Tick applicable box)

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

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date of advertisement of the bid.

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

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

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

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

IN RESPECT OF BID NO.

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

NB

- The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thedti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid**

in order to substantiate the declaration made in paragraph (c) below. Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),

do hereby declare, in my capacity as

of(name of bidder

entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011;
- (c) The local content percentages (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C;

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

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

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

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

MBD 8

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	No
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	No

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	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	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	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

MBD 9

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:

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.
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

FORM OF OFFER AND ACCEPTANCE

The Employer, identified in the acceptance signature block, has solicited offers to enter into a Contract:

The Bidder, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the Bidder, deemed to be duly authorized, signing this part of this form of offer and acceptance, the Bidder offers to perform all of the obligations and liabilities of the Service Provider under the Contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of Contract identified in the Contract Data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS

.....
.....Rand (in words); R (in
figures)

This offer may be accepted by the Employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the Bidder before the end of the period of validity stated in the tender data, whereupon the Bidder becomes the party named as the Service Provider in the conditions of Contract identified in the Contract Data.

Signature:..... **Name:**.....

Capacity:

For the Bidder:.....

..... (Name and
domiciliumcitandi of organization)

Name and Signature of Witness:.....

Date:.....

ACCEPTANCE

By signing this part of this form of offer and acceptance, the Employer identified below accepts the Bidder's offer. In consideration thereof, the Employer shall pay the Service Provider the amount due in accordance with the conditions of Contract identified in the Contract Data. Acceptance of the Bidder's offer shall form an agreement between the Employer and the Bidder upon the terms and conditions contained in this agreement and in the Contract that is the subject of this agreement.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the tender schedules as well as any changes to the terms of the offer agreed by the Bidder and the Employer during this process of offer and acceptance, are contained in the schedule of addenda attached to and forming part of this

agreement. No amendments to or deviations from said documents are valid unless contained in this schedule, which must be signed by the authorized representative(s) of both parties.

The Bidder shall within two weeks after receiving a completed copy of this agreement, including the schedule of addenda (if any), contact the Employer's agent (whose details are given in the Contract Data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of Contract identified in the Contract Data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the Bidder receives one fully completed, signed copy of this document, including the schedule of addenda (if any). Unless the Bidder (now Service Provider) within five working days of the date of such receipt notifies the Employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding Contract between the parties.

Signature(s):..... Name(s):.....

Capacity: ACTING MUNICIPAL MANAGER.

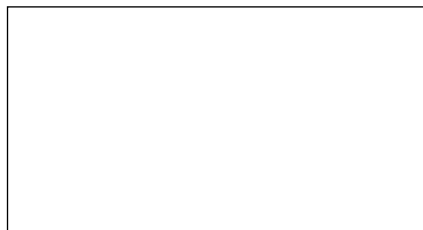
**FOR KGATELOPELE LOCAL MUNICIPALITY, P.O. BOX 43, DANIELSKUILS 8405,
BARBER STREET 222 , DANIELSKUIL**

(Name and domiciliumcitandi of organization)

Name and Signature of Witness:

Date:

OFFICIAL STAMP:



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT
THE NATIONAL TREASURY: Republic of South Africa

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing 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.

**GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT
THE NATIONAL TREASURY: Republic of South Africa**

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the

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supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

4. Standards

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

5. Use of contract documents and information

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

extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent Rights

6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
- (b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that goods to be produced or services to be rendered should at any

stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing,

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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 fulfilment of other obligations stipulated in the contract.

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

16.4 Payment will be made in Rand unless otherwise stipulated.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized or in the purchaser's request for bid validity extension, as the case may be.

18. Variation orders

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.

21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

24. Anti- dumping and counter- vailing duties and rights

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

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

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

27.4 Notwithstanding any reference to mediation and/or court proceedings herein,

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

28.1 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 bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

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

33. Transfer of contracts

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

33.2. 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, shall also be in writing.