



## EMALAHLENI LOCAL MUNICIPALITY

**TENDER NO.: ELM 04/2024**

**REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE AND TRANSFER OF 40 MEGA LITRE PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS**

**EMPLOYER:**

Emalahleni Local Municipality  
P.O Box 3  
Witbank  
1035

**Municipal Manager**

Tel No.: +27 (13) 690 6911  
Fax No.: +27 (17) 690 6207  
E-mail: [maiselahs@emalahleni.gov.za](mailto:maiselahs@emalahleni.gov.za)

**QUERIES:**

Directorate: Technical Services  
Ms LW Mchunu  
Tel No.: 013 653 5721  
E-mail: [s700155@emalahleni.gov.za](mailto:s700155@emalahleni.gov.za)

Supply Chain Management  
Ms Z. Moroku  
Tel No.: +27 (13) 690 6497  
E-mail: [masangonz@emalahleni.gov.za](mailto:masangonz@emalahleni.gov.za)

**Tenderer:** .....

**Total of the prices inclusive of value added tax: R** .....

**Amount in words:** .....

**CSD Registration Number:** .....

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## T1.1 PROJECT NOTICE

Tender Notice and Invitation to Tender

TENDER NO.: ELM 04/2024

CLOSING DATE: 22 MARCH 2024

### REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE AND TRANSFER OF 40 MEGA LITRE PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS

Emalahleni Local Municipality hereby requests a panel of professional service providers to submit proposals for design, built, operate, own and transfer (DBOOT) of 40 Mega Liters per day potable water modular package plants at various sites within Emalahleni Local Municipality for a period of 36 months.

Tender documents with full specifications can be obtained from [www.emalahleni.gov.za](http://www.emalahleni.gov.za) or [www.etenders.gov.za](http://www.etenders.gov.za).

**A NON-COMPULSORY tender briefing** with the representatives of the Employer will be held virtually on MICROSOFT TEAMS on **Wednesday, 28 February 2024 at 10:00** (Link will be shared on the municipal website: [www.emalahleni.gov.za](http://www.emalahleni.gov.za))

The closing time for receipt of tenders is **11:00** on Friday, **22 March 2024**. Telegraphic, telephonic, telex, facsimile, e-mail, unmarked and late tenders will under no circumstances be considered and accepted. The tender box will be emptied just after closing time on the closing date. Thereafter all bids will be opened in public.

Any technical enquiries relating to the tender document may be directed to Ms LW Mchunu at telephone number during 013 653 5721 working hours or e-mails may be sent to [s700155@emalahleni.gov.za](mailto:s700155@emalahleni.gov.za). Supply Chain Management Office may also be contacted on (013) 690 6483/6497/6484 or [masangonz@emalahleni.gov.za](mailto:masangonz@emalahleni.gov.za).

Fully completed tender documents, clearly marked "**Tender No. ELM 04/2024: REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE AND TRANSFER OF 40 MEGA LITRE PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS**" with "**NAME of TENDERER**" must be placed in a sealed envelope and placed in the tender box situated on the First floor, Emalahleni Local Municipality, Civic Centre, 29 Mandela Street, eMalahleni 1035 or sent via courier services to the above-mentioned address. Couriered documents should be addressed to the first floor, Supply Chain Management Offices of the aforementioned address and delivered no later than 11h00 on 22 March 2024. The envelope must be endorsed with number, title and closing date as indicated above.

The **TWO ENVELOPE SYSTEM** shall be applicable to this tender where the first envelope shall comprise of the **Technical proposal** and the second envelope shall comprise of the **Financial proposal**. Both envelopes are to be clearly marked as indicated above.

Tenders will be evaluated in terms of the Supply Chain Management policy of the Emalahleni Local Municipality. The municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it. The municipality does not bind itself to accepting the lowest tender or award a contract to the bidder scoring the highest number of points.

A preferential point system shall apply whereby a contract will be allocated to a tenderer in accordance with the Preferential Procurement Regulations, 2022 and as defined in the Conditions of Tender in the tender document, read in conjunction with the Supply Chain Management Policy of Emalahleni Local Municipality where **90** points will be allocated in respect of price and **10** points in respect of Specific goals.

**The specific goals allocated points in terms of this tender:**

A total of 8 preference points shall be allocated on a proportional or pro rata basis for contracting an enterprise owned by historically disadvantaged persons or individuals who meet the following requirements -

- for 100% black person or people owned enterprise 2 points
- for at least 30% woman or women shareholding or owned enterprise 2 points
- For at least 30% youth shareholding or owned enterprise 2 points
- for at least 30% people living with disability shareholding or owned enterprise 2 points

A total of 2 preference points shall be allocated on a proportional or pro rata basis for implementing of programmes for RDP –

- for enterprise regarded as EME located within the local area of jurisdiction. 2 points

**(The Municipality will utilize the CSD report to verify the above-mentioned information)**

No awards will be made to a person:

- Who is not registered on the **Central Supplier Database (CSD)**;
- Who is in the service of the state;
- If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; and/or
- Who is an advisor or consultant contracted with the municipality or municipal entity

Should you not hear from us within 90 days after the closing date, please consider your tender unsuccessful.

**HS MAYISELA  
MUNICIPAL MANAGER**

## T1.2 TENDER DATA

The Standard Conditions of Tender make several references to the Tender Data for details that apply specifically to this tender. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the Standard Conditions of Tender.

Each item of data given below is cross-referenced to the clause in the Standard Conditions of Tender to which it mainly applies.

Clause Number	
F.1.1	<p><b>The Employer is:</b>  <b><i>Emalahleni Local Municipality</i></b>  <b><i>P.O Box 3</i></b>  <b><i>Emalahleni</i></b>  <b><i>1035</i></b></p>
F.1.2	<p><b>The Tender documents issued by the Employer comprise the following documents:</b></p> <p><b>THE TENDER</b></p> <p><b>Part T1: Tendering Procedures</b></p> <p><b>T1.1 Project Notice</b></p> <p><b>T1.2 Tender Data</b></p> <p><b>Part T2: Returnable Documents</b></p> <p><b>T2.1 List of Returnable documents</b></p> <p><b>T2.2 Returnable schedules</b></p> <p><b>THE CONTRACT</b></p> <p><b>Part C1: Agreements and Contract Data</b></p> <p><b>C1.1 Form of offer and acceptance</b></p>
F.1.2	<p>C1.2 Contract Data</p> <p>C1.3 Performance guarantee</p> <p><b>Part C2: Pricing Data</b></p> <p>C2.1 Pricing Instructions</p> <p>C2.2 Bill of Quantities</p> <p><b>Part C3: Scope of Work</b></p> <p>C3 Scope of Work</p> <p><b>Part C5 : Relevant Documentation</b></p> <p style="padding-left: 40px;">Health and Safety Specifications</p> <p style="padding-left: 40px;">Pro-forma agreement in terms of Occupational Health and Safety Act</p>
F1.3	<p><b>Interpretation</b></p> <p>The tender data and additional requirements contained in the tender schedules that are included in the returnable documents are deemed to be part of these tender conditions.</p>
F.1.4	<p><b>The Employer's right to accept or reject any tender offer</b></p> <p>The employer has the right not to accept the lowest tender and to accept the whole or part of any tender or not to consider any tender not suitably endorsed is fully reserved by EMALAHLENI LOCAL MUNICIPALITY.</p>

F.2.2	<p><b>Compensation of tendering</b></p> <p>Accept that the Employer will not compensate the tenderer for any costs incurred in the preparation and submission of a tender offer, including the costs of any testing necessary to demonstrate that aspects of the offer satisfy requirements.</p>
F.2.3	<p><b>Check documents</b></p> <p>Check the tender documents on receipt for completeness and notify the employer of any discrepancy or omission.</p>
F.2.4	<p><b>Confidentiality and copyright</b></p> <p>Treat as confidential all matters arising in connection with the tender. Use and copy the documents issued by the employer only for the purpose of preparing and submitting a tender offer in response to the invitation.</p>
F.2.5	<p><b>Reference documents</b></p> <p>Obtain, as necessary for submitting a tender offer, copies of the latest versions of standards, specifications, conditions of contract and other publications, which are not attached but which are incorporated into the tender documents by reference.</p>
F2.6	<p><b>Acknowledge Addenda</b></p> <p>Acknowledge receipt of addenda to the tender documents, which the employer may issue, and if necessary, apply for an extension of the closing time stated in the tender data, in order to take the addenda into account.</p>
F.2.7	<p><b>Site briefing meeting</b></p> <p>A NON-COMPULSORY tender briefing with the representatives of the Employer will be held virtually on MICROSOFT TEAMS on <b>Wednesday, 28 February 2024 at 10:00</b> (Link will be shared on the municipal website: <a href="http://www.emalahleni.gov.za">www.emalahleni.gov.za</a>)</p>
F.2.11	<p><b>Alterations to documents</b></p> <p>Do not make any alterations or additions to the tender documents, except to comply with instructions issued by the employer, or necessary to correct errors made by the tenderer. All signatories to the tender offer shall initial all such alterations. Erasures and the use of masking fluid are prohibited.</p>
F2.13	<p><b>Submitting tender offer:</b></p> <p>No tender document will be considered unless submitted on Council's Official Tender Document. Return all the returnable documents to the employer after completing them. Tenders must be deposited in the tender box clearly marked with project description.</p> <p><b>Tender No: ELM 04/2024 REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE, OWN AND TRANSFER (DBOOT) OF 40 MEGA LITRES PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS</b></p> <p>Location of tender Box: Main Entrance Ground Floor, Emalahleni Local Municipality Building Physical Address: EMALAHLENI LOCAL MUNICIPALITY, CNR Mandela &amp; Arras Street EMALAHLENI, 1035</p> <p>Telephonic, telegraphic, telex, facsimile or emailed tenders will not be considered.</p>

	<p>All tender received by the EMALAHLENI LOCAL MUNICIPALITY will remain in the Municipality's possession until after the stipulated closing date and time.</p> <p>Accept that a tender submitted to the employer cannot be withdrawn or substituted. No substitute tenders will be considered</p>								
F.2.16	The Tender offer validity period is 90 Days.								
F.2.18	The tenderer shall, when requested by the Employer to do so, submit the names of all management and supervisory staff that will be employed to supervise the Labour-Intensive portion of the works together with satisfactory evidence that such staff members satisfy the eligibility requirements.								
F2.20	<p>The tenderer is required to submit a Performance Guarantee from an approved insurer within <b>14</b> days from appointment. A format is included in Part C1.3 of this document.</p> <p>The tenderer is to submit to the employer before formation of the contract, all securities, bonds, guarantees, policies, and certificates of insurance required in terms of the conditions of contract identified in the contract data.</p>								
F.3.11	<p><b>Tender evaluation points</b></p> <p>The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 system shall be applicable.</p> <p>Preference points for this bid shall be awarded for:</p> <p>(a) Price; and</p> <p>(b) Specific Goals.</p> <p>The maximum points for this bid are allocated as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>POINTS</th> </tr> </thead> <tbody> <tr> <td><b>PRICE</b></td> <td><b>90</b></td> </tr> <tr> <td><b>SPECIFIC GOALS</b></td> <td><b>10</b></td> </tr> <tr> <td><b>Total points for Price and Specific Goals</b></td> <td><b>100</b></td> </tr> </tbody> </table> <p><b>Evaluation of Tenders</b></p> <p>The Tenderers notice is drawn to the fact that the evaluation, adjudication and awarding of this tender will be in terms of the Supply Chain Management Policy of the ELM.</p> <p>The following steps will be followed in evaluation:</p> <ol style="list-style-type: none"> <li>1. Determination of whether or not tender offers are complete.</li> <li>2. Determination of whether or not tender offers are responsive.</li> <li>3. Determination of the reasonableness of tender offers.</li> <li>4. Confirmation of the eligibility of preferential points claimed by tenderers.</li> <li>5. Determination of expertise and experience of tenderers.</li> <li>6. Awarding of points for financial offer.</li> <li>7. Ranking of tenderers according to the total points</li> <li>8. Performance of risk analysis by checking the credit record of the tenderers</li> </ol>		POINTS	<b>PRICE</b>	<b>90</b>	<b>SPECIFIC GOALS</b>	<b>10</b>	<b>Total points for Price and Specific Goals</b>	<b>100</b>
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	<p><b>Evaluation Criteria</b></p> <p>Tenders are adjudicated in terms of ELM Supply Chain Management Policy, and the following framework is provided as a guideline in this regard.</p>
	<p><b>Size of enterprise and current workload</b></p> <ul style="list-style-type: none"> <li>▪ Evaluation of the Tenderer’s position in terms of:</li> <li>▪ Previous and expected current annual turnover</li> <li>▪ Current contractual obligations</li> <li>▪ Capacity to execute the contract</li> </ul> <p><b>Staffing profile</b></p> <p>Evaluation of the Tenderer’s position in terms of:</p> <ul style="list-style-type: none"> <li>▪ Staff available for this contract being Tendered for</li> <li>▪ Qualifications and experience of key staff to be utilised on this contract.</li> </ul> <p><b>Proposed Key Personnel</b></p> <p>In this part of the tender, the Tenderer shall also supply Curriculum Vitae (CV’s) for the Staff available named and working on full time basis for the Tenderer. The CV should follow the normal Professional Format.</p> <p>Each CV should give at least the following:</p> <ul style="list-style-type: none"> <li>• Position in the firm and within the organisation of this assignment</li> <li>• PDI status (describing population group, gender and disabilities)</li> <li>• Educational qualifications</li> <li>• Professional Registrations</li> <li>• Relevant experience (actual duties performed, involvement and responsibility), including locations, dates and durations of assignments, starting with the latest.</li> <li>• Language proficiency and</li> <li>• References (company name, individual name, position held, contact details)</li> </ul> <p>Much importance will be placed on the experience of the staff proposed. The Tender must ensure that, if selected, the nominated staff will be assigned as proposed. Failure to do so may result in the annulment of any acceptance of the Tenders’ proposal and/ or Agreement entered into by the Client for the execution of the services.</p> <p><b>Previous experience</b></p> <p>The procedure for the evaluation of responsive Bids will be on the previous projects where the firm was involved for EMALAHLENI LOCAL MUNICIPALITY (ELM) projects or other clients. Reference of clients other than ELM MUST be provided.</p> <p>The tenderer shall list in the appropriate Forms the appropriate related projects undertaken by the member firms of the tenderer within the last five (5) years.</p> <p>Evaluation of the Tenderer’s position in terms of his previous experience. Emphasis will be placed on the following:</p> <ul style="list-style-type: none"> <li>• Experience in the relevant technical field</li> <li>• Experience of contracts of similar size</li> <li>• Some or all of the references will be contacted to obtain their input.</li> </ul>

	The tenderer shall provide documentation of company experience of each member of the Consortium/Joint Venture related projects																
	<p>If the Tender does not meet the requirements contained in the ELM Procurement Policy, and the mentioned framework, it will be rejected by the Council, and may not subsequently be made acceptable by correction or withdrawal of the non-conforming deviation or reservation.</p> <p>Penalties</p> <p>The EMALAHLENI LOCAL MUNICIPALITY will if upon investigation it is found that a preference in terms of the Act and these regulations has been obtained on a fraudulent basis, or any specified goals are not attained in the performance of the contract, on discretion of the Municipal Manager, one or more of the following penalties will be imposed:</p> <ul style="list-style-type: none"> <li>• Cancel the contract and recover all losses or damages incurred or sustained from the Tenderer.</li> <li>• Impose a financial penalty at the discretion of Council</li> <li>• Restrict the contractor, its shareholders and directors on obtaining any business from the EMALAHLENI LOCAL MUNICIPALITY for a period of 5 years</li> </ul>																
F.3.11.5	<p><b>Evaluation Method 4</b></p> <p>Which entails the balance between financial offer, preferences and Quality and 90-10 points system, will be adopted.</p>																
F.3.11.6	<p><b>Evaluation Criteria</b></p> <p>The Construction Firm's tender responsiveness in relation to points is therefore summarized as follows:</p> <p>Only those tenderers who score a minimum score of <b>70 points</b> in respect of the following functionality criteria will proceed to the price and preference goals.</p> <table border="1" data-bbox="411 1243 1468 1675"> <thead> <tr> <th>Description of Quality Criteria</th> <th>Maximum number of tender evaluation points</th> </tr> </thead> <tbody> <tr> <td>Tenderer's experience</td> <td>30</td> </tr> <tr> <td>Proposed organizational Staffing and Key Personnel</td> <td>20</td> </tr> <tr> <td>Capacity to execute and implement the tender</td> <td>20</td> </tr> <tr> <td>Quality Assurance Plan</td> <td>5</td> </tr> <tr> <td>Implementation plan to implement the allocated work</td> <td>5</td> </tr> <tr> <td>Funding Implementation plan</td> <td>20</td> </tr> <tr> <td><b>Maximum total evaluation points for quality (M<sub>s</sub>)</b></td> <td><b>100</b></td> </tr> </tbody> </table>	Description of Quality Criteria	Maximum number of tender evaluation points	Tenderer's experience	30	Proposed organizational Staffing and Key Personnel	20	Capacity to execute and implement the tender	20	Quality Assurance Plan	5	Implementation plan to implement the allocated work	5	Funding Implementation plan	20	<b>Maximum total evaluation points for quality (M<sub>s</sub>)</b>	<b>100</b>
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F.3.18	The number of paper copies of the signed contract to be provided by the Employer is one.																
	<p>The additional conditions of Tender are:</p> <ol style="list-style-type: none"> <li>1. Emalahleni Local Municipality may also request that the Tenderer provide written evidence that his financial, labour and resources are adequate for carrying out the project.</li> <li>2. The Emalahleni Local Municipality reserves the right to appoint a firm of chartered accountants and auditors and / or execute any other financial investigations on the</li> </ol>																

	<p>financial resources of any Tenderer. The Tenderer shall provide all reasonable assistance in such investigations.</p> <p>3. The Emalaheni Local Municipality reserves the right to appoint a different Contractor for each project. The Tenderer shall be required to complete the form of offer (C1.1) and the Bill of Quantities (C2.2) for each project.</p>
	<p>The tenderer is to note that the following <b>Additional Relevant Documents</b> attached into Part 5 of this document will form part of this contract:</p> <ul style="list-style-type: none"> <li>(i) Health and Safety Specifications</li> <li>(ii) Pro-forma agreement in terms of Occupational Health and Safety Act</li> <li>(iii) Notification of construction work</li> <li>(iv) Pro-forma contract between contractor and worker</li> <li>(v) Pro-forma attendance register</li> <li>(vi) Contract person days calculation format</li> <li>(vii) Contractor's monthly report format</li> </ul>

### Evaluation and Adjudication Criteria

All bid proposals received will be evaluated and adjudicated on the **90/10** preference point system.

#### Technical Proposals

All bid proposals received will firstly be evaluated on the following scoring criteria on the basis of functionality and price. Prospective bidders must at least achieve a minimum score of 70% in respect of functionality in order to be regarded as responsive and to qualify for further evaluation.

Tenders may be called to present the proposals to the evaluation committee and site visits

**NB!** Tender evaluation shall be a **TWO (2) envelop system (functionality and financial evaluation)**.

### FUNCTIONAL EVALUATION CRITERIA

Site visits shall be conducted on potential tenderers as part of tender evaluation.

Functional evaluation shall have a threshold of 70%.

	CRITERIA	SCORE
SCHEDULE 1	<p><b>TENDERS EXPERIENCE:</b> Proof of previous experience of the company or an individual within the company either in design or Operate a modular package plant (provide appointment letters or completion certificates):</p> <ul style="list-style-type: none"> <li>• More than 3 projects of more (30 points)</li> <li>• 1 - 3 projects (15 points)</li> <li>• 1 project of more (5 points)</li> </ul>	30
SCHEDULE 2	<p><b>PROPOSED ORGANIZATIONAL, STAFFING &amp; KEY STAFF EXPERIENCE</b></p>	20

	<p>Project team (provide CV and qualifications):</p> <ul style="list-style-type: none"> <li>• ECSA registered Chemical Engineer / Technologist specializing in the field for at least 5 years (5 points)</li> <li>• ECSA registered Electrical Engineer / Technologist (Control &amp; Instrumentation) specializing in the field for at least 5 years (3 points)</li> <li>• ECSA register Electrical Engineer / Technologist (Heavy Current) specializing in the field for at least 5 years (2 points)</li> <li>• ECSA register Mechanical Engineer / Technologist specializing in the field for at least 5 years (5 points)</li> <li>• Class IV/V process Controllers in water and wastewater treatment for at least 5 years (5 points)</li> </ul>	
<b>SCHEDULE 3</b>	<p><b>CAPACITY TO EXECUTE &amp; IMPLEMENT THE TENDER EVALUATION (PHYSICAL RESOURCES)</b></p> <p>Resources (provide justifiable proof of ownership):</p> <ul style="list-style-type: none"> <li>• Package plants manufacturing workshop or lease agreement /proof of agreement from manufacturer of plant (5 points)</li> <li>• Proof of credible design software's (5 points)</li> <li>• Proof of credible operation monitoring system (on and off site) - (2 points)</li> <li>• Transport fleet (minimum 3 company owned fleet) - (3 points)</li> <li>• Proof of accredited laboratory to conduct compliance chemical physical and microbiological water analysis. Service Level Agreement with accredited Lab will be accepted (5 points)</li> </ul>	20
<b>SCHEDULE 4</b>	<p><b>QUALITY ASSURANCE PLAN</b></p> <ul style="list-style-type: none"> <li>• Non-responsive (score 0) - No information has been provided. The tenderer did not respond or comply with this evaluation schedule. The tenderer does not have a quality assurance system.</li> <li>• Poor (max score 2)- The tenderer's quality control procedures are unlikely to ensure compliance with the employer's requirements.</li> <li>• Satisfactory (max score 3) - The tenderer's quality control procedures are possibly able to ensure compliance with stated employer's requirements</li> <li>• Good (max score 5) - The tenderer's quality control procedures meet the quality assurance requirements expected by the employer.</li> </ul>	5
<b>SCHEDULE 5</b>	<p><b>IMPLEMENTATION PLAN TO IMPLEMENT ALLOCATED WORK</b></p> <ul style="list-style-type: none"> <li>• Non-responsive (score 0) No information has been provided</li> </ul>	5

	<ul style="list-style-type: none"> <li>• Poor (max score 2) The implementation plan is sketchy; the key activities are not synchronized. The implementation plan is weak in relation to the project, and inconsistent with the timing of the most important deliverables. There is no clarity in allocation of tasks and responsibilities and lack of experience.</li> <li>• Satisfactory (max score 3) The implementation plan is complete with all tasks and activities clearly indicated and synchronized. The composition of the plan is adequate and indicates the type of equipment used with all activities and consistent with both timing and deliverables.</li> <li>• Good (max score 5) The implementation plan is complete, well balanced i.e. they show good deliverables clear duties, use of equipment, responsibilities, timeframes and staff complement relevant to the project. The allocated work will be executed on time with safety. The methodology indicates good experience to implement the allocated work.</li> </ul>	
<b>SCHEDULE 6</b>	<p><b>FUNDING IMPLEMENTATION PLAN</b></p> <p>Bidder to provide a detailed funding implementation plan for the implementation of the project:</p> <ul style="list-style-type: none"> <li>• Bidder to provide own funding – 20 (Proof of funding to be attached through bank confirmation letter/guarantee letter stating the funds available)</li> <li>• Bidder to be funded by reputable funding institution must submit an intension letter from the financial institution or a pro forma guarantee - 15 points (Funding agreement to be attached)</li> <li>• Funding plan not clearly defined (0)</li> </ul> <p>ONLY CERTIFIED AND AUTHENTIC AGREEMENTS/BANK CONFIRMATION LETTERS/GUARANTEE LETTERS FROM ACCREDITED AND APPROVED FINANCIAL INSTITUTIONS WILL BE ACCEPTED</p>	20
	<b>TOTAL</b>	<b>100</b>

**EVALUATION SCHEDULE1: TENDERER’S EXPERIENCE**

The following is a statement of major works of a similar nature successfully executed by myself/ ourselves (see clause 2.1(3) of the tender data.

The experience of the tenderer in similar projects or nature or similar areas and conditions in relation to the scope of work for **TENDER NO: ELM 04/2024, REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE AND TRANSFER OF 40 MEGA LITERS PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS** will be evaluated.

Briefly describe company or individual experience in regard to the above scope of work and attach this to this schedule. Experience can either be designing, construction of modular package plant

**NB: Proof of previous work history must be attached e.g. purchase order, appointment or reference letter, completion certificates that indicates the value of work completed etc.**

A summary of the relevant work experience in line with the scope of work should be indicated in the table below: (Any additional information regarding previous work experience can be attached to this schedule).

Employer, contact person and telephone number, where available	Description of work (service)	Value of work (i.e. the service provided) inclusive of VAT (Rand)	Date completed

The scoring of the tenderer’s experience will be as follows:

<b>SCHEDULE 1</b>	<p><b>TENDERS EXPERIENCE:</b>                  Proof of previous experience of the company or an individual within the company either in design or Operate a modular package plant (provide appointment letters or completion certificates):</p> <ul style="list-style-type: none"> <li>• More than 3 projects of more (30 points)</li> <li>• 1 - 3 projects (15 points)</li> <li>• 1 project of more (5 points)</li> </ul>	30
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**NB: Failure to attach the Quality Assurance Plan may result in no points allocated.**

Signed .....

Date .....

Name .....

Position .....

**SCHEDULE 2**

**EVALUATION SCHEDULE  
PROPOSED ORGANIZATION, STAFFING & KEY STAFF EXPERIENCE**

The experience of the tenderer in similar projects or nature or similar areas and conditions in relation to the scope of work for **TENDER NO: ELM 04/2024, REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE, OWN AND TRANSFER (DBOOT) OF 40 MEGA LITRES PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36MONTHS**

The tenderer should indicate the company high level organizational structure and composition of their team responsible for this project. The key staff members involved with their main disciplines and or roles of responsibilities (job descriptions) must be attached to this page as well as the proposed technical and support staff allocated to work on the project to successfully implementation of this tender.

Experience of the key staff (assigned personnel) in relation to the scope of work will be evaluated from three different points of view:

- a) General experience (total duration of professional activity), level of education and training and positions held of each key staff member / expert member.
- b) The education, training and experience of the key staff members / experts, in the specific sector, field, subject, etc. which is directly linked to the scope of work.

In the case of an association / joint venture / consortium, it should, indicate how the duties and responsibilities are to be shared. The organization, staffing and key staff should be based on the implementation of one area as per project scope. Tenderers should provide organization structure for complete scope of work which includes garden waste removal and street cleaning.

**NB: Please attach proof of the following documentation: Curriculum Vitae, etc. Failure to submit the documents will result in no points given**

The scoring of the proposed organization and staffing will be as follows:

<b>SCHEDULE 2</b>	<p style="text-align: center;"><b>PROPOSED ORGANIZATIONAL, STAFFING&amp; KEY STAFF EXPERIENCE</b></p> <p>Project team (provide CV and qualifications):</p> <ul style="list-style-type: none"> <li>• ECSA registered Chemical Engineer / Technologist specializing in the field for at least 5 years (5 points)</li> <li>• ECSA registered Electrical Engineer / Technologist (Control &amp; Instrumentation) specializing in the field for at least 5 years (3 points)</li> <li>• ECSA register Electrical Engineer / Technologist (Heavy Current) specializing in the field for at least 5 years (2 points)</li> <li>• ECSA register Mechanical Engineer / Technologist specializing in the field for at least 5 years (5 points)</li> <li>• Class IV/V process Controllers in water and wastewater treatment for at least 5 years (5 points)</li> </ul>	20
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**NB: Failure to attach the Quality Assurance Plan may result in no points allocated.**

Signed ..... Date .....

Name ..... Position .....

**SCHEDULE 3**

**EVALUATION SCHEDULE  
CAPACITY TO EXECUTE & IMPLEMENT THE TENDER EVALUATION (PHYSICAL RESOURCES)**

The tenderer needs to indicate the lists of equipment that they presently own or lease or will acquire or hire to successfully implement this contract if the tender. The physical resources should include a list of the main requirements as wells the back-up equipment.

Proof of ownership or lease, or quotation to acquire physical resources for main and back-up equipment must be attached to the document. **Failure to attach may result in no point's allocation.** All physical resources indicated in the below schedule or attached must be roadworthy.

The vehicles specified below must solely be committed to the operations of the maintenance of gravel roads, with the exclusion of weekends, provided the schedule will be completed by Friday. Replacing equipment/ vehicles will only be allowed with the prior authorization of the municipality to ensure the capacity and reliability is the same as committed in the tender on which the award was based. **(A new 5-day schedule will be implemented).**

**NB: Proof of ownership or lease, or quotation to acquire physical resources for main physical resources, (vehicle & equipment) must be attached to the document.**

**LIST OF MAIN PHYSICAL RESOURCES AND EQUIPMENT TO BE USED ON PROJECT**

<p align="center"><b>SCHEDULE 3</b></p>	<p align="center"><b>CAPACITY TO EXECUTE &amp; IMPLEMENT THE TENDER EVALUATION (PHYSICAL RESOURCES)</b></p> <p>Resources (provide justifiable proof of ownership):</p> <ul style="list-style-type: none"> <li>• Package plants manufacturing workshop or lease agreement /proof of agreement from manufacturer of plant (5 points)</li> <li>• Proof of credible design software's (5 points)</li> <li>• Proof of credible operation monitoring system (on and off site) - (2 points)</li> <li>• Transport fleet (minimum 3 company owned fleet) - (3 points)</li> <li>• Proof of accredited laboratory to conduct compliance chemical physical and microbiological water analysis. Service Level Agreement with accredited Lab will be accepted (5 points)</li> </ul>	<p align="center">20</p>
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**NB: Failure to attach the Quality Assurance Plan may result in no points allocated.**

Signed .....

Date .....

Name .....

Position .....

**SCHEDULE 4**

**EVALUATION SCHEDULE**

**QUALITY ASSURANCE PLAN**

The quality control practices and procedures which ensure compliance with the employer's requirements will be evaluated.

**The tenderer must provide a copy of the tenderer's Quality Management System and Procedures**

**NB: Failure to attach the Quality Assurance Plan may result in no points allocated.**

<b>SCHEDULE 4</b>	<b>QUALITY ASSURANCE PLAN</b> <ul style="list-style-type: none"><li>• Non-responsive (score 0) - No information has been provided. The tenderer did not respond or comply with this evaluation schedule. The tenderer does not have a quality assurance system.</li><li>• Poor (max score 2)- The tenderer's quality control procedures are unlikely to ensure compliance with the employer's requirements.</li><li>• Satisfactory (max score 3) - The tenderer's quality control procedures are possibly able to ensure compliance with stated employer's requirements</li><li>• Good (max score 5) - The tenderer's quality control procedures meet the quality assurance requirements expected by the employer.</li></ul>	5
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Signed .....

Date .....

Name .....

Position .....

**SCHEDULE 5  
EVALUATION SCHEDULE**

**IMPLEMENTATION PLAN TO IMPLEMENT THE ALLOCATED WORK**

Synchronize the activities with key timeframes until completion of the allocated work. The main activities and roles of responsibilities team members must be highlighted and indicate the technical support that will be provided on the project etc. The information must be attached to the tender document.

**NB: Failure to attach the Quality Assurance Plan may result in no points allocated.**

<b>SCHEDULE 5</b>	<p><b>IMPLEMENTATION PLAN TO IMPLEMENT ALLOCATED WORK</b></p> <ul style="list-style-type: none"> <li>• Non-responsive (score 0) No information has been provided</li> <li>• Poor (max score 2) The implementation plan is sketchy; the key activities are not synchronized. The implementation plan is weak in relation to the project, and inconsistent with the timing of the most important deliverables. There is no clarity in allocation of tasks and responsibilities and lack of experience.</li> <li>• Satisfactory (max score 3) The implementation plan is complete with all tasks and activities clearly indicated and synchronized. The composition of the plan is adequate and indicates the type of equipment used with all activities and consistent with both timing and deliverables.</li> <li>• Good (max score 5) The implementation plan is complete, well balanced i.e. they show good deliverables clear duties, use of equipment, responsibilities, timeframes and staff complement relevant to the project. The allocated work will be executed on time with safety. The methodology indicates good experience to implement the allocated work.</li> </ul>	5
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Signed .....

Date .....

Name .....

Position .....

**SCHEDULE 6  
EVALUATION SCHEDULE**

**FUNDING IMPLIMENTATION PLAN**

<b>SCHEDULE 6</b>	<p><b>FUNDING IMPLEMENTATION PLAN</b></p> <p>Bidder to provide a detailed funding implementation plan for the implementation of the project:</p> <ul style="list-style-type: none"> <li>• Bidder to provide own funding – 20 (Proof of funding to be attached through bank confirmation letter/guarantee letter stating the funds available)</li> <li>• Bidder to be funded by reputable funding institution must submit an intension letter from the financial institution or a pro forma guarantee - 15 points (Funding agreement to be attached)</li> <li>• Funding plan not clearly defined (0)</li> </ul> <p>ONLY CERTIFIED AND AUTHENTIC AGREEMENTS/BANK CONFIRMATION LETTERS/GUARANTEE LETTERS FROM ACCREDITED AND APPROVED FINANCIAL INSTITUTIONS WILL BE ACCEPTED</p>	20
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**NB: Failure to attach the Quality Assurance Plan may result in no points allocated.**

Signed .....

Date .....

Name .....

Position .....

## T2.1 LIST OF RETURNABLE DOCUMENTS

The Tenderer must complete the following returnable Schedules:

### Returnable Schedules required for Tender evaluation purposes

Form A	Compulsory Enterprise Questionnaire
Form B	Record of Addenda to Tender Documents
Form C	Authority for Signatory
Form D	Preference Schedule
Form E	Schedule of Previous Experience
Form F	Schedule of Current Projects
Form G	Proposed Key Personnel
Form H	Schedule of Plant and Equipment
Form I	Schedule of Proposed Sub-Contractors
Form J	Financial References
Form K	Certificate of Authority of Joint Ventures/ Close corporations/ Partnership/ Company/ Sole proprietor (Certified Copies of the Identity Documents in the Case of sole proprietor)
Form L	Registration on National Treasury Central Supplier Database
Form M	Municipal Rates and Taxes
Form O	Company profile
Form R	Audited Annual Financial Statement & Funding Implementation plan
Form S	Implementation plan to execute the allocated work
Form T	Funding Implementation Plan

MBD1	Tax compliance requirements
MBD 2	Tax clearance
MBD4	Declaration of Interest
MBD 6.2	Declaration certificate for local production
MBD 7.1	Contract Form – Purchase of Goods
MBD 7.2	Contract Form – Rendering of Services
MBD 7.3	Contract Form – Sale of Goods/Works
MBD8	Declaration of bidder's past supply chain management practices
MBD9	Certificate of Independent bid determination

### Returnable Documents that will be incorporated into the contract

C1.1	Form of Offer and Acceptance
C1.2	Contract Data (Part 2)
C1.3	Form of Guarantee
C2.2	Bill of Quantities

## **T2.2 RETURNABLE DOCUMENTS**

**RETURNABLE DOCUMENTS REQUIRED FOR TENDER EVALUATION PURPOSES**

## FORM A COMPULSORY ENTERPRISE QUESTIONNAIRE

In the case of a Joint Venture – This questionnaire is to be completed and submitted in respect of each partner.

1. **Name of Enterprise:** .....
2. **VAT Registration number, if any:** .....
3. **CIDB Registration number:** .....
4. **Particulars of sole proprietors and partners in partnership:**

Name	Identity Number	Personal Income Tax Number

\* Complete, only if sole proprietor or partnership and attach separate page if more than 4 partners.

**5. Particulars of companies and close corporations:**

Company Registration Number: .....

Close Corporation Number: .....

Tax reference Number: .....

**6. Record in the service of the state:**

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership of director, manager, principal stakeholder or stakeholder in a company or close corporation is currently of has been within the last 12 months in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of the National Assembly or the National Council of Province
- a member of the board of Directors of any Municipal entity
- an official of any municipality or municipal entity
- an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature

If any of the above boxes are marked, disclose the following information:

Name of sole proprietor, partner, director, manager or principal stakeholder or stakeholder	Name of Institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within the last 12 months

Name of Tenderer: ..... Date: .....

Signature: ..... Position: .....

Full name of signatory: .....



**FORM C AUTHORITY OF SIGNATORY**

Details of person responsible for tender process:

Name : .....

Contact number : .....

Office address : .....

Signatories for close corporations and companies shall confirm their authority by attaching to this form a **duly signed and dated original or certified copy on the Company Letterhead** of the relevant resolution of their members or their board of directors, as the case may be.

---

**PRO-FORMA FOR COMPANIES AND CLOSE CORPORATIONS:**

"By resolution of the board of directors passed on *(date)* .....

Mr ..... has been duly authorized to sign all documents in connection with the Tender for Contract Number ..... and any Contract which may arise there from on behalf of .....

(BLOCK CAPTIALS)

SIGNED ON BEHALF OF THE COMPANY .....

IN HIS CAPACITY AS .....

DATE .....

FULL NAMES OF SIGNATORY .....

AS WITNESSES: 1. ....

2. ....

3. ....

**PRO-FORMA FOR JOINT VENTURES:**

**Certificate of Authority for Joint Ventures**

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms ....., authorised signatory of the company ....., acting in the capacity of lead partner, to sign all documents in connection with the tender offer an any contract resulting from it on our behalf.

NAME OF FIRM	ADDRESS	DULY AUTHORISED SIGNATORY
Lead Partner:  CIDB      Reg      No: .....		Signature: ..... Name: ..... Designation: .....
CIDB      Reg      No: .....		Signature: ..... Name: ..... Designation: .....
CIDB      Reg      No: .....		Signature: ..... Name: ..... Designation: .....
CIDB      Reg      No: .....		Signature: ..... Name: ..... Designation: .....
CIDB      Reg      No: .....		Signature: ..... Name: ..... Designation: .....

**ATTACH HERETO THE DULY SIGNED AND DATED ORIGINAL OR CERTIFIED  
COPY OF AUTHORITY OF SIGNATORY ON COMPANY LETTERHEAD**

## FORM D PREFERENCE SCHEDULE – MBD 6.1

### PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

#### 1. GENERAL CONDITIONS

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

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

1.2 The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 System shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) Specific Goals

1.3. The maximum points for this bid are allocated as follows:

	POINTS
<b>PRICE</b>	<b>90</b>
<b>SPECIFIC GOALS</b>	<b>10</b>
<b>Total points for Price and Specific Goals</b>	<b>100</b>

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

#### 2. DEFINITIONS

2.1 “**All applicable taxes**” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

2.2 “**Bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

2.3 “**Comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;

2.3 “**Consortium or joint venture**” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

2.4 “**Contract**” means the agreement that results from the acceptance of a bid by an organ of state;

2.5 “**EME**” means any enterprise with an annual total revenue of R5 million or less.

2.6 “**Firm price**” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

- 2.7 **“Functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, considering among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.8 **“non-firm prices”** means all prices other than “firm” prices;
- 2.9 **“person”** includes a juristic person;
- 2.10 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.11 **“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;
- 2.12 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.13 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.14 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

**3. ADJUDICATION USING A POINT SYSTEM**

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis considering all factors of non-firm prices and all unconditional discounts;
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 Two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

**4. POINTS AWARDED FOR PRICE**

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

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

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

Where

- Ps = Points scored for comparative price of bid under consideration
- Pt = Comparative price of bid under consideration
- Pmin = Comparative price of lowest acceptable bid

**5. Points for Specific Goals**

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

**Table 1: Specific goals for the tender and points claimed are indicated per the table below.**

**Note to tenderers: The tenderer must indicate how they claim points for each preference point system.**

Item no.	The specific goals allocated points in terms of this tender	Number of points (90/10 system)	Number of points claimed (90/10 system) (To be completed by the tenderer)
A total of 8 preference points shall be allocated on a proportional or pro rata basis for contracting an enterprise owned by historically disadvantaged persons or individuals who meet the following requirements -			
1.	for 100% black person or people owned enterprise	2 points	
2.	for at least 30% woman or women shareholding or owned enterprise	2 points	
3.	For at least 30% youth shareholding or owned enterprise	2 points	
4.	for at least 30% people living with disability shareholding or owned enterprise	2 points	
A total of 2 preference points shall be allocated on a proportional or pro rata basis for implementing of programmes for RDP -			
7.	for enterprise regarded as EME located within the local area of jurisdiction.	2 points	

**5.2 POINTS AWARDED FOR SPECIFIC GOALS**

- 5.3 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 5.4 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- 5.5 (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- 5.8 (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

**6. BID DECLARATION**

**DECLARATION WITH REGARD TO COMPANY/FIRM**

- 4.3. Name of company/ firm .....
- 4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

- (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

.....

**SIGNATURE(S) OF TENDERER(S)**

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

.....





## FORM G PROPOSED KEY PERSONNEL

**Please attach CVs of the proposed key personnel.**

In terms of the Project Specification and the Conditions of Tender, unskilled workers may only be brought in from outside the local community if such personnel are not available locally.

The Tenderer shall list below the personnel which he intends to utilize on the Works, including key personnel which may have to be brought in from outside if not available locally.

Category of Employee	Number of Persons					
	Key Personnel, Part of the Contractor's Organisation		Key Personnel to be Imported if not Available Locally		Unskilled Personnel to be Recruited from Local Community	
	HDI	NON-HDI	HDI	NON-HDI	HDI	NON-HDI
Site Agent, Project Managers						
Foremen, Quality Control and Safety Personnel						
Chemical Engineer/ Technologists						
Electrical Engineer/ Technologists (Control and Instrumentation)						
Electrical Engineer/ Technologists (Heavy current)						
Mechanical Engineer/ Technologists						
Class IV/V Process Controllers						
Others:..... ..... ..... .....						

The Tenderer shall attach hereto the *curricula vitae*, in the form included hereafter, of at least the site agent, the foreman, safety officer and the project manager. The information is necessary for evaluation of the tender.

Name of Tenderer: .....

Date: .....

Signature: .....

Full name of signatory: .....

## FORM H SCHEDULE OF PLANT AND EQUIPMENT

The following are lists of major items of relevant equipment that I / we presently own or lease and will have available for this contract if my / our tender is accepted.

**(a) Details of major equipment owned by me / us and immediately available for this contract.**

Description ( <i>type, size, capacity etc</i> )	Quantity	Year of manufacture

*\*\*\*Attach additional pages if more space is required*

**(b) Details of major equipment that will be hired, or acquired for this contract if my / our tender is accepted**

Description ( <i>type, size, capacity etc</i> )	Quantity	How Acquired	
		Hire/ Buy	Source

*\*\*\*Attach additional pages if more space is required*

The Tenderer undertakes to bring onto site without additional cost to the Employer any additional plant not listed but which may be necessary to complete the contract within the specified contract period.

***Failure to complete this form properly and correctly, will lead to the conclusion that the tenderer does not have the necessary plant and equipment resources at his disposal, which will prejudice his tender.***

Name of Tenderer: .....

Date: .....

Signature: .....

Full name of signatory: .....



## FORM J FINANCIAL REFERENCES

### FINANCIAL STATEMENTS

I/We agree, if required, to furnish an audited copy of the last 3 years' set of financial statements together with my/our Directors' and Auditors' report for consideration by the Client.

### DETAILS OF TENDERERS BANKING INFORMATION

I/We hereby authorise the Client/Engineer to approach all or any of the following banks for the purposes of obtaining a financial reference:

<b>Bank Name:</b>									
<b>Account Name:</b> <i>(e.g. ABC Civil Construction cc)</i>									
<b>Account Type:</b> <i>(e.g. Savings, Cheque etc)</i>									
<b>Account No:</b>									
<b>Address Of Bank:</b>									
<b>Contact Person:</b>									
<b>Tel. No. of Bank / Contact:</b>									
How long has this account been in existence:	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px;">0-6 months</td> <td style="width: 30px; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 2px;">7-12 months</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 2px;">13-24 months</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="padding: 2px;">More than 24 months</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table> <span style="display: inline-block; vertical-align: middle; margin-left: 10px;">(Tick which is appropriate)</span>	0-6 months	<input type="checkbox"/>	7-12 months	<input type="checkbox"/>	13-24 months	<input type="checkbox"/>	More than 24 months	<input type="checkbox"/>
0-6 months	<input type="checkbox"/>								
7-12 months	<input type="checkbox"/>								
13-24 months	<input type="checkbox"/>								
More than 24 months	<input type="checkbox"/>								

Name of Tenderer: .....

Date: .....

Signature: .....

Full name of signatory: .....

**FORM K Certificate of Authority of Joint Ventures/ Close Corporations/ Partnership/ Company/ Sole proprietor**

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 OF COMPANY**

I, ....., chairperson of the Board of Directors of ....., hereby confirm that by resolution of the Board (copy attached) taken on ..... 20....., Mr/Ms ....., acting in the capacity of....., was authorized to sign all documents in connection with the tender for Contract No. ELM ?? and any contract resulting from it on behalf of the company.

**Chairman:** .....

**As Witnesses:** 1.....

2.....

**Date:** .....

**(II) CERTIFICATE FOR CLOSE CORPORATION**

We, the undersigned, being the key members in the business trading as ..... hereby authorize Mr/Ms ....., acting in the capacity of ....., to sign all documents in connection with the tender for Contract No. ELM 23/?? and any contract resulting from it on our behalf.

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 partners in the business trading as, ....., hereby authorize Mr/Ms ....., acting in the capacity of ....., to sign all documents in connection with the tender for Contract No. ELM ?? and any contract resulting from it on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

**Note :** *This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole.*

**(IV) CERTIFICATE FOR JOINT VENTURE**

This Returnable Schedule is to be completed by joint ventures.

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms ....., authorised signatory of the company ....., acting in the capacity of lead partner, to sign all documents in connection with the tender offer and any contract resulting from it on our behalf.

NAME OF FIRM	ADDRESS	DULY AUTHORISED SIGNATORY
Lead partner		Signature. .... Name ..... Designation..... .....
		Signature. .... Name ..... Designation..... .....
		Signature. .... Name ..... Designation..... .....
		Signature. .... Name ..... Designation..... .....

**Note :** *This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Joint Venture as a whole.*

**(V) CERTIFICATE FOR SOLE PROPRIETOR**

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

**Signature** of Sole owner: .....

As Witnesses:

Date:

- 1.....  
2.....

**FORM L Registration on National Treasury Central Supplier**

**FORM M Municipal Utility Account**

**ATTACH AN ORIGINAL OR A CERTIFIED COPY OF A MUNICIPAL UTILITY ACCOUNT (NOT OLDER THAN THREE (3) MONTHS)**

**Important: Note the following**

- List Account(s) registered in the name(s) of the Director(s) **AND** the Company on the declaration form attached hereto.

Attach Municipal Utility account of Company's registered office (if applicable) and in case of leased premises, attach lease agreement and the services account of leased premises. (issued in the name of the bidding company)

Utility Account Number	Name of Municipality	Name of Owner

**DECLARATION BY THE TENDERER**

I the undersigned \_\_\_\_\_, has been duly authorized to sign all documents with the Tender for Contract Number \_\_\_\_\_ on behalf of \_\_\_\_\_ hereby make a declaration as follows:

(referred to herein as "the Bidder")

- I declare that the bidder and /or any of its director(s) / member(s) does not owe the municipality, or any other municipality and/or municipal entity any amount which is in arrears in respect of any municipal rates and taxes or municipal service charges.
- I understand and accept that in the event that this declaration is proved to be false, the bid shall be rejected forthwith. All other rights of the municipality (including but not limited to the right to claim damages where applicable) shall remain reserved in full.

SIGNED ON BEHALF OF THE COMPANY

\_\_\_\_\_

IN HIS CAPACITY AS

\_\_\_\_\_

DATE

\_\_\_\_\_

FULL NAMES OF SIGNATORY

\_\_\_\_\_

**FORM O COMPANY PROFILE**

**COMPANY PROFILE**

The tenderer must attach to this page a Detailed Company Profile (detailing relevant past experience)

## **FORM R AUDITED ANNUAL FINANCIAL STATEMENT**

If the value of the transaction is expected to exceed R10 million (VAT included), bidders are required to furnish –

- (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –

- (aa) for the past three years; or

- (bb) since their establishment if established during the past three years.

## **FORM S IMPLEMENTATION PLAN TO EXECUTE THE ALLOCATED**

Synchronize the activities with key timeframes until completion of the allocated work. The main activities and roles of responsibilities team members must be highlighted and indicate the technical support that will be provided on the project etc. The information must be attached to the tender document.

## **FORM T FUNDING IMPLEMENTATION PLAN**

Bidder to provide a detailed funding implementation plan for the implementation of the project. Only certified and authentic agreements/bank confirmation letters/guarantee letters from accredited and approved financial institutions will be accepted

**PART A: INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE EMALAHLENI LOCAL MUNICIPALITY.**

BID NUMBER:	<b>ELM 04/2024</b>	CLOSING DATE:	<b>22 MARCH 2024</b>	CLOSING TIME:	<b>11:00</b>
DESCRIPTION	<b>REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE AND TRANSFER OF 40 MEGA LITRE PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS</b>				

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).**

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS

**EMALAHLENI LOCAL MUNICIPALITY**

**CIVIC CENTRE, 29 MANDELA STREET, EMALAHLENI, 1035**

**SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]
---	--	--	--

TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
-------------------------------	--	-----------------	---

SIGNATURE OF BIDDER	.....	DATE	
---------------------	-------	------	--

CAPACITY UNDER WHICH THIS BID IS SIGNED

**BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:**

DEPARTMENT	SCM	TECHNICAL INFORMATION MAY BE DIRECTED TO:	
CONTACT PERSON	MS ZINHLE MOROKU	CONTACT PERSON	LW Mchunu
TELEPHONE NUMBER	(013) 690 6497	TELEPHONE NUMBER	(013) 653 5721
FACSIMILE NUMBER	(013) 690 6207	FACSIMILE NUMBER	(013) 690 6207
E-MAIL ADDRESS	masangonz@emalahleni.gov.za	E-MAIL ADDRESS	<a href="mailto:s700155@emalahleni.gov.za">s700155@emalahleni.gov.za</a>

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>										
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p><b>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED – (NOT TO BE RE-TYPED) OR ONLINE</b></p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p>										
<b>2. TAX COMPLIANCE REQUIREMENTS</b>										
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER’S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>										
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p><b>IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b></p>	3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO									
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO									

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

.....  
Signature

.....  
Name of bidder

.....  
Position

.....  
Date

**MBD 4**

**DECLARATION OF INTEREST**

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

2.2 Identity Number: .....

2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):

.....

2.4 Company Registration Number : .....

2.5 Tax Reference Number : .....

2.6 VAT Registration Number: .....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

<sup>1</sup>“State” means –

(a) 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);

(b) any municipality or municipal entity;

(c) provincial legislature;

(d) national Assembly or the national Council of provinces; or

(e) Parliament.

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

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

.....

Name of state institution at which you or the person connected to the bidder is employed:

.....

Position occupied in the state institution:

.....

Any other particulars:

.....

.....

.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....

.....

.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:

.....

.....

.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?

**YES / NO**

2.9.1 If so, furnish particulars.

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

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

**YES/NO**

2.10.1 If so, furnish particulars.

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

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

**YES/NO**

2.11.1 If so, furnish particulars:

.....  
 .....

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

Full Name	Identity Number	Personal Tax Reference Number	State Employee Number / Personal Number

**DECLARATION**

I THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF

CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Name of bidder

.....  
Position

.....  
Date

## MBD 8

### DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions 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 disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply With the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME).....**

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

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

.....  
Signature

.....  
Name of bidder

.....  
Position

.....  
Date

## **MBD 9**

### **CERTIFICATE OF INDEPENDENT BID DETERMINATION**

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. Disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. Cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that 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:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**MBD 9**

**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 Institution)

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

## **MBD 9**

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 consortium<sup>3</sup> 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.

**MBD 9**

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

.....  
Signature

.....  
Name of bidder

.....  
Position

.....  
Date

## **C. THE CONTRACT**

### **Part C1: Agreements and Contract Data**

- C1.1 Form of Offer and Acceptance
- C1.2 Contract Data
- C1.3 Form of Guarantee

### **Part C2: Pricing Data**

- C2.1 Pricing Instructions
- C2.2 Bills of quantities

### **Part C3: Scope of Work**

- C3 Scope of Work

### **Part C4: Site Information**

- C4 Site Information

### **Part C5 : Relevant Documentation**

- C5 Health & Safety Specifications

## **C1    AGREEMENTS AND CONTRACT DATA**

C1.1    Form of Offer and Acceptance

C1.2    Contract Data

C1.3    Form of Guarantee

## C1.1 FORM OF OFFER AND ACCEPTANCE

### OFFER

The Employer, identified in the Acceptance signature block, has solicited offers to enter into a contract in respect of the following works: **REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE, OWN AND TRANSFER (DBOOT) OF 40 MEGA LITRES PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS**

The Tenderer, identified in the Offer signature block below, has examined the documents listed in the Tender Data and addenda thereto as listed in the Tender Schedules, and by submitting this Offer has accepted the Conditions of Tender.

By the representative of the Tenderer, deemed to be duly authorised, signing this part of this Form of Offer and Acceptance, the Tenderer offers to perform all of the obligations and liabilities of the Contractor 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 Tenderer before the end of the period of validity stated in the Tender Data, whereupon the Tenderer becomes the party named as the Contractor in the Conditions of Contract identified in the Contract Data.

Signature(s) \_\_\_\_\_

Name(s) \_\_\_\_\_

Capacity \_\_\_\_\_

For the tenderer \_\_\_\_\_

(Name and address of organisation)

Name & Signature

Of Witness \_\_\_\_\_

Name

Date

**ACCEPTANCE**

By signing this part of this Form of Offer and Acceptance, the Employer identified below accepts the Tenderer's Offer. In consideration thereof, the Employer shall pay the Contractor the amount due in accordance with the Conditions of Contract identified in the Contract Data. Acceptance of the Tenderer's Offer shall form an agreement between the Employer and the Tenderer upon the terms and conditions contained in this Agreement and in the Contract that is the subject of this Agreement.

The terms of the contract are contained in:

- Part 1 Agreements and Contract Data (which includes this Agreement)
- Part 2 Pricing Data
- Part 3 Scope of Work
- Part 4 Site information
- Part 5 Additional Documentation

and drawings and documents or parts thereof, which may be incorporated by reference into Parts 1 to 4 above.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Tender Schedules as well as any changes to the terms of the Offer agreed by the Tenderer and the Employer during this process of offer and acceptance, are contained in the Schedule of Deviations 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 duly signed by the authorised representative(s) of both parties.

The Tenderer shall within two weeks after receiving a completed copy of this Agreement, including the Schedule of Deviations (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 at or just after the date this Agreement comes into effect. 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 Tenderer receives one fully completed original copy of this document, including the Schedule of Deviations. Unless the Tenderer (now Contractor) within five 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 \_\_\_\_\_

For the tenderer \_\_\_\_\_

(Name and address of organisation)

Name & Signature

Of Witness \_\_\_\_\_

Name

Date

# SCHEDULE OF DEVIATIONS

**Notes:**

1. The extent of deviations from the tender documents issued by the Employer prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender.
2. A Tenderer's covering letter shall not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid, become the subject of agreements reached during the process of Offer and Acceptance, the outcome of such agreement shall be recorded here.
3. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the Parties becomes an obligation of the contract, shall also be recorded here.
4. Any change or addition to the tender documents arising from the above agreements and recorded here, shall also be incorporated into the final draft of the Contract.

**1 Subject**

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Details

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**2 Subject**

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Details

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**3 Subject**

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Details

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**4 Subject**

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Details

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**5 Subject**

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Details

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**6 Subject**

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Details

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By the duly authorised representatives signing this Schedule of Deviations, the Employer and the Tenderer agree to and accept the foregoing Schedule of Deviations as the only deviations from and amendments to the documents listed in the Tender Data and addenda thereto as listed in the Tender Schedules, as well as any

confirmation, clarification or change to the terms of the Offer agreed by the Tenderer and the Employer during this process of Offer and Acceptance. It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the Tenderer of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this Agreement.

**FOR THE TENDERER:**

Signatures (s) \_\_\_\_\_  
Name(s) \_\_\_\_\_  
Capacity \_\_\_\_\_

\_\_\_\_\_  
(Name and address of Organisation)

Name & Signature  
Of Witness \_\_\_\_\_ Date \_\_\_\_\_

**FOR THE EMPLOYER**

Signatures (s) \_\_\_\_\_  
Name(s) \_\_\_\_\_  
Capacity \_\_\_\_\_

\_\_\_\_\_  
(Emalahleni Local Municipality – Mandela Street)

Name & Signature  
Of Witness \_\_\_\_\_ Date \_\_\_\_\_

## C1.2 CONTRACT DATA

### PART 1: DATA PROVIDED BY THE EMPLOYER

#### CONDITIONS OF CONTRACT

The Conditions of Contract are the *General Conditions of Contract for Construction Works (2015)* published by the South African Institution of Civil Engineering. Copies of these conditions of contract may be obtained from the South African Institute of Civil Engineering (Tel: 011 805 5947).

Each item of data given below is cross-referenced to the clause in the Conditions of Contract to which it mainly applies.

#### **PART 1: Data provided by the Employer**

Clause	Data
1.1.1.15	The Name of the Employer is <b>Emalahleni Local Municipality</b>
1.2.1.2	The address of the Employer is: CNR Mandela & Arras Street eMalahleni 1035 Telephone: 013 690 6300 Facsimile: 013 690 6207
6.2.1	Public liability insurance to a maximum of R1 million.
5.2.1	The Contractor shall commence executing the Works within 14 days from the Commencement Date.
5.5.1 1.1.1.14	The Works shall be completed within the timeframe stated by the contractor at tender stage.
5.6.1	The Contractor shall deliver his programme of work within 14 days.
8.6.1.1.2	The value of the materials supplied by the Employer to be included in the insurance sum is nil.
8.6.1.1.3	The amount to cover professional fees for repairing damage and loss to be included in the insurance sum is nil.
5.1.1	The Works shall be completed within <b>the timeframe stated by the contractor</b>

### PART 1: DATA PROVIDED BY THE CONTRACTOR

The Contractor is advised to read the *General Conditions of Contract for Construction Works (3<sup>RD</sup> EDITION 2015)*, published by the South African Institution of Civil Engineering, in order to understand the implications of this Data which is required to be completed.

Each item of data given below is cross-referenced to the clause of Conditions of Contract to which it mainly applies.



**C1.3 FORM OF GUARANTEE**

**REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE, OWN AND TRANSFER (DBOOT) OF 40 MEGA LITERS PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS**

**Tender No: ELM 04/2024**

WHEREAS .....at

**EMALAHLENI LOCAL MUNICIPALITY**  
(Hereinafter referred to as "the Employer")

entered into, on the ..... Day of .....2024, at .....

a Contract with .....

at .....

(Hereinafter called "The Contractor")

for the **REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE, OWN AND TRANSFER (DBOOT) OF 40 MEGA LITERS PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS AS** per Scope of work AND WHEREAS it is provided by such Contract that the Contractor shall provide the Employer with security by way of suretyship for the due and faithful fulfilment of such Contract by the Contractor;

AND WHEREAS .....

has/have at the request of the Contractor, agreed to give such security;

NOW THEREFORE WE, .....

do hereby guarantee and bind ourselves jointly and severally as Sureties and Co-principal Debtors to the Employer under renunciation of the benefits of division and execution 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 and/or notice to us, have complete liberty of action to act in any manner authorised and/or contemplated by the terms of the said contract, and/or to agree to any modifications, variations, alterations, directions or extensions of the Due Completion Date 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 Due Completion Date which the Employer may make, give, concede or agree to under the said Contract.
2. The Employer shall be entitled, without reference to us, to release any securities held by it, and to give time to or compound or make any other arrangement with the Contractor.
3. 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 or liquidated.

4. Our total liability hereunder shall not exceed the sum of (R.....).

5. We hereby choose domicilium citandi et executandi for all purposes arising hereof at

.....

**IN WITNESS WHEREOF** this guarantee has been executed by us at ..... on

this..... day of ..... 20 .....

As witnesses:

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

2. .... Duly authorised to sign on behalf of .....

Address .....

.....

.....

## **C2 PRICING DATA**

C2.1 PRICING INSTRUCTIONS

C2.2 EVALUATION AND ADJUDICATION CRITERIA

## C2.1 PRICING INSTRUCTIONS

### General

The pricing instructions describe the criteria and assumptions which will be assumed in the contract that the Tenderer has taken into account when developing his prices. The bills of quantities record the contractor's rates for providing supplies, services, engineering and construction works in accordance with the scope of work.

The terms of payment and the provisions for price adjustment, if applicable, are established in the contract data. These items are not described in the pricing data.

### 2. Documents mutually explanatory

The documents forming the Contract are to be taken as mutually explanatory of one another. The bill of quantities forms an integral part of the contract documents and shall be read in conjunction with the tender data, contract data, and scope of work, site information general and special conditions of contract, the specifications and the drawings.

### 3. Definitions

For the purpose of this bill of quantities, the following words shall have the meanings hereby assigned to them:

Unit	The unit of measurement for each item of work as defined in the scope of work and site information
Quantity	The number of units of work for each item.
Rate	The payment per unit of measurement at which the contractor contracts to do the work.
Amount	The product of the quantity and the rate tendered for an item.
Sum	An amount contracted for an item, the extent of which is described in the bill of quantities, the specifications or elsewhere but the quantity of work of which is not measured in any units.

### 4. Descriptions

Descriptions in the bill of quantities are abbreviated and comply generally with those in the standardised specifications. The standardised specification, read together with the relevant clauses of the scope of work, set out what ancillary or associated activities are included in the rates for the operations specified. Should any requirements of the measurement and payment clause of the applicable standardised specification, or the scope of work, conflict with the terms of the bill, the requirements of the standardised specification or scope of work, as applicable, shall prevail.

### 5. References

The clauses in a specification in which further information regarding the schedule item can be obtained appear under "reference clause" in the bill. The reference clauses indicated are not necessarily the only sources of information in respect of scheduled items. Further information and specifications may be found elsewhere in the contract documents.

## 5. Units of measurement

The units of measurement indicated in the bill of quantities are metric units.

The following abbreviations are used in the bill of quantities:

%	per cent
H	Hour
ha	Hectare
kg	kilogram
kl	Kilolitre
km	kilometre
km-pass	kilometre-pass
kW	Kilowatt
L	Litre
m	Metre
mm	millimetre
MN	mega newton
MN-m	mega newton-metre
MPa	mega Pascal
m <sup>2</sup>	square metre
m <sup>3</sup>	cubic metre
m <sup>3</sup> -km	cubic metre-kilometre
m <sup>2</sup> -pass	square metre-pass
no	Number
PC sum	Prime Cost sum
Prov Sum	Provisional Sum
sum	lump sum
t	ton (1 000 kg)

## 7. Net measurements

Unless otherwise stated, items are measured net in accordance with the drawings, and no allowance is made for off-cuts and waste.

## 8. Quantities

The quantities set out in the bill of quantities are the estimated quantities of the contract works, but the contractor will be required to undertake whatever quantities may be directed by the employer from time to time. The contract price for the completed contract shall be computed from the actual quantities of work accepted and certified for payment.

## 9. **Currency**

All rates and sums of money quoted in the bill of quantities shall be in Rand and whole cents. Fractions of a cent shall be discounted.

## 10. **Value Added Tax**

Value Added Tax shall be excluded from the rates and sums contracted for the various items of work included in the bill of quantities. VAT will be added as a single entry to the summary.

## 11. **Rates and prices**

### 11.1 General

- a) The contractor must price each item in the bill of quantities in **BLACK INK**. Reproduced computer printouts of the bills of quantities will not be acceptable.
- b) The rates and prices to be inserted in the bill of quantities shall cover all the services and incidentals for the work described under the several items. Such prices and rates shall cover all costs and expenses that may be required in and for the execution of the work described, and shall cover the cost of all general risks, liabilities and obligations set forth or implied in the documents on which the tender is based, as well as overhead charges and profit. Reasonable prices shall be inserted as these will be used as a basis for assessment of payment for additional work that may have to be carried out.
- c) A price or rate is to be entered against each item in the bill of quantities, whether the quantities are stated or not. An item against which no price is entered will be considered to be covered by the other prices or rates in the bill. The contractor will not be paid for items against which no rate or lump sum has been entered in the bill of quantities.
- d) Should the contractor indicate against any item that compensation for such item is included in another item, the rate for the item included in another item shall be deemed nil.
- e) **ALL SUCCESSFUL BIDDERS PRICES SHALL BE ADDED AND AN AVERAGE OF ALL SHALL CONSTITUTE THE FINAL RATE ON THAT SPECIFIC ITEM**

### 11.2 "Rate only" items

The contractor shall fill in a rate (in the rate column) against all items where the words "rate only" appear in the amount column, which rate will constitute payment for work which may be done in terms of this item. Such "rate-only" items are used where it is estimated that little or no work will be required under the item or where the item is to be considered as an alternative to another item for which a quantity is given.

### 11.3 Arithmetic

Excepting where sum amounts are required or where provisional sums have been indicated, the contractor shall enter an applicable rate in the rate column of the bill of quantities for each scheduled item. He shall also enter an appropriate sum in the Amount column for each scheduled item, by determining in the applicable line item the product of the quantity and the unit rate.

If there is an error in the line item resulting from the product of the unit rate and the quantity, the rate shall be binding and the error of extension as entered in the tender offer will be corrected by the employer in determining the contract price.

Where there is an error in addition, either as a result of other corrections required by this checking process or in the tenderer's addition of prices, such error will be corrected by the employer in determining the contract price.

12. **Variation in text**

No alteration, erasure or addition is to be made in the text of the bill of quantities. Should any alteration, erasure or addition be made, it will not be recognized; the original wording of the bill of quantities will be adhered to.

## C2.2 Evaluation and Adjudication Criteria

All bid proposals received will be evaluated and adjudicated on the **90/10** preference point system.

### Technical Proposals

All bid proposals received will firstly be evaluated on the following scoring criteria on the basis of functionality and price. Prospective bidders must at least achieve a minimum score of 70% in respect of functionality in order to be regarded as responsive and to qualify for further evaluation.

**NB!** Tender evaluation shall be a **TWO (2) envelop system (functionality and financial evaluation)**.

### FUNCTIONAL EVALUATION CRITERIA

	CRITERIA	SCORE
SCHEDULE 1	<p><b>TENDERS EXPERIENCE:</b> Proof of previous experience of the company or an individual within the company either in design or Operate a modular package plant (provide appointment letters or completion certificates):</p> <ul style="list-style-type: none"> <li>• More than 3 projects of more (30 points)</li> <li>• 1 - 3 projects (15 points)</li> <li>• 1 project of more (5 points)</li> </ul>	30
SCHEDULE 2	<p><b>PROPOSED ORGANIZATIONAL, STAFFING &amp; KEY STAFF EXPERIENCE</b></p> <p>Project team (provide CV and qualifications):</p> <ul style="list-style-type: none"> <li>• ECSA registered Chemical Engineer / Technologist specializing in the field for at least 5 years (5 points)</li> <li>• ECSA registered Electrical Engineer / Technologist (Control &amp; Instrumentation) specializing in the field for at least 5 years (3 points)</li> <li>• ECSA register Electrical Engineer / Technologist (Heavy Current) specializing in the field for at least 5 years (2 points)</li> <li>• ECSA register Mechanical Engineer / Technologist specializing in the field for at least 5 years (5 points)</li> <li>• Class IV/V process Controllers in water and wastewater treatment for at least 5 years (5 points)</li> </ul>	20
SCHEDULE 3	<p><b>CAPACITY TO EXECUTE &amp; IMPLEMENT THE TENDER EVALUATION (PHYSICAL RESOURCES)</b></p> <p>Resources (provide justifiable proof of ownership):</p> <ul style="list-style-type: none"> <li>• Package plants manufacturing workshop or lease agreement /proof of agreement from manufacturer of plant (5 points)</li> <li>• Proof of credible design software's (5 points)</li> <li>• Proof of credible operation monitoring system (on and off site) - (2 points)</li> </ul>	20

	<ul style="list-style-type: none"> <li>• Transport fleet (minimum 3 company owned fleet) - (3 points)</li> <li>• Proof of accredited laboratory to conduct compliance chemical physical and microbiological water analysis. Service Level Agreement with accredited Lab will be accepted (5 points)</li> </ul>	
<b>SCHEDULE 4</b>	<p><b>QUALITY ASSURANCE PLAN</b></p> <ul style="list-style-type: none"> <li>• Non-responsive (score 0) - No information has been provided. The tenderer did not respond or comply with this evaluation schedule. The tenderer does not have a quality assurance system.</li> <li>• Poor (max score 2)- The tenderer's quality control procedures are unlikely to ensure compliance with the employer's requirements.</li> <li>• Satisfactory (max score 3) - The tenderer's quality control procedures are possibly able to ensure compliance with stated employer's requirements</li> <li>• Good (max score 5) - The tenderer's quality control procedures meet the quality assurance requirements expected by the employer.</li> </ul>	5
<b>SCHEDULE 5</b>	<p><b>IMPLEMENTATION PLAN TO IMPLEMENT ALLOCATED WORK</b></p> <ul style="list-style-type: none"> <li>• Non-responsive (score 0) No information has been provided</li> <li>• Poor (max score 2) The implementation plan is sketchy; the key activities are not synchronized. The implementation plan is weak in relation to the project, and inconsistent with the timing of the most important deliverables. There is no clarity in allocation of tasks and responsibilities and lack of experience.</li> <li>• Satisfactory (max score 3) The implementation plan is complete with all tasks and activities clearly indicated and synchronized. The composition of the plan is adequate and indicates the type of equipment used with all activities and consistent with both timing and deliverables.</li> <li>• Good (max score 5) The implementation plan is complete, well balanced i.e. they show good deliverables clear duties, use of equipment, responsibilities, timeframes and staff complement relevant to the project. The allocated work will be executed on time with safety. The methodology indicates good experience to implement the allocated work.</li> </ul>	5

<p><b>SCHEDULE 6</b></p>	<p><b>FUNDING IMPLEMENTATION PLAN</b></p> <p>Bidder to provide a detailed funding implementation plan for the implementation of the project:</p> <ul style="list-style-type: none"> <li>• Bidder to provide own funding – 20 (Proof of funding to be attached through bank confirmation letter/guarantee letter stating the funds available)</li> <li>• Bidder to be funded by reputable funding institution must submit an intension letter from the financial institution or a pro forma guarantee - 15 points (Funding agreement to be attached)</li> <li>• Funding plan not clearly defined (0)</li> </ul> <p>ONLY CERTIFIED AND AUTHENTIC AGREEMENTS/BANK CONFIRMATION LETTERS/GUARANTEE LETTERS FROM ACCREDITED AND APPROVED FINANCIAL INSTITUTIONS WILL BE ACCEPTED</p>	<p>20</p>
	<p><b>TOTAL</b></p>	<p><b>100</b></p>

## **C3.1 : DESCRIPTION OF THE WORKS**

**PROSPECTIVE BIDDERS ARE HEREBY INVITED TO SUBMIT BIDS: REQUEST FOR A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO SUBMIT PROPOSALS FOR DESIGN, BUILT, OPERATE, OWN AND TRANSFER (DBOOT) OF 40 MEGA LITRES PER DAY POTABLE WATER PACKAGE PLANTS AT VARIOUS SITES WITHIN EMALAHLENI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS**

### **SPECIFICATION OF A PROJECT**

Provision of 40 Mega Litres per day modular package plants for potable water supply at various sites. These plants shall operate from the following raw water sources:

- Witbank Dam abstract raw from Point B raw water balancing tank, purification at the agreed upon site and discharge potable water at the identified municipal water reservoir.
- Doornpoort Dam – treat water from Doornpoort Dam, purification at the dam site and pump potable water to the identified municipal water reservoir.

Potable water treatment plants shall be membrane based with high treatment efficiency for water with high manganese content, increasing sulphate content and overall total dissolved solids. The plants must be capable of handling high deteriorating water quality during floods. The plants must be equipped with adequate protection for membranes to ensure compliance of potable water to the required water and wastewater treatment standards.

Project finance shall be a Design Build Own Operate and Transfer (DBOOT) and there shall be no upfront capital outlay from the municipality. The plants should be brought up to acceptable standards and condition at the end of the term (36 months) All associated cost inputs must be modelled within monthly tariffs payable by the municipality which will be based on Kilolitre produced by the plant into the municipal reservoirs.

### **SCOPE OF WORK**

Provision of potable water through modular package plants should comply with the following:

- Treated water must comply with South Africa National Standard (SANS) 241:2015
- Package plant shall be designed to treat the quality of feed water obtained from Olifants River (Olifants River typical feed water quality)
- The plants shall be designed to have a capacity to treat dissolved solids (high manganese (3000ug/l) and sulphates content).
- Package plants shall have minimal impact to the environment
- The service provider shall conduct operation and maintenance on the plant for duration of the contract while also providing training to the municipal employees on the treatment process
- Conduct operational water quality monitoring in accordance with SANS241:2015 and Water Safety Plan (WSP) recommendations
- Ensure full compliance to Blue Drop System requirements and update the Department of Water and Sanitation IRIS system
- The plant shall be equipped with full water balance metering system
- The plant shall be equipped with an electrical meter
- Standby power supply

- The plant shall be equipped with onsite 4 hour raw and potable water storages.
  - Raw water storage shall be used for emergencies or as a pre-treatment unit
  - Potable water storage shall be used for maintaining constant output
  -

The following shall be the enabling resources to be provided by the municipality:

- Raw feed water to be treated
- Power supply to the plant
- Municipal potable water storage
- Package plant establishment site

Modular package plant deliverables:

- Plants must be designed, manufactured, and commissioned within 4 to 6 months from the date of appointment.
- Potable water and waste-water treatment modular package plants must have 80% efficiency on all critical determinants (excluding force majeure)
- Potable water modular package plants must have a production rate of more than 80%
- Product potable water that is compliant to SANS241:2015 specifications
- Treated sewer effluent must be compliance to the special limits
- Potable water modular package plant shall not have production losses which are exceeding 5%.
- Waste effluent must be compliant for environmental release.
- Full compliance to Blue Drop System

Compliance requirements:

- Full compliance to Blue drop system
- Plant operation must be compliant to ISO 9001:2008 – quality management system and be Blue Drop compliant
- Conduct operational water quality monitoring in accordance with SANS241:2015
- Conduct annual Water Safety Plan (WSP) and adjust operations according to pertinent risks and there shall be no changes on the operational cost provided changes require high capital investment and it's a variation of original scope.:
- The plant shall be operated by compliant Process Controllers, classified according to Regulation 3630. Plant manager or supervisor shall at least be a Class VI or Class V Process Controller.
- Plant operation shall be a continuous 24 hours operation
- The service provider shall appoint SANAS accredited water laboratory to conduct monthly compliance water quality monitoring
- The plant shall be equipped with a standby power generator.
- The service provider shall be responsible of providing adequate security for the plant.

Contractual obligations:

- Service provider shall provide Public Liability Insurance to the Client prior commencement
- Service Provider shall furnish the Client with an Insurance Cover for the plant.
- Service Provider shall furnish the municipality approved and credible plant O&M manual and be accompanied with a comprehensive Quality Management Plan.
- The Service Provider shall develop a Safety File which shall be approved by the municipality prior commencement.

- No upfront capital investment or cash guarantee shall be required from the municipality. All associated costs shall be compensated for under the approved tariff and in accordance with the agreed form of contract (DBOOT).
- Daily reports shall comprise of:
  - Daily volumetric production
  - Water quality
  - Water losses
- Penalties shall be imposed on the appointed services provider should the plant not achieve desired performance targets for quality and production of more than 80%. Penalties shall be imposed through deductions on monthly rental cost (excluding consideration of force majeure). They shall be applied as per the table below:

<b>Stages</b>	<b>Operational efficiency</b>	<b>Deduction</b>
1	80 – 100%	0%
2	60 – 80%	20%
3	40 – 60%	40%
4	20 – 40%	60%
5	0 – 20%	80%
6	0%	100%

- Operation that shall result to lost time factor (reduced production) (e.g. planned outages) shall be applied and approved for 48 hours before the outage. Planned outages shall not be included or deducted for under operational efficiency.
- Should stage 3 performance (refer to the table above) be experienced 3 times within a period of 6 months, the service provider shall be subjected to disciplinary process according to contractual provisions.
- Shall participate and make available information for compliance purposes with the Blue Drop accreditation requirements.

## **C5 RELEVANT DOCUMENTATION**

The following documents are attached hereto and form part of the Contract:

- (i) Annexure A - Health and Safety Specifications
- (ii) Annexure B - Pro-forma agreement in terms of Occupational Health and Safety Act
- (iii) Annexure C - Notification of construction work

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# ANNEXURE A

---

## Health and Safety Specifications

# HEALTH AND SAFETY SPECIFICATIONS

## 1. OH&S MANAGEMENT

Structure and Organization of OH&S Responsibilities

### 1.1.1. Overall Supervision and Responsibility for OH&S

The Client is to ensure that the Principal Contractor, appointed in terms of Construction Regulation 4(1)(c), implements and maintains the agreed and approved OH&S Plan.

The Chief Executive Officer of the Principal Contractor in terms of Section 16 (1) of the Act is to ensure that the Employer (as defined in the Act) complies with the Act. Annexure 2 - "Legal Compliance Audit" may be used for this purpose.

Any OH&S Act (85 /1993), Section 16 (2) appointee/s as detailed in his/her respective appointment forms.

The Construction Supervisor and Assistant Construction Supervisor/s appointed in terms of Construction Regulation 6.

Further (Specific) Supervision Responsibilities for OH&S

#### **Appointments required by the Act and Regulations:**

- OH&S Representatives (Sections 17/18 of the Act)
- OH&S Committees (Sections 19/20 of the Act)
- Risk Assessor (Construction Regulation. 7(1))
- Accident/Incident Investigations Co-ordinator (General Administrative Regulation 9 (2))
- Form/Support work Supervisor (Construction Regulation 10(a))
- Batch Plant Supervisor (Construction Regulation 18(1))
- Stacking & Storage Supervisor (Construction Regulation 26(a))
- Fire Equipment Inspector (Construction Regulation 27(h))
- Electrical Installations, Machinery & Appliances Inspector (Construction Regulation 22)
- Excavations Supervisor (Construction Regulation 11(1))
- Demolition Supervisor (Construction Regulation 12(1))
- OH & S Officer (where necessary) (Construction Regulation 6(6))
- Person Responsible for Machinery (General Machinery Regulation 2)
- Emergency, Security and Fire Co-ordinator (Construction Regulation 27(h) & Environmental Regulation 9)
- Fire Equipment Inspector (Construction Regulation 27(h) Environmental Regulation 9)
- First Aider (General Safety Regulation 3(2))
- Hazardous Chemical Substances Supervisor (HCS Regulations)
- Ladders Inspector (General Safety Regulation 13A)
- Lifting Equipment Inspector (Construction Regulation 20)
- Operators & Drivers of Construction Plant & Vehicles (Construction Regulation 21 (i))
- Structures Supervisor (Construction Regulation 9)
- Users Operators of Construction Equipment (Construction Regulation 21(i))
- Welding Supervisor (General Safety Regulation 9)
- Communication and Liaison

OH&S liaison between the Client, the Principal Contractor, the other Contractors, the Consulting Engineer and other concerned parties will be through the OH&S Committee as in 3.10.

In addition to the above, communication may be directly to the Client or his appointed Agent, verbally or in writing, as and when the need arises.

Consultation with the workforce on OH&S matters will be through their Supervisors, OH&S Representatives, the OH&S Committee and their elected Trade Union Representatives, if any.

The Principal Contractor will be responsible for the dissemination of all relevant OH&S information to the other Contractors e.g. design changes agreed with the Client and the Consulting Engineer,

instructions by the Client and/or his/her agent, exchange of information between Contractors, the reporting of hazardous/dangerous conditions/situations etc.

### **1.3. OH & S File**

The Principal Contractor must, in terms of Construction Regulation 5 (7), keep a health and safety file on site at all times that must include all documentation required in terms of the Act and Regulations and must also include a list of all Contractors on site that are accountable to the Principal Contractor and the agreements between the parties and details of work being done.

#### **The following documents must be kept in the OH & S file:**

- 1) Notification of Construction Work (Construction Regulation 3.)
- 2) Copy of OH&S Act (updated) (General Administrative Regulation 4.)
- 3) Proof of Registration and good standing with a COID Insurer (Construction Regulation 4 (g))
- 4) Copy of health and safety plan (construction regulation 5 (1))
- 5) OH&S Programme agreed with Client including the underpinning Risk Assessment and Method Statements (Construction regulation 5 (1))
- 6) Designs/drawings (Construction Regulation 5 (8))
- 7) A list of Contractors (Subcontractors) including copies of the agreements between the parties and the type of work being done by each contractor (Construction Regulation 9)
- 8) Appointment / Designation forms as per 3.1.1. and 3.1.2. above.

#### **Registers as follows:**

- Accident/Incident Register (Annexure 1 of the General Administrative Regulations)
- OH & S Representatives Inspection Register
- Form/Support work Inspection
- Excavations Inspection
- Lifting Equipment
- Demolition Inspections
- Designer's Inspection of Structures Record
- Batch Plant Inspections
- Arc & Gas Welding & Flame Cutting Equipment Inspections
- Construction Vehicles & Mobile Plant Inspections
- Electrical Installation and Machinery Inspections
- Fire Equipment Inspection & Maintenance
- First Aid
- Hazardous Chemical Substances
- Lifting Tackle and Equipment Inspections
- Inspection of Cranes
- Inspection of Ladders
- Inspection of Vessels under Pressure
- Machinery Inspections
- Drivers/Operators of Mobile Plant/Construction Vehicles Daily Inspections

The Principal Contractor will be required to submit the abovementioned registers monthly to the chairperson of the OH&S Committee for endorsement.

The Health & Safety File must be handed over to the Client on completion of the contract. It must contain all the documentation handed to the Principal Contractor by any subcontractors together with a record of all drawings, designs, materials used and other similar information concerning the completed project.

### **1.4. OH & S Goals and Objectives and Arrangements for Monitoring and Review of OH&S Performance**

The Principal Contractor is required to maintain a Compensation Incidence Frequency Rate (CIFR) of at least 8 (Refer Annexure 3 - "Measuring Injury Experience") and to report on this to the Client on a monthly basis.

## Identification of Hazards and Development of Risk Assessments, Standard Working Procedures (SWP) and Method Statements

The Principal Contractor is required to develop Risk Assessments, Standard Working Procedures (SWP) and Method Statements for each activity executed in the contract or project (Refer to Section 4. below "Project/Site Specific Requirements")

### Arrangements for Monitoring and Review

#### Monthly Audit by Client

The Client will be conducting a Monthly Audit to comply with Construction Regulation 4 (1) (d) to ensure that the Principal Contractor has implemented and is maintaining the agreed and approved OH&S Plan.

#### Other Audits and Inspections by Client

The Client reserves the right to conduct other ad hoc audits and inspections as deemed necessary.

A representative of the Principal Contractor must accompany the Client on all Audits and Inspections and may conduct his/her own audit/inspection at the same time. Each party will, however, take responsibility for the results of his/her own audit/inspection results.

### 1.6.3 Reports

The Principal Contractor is required to provide the Client with a monthly report in the format as per the attached Annexure 4: "SHE Risk Management Report"

The Principal Contractor must report all incidents where an employee is injured on duty to the extent that he/she:

- dies
- becomes unconscious
- loses a limb or part of a limb

is injured or becomes ill to such a degree that he/she is likely either to die, or to suffer a permanent physical defect, or likely to be unable for a period of at least 14 days either to work or continue with the activity for which he/she was usually employed

#### or where:

- a major incident occurred
- the health or safety of any person was endangered
- where a dangerous substance was spilled
- the uncontrolled release of any substance under pressure took place
- machinery or any part of machinery fractured or failed resulting in flying, falling or uncontrolled moving objects
- machinery ran out of control

To the Provincial Director of the Department of Labour within seven days. (Section 24 of the General Administrative Regulation 8.). The Principal Contractor is required to provide the Client with copies of all statutory reports required in terms of the Act.

The Principal Contractor is required to provide the Client with copies of all internal and external accident/incident investigation reports including the reports contemplated in 3.9. below.

### 1.6.4 Review

The Principal Contractor is to review the Hazard Identification, Risk Assessments and SWP's at each two weekly site inspection/meeting as the construction work develops and progresses and each time that changes are made to the designs, plans and construction methods and processes.

The Principal Contractor must provide the Client, other Contractors and all other concerned parties with copies of any changes, alterations or amendments.

Site Rules and Other Restrictions

Site OH&S Rules

The Principal Contractor must develop a set of site-specific OH&S rules that will be applied to regulate the OH&S aspects of the construction.

### 1.7.2. Security and Emergency Arrangements

The Principal Contractor must establish site access rules and implement and maintain these throughout the construction period.

Access control must include the rule that non-employees will not be allowed on site unaccompanied.

The Principal Contractor must develop a set of security rules and procedures and maintain these throughout the construction period.

The Principal Contractor must appoint a competent Emergency Controller who must develop emergency contingency plans for any emergency that may arise on site as indicated by the risk assessments. These must include a monthly practice/testing programme for the plans e.g. January: trench collapse, February: flooding etc. and practiced/tested with all persons on site at the time, participating.

### 1.8 Training

The contents and syllabi of all training required by the Act and Regulations must be included in the Principal Contractor's OH&S Plan.

General Induction Training

All employees of the Principal and other Contractors to be in possession of proof of General Induction Training

Site Specific Induction Training

All employees of the Principal and other Contractors to be in possession of Site Specific OH&S Induction Training.

Other Training

All operators, drivers and users of construction vehicles, mobile plant and other equipment to be in possession of valid proof of training.

All employees in jobs requiring training in terms of the Act and Regulations to be in possession of valid proof of training.

#### **OH&S TRAINING REQUIREMENTS: (AS REQUIRED BY THE CONSTRUCTION REGULATIONS AND AS INDICATED BY THE OH&S SPECIFICATION AND THE RISK ASSESSMENT/S):**

- General Induction (Section 8 of the Act)
- Site/Job Specific Induction (also visitors) (Sections 8 & 9 of the Act)
- Site/Project Manager
- Construction Supervisor
- OH&S Representatives (Section 18 (3) of the Act)
- Training of the Appointees indicated in 3.1.1. & 3.1.2. above
- Operation of Cranes (Driven Machinery Regulations 18 (11))
- Operators and Drivers of Construction Vehicles & Mobile Plant (Construction Regulation 21)
- Basic Fire Prevention & Protection (Environmental Regulations 9 and Construction regulation 27)
- Basic First Aid (General Safety Regulations 3)
- Storekeeping Methods & Safe Stacking (Construction Regulation 26)
- Emergency, Security and Fire Co-ordinator

## 1.9. Accident and Incident Investigation

The Principal Contractor is responsible for the investigation of all accidents/incidents where employees and non-employees were injured to the extent that he/she had to be referred for medical treatment by a doctor, hospital or clinic. (General Administrative Regulation 9).

The results of the investigation to be entered into the Accident/Incident Register. (General Administrative Regulation 9)

The Principal Contractor is responsible for the investigation of all non-injury incidents as described in Section 24 (1) (b) & (c) of the Act and keeping a record of the results of such investigations including the steps taken to prevent similar accidents in future.

The Principal Contractor is responsible for the investigation of all road traffic accidents and keeping a record of the results of such investigations including the steps taken to prevent similar accidents in future.

### OH & S Representatives and Committees

#### Designation of OH&S Representatives

Where the Principal Contractor employs more than 20 persons (including the employees of other contractors (sub-contractors) he has to appoint one OH&S Representative for every 50 employees or part thereof. General Administrative Regulation 6 requires that the appointment or election and subsequent designation of the OH&S Representative is executed in consultation with Employee Representatives or Employees. (Section 17 of the Act and General Administrative Regulation 6. & 7.)

OH & S Representatives have to be designated in writing and the designation must include the area of responsibility of the person and term of the designation.

#### Duties and Functions of the OH&S Representatives

The Principal Contractor must ensure that the designated OH&S Representatives conduct a minimum monthly inspection of their respective areas of responsibility using a checklist and report thereon to the Principal Contractor.

OH & S representatives must be included in accident/incident investigations.

OH & S representatives must attend all OH&S committee meetings.

### 1.10.3. Appointment of OH&S Committee

The Principal Contractor must establish an OH & S Committee consisting of all the designated OH&S Representatives together with a number of management representatives (this number is not to exceed the number of OH&S representatives on the committee) and a representative of the Client who shall act as the chairperson without a vote. The members of the OH&S committee must be appointed in writing.

#### **THE OH&S COMMITTEE MUST MEET MINIMUM MONTHLY AND CONSIDER, AT LEAST, THE FOLLOWING AGENDA:**

- 1) Opening and welcome
- 2) Present/Apologies/Absent
- 3) Minutes of previous meeting
- 4) Matters arising from the previous minutes
- 5) OH&S Representatives Reports
- 6) Incident Reports & Investigations
- 7) Incident /Injury statistics
- 8) Other matters
- 9) Endorsement of Registers and the statutory documents by a representative of the Principal Contractor
- 10) Close/Next Meeting

## **PROJECT / SITE SPECIFIC REQUIREMENTS**

The following is a list of specific activities and considerations that have been identified for the project and the construction site and for which Risk Assessments, Standard Working Procedures (SWP), management and control measures and Method Statements (where necessary) have to be developed by the Principal Contractor:  
Clearing & Grubbing of the Area/Site

### **SITE ESTABLISHMENT INCLUDING:**

- Office/s
- Secure/safe storage for materials, plant & equipment
- Ablutions
- Sheltered eating area
- Maintenance workshop
- Vehicle access to the site
- Dealing with existing structures (NB: the existing pipeline is also a structure.)
- Location of existing services
- Installation and maintenance of temporary construction electrical supply, lighting and equipment
- Adjacent land uses/surrounding property exposures
- Boundary and access control/Public Liability Exposures (NB: the Employer is also responsible for the OH&S of non-employees affected by his/her work activities.)

### **HEALTH RISKS ARISING FROM NEIGHBOURING AS WELL AS OWN ACTIVITIES AND FROM THE ENVIRONMENT E.G. THREATS BY DOGS, BEES, SNAKES, LIGHTNING ETC.**

- Exposure to noise
- Exposure to vibration
- Protection against dehydration and heat exhaustion
- Protection from wet & cold conditions
- Dealing with HIV/Aids and other diseases
- Use of Portable Electrical Equipment including
- Angle grinder
- Electrical drilling machine
- Skill saw
- Excavations including
- Ground/soil conditions
- Trenching
- Shoring
- Drainage of trench
- Welding including
- Arc Welding
- Gas welding
- Flame cutting
- Use of LP gas torches and appliances
- Loading & offloading of trucks
- Aggregate/sand and other materials delivery
- Manual and mechanical handling
- Lifting and lowering operations
- Driving & operation of construction vehicles and mobile plant including
- Trenching machine
- Excavator
- Bomag roller
- Plate compactor
- Front end loader
- Mobile cranes and the ancillary lifting tackle
- Parking of vehicles & mobile plant
- Towing of vehicles & mobile plant
- Use and storage of flammable liquids and other hazardous substances
- Layering and bedding of trench floor

- Installation of pipes in trench
- Pressure testing of pipeline
- Installing heat shrink joint sleeves
- Backfilling of trench
- Protection against flooding
- Gabion work
- Use of explosives
- Protection from overhead power lines
- As discovered by the Principal Contractor's hazard identification exercise
- As discovered from any inspections and audits conducted by the Client or by the Principal Contractor or any other Contractor on site
- As discovered from any accident/incident investigation.

**Annexure 1:** Safety Agreement

**Annexure 2:** Construction Occupational Health – Safety – Environment Audit System

**Annexure 3:** Guidelines for the development of a Health and Safety Plan.

**Annexure 4:** Guide to Risk Assessment

**ANNEXURE 1**

**EMALAHLENI LOCAL MUNICIPALITY**

**TENDER NO: ELM 04/2024**

**CONSTRUCTION WORK AT POINT B**

**SAFETY AGREEMENT**

**MEMORANDUM OF AGREEMENT CONCLUDED BY AND BETWEEN:  
EMALAHLENI LOCAL MUNICIPALITY  
(HEREINAFTER REFERRED TO AS THE CLIENT)**

herein represented by \_\_\_\_\_  
in his capacity as \_\_\_\_\_  
of the Client, he being duly authorized thereto  
and

\_\_\_\_\_  
*(hereinafter referred to as the Mandatory)*  
herein represented by \_\_\_\_\_  
in his capacity as \_\_\_\_\_  
of the Mandatory, he being duly authorized thereto

**WHEREAS:**

The Client and the mandatory entered into a written, alternatively oral agreement on the.....Day of  
.....20.....in terms of which the Mandatory undertook to carry out the following  
work for the client , viz. (give a short description of the type of contract work to be done as well as the address where  
work will be done)

\_\_\_\_\_  
\_\_\_\_\_

*(The said contract work is hereinafter referred to as the **Work**)*

The Occupational Health and Safety Act, Act 85 of 1993 as amended (hereinafter referred to as **the Act**) contains amongst others certain provisions with regard to the health and safety of people at work and in connection with the usage of plant and machinery, as well as the protection of other persons than persons at work against hazards to health and safety that originates from or in connection with the activities of persons at work.

Section 37(2) of the Act makes provision for the exclusion by the parties, by way of a written agreement, of supposition and accompanying liability of the Client as stipulated in section 37(1) of the Act.

The parties have reached consensus with regard to the terms and conditions to which they agree in terms of the provisions of section 37(2) of the Act.

## **NOW THEREFORE THE PARTIES AGREE AS FOLLOWS**

### **1. WRITTEN AGREEMENT**

The parties herewith agree in terms of section 37(2) of the Act on the arrangements and procedures that must be followed to ensure compliance with the provisions of the Act by the Mandatory.

### **2. ACKNOWLEDGEMENT BY THE MANDATARY**

The mandatory acknowledge herewith that he is fully acquainted with the contents of the Act, as well as with all regulations and SABS codes of practice that have been made in terms of section 43 of the Act.

### **3. UNDERTAKING BY MANDATARY**

- (a) The Mandatory hereby undertakes and binds himself to the Client to ensure prompt and strict compliance with the provisions of the Act and the said regulations as well as with the provisions included in this Safety Agreement at all times during the execution of the Works
- (b) It is hereby recorded that the provisions of this Safety Agreement as set out hereinafter are in no way intended to restrict the duties of the Mandatory, nor to exempt the Mandatory from his obligation in accordance with the Act and the said regulations

### **4. PERSONAL PROTECTIVE EQUIPMENT**

- (a) It is compulsory to wear equipment for eye protection when working in an eye protection zone or where the Work requires eye protection.
- (b) It is compulsory to wear safety helmets when working in a safety helmet zone or where the Work requires safety helmets.
- (c) It is compulsory to wear hearing protection when working in a noise zone or where the Work requires hearing protection.
- (d) The wearing of other protective clothing and equipment as prescribed by the Occupational Health and Safety Officer of the Client is compulsory.
- (e) The Mandatory shall ensure that the statutory requirements are complied with at all times.

### **5. FENCING AND GENERAL MACHINERY PROTECTION**

No shield or fencing may be removed from or be moved at any machinery or installation without written permission.

### **6. SCAFFOLDING, LADDERS, TOOLS, ET CETERA**

The Mandatory without the written permission of the Client may use no equipment or tools that belong to the Client.

Except where agreed before hand the Mandatory shall provide enough tools and equipment to enable him to complete the Works and the Mandatory shall provide all storerooms, offices and eating halls that he may need. The Mandatory will be responsible for all his material on site.

In special case where the Client may lend equipment, tools or materials to the Mandatory, the Mandatory will use such equipment, tools and/or materials at his own risk and the Mandatory herewith indemnifies the Client against any liability of whichever nature or from any cause whatsoever, whether direct or indirect, that may arise from such usage.

### **g. SERVICES AND WORKING METHODS**

The written permission of the Chief Executive/Town Clerk of the Client shall be obtained where any work which must be undertaken by the Mandatory is connected with a working process or machinery or any other service in connection therewith, or may possibly affect it, before he commences with such work.

Approval shall be obtained from the City Electrical Engineer of the Client before any equipment is connected to the electrical supply of the Client All equipment shall be isolated before any equipment is connected to the electrical supply of the Client.

It shall be isolated and be provided with earth leakage protection. Electrical machinery, portable electrical tools and portable lights must comply with the requirements of the applicable regulations.

Work permits must be issued in terms of the Occupational Health and Safety Act and Regulations when the nature of the work requires it. Permits must be issued by the relevant departmental head where necessary.

#### **h. EXCAVATIONS**

Written permission for excavations shall be obtained from the City Engineer of the Client and the Mandatory shall make sure of the existence and position of electrical cables, discharge pipes, gas lines, water conduits, et cetera before he commences with any excavation work.

All excavations and obstructions and/or any openings in platforms or floors shall be enclosed in a safe way and warning notices shall be erected to ensure absolute safety. An adequate number of red or orange caution lights shall be provided when it is dark or should bad light prevail.

The area surrounding excavations shall be kept in a safe, orderly and tidy condition. No walkways or workplaces.

Nobody may enter into any restricted area in which hazardous fumes or a shortage of oxygen exists without a permit giving permission to do so, issued by the head of the relevant department of the Client and until it has been certified safe for entrance by the Occupational Health and Safety Officer and the Health Inspector of the Client.

#### **9. RESTRICTION TO WORKPLACE**

Employees of the Mandatory shall be restricted to their workplaces except when they have to leave their area for work purposes or when they visit toilets.

#### **10. SUBCONTRACTORS**

The Mandatory shall ensure that all subcontractors receive a copy of this safety agreement and must ensure they comply with it.

#### **11. OCCUPATIONAL HEALTH AND SAFETY OFFICER AND THE REPORTING OF ALL ACCIDENTS**

The Occupational Health and Safety Officer of the Client is available for consultation and he will make periodical visits to the workplace of the Mandatory. Any hazardous occurrence or incident to the employees of the Mandatory that results in absence from work for a period longer than three days shall be reported in writing to the Occupational Health and Safety Officer of the Client within forty-eight hours as well as to the Department of Labour as specified by the Act. Every user, employer, occupier, builder or excavator must, under this Act, keep record of all accidents that occur.

In the case of an accident that results in loss of life, nobody may disturb the scene of the accident or any articles involved in the accident prior to the arrival of the Occupational Health and Safety Officer and the Inspector, unless it is to prevent another accident from happening or the prevention of loss of life or to remove corpses.

The Occupational Health and Safety Officer will issue contravention notices to the Mandatory or a sub-contractor when there is a non-compliance and will specify the time in which it must be rectified.

The Occupational Health and Safety Officer will issue work stop notices to the Mandatory or sub-contractor whenever he is of the opinion that the health and safety of any person at work is threatened or that the contravention notices are not adhered to.

#### **12. FIRST AID**

Where five or more persons are employed at a workplace, the Mandatory shall provide and maintain an adequately equipped first-aid box that meets the following requirements:

- (a) Every first-aid box shall contain the minimum contents as prescribed by the Occupational Health and Safety Act.
- (b) Nothing except articles and equipment required for first-aid purposes may be kept in the first-aid box.
- (c) Each first-aid box shall be kept in a place readily accessible in case of an accident.

All first-aid boxes shall be placed under control of a responsible person except where five or less persons are at work. The responsible person must be in the possession of a valid first-aid certificate issued by one of the following organizations:

- A**                   **South-African Red Cross Society**
- B**                   **St. John's Ambulance Foundation**
- C**                   **South-African First-Aid League**

A notice indicating where the first-aid box is kept as well as the name of the person in charge shall be affixed in a conspicuous place. The first-aid facilities of the Client may be used during emergencies.

**13. FIRE PREVENTION MEASURES AND STORAGE OF FLAMMABLE MATERIAL**

The Fire department of the Client shall be notified before any welding, oxyacetylene welding, cutting, burning of paint or tar from floors or roofs is undertaken so that the necessary fire prevention measures can be arranged. All "NO SMOKING AND OPEN SURFACE FIRES/LIGHTS PROHIBITED" notices shall be adhered to. The Mandatory and his senior employee shall acquaint themselves and their fellow workers with the fire prevention measures of the Client, which will also include fire alarm notices and exits in case of fire, and they shall ensure that these rules are strictly complied with.

**14. COMPLETION OF WORK**

Before the mandatory or his sub-contractors leaves the site they shall inform the Head of the relevant Department of the Client and obtain his/her written approval that the work has been completed satisfactory and that the site of the work is left in a good condition.

**15. SALVAGED MATERIAL AND EQUIPMENT**

Any building demolished or equipment or materials that are salvaged whilst carrying out the work shall remain the property of the Client, unless the contract specifically provides otherwise.

**16. BREAKING OF THESE RULES AND POOR CONDUCT**

The Mandatory is warned that no behaviour that causes danger to their own employees, to the employees of the Client or general public will be tolerated. The Occupational Health and Safety Officer of the Client reserves the right of the withdrawal of any employees of the Mandatory or Client from the premises in the case of any default or breach of the agreement and to order that the completion of the work be stayed, pending compliance with this agreement; alternatively to cancel the agreement referred to in par.2 in which event the Client will be entitled to appoint an alternative contractor to complete the work and recover the costs thereof from the mandatory, without prejudice to any alternative or additional right or action or remedy to the Client, to recover from the mandatory damages for the default or breach and the cancellation.

The senior employees of the Mandatory shall sign a note of acknowledgement of this safety agreement to certify that they have received the regulations as included herein and that they understand the regulations

**17. INTOXICATION**

Nobody that is in a state of intoxication or that is in any other condition that causes or may cause his/her incapability to control him/herself or persons under his control may and shall not be permitted on the premises of the Client. The Occupational Health and Safety Officer of the Client reserves the right to the withdrawal of any employees of the Mandatory or Client from the premises in the case of any transgression of this nature.

**18. CONFIDENTIALLY**

The Mandatory shall at all times treat data and information that have been made known to him or that he requires in connection with his work from the Client as confidential and he may not make unauthorized use thereof. He must also ensure that such data and information are not communicated to anybody else that is not an employee of the Mandatory without obtaining prior written approval from the Client and he must further ensure that such persons do in fact know that the said information is confidential and that they are obliged to treat it as such.

The Mandatory shall provide for adequate physical protection for any confidential documents, sketches, et cetera that he receives from the Client in connection with the work as well as for any copies thereof that he makes. He shall hand back all documents sketches and copies thereof to the Client upon completion of the work, or earlier, if so requested by the Client. The Mandatory shall inform the Client immediately should any such documents or sketches become lost.

**19. INDEMNIFICATION BY THE MANDATORY**

The following conditions will be applicable to the Mandatory:

- (a) The Mandatory is liable and herewith indemnifies the Client irrevocably and in full against any claim for loss or damage to property or arising from death or injury of any person and any associated loss or damage suffered, and against all lawsuits, claims, demands, costs, expenses, and charges that may arise when the said occurrences are caused on purpose or through the negligence, violation of legal obligations or failure by the Mandatory or its employees.
- (b) Whenever any of the employees of the Client is busy with work to, or with the supply of material that will be used during the execution of the work by the Mandatory, or otherwise busy with work under the instruction and supervision of the Mandatory, in as far as they may be negligent or fail to do their duty, they will be regarded as employees of the mandatory
- (c) All installations, equipment, hoisting-apparatus and other implements, scaffolding, ladders, material, et cetera that are borrowed from the Client by the Mandatory for usage during the execution of the work, will be used entirely at the risk of the Mandatory or employees of the Mandatory and the Mandatory herewith indemnifies the Client irrevocably and in full against any liability that may arise from such usage.

**20. AMENDMENTS MUST BE IN WRITING**

The parties agree herewith that this safety agreement is the only safety agreement between them and that no amendment thereof will be valid unless it is in writing and signed by both parties.

**20. JURISDICTION AND LEGAL COSTS**

In the event of any legal action being instituted pertaining to this agreement the party in default or breach will be liable for the other party's legal costs on the scale as between attorney and own client and the parties consent to the jurisdiction of the magistrate's court for purpose of any legal action being instituted.

**PARTICULARS OF THE MANDATORY**

Name (Mandatory) \_\_\_\_\_

C.E.O. (Section 16(1)) \_\_\_\_\_

ID NO. : \_\_\_\_\_

Designation: \_\_\_\_\_

Name of Business \_\_\_\_\_

Address of Business : \_\_\_\_\_  
\_\_\_\_\_

Tel number (h) \_\_\_\_\_ (w) \_\_\_\_\_ e-mail \_\_\_\_\_

Number of employees employed \_\_\_\_\_

Registration number as allocated to the Mandatory by the Workman’s Compensation

Commissioner \_\_\_\_\_

Date allocated \_\_\_\_\_

Thus done and signed on this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_

As witnesses:

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Name in print)

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Name in print)

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Name in print)

**THE MANDATORY**

Thus done and signed on this day of \_\_\_\_\_ 20\_\_\_\_\_

As witnesses

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Name in print)

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Name in print)

\_\_\_\_\_ (Signature) \_\_\_\_\_ (Name in print)

**THE CLIENT**

Acknowledgement of receipt of the agreement:

\_\_\_\_\_  
**THE MANDATORY**

**ANNEXURE 2**  
**CONSTRUCTION OCCUPATIONAL HEALTH - SAFETY - ENVIRONMENT**  
**AUDIT SYSTEM**

(Based on the New Construction Regulations)

\* Denotes items applicable to both Construction sites and Contractors Plant/Storage

1. ADMINISTRATIVE & LEGAL REQUIREMENTS

Section/Regulation	Subject	Requirements	Yes/No
Construction. Regulation 3	Notice of carrying out Construction work	Department of Labour notified Copy of Notice available on Site	
General Admin. Regulation 3	*Copy of OH&S Act (Act 85 of 1993)	Updated copy of Act & Regulations on site Readily available for perusal by employees	
COID Act Section 80	*Registration with Compuls. Insurer	Written proof of registration / Letter of good standing available on Site	
Construction. Regulation 4 & 5(1)	OH&S Specification & Plan	OH&S Specification received from Client OH&S plan developed Updated regularly	
Section 8(2)(d) and Construction. Regulation 6	*Hazard Identification & Risk Assessment	Hazard Identification carried out/Recorded Risk Assessment and Plan drawn up/Updated Risk Assessment Plan available on Site Employees/Subcontractors informed/trained	
Section 16(2)	*Assigned duties (Managers)	Responsibility of complying with the OH&S Act assigned to other person/s by CEO.	
Construction. Regulation 5(2)	Designation of Person Responsible on Site	Competent person appointed in writing as Construction Supervisor	
Construction. Regulation 5(5)(a)	Designation of Subordinate Person	Competent person appointed in writing as Sub-ordinate Construction Supervisor	
Section 17 & 18	*Designation of Occupational Health & Safety Representatives	More than 20 employees - one OH&S Representative, one additional OH&S Rep. for each 50 employees or part thereof. Designation in writing, period and area of responsibility specified. Meaningful OH&S Rep. reports. Reports actioned by Management.	
Section 19 & 20	*Occupational Health & Safety Committee/s	OH&S Committee/s established. Members appointed in writing. Meetings held monthly. Minutes kept. Actioned by Management.	
Section 37	*Agreement with Mandatories (Sub-Contractors)	Written agreement with Subcontractors. <b>List of Subcontractors displayed.</b> Proof of Registration with Compensation Insurer/Letter of Good Standing Construction Work Supervisor designated Written arrangements concerning OH&S Reps & OH&S Committee Written arrangements regarding First Aid	

Section/Regulation	Subject	Requirements	Yes/No
Construction. Regulation 7	Fall Prevention & Protection	Competent person appointed to draw up and supervise the Fall Protection Plan Proof of appointee's competence available on Site Risk Assessment carried out for work at heights Fall Protection Plan drawn up/updated Available on Site	
Construction. Regulation 8	Roof work	Competent person appointed to plan & supervise Roof work. Proof of appointee's competence available on Site Risk Assessment carried out Roof work Plan drawn up/updated Roof work inspect before each shift. Inspection register kept Employees medically examined for physical & psychological fitness. Written proof available	
Construction. Regulation 9	Structures	Information re. the structure being erected received from the Designer including: - geo-science technical report where relevant - the design loading of the structure - the methods & sequence of construction - anticipated dangers/hazards/special Measures to construct safely Risk Assessment carried out Method statement drawn up All above available on Site Structures inspected before each shift. Inspections register kept	
Construction. Regulation 10	Formwork & Support work	Competent person appointed in writing to supervise erection, maintenance, use and dismantling of Support & Formwork Design drawings available on site Risk Assessment carried out Support & Formwork inspected: - before use/inspection - before pouring of concrete - weekly whilst in place - before stripping/dismantling. Inspection register kept	
Construction. Regulation 11	Scaffolding	Competent persons appointed in writing to: - erect scaffolding (Scaffold Erector/s) - act as Scaffold Team Leaders - inspect Scaffolding weekly and after inclement weather (Scaffold Inspector/s) Written Proof of Competence of above appointees available on Site Copy of SABS 085 available on Site Risk Assessment carried out Inspected weekly/after bad weather. Inspection register/s kept	

Section/Regulation	Subject	Requirements	Yes/No
Construction. Regulation 12	Suspended Scaffolding	<p>Competent persons appointed in writing to:</p> <ul style="list-style-type: none"> <li>- erect Susp.scaffolding (Scaffold Erector/s)</li> <li>- act as Susp.Scaffold Team Leaders</li> <li>- inspect Susp.Scaffolding weekly and after inclement weather (Scaffold Inspector/s) Risk Assessment conducted</li> </ul> <p>Certificate of Authorization issued by a registered professional engineer available on Site/copy forwarded to the Department of Labour</p> <p>The following inspections of the whole installation carried out by a competent person</p> <ul style="list-style-type: none"> <li>- after erection and before use</li> <li>- daily prior to use. Inspection register kept</li> </ul> <p>The following tests to be conducted by a competent person:</p> <ul style="list-style-type: none"> <li>- load test of whole installation and working parts every 12 months</li> <li>- hoisting ropes/hooks/load attaching devices quarterly. Tests log book kept</li> </ul> <p>Employees working on Susp.Scaffold medically examined for physical &amp; psychological fitness. Written proof available</p>	
Construction. Regulation 13	Excavations	<p>Competent person/s appointed in writing to supervise and inspect excavation work</p> <p>Written Proof of Competence of above appointee/s available on Site</p> <p>Risk Assessment carried out</p> <p>Inspected:</p> <ul style="list-style-type: none"> <li>- before every shift</li> <li>- after any blasting</li> <li>- after an unexpected fall of ground</li> <li>- after any substantial damage to the shoring</li> <li>- after rain. Inspections register kept</li> </ul> <p>Method statement developed where explosives will be/ are used</p>	
Constructions. Regulation 14	Demolition Work	<p>Competent person/s appointed in writing to supervise and control Demolition work</p> <p>Written Proof of Competence of above appointee/s available on Site</p> <p>Risk Assessment carried out</p> <p>Engineering survey and Method Statement available on Site</p> <p>Inspections to prevent premature collapse carried out by competent person before each shift. Inspection register kept</p>	
Construction. Regulation 16	Materials Hoist	<p>Competent person appointed in writing to inspect the Material Hoist</p> <p>Written Proof of Competence of above appointee available on Site.</p> <p>Materials Hoist to be inspected weekly by a competent person. Inspections register kept.</p>	
Construction. Regulation 17	Caissons & Cofferdams	<p><b>Competent person appointed in writing to supervise, control &amp; inspect the construction, installation/dismantling of caissons/coffer dams</b></p>	

Section/Regulation	Subject	Requirements	Yes/No
		Written Proof of Competence of above appointee available on Site Risk Assessment carried out To be inspected daily by a competent person. Inspections register kept	
Construction. Regulation 18	Explosive Powered Tools	Competent person appointed to control the issue of the Explosive Powered Tools & cartridges and the service, maintenance and cleaning. Register kept of above Empty cartridge cases/nails/fixing bolts returns recorded Cleaned daily after use	
Construction. Regulation 19	Batch Plants	Competent person appointed to control the operation of the Batch Plant and the service, maintenance and cleaning. Register kept of above Risk Assessment carried out Batch Plant to be inspected weekly by a competent person. Inspections register kept	
Construction. Regulation 20/ Mine Health & Safety Act (29 of 1996)	Tunnelling	Complying with Mines Health & Safety Act (29 of 1996) Risk Assessment carried out	
Construction. Regulation 21/ Driven Machinery Regulations 18 & 19	Cranes & Lifting Machines Equipment	Competent person appointed in writing to inspect Cranes, Lifting Machines & Equipment Written Proof of Competence of above appointee available on Site. Cranes & Lifting tackle identified/numbered Register kept for Lifting Tackle Log Book kept for each individual Crane Inspection: - All cranes - <b>daily by operator</b> - Tower Crane/s – <b>after erection/6monthly</b> - Other cranes – <b>annually by comp. person</b> - Lifting tackle (slings/ropes/chain slings etc.) - <b>3 monthly</b> Risk Assessment carried out	
Construction. Regulation 22/Electrical Machinery Regulations 9 & 10/Electrical Installation Regulations	*Inspection & Maintenance of Electrical Installation & Equipment (including portable electrical tools)	Competent person appointed in writing to inspect/test the installation and equipment. Written Proof of Competence of above appointee available on Site. Inspections: - Electrical Installation & equipment inspected after installation, after alterations and quarterly. Inspection Registers kept Portable electric tools and -lights and extension leads identified/numbered. Monthly visual inspection by User/Issuer/Storeman. Register kept.	
Construction. Regulation 2 Diving Regulations	Water Environments	Competent person appointed in writing to supervise diving operations and ensure maintenance, statutory inspection and testing by an Approved Inspection Authority of equipment used Written Proof of Competence of above appointee available on Site	

Section/Regulation	Subject	Requirements	Yes/No
		Proof of registration of all divers present on site available Risk Assessment carried out Diving Manual produced. Available on Site Record of Voice Communications kept Diving Operations record kept Each Diver keeps a personal logbook. Entries countersigned by the Diving Supervisor Decompression tables available on Site Records of any Decompression illness kept Certificate of Manufacture of any Compression Chamber or Diving Bell in use available on Site	
Construction. Regulation 30/ General Safety Regulation 8(1)(a)	*Designation of Stacking & Storage Supervisor.	Competent Person/s with specific knowledge and experience designated to supervise all Stacking & Storage Written Proof of Competence of above appointee available on Site	
Construction. Regulation 31/ Environmental Regulation 9	*Designation of a Person to Co-ordinate Emergency Planning And Fire Protection	Person/s with specific knowledge and experience designated to co-ordinate emergency contingency planning and execution and fire prevention measures Emergency Evacuation Plan developed: <ul style="list-style-type: none"> <li>- Drilled/Practiced</li> <li>- Plan &amp; Records of Drills/Practices available on Site</li> </ul> Fire Risk Assessment carried out All Fire Extinguishing Equipment identified and on register. Inspected weekly. Inspection Register kept Serviced annually	
Construction. Regulation 32/ General Safety Regulation 3	*First Aid	Every workplace provided with sufficient number of First Aid boxes. (Required where 5 persons or more are employed) First Aid freely available Equipment as per the list in the OH&S Act. One qualified First Aider appointed for every 50 employees. (Required where more than 10 persons are employed) List of First Aiders and Certificates Name of person/s in charge of First Aid box/es displayed. Location of F/Aid box/es clearly indicated. Signs instructing employees to report all Injuries/illness including first aid injuries	
Construction. Regulation 33/ General Safety Regulation 2	Personal Safety Equipment (PSE)	PSE Risk Assessment carried out Items of PSE prescribed/use enforced Records of Issue kept Undertaking by Employee to use/wear PSE	
Construction. Regulation 34/ General Safety Regulation 9	*Inspection & Use of Welding/Flame Cutting Equipment	Competent Person/s with specific knowledge and experience designated to Inspect Electric Arc, Gas Welding and Flame Cutting Equipment Written Proof of Competence of above appointee available on Site	

Section/Regulation	Subject	Requirements	Yes/No
		Equipment identified/numbered and entered into a register Equipment inspected monthly. Inspection Register kept	
Construction. Regulation 35/ Hazardous Chemical Substances (HCS)	*Control of Storage & Usage of HCS	Competent Person/s with specific knowledge and experience designated to Control the Storage & Usage of <b>HCS</b> Written Proof of Competence of above appointee available on Site Risk Assessment carried out Register of HCS kept/used on Site	
Construction. Regulation 36/Vessels under Pressure Regulations	Vessels under Pressure (VUP)	Competent Person/s with specific knowledge and experience designated to supervise the use, storage, maintenance, statutory inspections & testing of VUP's Written Proof of Competence of above appointee available on Site Risk Assessment carried out Certificates of Manufacture available on Site Register of VUP's on Site Inspections & Testing by Approved Inspection Authority (AIA): <ul style="list-style-type: none"> <li>- after installation/re-erection or repairs</li> <li>- every 36 months.</li> <li>- Register/Log kept of inspections, tests. Modifications &amp; repair</li> </ul>	
Construction. Regulation 37	Construction Vehicles & Earth Moving Equipment	Operators/Drivers appointed to: <ul style="list-style-type: none"> <li>- Carry out a daily inspection prior to use</li> <li>- Drive the vehicle/plant that he/she is competent to operate/drive</li> </ul> Written Proof of Competence of above appointee available on Site Record of Daily inspections kept	
Construction. Regulation 38/ General Safety Regulation 13D	*Inspection of Ladders	Competent person appointed in writing to inspect Ladders Ladders inspected at arrival on site and monthly thereafter. Inspections register kept	
Construction. Regulation 39/ General Safety regulation 13B	Ramps	Competent person appointed in writing to Supervise the erection & inspection of Ramps. Inspection register kept.	

## **ANNEXURE 2**

### **GUIDELINES FOR THE DEVELOPMENT OF A HEALTH & SAFETY PLAN**

#### **1. PROJECT BACKGROUND**

In terms of the Construction Regulations [Regulation 4 (1) (a)] of the Occupational Health and Safety Act, No 85 of 1993, the Client is required to compile an Occupational Health and Safety specification for each of its projects and the Principle Contractor, appointed by the Client in terms of Regulation 4 (1) (c), is required to prepare an Occupational Health and Safety Plan. This plan has to be prepared in terms of Regulation 5 (1) as well as the Client's Occupational Health & Safety Specification. In terms of Regulation 4 (2), the Client and the Principle Contractor are required to agree on the Occupational Health and Safety Plan before any work may commence.

#### **2. FRAMEWORK FOR AN OCCUPATIONAL HEALTH AND SAFETY PLAN**

##### **2.1 INTRODUCTION**

The Principal Contractor has to demonstrate to the Client that he has a suitable and sufficiently documented Occupational Health and Safety Plan as well as the necessary competencies, experience and resources to perform the construction work safely. The Principle Contractor could be required to submit the following documentation for perusal and verification by the Client:

- ***Management Structure***
- ***Quality Plan***
- ***Human Resources Plan***
- ***Registered Workplace Skills Plan***
- ***“Letter of good standing” from the Compensation Commissioner or licensed compensation insurer.***
- ***Proof of induction and other training of employees***
- ***Example copy minutes of previous Occupational Health and Safety Committee meetings and copies of Incident Investigation Reports***

##### **2.2 CONTENTS OF AN OCCUPATIONAL HEALTH AND SAFETY PLAN**

###### **2.2.1 Occupational Health and Safety Management Programme**

- Management of Occupational Health and Safety risks
- Occupational Health and Safety structures and appointments
- Programme of Occupational Health and Safety inspections
- Occupational Health and Safety Representatives
- Occupational Health and Safety committee

###### **2.2.2 Communication and Management of the Work**

- Management structure and responsibilities
- Occupational Health and Safety goals for the project and arrangements for monitoring and review of Occupational Health and Safety performance.
- **Arrangements for:**
  - Regular liaison between parties on site
  - Consultation with the workforce

- The exchange of design information between the Client, engineer, supervisors and contractors on site
- Handling design changes during the project
- Selection and control of contractors
- The exchange of Occupational Health and Safety information between all contractors
- Security
- Site induction and onsite training
- Facilities and first-aid
- The reporting and investigation of accidents and incidents
- The production and approval of risk assessments and method statements
- Site OH&S rules
- Fire and emergency procedures
- Reporting to the Client i.e. results of Occupational Health and Safety inspections, incident
- and incident investigations and committee meetings
- Reporting of incidents to the Department of Labour and Compensation insurer where appropriate

### 2.2.3 Arrangements for controlling significant site risks

**The following are some examples of the arrangements for controlling the most significant site risks:**

- **SAFETY RISKS**
  - Services, including temporary electrical installations
  - Preventing employees from falling into excavations, from trucks etc.
  - Work with, on or near fragile materials
  - Control of lifting operations
  - The maintenance of plant and equipment
  - Poor ground conditions
  - Traffic routes and segregation of vehicles and pedestrians
  - Storage of hazardous materials
  - Dealing with existing unstable structures/land
  - Accommodating adjacent land use
  - Other significant safety risks as and when identified
- **HEALTH RISKS**
  - Storage and use of hazardous chemical substances
  - Dealing with contaminated land or material
  - Manual handling
  - Reducing noise and vibration
  - Provision of adequate lighting
  - Ventilation considerations
  - Extreme heat and cold temperature considerations
  - Dealing with HIV/Aids and other illnesses

- Provision of and maintaining ablution and eating facilities
- **Other significant health risks as and when identified**

#### **2.2.4 Preparation of an Occupational Health and Safety Operational Reference File/Manual**

##### **THE FOLLOWING ARE SOME OF THE REQUIREMENTS TO BE ADDRESSED:**

- Layout, format and content requirements
- Arrangement for the collection and gathering of information
- Storage and archiving of all the information
- Copy to the Client at completion of project

##### **SUGGESTED CONTENTS OF AN OH&S FILE/MANUAL**

- OH&S Policy
- Notice of new project
- Site start-up
- Security measures
- Written designations & appointments
- **Arrangements with contractors/mandatories**
- OH&S rules and procedures
- Induction
- OH&S training
- OH&S promotion
- OH&S representatives
- OH&S committees
- Workplace facilities e.g. ablutions, sheltered eating areas etc.
- Protective equipment
- Workplace inspections and audits
- Investigation & reporting of incidents/accidents
- Mechanical safeguarding
- Electrical safeguarding
- Safeguarding against hazardous substances
- Lifting machinery & equipment
- Construction vehicles & mobile plant
- Welding, heating & flame cutting
- Excavations
- Protection of the environment affected by construction activities
- **Keeping of records in terms of the OH&S Act (85 of 1993)**

### ANNEXURE 3

#### GUIDE TO RISK ASSESSMENT

<b>1.</b>	<b>HOW TO DO</b>	<b>4</b>	4	5	6	7	8	<b>IT?</b>
<b>2.</b>	<b>STEPS TO</b>	<b>5</b>	5	6	7	8	9	<b>EFFECTIVE RISK ASSESSMENT</b>

- Step 1 : Identifying the hazards
- Step 2 : Aim to identify major hazards, don't waste time on the minor & detail
- Step 3 : Involve as many people as possible in the process especially those at risk
- Step 4 : Gather all the information and analyse it
- Step 5 : Look at what actually occurs including non-routine operations
- Step 6 : Use a systematic approach to ensure all hazards are adequately addressed
- Step 7 : Assess the risks arising considering the effectiveness of controls
- Step 8 : Ensure the process is practical and realistic
- Step 9 : Always record the assessment in writing including assumptions and why

#### 3. HOW SERIOUS IS IT?

PROBABILITY	CONSEQUENCES
A Common	1 Fatality or permanent disability
B Has Happened	2 Major injury
C Could Happen	3 Average Lost Time Injury
D Not Likely	4 Minor Injury
E Practically impossible	5 Medical Treatment or less

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# **ANNEXURE B**

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**Pro-forma agreement in terms of Occupational Health and Safety Act**

**PRO-FORMA AGREEMENT IN TERMS OF**

**OCCUPATIONAL HEALTH AND SAFETY ACT 1993 – SECTION 37 (2)**

**NEW CONSTRUCTION SAFETY REGULATIONS**

✓ The above-mentioned regulations were promulgated in the Govt. Gazette on Friday, 18 July 2003 under the Occupational Health & Safety Act (85 of 1993) and are now in force.

✓ The Employer and the Contractor hereby agree, in terms of the provisions of Section 37(2) of the Occupational Health and Safety Act 1993 (Act 85 of 1993, hereinafter referred to as the Act), that the following arrangements and procedures shall apply between them to ensure compliance by the Contractor with the provisions of the Act, namely:

- ✓ (a) The Contractor undertakes to acquaint the appropriate officials and employees of the Contractor with all the relevant provisions of the Act and the regulations promulgated in terms of the Act, and the Employer's Health and Safety Specifications included in the contract documents.
- ✓ (b) The Contractor undertakes that all relevant duties, obligations and prohibitions imposed in terms of the Act and Regulations and the Employer's Health and Safety Specifications included in the contract documents will be complied with in all respects.
- ✓ (c) In relation to any work or activity performed by the Contractor, his workmen or any other person for whose acts or omissions the Contractor is responsible in terms of the Contract, the Contractor hereby accepts sole liability for such due compliance with the relevant duties, obligations and prohibitions imposed by the Act and Regulations and expressly absolves the Employer from itself being obliged to comply with any of the aforesaid duties, obligations and prohibitions.
- ✓ (d) The Contractor agrees that any duly authorised officials of the Employer shall be entitled, although not obliged, to take such steps as may be necessary to ensure that the Contractor has complied with his undertakings as set out more fully in paragraphs (a) and (b) above, which steps may include, but will not be limited to, the right to inspect any appropriate site or premises occupied by the Contractor, or to inspect any appropriate records held by the Contractor.
- ✓ (e) The Contractor shall be obliged to report forthwith in writing to the Representative/Agent full details of any investigation, complaint or criminal charge which may arise as a consequence of the provisions of the Act and Regulations, pursuant to work performed in terms of this Contract.
- ✓ (f) Forward "safety meeting" minutes to the representative/Agent.

✓ For the Employer: \_\_\_\_\_ Date: \_\_\_\_\_

✓ Witnesses: 1) \_\_\_\_\_ 2) \_\_\_\_\_

✓ For the Contractor: \_\_\_\_\_ Date: \_\_\_\_\_

✓ Witnesses: 1) \_\_\_\_\_ 2) \_\_\_\_\_

**CONTRACTOR'S SELF COMPLIANCE CHECK SHEET**

<b>Ref no</b>	<b>Question</b>	<b>ELM'S Requirement</b>	<b>Bidder's Response</b>
		YES *	YES / NO
1	Have you initialed all the pages of the bid document?	YES	
2	Have you completed and signed the Returnable Schedules required?	YES	
3	Have you completed and signed the MBD 4 form - Declaration of Interest?	YES	
5	Have you completed and signed the MBD 8 – Declaration of bidder's past Supply Chain Management Practices and MBD 9 – Certificate of Independent Bid Determination?	YES	
6	Is the Company registered with the Central Supplier Database (CSD) of the National Treasury in terms of the category required in this Specification? Have you submit a copy of your CSD Report?	YES	
7	Have you completed and signed the Bill of Quantities?	N/A	
8	Do you understand the Scope of Work that includes the Standard Specifications / Project Specifications and Particular Specifications?	YES	
9	Is the Company registered with the Construction Industry Development Board (CIDB) in terms of the category required in this Specification? Have you submit a copy of your CIDB Certificate?	N/A	

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

---

  


*Contractor*



*Witness 1*



*Witness 2*



*Employer*



*Witness 1*



*Witness 2*



**EMALAHLENI LOCAL  
MUNICIPALITY**

**SUPPLY CHAIN MANAGEMENT  
POLICY**

**2023/2024**



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## **CHAPTER 1**

### **DEFINITIONS**

In this policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the MFMA has the same meaning as in the MFMA. Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, close corporations and firms, unless the context clearly indicates otherwise. Unless otherwise indicated, all amounts/limits stated in this document shall be deemed to be inclusive of all applicable taxes.

- 1.1**            **“Adjudication points”**: means the points for price and points for B-BBEE contribution referred to in the Preferential Procurement Regulations, 2011 and the Preferential Procurement section of this policy, also referred to as “evaluation points”.
- 1.2**            **“All applicable taxes”**: includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.
- 1.3**            **“Asset”**: means a tangible or intangible resource capable of ownership.
- 1.4**            **“B-BBEE”**: means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.
- 1.5**            **“B-BBEE Status Level of Contributor”**: means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.
- 1.6**            **“Bid”**: means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding processes or proposals.
- 1.7**            **“Bidder”**: means any person submitting a competitive bid or a quotation.
- 1.8**            **“Broad-Based Black Economic Empowerment Act”**: means the Broad-Based Black Economic Empowerment Act, 53 of 2003 and Codes of Good Practice pertaining thereto.
- 1.9**            **“Capital Asset”**: means:
  - 1.9.1**            any immovable asset such as land, property, or buildings; or
  - 1.9.2**            any movable asset that can be used continuously or repeatedly for more than one year in the production or supply of goods or services, for rental to others or for administrative purposes, and from which future benefit can be derived, such as plant, machinery and equipment.
- 1.10**           **“Closing Time”**: means the time and day specified in the bid documents for the receipt of bids.
- 1.11**           **“Comparative Price”**: means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration.
- 1.12**           **“Competitive Bidding Process”**: means a competitive bidding process referred to in Regulation 12 (1) (d) of the Supply Chain Management Regulations.
- 1.13**           **“Competitive Bid”**: means a bid in terms of a competitive bidding process.
- 1.14**           **“Community Based Vendor”**: means a supplier of goods, services and/or construction works who resides in a target area or community, who meets the criteria for community based

vendors as determined by the Director: Supply Chain Management from time to time, and who is registered as such on the municipality's Supplier database.

- 1.15** “**Consortium**”: an association or grouping of institutions, business, or financial organization, usually set up for a common purpose that would be beyond the capabilities of a single member of the group.
- 1.16** “**Construction Industry Development Board (CIDB) Act**”: means the Construction Industry Development Board Act, 38 of 2000 and includes the regulations pertaining thereto.
- 1.17** “**Construction Works**”: means any work in connection with:
- 1.17.1** the erection, maintenance, alteration, renovation, repair, demolition or dismantling of or addition to a building or any similar structure;
- 1.17.2** the installation, erection, dismantling or maintenance of a fixed plant;
- 1.17.3** the construction, maintenance, demolition or dismantling of any bridge, dam, canal, road, railway, sewer or water reticulation system or any similar civil engineering structure; or
- 1.17.4** the moving of earth, clearing of land, the making of an excavation, piling or any similar type of work.
- 1.18** “**Consultant**”: means a person or entity providing services requiring knowledge-based expertise and includes professional service providers.
- 1.19** “**Contract**”: means the agreement, which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier.
- 1.20** “**Contractor**”: means any person or entity whose competitive bid or quotation has been accepted by the municipality.
- 1.21** “**Contract participation goal**”: the value of the participation of a specific target group that a contractor must achieve in the performance of a contract, expressed as a percentage of the bid sum less provisional sums, contingencies and VAT.
- 1.22** “**Day(s)**”: means calendar days unless the context indicates otherwise.
- 1.23** “**Delegated Authority**”: means any person or committee delegated with authority by the municipality in terms of the provisions of the Municipal Finance Management Act.
- 1.24** “**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.
- 1.25** “**Designated group**” means:
- a) Black designated groups;
  - b) Black people;
  - c) Women;
  - d) People with disabilities; : means, in respect of a person, a permanent impairment of a physical, or intellectual or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner or in the range considered normal for a human being ; or

e) Small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996);

- 1.26** **“Evaluation of Bids”**: in respect of bids that exceed R200 000, shall be deemed to take place when the Bid Evaluation Committee meets to make a recommendation to the Bid Adjudication Committee.
- 1.27** **“Evaluation Points”**: also referred to as “Adjudication Points” (see clause 1.1 above).
- 1.28** **“Exempted Capital Asset”**: means a municipal capital asset which is exempted by section 14(6) or 90(6) of the MFMA from the other provisions of that section.
- 1.29** **“Exempted Micro Enterprise (EME)”**: means a bidder with an annual total revenue of R5 million or less (in terms of the Broad-Based Black Economic Empowerment Act).
- 1.30** **“EPWP”** means an Expanded Public Works Programme.
- 1.31** **“Final Award”**: in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept.
- 1.32** **“Firm Price”**: means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract.
- 1.33** **“Formal Written Price Quotation”, “Written Price Quotation”, “Quotation” or “Quote”**: means a written or electronic offer to the municipality in response to an invitation to submit a quotation. Also referred to as “Bids”.
- 1.34** **“Functionality”**: means the measurement according to predetermined norms, as set out in the bid or quotation documents, of a service or commodity that is designed to be practical and useful, working or operating, considering, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder. **“Functionality”** is also referred to as **“Quality”**.
- 1.35** **“Granting of Rights”**: means the granting by the municipality of the right to use, control or manage capital assets in circumstances where sections 14 and 90 of the MFMA and Chapters 2 and 3 of the Municipal Asset Transfer Regulations do not apply. In other words, where the granting of such rights does not amount to “transfer” or “disposal” of the asset and which includes leasing, letting, hiring out, etc., of the capital asset.
- 1.36** **“Green Procurement”**: is defined as taking into account environmental criteria for goods and services to be purchased to ensure that the related environmental impact is minimized.
- 1.37** **“highest acceptable tender” means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders;**
- 1.38** **“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 sub-contractors) 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 port or entry.

- 1.39** “**In the service of the state**”: means:
- 1.39.1** a member of any municipal council, any provincial legislature or the National Assembly or the National Council of Provinces;
- 1.39.2** an official of any municipality or municipal entity;
- 1.39.3** 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, 1 of 1999;
- 1.39.4** a member of the board of directors of any municipal entity;
- 1.39.5** a member of the accounting authority of any national or provincial public entity; or
- 1.39.6** an employee of Parliament or a provincial legislature.
- 1.40** “**Joint Venture or Consortium**”: means an association of persons formed for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract or contracts. The Joint Venture must be formalized by agreement between the parties.
- 1.41** “**Local Content**”: means that portion of the bid price, which is not included in the imported content, provided that local manufacture does take place.
- 1.42** “**Learner Contractor**”: an entity established by the ELM and enrolled within its Expanded Public Works Programme (EPWP)
- 1.43** “**Long term Contract**”: means a contract with a duration period exceeding one year.
- 1.44** “**lowest acceptable tender**” means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders”
- 1.45** “**Municipality**”: means the municipality of the Nkangala District or any person(s) or committee delegated with the authority to act on its behalf.
- 1.46** “**Municipal Manager**”: means the Accounting Officer as defined in the Municipal Finance Management Act.
- 1.47** “**Municipal Asset Transfer Regulations**”: means the Municipal Asset Transfer Regulations published in Government Gazette 31346 of 22 August 2008.
- 1.48** “**Municipal Entity**”: means an entity as defined in the Systems Act.
- 1.49** “**Municipal Finance Management Act**” (**MFMA**): means the Local Government: Municipal Finance Management Act, 56 of 2003.
- 1.50** “**Non-compliant Contributor**”: means a person who does not meet the minimum score to qualify as a status level 8 B-BBEE Contributor, or a person who is not verified in terms of the required Sector Charter.
- 1.51** “**Non-exempted Capital Asset**”: means a municipal capital asset which is not exempted by section 14(6) or 90(6) of the MFMA, from the other provisions of that section.
- 1.52** “**Non-firm Prices**”: means all prices other than “firm” prices.
- 1.53** “**Person**”: includes a natural or legal entity.
- 1.54** “**Policy**”: means this Supply Chain Management Policy as amended from time to time.
- 1.55** “**Preference points**”: mean the points for preference referred to in this Policy.
- 1.56** “**Preferential Procurement Policy Framework Act**” (**PPPFA**): means the Preferential Procurement Policy Framework Act, 5 of 2000.

- 1.57** “**Preferential Procurement Regulations**” (**PPR**): means the regulations pertaining to the PPPFA.
- 1.58** “**price**” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- 1.59** “**Prime Contractor**”: shall have the same meaning as “Contractor”.
- 1.60** “**Promotion of Administrative Justice Act**”: means the Promotion of Administrative Justice Act, 3 of 2000.
- 1.61** “**Quality**”: also referred to as “Functionality” (see clause 1.34 above).
- 1.62** “**Rand Value**”: means the total estimated value of a contract in Rand, calculated at the time of tender invitation.
- 1.63** “**Republic**”: means the Republic of South Africa.
- 1.64** “**Responsible Agent**”: means either an internal project manager (being an employee of the municipality) or an external consultant (appointed by the municipality), as the case may be, who is responsible for the implementation of a project or part thereof.
- 1.65** “**SARS**”: means the South African Revenue Services.
- 1.66** “**SITA**”: means the State Information Technology Agency.
- 1.67** “**specific goals**” means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and development Programme as published in Government Gazette No. 16085 dated 23 November 1994;
- 1.68** “**Stipulated Minimum Threshold**”: means that portion of local production and content as determined by the Department of Trade and Industry.
- 1.69** “**Sub-contract**”: means the prime contractor’s assigning, leasing, making out work to, or employing, another person to support such prime contractor in the execution of part of a project in terms of the contract.
- 1.70** “**Sub-contractor**”: means any person that is assigned, leased, employed or contracted by the prime contractor to carry out work in support of the prime contractor in the execution of a contract.
- 1.71** “**Supplier/Vendor**”: are generic terms which may include suppliers of goods and services, contractors and/or consultants.
- 1.72** “**Supplier Database**”: means the list of accredited prospective providers which a municipality or municipal entity must keep in terms of Regulation 14 of the Supply Chain Management Regulations.
- 1.73** “**Supply Chain Management (SCM) Regulations**”: means the Municipal Supply Chain Management Regulations published in terms of the Municipal Finance Management Act.
- 1.74** “**Systems Act**”: means the Local Government: Municipal Systems Act, 32 of 2000.
- 1.75** “**Targeted Labour**”: means those individuals employed by a contractor, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the defined target area.

- 1.76**        **“Targeted Enterprises”**: means those enterprises (suppliers, manufacturers, service providers or construction works contractors) that own, operate or maintain premises within the target area defined in the contract, for the purposes of carrying out their normal business operations.
- 1.77**        **“Tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- 1.78**        **“Tenderer”**: means “bid/bidder”.
- 1.79**        **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contract, excluding direct and disposal of assets through public auctions.
- 1.80**        **“Term Bid”**: means a rates-based bid for the supply of goods, services or construction works, which are of an ad-hoc or repetitive nature where the individual rates are approved for use over a predetermined period.
- 1.81**        **“Total Revenue”**: bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the Government Gazette on 9 February 2007.
- 1.82**        **“Transaction Value”**: means the actual contract value (the bid sum or price) in South African currency, inclusive of all applicable taxes in respect of the goods, services or construction works that are contracted for.
- 1.83**        **“Treasury Guidelines”**: means any guidelines on supply chain management issued by the Minister in terms of section 168 of the MFMA;
- 1.84**        **“Trust”**: means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 1.85**        **“Unsolicited Bid”**: means an offer submitted by any person at its own initiative without having been invited by the municipality to do so.
- 1.86**        **Youth**” any persons between the ages of 14 and 35 years. ( it embraces varied categories of the youth, which have been exposed to different socio-political and historical experiences) .

## **CHAPTER 2**

### **ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

#### **2. SUPPLY CHAIN MANAGEMENT POLICY**

- 2.1** The principles of the supply chain management policy are that it
- 2.1.1** gives effect to –
- 2.1.1.1** section 217 of the Constitution; and
- 2.1.1.2** Part 1 of Chapter 11 and other applicable provisions of the MFMA;
- 2.1.2** is fair, equitable, transparent, competitive and cost effective;
- 2.1.3** complies with –
- 2.1.3.1** the regulatory framework prescribed in Chapter 2 of the Regulations; and
- 2.1.3.2** any minimum norms and standards that may be prescribed in terms of section 168 of the MFMA;
- 2.1.4** is consistent with other applicable legislation including;
- 2.1.4.1** the Preferential Procurement Policy Framework Act
- 2.1.4.2** the Broad-Based Black Economic Empowerment Act;
- 2.1.4.3** the Construction Industry Development Board Act;
- 2.1.4.4** the Local Government: Municipal Systems Act; and
- 2.1.4.5** the Promotion of Administrative Justice Act
- 2.1.5** does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
- 2.1.6** is consistent with national economic policy concerning the promotion of investments and doing business with the public sector
- 2.2** The provisions of the supply chain management policy must be followed when –
- 2.2.1** procuring goods or services and construction works and consultant services;
- 2.2.2** disposing of goods no longer needed;
- 2.2.3** selecting contractors to provide assistance in the provision of municipal services, otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- 2.2.4** selecting external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- 2.3** Unless specifically stated otherwise this Policy does not apply if the Municipality contracts with another organ of state for:
- 2.3.1** the provision of goods or services to the Municipality;
- 2.3.2** the provision of a municipal service; or
- 2.3.3** the procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement. A report shall nevertheless be submitted to the Bid Adjudication Committee seeking authority to contract with another organ of state.

### **3 ELEMENTS OF THE SUPPLY CHAIN MANAGEMENT POLICY**

- 3.1** The accounting officer must –
  - 3.1.1** at least annually review the implementation of this policy; and
  - 3.1.2** when the accounting officer considers it necessary, submit proposals for the amendment of this policy to the council.
- 3.2** If the accounting officer submits a draft policy to the council that differs from the model policy, the accounting officer must ensure that such draft policy complies with the Regulations. The accounting officer must report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- 3.3** When amending this supply chain management policy, the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses, must be taken into account.
- 3.4** The accounting officer of the municipality must take all reasonable steps to ensure that this supply chain management policy is implemented.

### **4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES**

- 4.1** The powers and duties to be performed in respect of the implementation of supply chain management are delegated to the accounting officer –
  - 4.1.1** to discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the MFMA; and the supply chain management policy;
  - 4.1.2** to maximise administrative and operational efficiency in the implementation of the supply chain management policy;
  - 4.1.3** to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism, and unfair and irregular practices in the implementation of the supply chain management policy; and
  - 4.1.4** to comply with the accounting officer’s responsibilities in terms of section 115 and other applicable provisions of the MFMA.
- 4.2** The accounting officer may not delegate or sub-delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality.
- 4.3** The Accounting Officer shall ensure that all persons involved in the implementation of this Policy meet the prescribed competency levels, and where necessary, shall provide relevant training.

### **5 SUB-DELEGATIONS**

- 5.1** The accounting officer may, in terms of section 79 of the MFMA, sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this policy, but any such sub- delegation must be consistent with paragraph 4 and sub-paragraph 5.2 of this policy.
- 5.2** The power to make a final award –

- 5.2.1** above **R10 000 000.00 [Ten Million Rand]** (VAT included) may not be sub-delegated by the accounting officer;
- 5.2.2** above **R2 000 000.00 [Two Million Rand]** (VAT included), but not exceeding **R10 000 000.00 [Ten Million Rand]** (VAT included), may be sub-delegated but only to -
  - 5.2.2.1** the chief financial officer;
  - 5.2.2.2** a senior manager; or
  - 5.2.2.3** a bid adjudication committee of which the chief financial officer or a senior manager is a member;
- 5.2.3** not exceeding **R2 000 000.00 [Two Million Rand]** (VAT included) may be sub delegated but only to –
  - 5.2.3.1** the chief financial officer;
  - 5.2.3.2** a senior manager;
  - 5.2.3.3** a manager directly accountable to the chief financial officer or a senior manager; or
  - 5.2.3.4** a bid adjudication committee.
- 5.3** An official or bid adjudication committee to which the power to make final awards has been sub-delegated, must within 10 working days of the end of each month submit to the accounting officer a written report containing particulars of each final award made by such official or committee during that month, including –
  - 5.3.1** the amount of the award;
  - 5.3.2** the name of the person to whom the award was made; and
  - 5.3.3** the reason why the award was made to that person.
- 5.4** This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 32 of this policy.
- 5.5** No supply chain management decision-making powers may be delegated to an advisor or consultant.
- 5.6** The accounting officer may not delegate or sub-delegate the authority to enter into negotiations in terms of paragraph 40 of this policy.

## **6 OVERSIGHT ROLES OF COUNCIL**

- 6.1** The council retains the right to oversee the implementation of this supply chain management policy.
  - 6.1.1** Section 117 of the Municipal Finance Management Act prohibits a Municipality Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or bids, nor may a Municipality Councillor attend any such meeting as an observer.
  - 6.1.2** The Executive Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality and must monitor and oversee the exercise of responsibilities assigned to the Municipality Manager and chief financial officer in terms of the Municipal Finance Management Act.
- 6.2** For the purposes of such oversight the accounting officer must –
  - 6.2.1** within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy of the municipality to the council of the municipality: or

**6.2.2** whenever there are serious and material problems in the implementation of the supply chain management policy, immediately submit a report to the council.

**6.3** The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the executive mayor.

**6.4** The reports must be made public in accordance with section 21A of the Municipal Systems Act.

**7. SUPPLY CHAIN MANAGEMENT UNIT**

**7.1** A supply chain management unit was established to implement this supply chain management policy.

**7.2** The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the MFMA

**CHAPTER 3  
FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT**

**8. FORMAT OF SUPPLY CHAIN MANAGEMENT**

This supply chain management policy provides systems for –

**8.1** demand management;

**8.2** acquisition management;

**8.3** logistics management;

**8.4** disposal management; and

**8.5** performance management.

**PART 1: DEMAND MANAGEMENT**

**9. SYSTEM OF DEMAND MANAGEMENT**

**9.1** To ensure that the resources required to support the strategic and operational commitments are delivered at the correct time, at the right price and at the right location and that the quantity and quality satisfy needs, the system of demand management includes the following:

**9.2** Acquisition and disposal of all goods required to meet the strategic goals outlined in the Integrated Development Plan must be quantified, budgeted, and planned to ensure timely and effective delivery, appropriate quality at a fair cost to meet the needs of the municipality and community.

**9.2.1** The Municipality's Integrated Development Plan (IDP) is a comprehensive strategy document setting out how the Municipality intends to tackle its development challenges in a financial year. It is based on the IDP that the resources of the municipality will be allocated and on which the budget is based.

**9.2.2** Critical delivery dates must be determined and adhered to as set out in the service delivery and budget implementation plan contemplated in section 69(3)(a) of the MFMA.

**9.3** If the requirement is of a repetitive nature and there are benefits of economies of scale, a contract for a specific commodity should be arranged.

- 9.4** In order to compile the correct specifications industry analysis / research must be regularly undertaken to ensure future needs and technology benefits are maximised.
- 9.5** In order to achieve effective demand management, **the Assistant Manager Demand:** Supply Chain Management shall continuously ensure:
- 9.5.1** That efficient and effective provisioning and procurement systems and practices are implemented to enable the Municipality to deliver the required quantity and quality of services to the communities.
- 9.5.2** The establishment of uniformity in policies, procedures, documents and contract options and the implementation of sound systems of control and accountability.
- 9.5.3** The development of a world-class professional supply chain management system which results in continuing improvement in affordability and value for money, based on total cost of ownership and quality of procurement as competition amongst suppliers is enhanced.
- 9.5.4** In dealing with suppliers and potential suppliers that the Municipality shall respond promptly, courteously, and efficiently to enquiries, suggestions and complaints.
- 9.6** Major Activities
- 9.6.1** Demand management lies at the beginning of the supply chain and the major activities associated with identifying demand are:
- 9.6.1.1** establishing requirements;
- 9.6.1.2** determining needs; and
- 9.6.1.3** deciding on appropriate procurement strategies.
- 9.6.2** Demand management accordingly shall involve the following activities:
- 9.6.2.1** understanding the future needs;
- 9.6.2.2** identifying critical delivery dates;
- 9.6.2.3** identifying the frequency of the need;
- 9.6.2.4** linking the requirements to the budget;
- 9.6.2.5** conducting expenditure analyses based on past expenditure;
- 9.6.2.6** determining requirements;
- 9.6.2.7** conducting commodity analyses in order to check for alternatives; and
- 9.6.2.8** conducting industry analyses.

## **PART 2: ACQUISITION MANAGEMENT**

- 10. SYSTEM OF ACQUISITION MANAGEMENT**
- 10.1** Through operational procedures, an effective system of acquisition management is to be established to ensure: -
- 10.1.1** that goods and services are procured in accordance with authorised processes only;
- 10.1.2** that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the MFMA;
- 10.1.3** that the threshold values for the different procurement processes are complied with;
- 10.1.4** that bid documentation, evaluation and adjudication criteria as well as general conditions of contract, are in accordance with any applicable legislation;

## **10.2 APPLICATION**

**10.2.1** This acquisition management system contains the general conditions and procedures which are applicable, as amended from time to time, to all procurement, contracts, and orders for the Municipality.

## **10.3 SUPPLIER DATABASE**

**10.3** The Accounting Officer shall ensure that the Municipality's suppliers are registered on Central Suppliers Database, through newspapers commonly circulating locally, the website of the Municipality, and any other appropriate ways, invite prospective suppliers of goods and services, and any new commodities or types of services, construction works and consultant services to apply for listing as an accredited prospective supplier.

**10.4** The Accounting Officer shall disallow any prospective supplier to do business with the Municipality if they do not comply with the accreditation requirements based on standards, set by any relevant control bodies that govern or regulate the category of service or industry.

**10.5** The Accounting Officer shall disallow the listing of any prospective supplier whose name appears on the National Treasury's List of Restricted Suppliers and/or Register for Tender Defaulters and who is therefore prohibited from doing business with the public sector.

**10.6** For s (up to and including **R200 000.00 [Two Hundred Thousand Rand]**) bidders are required to be registered on the Central Supplier Database (CSD) prior to the acceptance of their quotation (the issue of an official order) in respect of the goods or services required. Procurements above **R200 000.00 [Two Hundred Thousand Rand]** go through a competitive bidding process

**10.7** Where bids exceed **R200 000.00 [Two Hundred Thousand]**, bidders who are not registered on the Central Suppliers Database are not precluded from submitting bids but must however be registered prior to the awarding of the tender.

**10.8** All parties to a Joint Venture or Consortium must individually comply with the requirements of clauses 10.4 and 10.5 above.

## **11. RANGE OF PROCUREMENT PROCESSES**

**11.1** The procurement of goods and services through this policy is executed by way of –

**11.1.1** petty cash purchases, up to a transaction value of **R2 000.00 [Two Thousand Rand]** (VAT included);

**11.1.2** written quotations by the proposed supplier for procurement of a transaction value over **R2 000.00 [Two Thousand Rand]** but less than **R30 000.00 [Thirty Thousand Rand]** (VAT included);

**11.1.3** formal written price quotations for procurement of a transaction value over **R30 001** (VAT included) but less than **R200 000.00 [Two Hundred Thousand Rand]** (VAT included); and

**11.1.4** a competitive bidding process for–

**11.1.4.1** procurement above a transaction value of **R200 000.00 [Two Hundred Thousand Rand]** (VAT included);

- 11.1.4.2 the procurement of long term contracts;
- 11.1.4.3 allocation of projects to leaner contractors on the EPWP programme;
- 11.1.4.4 allocation of projects through the cooperatives policy
- 11.2 The accounting officer may, in writing: -
  - 11.2.1 lower, but not increase, the different threshold values specified in sub-paragraph 11.1; or
  - 11.2.2 direct that –
    - 11.2.2.1 written, or formal written price quotations be obtained for any specific procurement of a transaction value lower than **R2 000.00 [Two Thousand Rand]** (VAT included);
    - 11.2.2.2 formal written price quotations be obtained for any specific procurement of a transaction value lower than **R30 000.00 [Thirty Thousand Rand]** (VAT included); or
    - 11.2.2.3 a competitive bidding process be followed for any specific procurement of a transaction value lower than **R200 000.00 [Two Hundred Thousand Rand]** (VAT included).
- 11.3 Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

**12 GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS, FORMAL WRITTEN PRICE QUOTATIONS OR BIDS**

- 12.1 A written quotation, formal written price quotation or bid may not be considered unless the provider who submitted the quotation or bid –
  - 12.1.1 has furnished that provider's –
    - 12.1.1.1 full name;
    - 12.1.1.2 identification number or company or other registration number;
    - 12.1.1.3 tax reference number and VAT registration number, if any; and
    - 12.1.1.4 tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
  - 12.2.1 has indicated-
    - 12.2.1.1 whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
    - 12.2.1.2 if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
    - 12.2.1.3 whether a spouse, life partner, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to is in the service of the state or has been in the service of the state in the previous twelve months.

### **13. PREFERENTIAL PROCUREMENT AIM**

**13.1** The aim of this section of the Municipality's Supply Chain Management Policy is to give effect to, and to ensure compliance with, all applicable legislation and national directives in respect of preferential procurement and broad-based black economic empowerment.

**13.1.2** The following procurement strategies are addressed in this section:

**13.1.2.1** the application of a preference point system in terms of the revised Preferential Procurement Regulations (PPR), 2022.

**13.1.2.2** the unbundling of large projects, where appropriate, into smaller contracts to ensure that a spread of opportunities is made available to suppliers, service providers and construction contractors of various sizes.

**13.1.2.3** the use of functionality/quality, where appropriate, in procurement processes to ensure that goods supplied are fit for purpose, or that a minimum level of experience and competence in respect of service providers or construction contractors is attained.

**13.1.2.4** the increase of employment opportunities by ensuring the use of labour-intensive technologies.

**13.1.2.5** the targeting of labour and/or enterprises from specific areas within the boundaries of the Nkangala Municipal area.

**13.1.3** Preferential procurement is further enhanced by provisions aimed at improved access to information, simplification of documentation; deduct performance from payment invoices, reduced payment cycles and good governance.

### **13.2 KEY PRINCIPLES OF THE PREFERENTIAL PROCUREMENT SYSTEM**

**13.2.1** The key principles of this system are:

**13.2.2.** Identification of preference point system;

**13.2.2.1** The application of 80/20 preference point system for acquisition of goods or services with Rand value equal to or below **R50 million**;

**13.2.2.2** The application of 90/10 preference point system for acquisition of goods or services with Rand value **above R50 million**;

**13.2.2.3** The application of 80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or **below R50 million**;

**13.2.2.4** The application of 90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value **above R50 million**;

**13.2.3** That bids may be declared non-responsive if they fail to achieve a minimum score for functionality (quality), if indicated in the bid documents.

**13.2.4** The preference point system shall be used in the evaluation of responsive bids for the purposes of determining preferred/recommended bidders, and for the adjudication thereof.

**13.2.5** The preference point system is not applicable to petty cash purchases.

**13.3 PLANNING AND IDENTIFICATION OF PREFERENCE POINT SYSTEM**

- 13.3.1** Prior to embarking on any procurement process, the responsible Department must properly plan for, and, as far as possible, accurately estimate the cost of the goods, services or construction works for which bids are to be invited.
- 13.3.2** The Bid Specifications Committee shall determine the appropriate preference point system to be used in the evaluation and adjudication of bids and shall ensure that such is clearly stipulated in the bid documentation as contemplated in section 2 of the Preferential Procurement Policy Framework Act (PPPFA), 2000 including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.
- 13.3.3** An organ of state must, in the tender documents, stipulate—
  - 13.3.3.1** the applicable preference point system as envisaged in Preferential Procurement Regulations (PPR) 2022, section 4, 5, 6 or 7;
  - 13.3.3.2** The specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.
  - 13.3.3.3** If it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
    - 13.3.3.4** an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
    - 13.3.3.5** any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.
- 13.3.4** That the bid specifications and the advert must be approved by the Accounting Officer or his/her delegate before it can be advertised.

**13.4 EVALUATION OF BIDS BASED ON FUNCTIONALITY (QUALITY)**

- 13.4.1** Functionality (otherwise known as quality) may be included in the bid evaluation process as a qualifying (eligibility) criterion.
- 13.4.2** If a bid is to be evaluated on functionality, this must be clearly stated in the invitation to submit a bid, and in the bid documentation.
- 13.4.3** The evaluation criteria for measuring functionality must be objective. When evaluating bids on functionality the:
  - 13.4.3.1** evaluation criteria for measuring functionality;
  - 13.4.3.2** weight of each criterion;
  - 13.4.3.3** applicable values; and
  - 13.4.3.4** minimum qualifying score for functionality, must be clearly stipulated in the bid document.

**13.5 CLOSED BIDDING MAY BE CONSIDERED FOR CONTRACT MANAGEMENT FOR SPECIALIZED PROJECTS**

**13.5.1** If a bid fails to achieve the minimum qualifying score for compliance or functionality requirements as indicated in the bid document, it must be regarded as non-responsive, and be rejected (not considered any further in the evaluation process).

**13.5.2** Bids that have achieved the minimum score for functionality, and passed any other responsiveness tests, must be evaluated further in terms of the preference point system prescribed below.

**13.5.2.1** The municipality is allowed to request documents from bidders for completeness of compliance purposes which may not provide an added advantage/ standing above other bidders.

**13.6 EVALUATION OF BIDS BASED ON THE PREFERENTIAL POINTS SYSTEM**

**13.6.1** The municipality must, in the tender documents, stipulate -

**13.6.1.1** The applicable preference point system applicable to the tender as envisaged in Preferential Procurement Regulations (PPR) 2022, section 4, 5, 6 or 7;

**13.6.1.2** the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

**13.6.2** If it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

**13.6.2.1** an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

**13.6.2.2** any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

**13.7 THE APPLICATION OF 80/20 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES WITH RAND VALUE EQUAL TO OR BELOW R50 MILLION**

**13.7.1** The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = \frac{80(1 - \frac{PT - Pmin}{Pmin})}{Pmin}$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

**13.7.2** A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender in the tender document as follows:

**13.7.2.1** *For 100% black person or people owned or people owned enterprise: 5 Points.*  
*For at least 30% woman or women shareholding or owned entries: 5 Points.*  
*For at least 30% youth shareholding or owned enterprise: 2.5 Points.*  
*For at least 30% people living with disability shareholding or owned enterprise: 2.5 Points.*  
*A total of 5 preference points shall be allocated on a proportional or pro rata basis for implementing of programmes for RDP – for enterprise regarded as EME located within the local area of eMalahleni jurisdiction: 5 Points.*

**13.7.3** The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

**13.7.4** Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act (PPPFA), 2000 the contract must be awarded to the tenderer scoring the highest points.

**13.8 THE APPLICATION OF 90/10 PREFERENCE POINT SYSTEM FOR ACQUISITION OF GOODS OR SERVICES WITH RAND VALUE ABOVE R50 MILLION**

**13.8.1** The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = \frac{90(1 - \frac{PT - Pmin}{Pmin})}{Pmin}$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

**13.8.2** A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender in the tender document as follows:

**13.8.2.1** *For 100% black person or people owned or people owned enterprise: 2 Points.*  
*For at least 30% woman or women shareholding or owned entries: 2 Points.*  
*For at least 30% youth shareholding or owned enterprise: 2 Points.*  
*For at least 30% people living with disability shareholding or owned enterprise: 2 Points.*  
*A total of 5 preference points shall be allocated on a proportional or pro rata basis for implementing of programmes for RDP – for enterprise regarded as EME located within the local area of eMalahleni jurisdiction: 2 Points.*

**13.8.3** The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

**13.8.4** Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act (PPPFA), 2000 the contract must be awarded to the tenderer scoring the highest points.

**13.9 THE APPLICATION OF 80/20 PREFERENCE POINTS SYSTEM FOR TENDERS FOR INCOME-GENERATING CONTRACTS WITH RAND VALUE EQUAL TO OR BELOW R50 MILLION**

**13.9.1** The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = \frac{(80 (1 + \frac{PT - Pmax}{Pmax}))}{Pmax}$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

**13.9.2** A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender in the tender document as follows:

**13.9.2.1**

Race 30%

Gender 30%

Disability 30%

RDP 10%

**13.9.3** The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

**13.9.4** Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act (PPPFA), 2000 the contract must be awarded to the tenderer scoring the highest points.

**13.10 THE APPLICATION OF 90/10 PREFERENCE POINT SYSTEM FOR TENDERS FOR INCOME-GENERATING CONTRACTS WITH RAND VALUE ABOVE R50 MILLION**

**13.10.1** The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = \frac{(90(1 + \frac{PT - Pmax}{Pmax}))}{Pmax}$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

**13.10.2** A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender in the tender document as follows:

**13.10.2.1**

Race 30%

Gender 30%

Disability 30%

RDP (Youth) 10%

- 13.10.3** The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 13.10.4** Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act (PPPFA), 2000 the contract must be awarded to the tenderer scoring the highest points.
- 13.11** **CRITERIA FOR BREAKING OF DEADLOCK IN SCORING**
- 13.11.1** If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
- 13.11.2** If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.
- 13.12** **REMEDIES**
- 13.12.1** If an organ of state is of the view that a tenderer submitted false information regarding a specific goal, it must—
- 13.12.1.1** inform the tenderer accordingly; and
- 13.12.1.2** give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.
- 13.12.2** After considering the representations referred to in sub- regulation 13.13.1.2, the organ of state may, if it concludes that such information is false—
- 13.12.2.1** disqualify the tenderer or terminate the contract in whole or in part; and
- 13.12.2.2** if applicable, claim damages from the tenderer.
- 13.13** **SUBCONTRACTING**
- 13.13.1** If feasible to subcontract for a contract above R30 Million, an organ of state must apply subcontracting to advance designated groups;
- 13.13.2** If the municipality applies subcontracting as contemplated in sub-regulation 13.13.1, the municipality must advertise the tender with a specific tendering condition that the successful bidder must subcontract a minimum of 30% of the value of the contract to an **Exempted Micro Enterprises (EME)** or **Qualifying Small Enterprise (QSE)** with at least 51% owned by black people, youth, women, people with disabilities, people living in under-developed areas of townships.
- 13.14** **CONDITIONS RELATING TO THE GRANTING OF PREFERENCES**
- 13.14.1** Bidders must, in the manner stipulated in the bid documentation, declare that:
- 13.14.1.1** the information provided is true and correct;
- 13.14.1.2** the signatory to the bid document is duly authorised; and
- 13.14.1.3** documentary proof regarding any bidding issue will, when required, be submitted to the satisfaction of the Municipality.
- 13.14.2** Only bidders who have completed and signed the necessary declarations may be considered.

**13.14.3** The Bid Evaluation Committee must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.

**13.14.4** A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is affected.

**13.15 CODES OF GOOD PRACTICE**

**13.15.1** If a service is required that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a service provider/contractor must be done by means of a competitive bidding process.

**13.16 OTHER SPECIFIC GOALS UNBUNDLING STRATEGIES**

**13.16.1** In order to encourage increased participation and the sustainable growth of the small business sector, the unbundling of larger projects into smaller, more manageable, contracts is encouraged.

**13.16.2** Unbundling must however be considered in the context of:

**13.16.2.1** economies of scale being lost;

**13.16.2.2** abortive work becoming necessary;

**13.16.2.3** additional demands (not only financial) being placed on the Municipality's resources; and

**13.16.2.4** the risk of later phases not being completed as a result of budget cuts becoming necessary in the future.

**13.16.3** Unbundling, and all its associated implications, must therefore be carefully considered at the planning stage of any project and the budgets for, and design thereof, should be structure accordingly.

**13.16.4** It is important to note that while it is the Municipality's policy to procure goods, services or construction works in the smallest practicable quantities, the practice of parcelling such procurement to avoid complying with the requirements of the different range of procurement processes described in this policy is not permitted

**13.17 INCREASING EMPLOYMENT OPPORTUNITIES**

**13.17.1** One of the Municipality's key socio-economic objectives is to facilitate the creation of employment for the people of Emalahleni Local Municipality.

**13.17.2** Increasing employment opportunities through procurement may be achieved by specifying labour intensive technologies and/or methods of construction in the bid documents.

**13.17.3** It is up to Responsible Department to thoroughly investigate the options available in the above regard, to evaluate the positive versus negative impact of any proposals, and to specify labour intensive technologies and/or methods where appropriate.

**13.17.4** All labour earning less than a threshold wage, determined in accordance with department of labour ministerial determination, which is employed for the provision of services or construction works for the Municipality, shall be reported in the prescribed format, on a monthly basis, to the Corporate EPWP Unit.

**13.18 TARGETED LABOUR AND/OR TARGETED ENTERPRISES**

- 13.18.1** The targeting of labour and/or enterprises from specific areas within the boundaries of Emalahleni Local Municipal area may be achieved, where appropriate, by specifying in the bid documents, a minimum level of participation (a contract participation goal) that must be achieved in respect of targeted labour and/or targeted enterprises in the performance of the contract. The allocation of targeted enterprises will be as follows: 30% women, 30% youth, 30% disability and 10% others.
- 13.18.2** Specified contract participation goals must be measurable and achievable, and the performance in respect of which must be monitored by the Responsible Agents during the execution of the contract.
- 13.18.3** Where a minimum contract participation goal has been specified in respect of targeted labour and/or enterprises, the contractor is obliged to meet that goal, and must be penalised if he or she does not.
- 13.18.4** Contract participation goals in respect of targeted labour and/or enterprises may not be introduced into the preference point system used for the evaluation of bids

**13.19 CALCULATION OF PENALTIES**

- 13.19.1** Penalties for failure to comply with specific terms and conditions of the contract must be clearly stipulated in the bid/contract document and must be applied should the terms or conditions not be met.
- 13.19.2** The penalty to be applied for sub-contracting more than 25% of the value of a contract to enterprises that do not qualify for at least the preference points that the prime contractor qualified for (unless the sub-contractors are Exempted Micro Enterprises) shall be as provided for in any prescribed standard contract documentation, failing which the following formula shall be stipulated:  
Penalty = 0.5 x E (%) x P\* Where:  
E = The value of work (excluding VAT), executed by sub-contractors that do not qualify for at least the preference points that the prime contractor qualified for, expressed as a percentage of P\*, less 25%  
P\* = Accepted bid sum less provisional sums, contingencies and VAT.  
The penalty to be applied for non-compliance with a specified contract participation goal, is as follows: Penalty = (CPG – CPG ) x P\* s a  
Where:  
CPG = The minimum Contract Participation Goals specified (expressed as a percentage). CPG<sup>a</sup> = The Contract Participation Goal achieved (expressed as a percentage).  
P\* = Accepted bid sum less provisional sums, contingencies and VAT. Documentation
- 13.19.3** Within the context of preferential procurement, one of the strategies to encourage and assist entry into Local Government procurement by emerging businesses is to simplify and/or standardise bid/contract documentation wherever possible.

**13.19.4** To this end, the Municipality will prepare a suite of standard documentation and, where appropriate, simplified bid/contract documents for use in the Municipality's procurement process as and where applicable.

**13.19.5** Where standard bid/contract documentation is prescribed in terms of legislation (the CIDB Standard for Uniformity, for example) such standard documentation must be used for the procurement of goods, services and/or construction works, as applicable.

#### **14. REMEDIES ACTION IN RESPECT OF FRAUD OR NON-PERFORMANCE**

**14.1** The Accounting Officer must upon detecting that the specified goals have been claimed on or obtained on a fraudulent basis, or that any of the conditions of the contract have not been fulfilled, act against the bidder or person awarded the contract.

**14.2** The Accounting Officer may, in addition to any other remedy that he may have against the bidder or person awarded the contract:

**14.2.1** cancel the contract and claim any damages which the Municipality has

**14.2.2** disqualify the person from the bidding process;

**14.2.3** recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct; suffered as a result of having to make less favourable arrangements due to such cancellation; Expanded Public Works Programme;

**14.2.4** restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis and or non-performance, from obtaining business from the Municipality for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and

**14.2.5** forward the matter for criminal prosecution.

#### **15. GUARANTEES FOR DUE PERFORMANCE MAIN CONTRACTORS MUST ENSURE INSURANCE**

**15.1** Performance guarantees for the procurement of goods and services (including consultant services) will not generally be called for, but in exceptional circumstances, where required, will be in accordance with the limits set for construction works below.

**15.2** Main contractors must ensure that when performance guarantee is required, such guarantee should cover the subcontractor(s)

**15.3** The performance guarantees required for construction works are as follows:

**15.3.1** In respect of a Rand value less than or equal to **R 500 000: 2, 5%** may be waived in respect of **PE/EME** (that is, no performance guarantee is required);

**15.3.2** In respect of a Rand value exceeding **R 500 000**, but less than or equal to **R1 000 000: 5%** of the bid sum;

**15.3.3** In respect of a Rand value exceeding **R1 000 000**, but less than or equal to **R 10 000 000: 10%** of the bid sum; unless otherwise provided for in the standard conditions of contract prescribed.

**15.3.4** In respect of Goods/ Services and professional services exceeding the **R10 000 000**, a **12%** professional indemnity will be required

**15.3.5** The value of the performance guarantee for projects above **R 10 000 000** may be increased with the approval of the Accounting Officer

## **16. RETENTION**

**16.1** Retention for procurement of goods and services (including consultant services) will not generally be called for, but where required, will be in accordance with the limits set for construction works below. The value of retention to be deducted in respect of construction works contracts shall be as follows:

**16.1.1** In respect of a Rand value less than or equal to **R0 - R500 000**: No retention is called for;

**16.1.2** In respect of a Rand value exceeding **R500 000**, but less than or equal to **R1 000 000**: **5%** of the value of work carried out with no limit, reducing by half for the duration of the defect liability period;

**16.1.3** In respect of a Rand value exceeding **R1 000 000**: **10%** of the value of work carried out with no limit, reducing by half for the duration of the defect's liability period; unless otherwise provided for in the standard conditions of contract prescribed.

**16.2** Where consultant services are to be completed at the end of the defect liability period in respect of a goods/and or services rendered, the value of this work (**typically 5%**) may be invoiced at the end of the project period, but shall be held as retention until the completion of the service (typically, an end of defects liability period inspection and the preparation of the final account). Alternatively, the value of this work must be budgeted for in the following financial year.

**16.3** The above retention limits may be increased with the approval of the Accounting Officer.

**16.4** Financial guarantees in lieu of retention is, in general, not acceptable and an Insurance of works shall be provided for all works carried out or services rendered.

**16.5** No interest shall be paid or claimed on retentions monies kept by the municipality on behalf of service providers

## **17. PAYMENT TERMS**

**17.1** Payments for works undertaken or Goods and services rendered be paid upon receipt of correct payment Certificate in terms of the Cash and Investment Policy of Council.

## **18. PETTY CASH PURCHASES**

**18.1** Petty cash purchases mean that minor items up to **R2 000.00 [Two Thousand Rand]** (VAT included) may be purchased where it is impractical, impossible or not cost-effective to follow the official procurement process.

**18.2** Cash advances may only be granted for petty cash expenses for delegated representatives of the municipality or upon a written quotation but in all instances a petty cash voucher should be approved by the relevant departmental head.

- 18.3** Officially delegated persons must agree to the deduction from his/her next remuneration any cash advances of which no proof of expenditure is presented on return from the attended event.
- 18.4** No road toll fees or entertainment expenses may be paid from petty cash.
- 18.5** A monthly reconciliation report must be provided to the chief financial officer by the official responsible for petty cash, including –
  - 18.5.1** the total amount of petty cash purchases for that month; and
  - 18.5.2** receipts and appropriate documents for each purchase.
- 18.6** On an ad-hoc basis, the chief financial officer shall perform reconciliations with the personnel responsible for petty cash

**19. WRITTEN QUOTATIONS**

- 19.1** The conditions for the procurement of goods or services from **R2 001.00 [Two Thousand and One Cent]** to **R30 000.00 [Thirty Thousand Rand]** through written quotations, are as follows –
  - 19.1.1** quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria in this supply chain management policy;
  - 19.1.2** providers must be requested to either submit or confirm such quotations in writing;
  - 19.1.3** if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the accounting officer:
  - 19.1.4** the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices.

**20. FORMAL WRITTEN PRICE QUOTATIONS**

- 20.1** The conditions for the procurement of goods or services through formal written price quotations valued from **R30 001.00 [Thirty Thousand and One Cent]** to **R200 00.00 [Two Hundred Thousand Rand]**, are as follows-
  - 20.1.1** There must be an advertisement for at least **seven (7)** days on the website and notice board of the Municipality;
  - 20.1.2** Evaluation must then be done based on the 80/20 principle in paragraph 13 of this policy
- 20.2** When using the list of accredited prospective providers, the accounting officer must promote ongoing competition amongst providers, including by inviting providers to submit quotations on a rotation basis.
- 20.3** The accounting officer must take all reasonable steps to ensure that the procurement of goods and services through written quotations or formal written price quotations is not abused.
- 20.4** The accounting officer or chief financial officer must on a monthly basis be notified in writing of all written quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation.
- 20.5** The chief financial officer must set requirements for proper record-keeping of written quotations and final written price quotations.

## **21. COMPETITIVE BIDS**

- 21.1** Goods or services above a transaction value of **R200 000.00 [Two Hundred Thousand Rand]** (VAT included) and long-term contracts may only be procured through a competitive bidding process, with reference to paragraphs 13 of this policy on Preferential Procurement; and
- 21.2** No requirement for goods or services above an estimated transaction value of **R200 000.00 [Two Hundred Thousand Rand]** (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

## **22. PROCESS FOR COMPETITIVE BIDDING**

The procedures for a competitive bidding process are as follows:

- 22.1** the compilation of bidding documentation;
- 22.2** the public invitation of bids;
- 22.3** site meetings or briefing sessions, if applicable;
- 22.4** the handling of bids submitted in response to public invitation;
- 22.5** the evaluation of bids;
- 22.6** the award of contracts;
- 22.7** the administration of contracts; and
- 22.8** proper record-keeping

## **23. BID DOCUMENTATION FOR COMPETITIVE BIDS**

- 23.1** The criteria to which bid documentation for a competitive bidding process must comply, must –
- 23.1.1** take into account –
- i.** the general conditions of contract;
  - ii.** any Treasury guidelines on bid documentation;
  - iii.** the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure; and
  - iv.** that the offer must be within range
- 23.1.2** include evaluation and adjudication criteria, including any criteria required by other applicable legislation.
- 23.1.3** compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted.
- 23.1.4** if the value of the transaction is expected to exceed **R10 000 000.00 [Ten Million Rand]** (VAT included), require bidders to furnish–
- i.** if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements for the past three years or since their establishment if established during the past three years;

- ii. a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
  - iii. particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
  - iv. a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- 23.1.5** stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
- 23.2** A non-refundable charge as determined by the accounting officer shall be raised for bid forms, plans, specifications, samples and any other bid documentation, depending on the nature, magnitude and value of technical information or samples provided by the municipality.
- 23.3** Auditing of bidding processes for bids in excess of **R 10 000 000.00 [Ten Million Rand]** (all applicable taxes included).
- 23.4** The competitive bidding process for all bids in excess of **R10 000 000.00 [Ten Million Rand]** must be audited to ensure its compliance with the prescribed norms and standards.
- 23.5** The auditing process may be performed by the internal or external auditors and the audit is aimed at minimizing the risk of possible fraud, corruption and/or litigation.
- 23.6** A certificate must be issued by the auditors to the effect that all prescribed requirements have been adhered to before the contract is awarded.

**24. PUBLIC INVITATION FOR COMPETITIVE BIDS**

- 24.1** The procedure for the invitation of competitive bids, are as follows:
- 24.1.1** Any invitation to prospective providers to submit bids must be by means of a e-TENDER PUBLICATION PORTAL, the website of the municipality and the municipal notice board and must at least contain the following information:
- i. bid description;
  - ii. bid number;
  - iii. name of municipality;
  - iv. the physical local where the goods, services or works specified in the bid are required;
  - v. the closing date and time of the bid;
  - vi. municipal conduct details;
  - vii. physical location where hard copies can be collected;
  - viii. physical location where bids should be delivered; and
  - ix. the bid documents (MBD's, terms of reference, GCC and any other relevant documents).
- 24.2** Publication of notices of bid awards, cancellations, deviations, variations and extensions on the e tender publication portal.

- 24.3** The municipality must publish the following information on the successful bids within 7 working days of awarding the bids;
- 24.3.1** names of the successful bidders and preference points;
- 24.3.2** contract prices, contract period, contract details, name of directors and date of award;
- 24.3.3** the names of unsuccessful bidders and contact details;
- 24.3.4** the information contained in a public advertisement, must include –
- i.** the closing date for the submission of bids, which may not be less than 30 days in the case of transactions over **R10 000 000.00 [Ten Million Rand]** (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed on the e-tender publication portal;
  - ii.** a statement that bids may only be submitted on the bid documentation provided by the municipality; and
  - iii.** the date, time and venue of any proposed site meetings or briefing sessions.
- 24.4** The Accounting Officer may determine a closing date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- 24.5** The closing date may be extended if requested by a minimum of 50% of the bidders on approval by the Municipal Manager.
- 24.6** Bids submitted must be sealed.
- 24.7** No faxed or emailed bid will be accepted.
- 24.8** Circular 110 states that accounting officers of municipalities must refrain from charging excessive fees for tender documents, as it goes against the spirit and letter of the SCM regulatory framework. Accounting Officers may decide to charge a refundable or non-refundable fee for bidding documents if and when necessary, provided that:
- 24.8.1** The fee should be reasonable and reflect only the cost of their printing and delivery to prospective bidders; and
  - 24.8.2** All monies received for the sale of bidding documents must be dealt with in accordance with section 8(2) and 85(2) of the MFMA in the case of municipalities and municipal entities.

**25. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS**

The procedures for the handling, opening and recording of bids, are as follows:

- 25.1** The bid/proposal shall be stamped with the official stamps and endorsed with the opening official's signature.
- 25.2** The name of the bidder, and where possible, the bid sum shall be recorded in a bid opening record kept for that purpose.
- 25.3** The responsible official who opened the bid shall forthwith place his/her signature on the bid opening record.
- 25.4** The accounting officer must –
  - i.** record in a register all bids received in time;

- ii. make the register available for public inspection; and
- iii. publish the entries in the register and the bid results on the website.

**26. TWO-STAGE BIDDING PROCESS**

- 26.1** A two-stage bidding process is allowed for –
- 26.1.1** large complex projects;
- 26.1.2** projects where it may be undesirable to prepare complete detailed technical specifications; or
- 26.1.3** long term projects with a duration period exceeding three years.
- 26.2** In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- 26.3** In the second stage final technical proposals and priced bids should be invited.

**27. ENVELOPE SYSTEM**

A two (2) envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated.

**28. VALIDITY PERIODS**

- 28.1** The period for which bids are to remain valid and binding must be **90 days** with a maximum of **120 days** for **infrastructure** procurement and must be indicated in the bid documents.
- 28.2** The validity period is calculated from the bid closure date and bids shall remain in force and binding until the end of the final day of that period.
- 28.3** This period of validity may be extended by the Accounting Officer, provided that the original validity period has not expired, and that all bidders are given an opportunity to extend such period. Any such extension shall be agreed to by a bidder in writing
- 28.4** Bidders who fail to respond to such a request before the validity of their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.
- 28.5** The Accounting Officer must ensure that all bidders are requested to extend the validity period of their bids where necessary in order to ensure that the bids remain valid throughout the 21 [Twenty-One] day appeal period.
- 28.6** If an appeal is received, the validity period is deemed to be extended until finalization of the appeal.

**29. CANCELLATION OF TENDERS**

- 29.1** The municipality may, before the award of a tender, cancel a tender invitation if-
- 29.1.1** due to changed circumstances, there is no longer a need for the goods or services specified in the invitation;
- 29.1.2** funds are no longer available to cover the total envisaged expenditure;
- 29.1.3** no acceptable tender is received ;or
- 29.1.4** there is a material irregularity in the tender process.

**29.2** The decision to cancel a tender invitation in terms of sub-regulation (29.1.1) must be published on the same way the original tender invitation was advertised.

**29.3** the municipality may only with the prior approval of the relevant treasury cancel a tender invitation for the second time.

**30. CONTRACT PRICE ADJUSTMENT**

**30.1** Contract price adjustment shall only be applicable if specified in the contract and only for long term contract and must be specified in the bid documents.

**30.2** In general, if contract periods do not exceed one year, the bid shall be fixed price bid and not subject to contract price adjustment.

**30.3** If the bid validity period is extended, then contract price adjustment may be applied.

**30.4** Contract price adjustment shall be implemented in accordance with the general conditions of contract.

**31. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER**

**31.1** If a service provider acts on behalf of the Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate; a cap on the compensation payable to the service provider; and that such compensation must be performance based.

**32. SAMPLES**

**32.1** Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents.

**32.2** Bids may not be included in parcels containing samples.

**32.3** If samples are not submitted as required in the bid documents or by the closing date within any further time stipulated by the Chairperson of the Bid Evaluation Committee in writing, then the bid concerned may be declared non-responsive.

**32.4** Samples shall be supplied by a bidder at his/her own expense and risk. The Municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right not to return such samples and to dispose of them at its own discretion.

**32.5** If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

**33. CLOSING OF BIDS**

**33.1** Bids shall close on the date and at the time stipulated in the notice.

- 33.2** For bids (excluding quotations) for goods and services the bid closing date must be at least 14 (fourteen) days after publication of the notice.
- 33.3** For bids (excluding quotations) for construction works the bid closing date must at least be 14 (Fourteen) days after publication of the notice.
- 33.4** Notwithstanding the above, if the estimated contract value exceeds R10 million, or if the contract is of a long term nature with a duration period exceeding one year, then the bid closing date must be at least 30 (Thirty) days after publication of the notice.
- 33.5** For banking services, the bid closing date must be at least 60 (sixty) days after publication of the notice.
- 33.6** For proposal calls using a two-envelope system, the bid closing date must be at least 30 (Thirty) days after publication of the notice.
- 33.7** The bid closing date may be extended by the Accounting Officer if circumstances justify this action; provided that the closing date may not be extended unless a notice is published in the print media and website of the municipality prior to the original bid closing date. This notice shall also be posted on the official notice boards designated by the Accounting Officer, and a notice to all bidders to this effect shall be issued.
- 33.8** The Accounting Officer may determine a closing date for the submission of bids which is less than any of the periods specified in clauses above, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

**34. COMMUNICATION WITH BIDDERS BEFORE BID CLOSING**

- 34.1** The Accounting Officer or his/her nominee may, if necessary, communicate with bidders prior to bids closing.
- 34.2** Such communication shall be in the form of a notice issued to all bidders by the Accounting Officer, by either e-mail, facsimile, or registered post as appropriate. A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes. Notices should be issued at least one week prior to the bid closing date, where possible.
- 34.3** Notwithstanding a request for acknowledgement of receipt of any notice issued, the bidder will be deemed to have received such notice if the procedures above have been complied with.

**35. LATE BIDS**

- 35.1** Bids or quotations arriving after the specified closing time shall not be considered and where practicable and cost effective shall be returned to the bidder unopened with a letter explaining the circumstances.
- 35.2** Where it's necessary to open a late bid or quotation to obtain the name and address of the sender, each page of the document shall be stamped "late bid" before the bid is returned to the bidder. The envelope must be stamped and initialled in like manner and must be retained for record purposes

**36. AMENDMENT OF BIDS BEFORE CLOSING**

**36.1** The Municipality is entitled to amend any bid condition, validity period, specifications, or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised and/or that all bidders to whom bid documents have been issued, are advised in writing per registered post or by email of such amendments or of the extension clearly reflecting the new closing date and time. For this reason, employees issuing bids shall keep a record of the names, addresses and contact numbers of the persons or enterprises to whom bid documents have been issued

**37. DEALING WITH BIDS AND QUOTATIONS IF THE CLOSING DATE THEREOF HAS BEEN EXTENDED**

**37.1** Where the closing date of a bid or quotation is extended, the notice which makes known such extensions shall also mention the bids or quotations already received, will be retained unopened in the bidding box and be duly considered after the expiry of the extended period, unless the bidder requests that such bid or quotation to be returned to the bidder or unless the bidder cancels it by submitting a later dated bid or quotation before the extended closing date.

**38. AMENDMENTS AFTER CLOSING DATE**

**38.1** No amendments after the closing date allowed. The municipality is not entitled to amend any bid condition, validity period, specification, or plan after the closing date of the bid and before the acceptance of a bid or quotation has been notified.

**38.2** Opening of Bids where a Two Envelope System (consisting of a technical proposal and a financial proposal) is followed if a two-envelope system is followed, only the technical proposal will be opened at the bid opening

**38.3** The unopened envelope containing the financial proposal shall be stamped and endorsed with the opening official's signature and be retained by him/her for safekeeping.

**38.4** When required the financial offers/bids corresponding to responsive technical proposals, shall be opened by the opening official.

**38.5** All bidders who submitted responsive technical proposals must be invited to attend the opening of the financial offers/bids.

**38.6** Envelopes containing financial offers/bids corresponding to non-responsive technical proposals shall be returned unopened along with the notification of the decision of the Bid Adjudication Committee in this regard

**38.7** After being recorded in the bid opening record, the bids/technical proposals shall be handed over to the official responsible for the supervision of the processing thereof and that official shall acknowledge receipt thereof by signing the bid opening record.

**39. BID SUM**

**39.1** A bid will not necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

**39.2** All rates, except for rates only bids and proprietary information are confidential and shall not be disclosed.

**40. COMMITTEE SYSTEM FOR COMPETITIVE BIDS**

**40.1** The following committees should be in place

**40.1.1** Bid Specification Committee.

**40.1.2** Bid Evaluation Committee; and

**40.1.3** Bid adjudication committee.

**40.2** The Accounting Officer appoints the members of each committee, considering Section 117 of the Municipal Finance Management Act.

**40.3** The Accounting Officer must provide for an attendance or oversight process by a neutral or independent observer, appointed by the accounting officer, when this is appropriate for ensuring fairness and promoting transparency.

**40.4** The committee system must be consistent with the provisions of this policy and with any other applicable legislation.

**40.5** The Accounting Officer may apply the committee system to formal written price quotations.

**41. BID SPECIFICATION COMMITTEE**

**41.1** The appropriate bid specification committee must, depending on the department involved, compile the specifications for each procurement of goods or services by the municipality.

**41.2** Specifications –

**41.2.1** must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services.

**41.2.2** must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;

**41.2.3** where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

**41.2.4** may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

**41.2.5** may not make reference to any particular trademark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;

**41.2.6** must indicate each specific goal for which points may be awarded as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically

disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.

- 41.2.7** must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 21 of this policy.
- 41.3** Where specifications are based on standard documents available to bidders, a reference to those documents is enough.
- 41.4** The bid specification committee appointed by the accounting officer or his delegated authority, considering section 117 of the MFMA, must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved as well as at least one Supply Chain Management practitioner of the municipality, and may, when appropriate, include external specialist advisors.
- 41.5** Where appropriate a representative of Internal Audit and/or Legal Services and/or other specialist advisors (internal or external) may form part of this committee.
- 41.6** No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.
- 41.7** Green procurement must be incorporated as far as reasonable possible, for all specifications of goods, services and construction works.
- 41.8** In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.
- 41.9** Bid Specification Committee meetings must be conducted in accordance with the applicable Terms of Reference, Rules of Order and Implementation Guidelines Regulating the Conduct of Meetings of Bid Specification, Evaluation and Adjudication Committees.

## **42. BID EVALUATION COMMITTEES**

- 42.1** The Bid Evaluation Committee shall be comprised of at least three (03) Municipality Officials, an appointed Chairperson (who may be the same person as the Chairperson of the Bid Specification Committee), a responsible official and at least one Supply Chain Management Practitioner of the Municipality.
- 42.2** The Municipal Manager, or his/her delegated authority, shall, considering Section 117 of the MFMA, appoint the members of the Bid Evaluation Committee.
- 42.3** Bid Evaluation Committee meetings must be conducted in accordance with the applicable. Terms of Reference, Rules of Order and Implementation Guidelines Regulating the Conduct of Meetings of Bid Specification, Evaluation and Adjudication Committees

## **43. BID EVALUATION**

- 43.1** The Supply Chain unit shall carry out a preliminary evaluation of all valid bids received and shall submit a draft bid evaluation report to the Bid Evaluation Committee for consideration.
- 43.2** Any evaluation committee of a bid shall consider the bids received and shall note for inclusion in the evaluation report, a bidder:

- 43.2.1** whose bid was endorsed as being invalid by the Municipality official presiding over the bid opening;
- 43.2.2** whose bid does not comply with the provisions for combating abuse of this policy;
- 43.2.3** who has failed to submit a certificate of independent bid determination, either with the bid, or within such time for submission stated in the Municipality's written request to do so;
- 43.2.4** whose bid does not comply with the general conditions applicable to bids and quotations of this Policy;
- 43.2.5** whose bid is not in compliance with the specification;
- 43.2.6** whose bid is not in compliance with the terms and conditions of the bid documentation;
- 43.2.7** who is not registered and verified on the Municipality's supplier database;
- 43.2.8** who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors;
- 43.2.9** who is not registered on the Central Supplier Database (CSD); and
- 43.2.10** who has failed to submit a valid tax compliance status from the South African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS, and who fails to comply with any applicable Bargaining Council agreements.

**44. BIDS SHALL BE EVALUATED ACCORDING TO THE FOLLOWING AS APPLICABLE**

- 44.1.1** bid price, excluding VAT (corrected if applicable and brought to a comparative price where necessary),
- 44.1.2** the unit rates and prices,
- 44.1.3** any qualifications to the bid,
- 44.1.4** the bid ranking obtained in respect of preferential procurement as required by this Policy,
- 44.1.5** the financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable,
- 44.1.6** any other criteria specified in the bid documents.
- 44.2** No bidder may be recommended for an award unless the bidder has demonstrated that it has the necessary resources and skills required to fulfil its obligations in terms of the bid document.
- 44.3** The Bid Evaluation Committee shall check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.
- 44.4** Additional information or clarification of bids may be called for if required but only in writing.
- 44.5** Provide an overview of the procurement process, indicating the eligibility criteria that were applied and the evaluation criteria. State specific goals and points relating to preferences, as well as any quality evaluation criteria, prompts for judgement and weightings relating thereto.
- 44.6** The Bid Evaluation Committee shall compare tender submissions received against list of returnable documents. State if any tender submissions received were incomplete and indicate what was not complete. Indicate what steps were taken to make incomplete tenders complete, only where this does not affect the competitive position of the tenderer in question. Request incomplete tenders to resubmit. List all communications with tenderers.

- 44.7** Alternative bids may be considered, provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted. The Municipality shall not be bound to consider alternative bids.
- 44.8** If a bidder requests in writing, after the closing of bids, that his/her bid be withdrawn, then such a request may be considered and reported in the bid evaluation report for decision by the Bid Adjudication Committee.
- 44.9** Preferential points calculated in terms of the preference point system described in this policy must be rounded off to the nearest two decimal places.
- 44.10** All disclosures of a conflict of interest shall be considered by the Bid Evaluation Committee and shall be reported to the Bid Adjudication Committee.

**45. RECOMMENDATION TO BID ADJUDICATION COMMITTEE**

- 45.1** The Bid Evaluation Committee shall, having considered the Supply Chain unit's draft bid evaluation report, submit a report, including recommendations regarding the award of the bid or any other related matter, to the Bid Adjudication Committee for award.

**46. BID ADJUDICATION**

- 46.1** The Municipality shall not be obliged to accept any bid.
- 46.2** For goods and services bids, the Municipality shall have the right to accept the whole bid or part of a bid or any item or part of an item or accept more than one bid

**47. BID ADJUDICATION COMMITTEE**

- 47.1** The Bid Adjudication Committee shall comprise at least four senior managers, and shall include:
- 47.1.1** the Chief Financial Officer or, if the chief financial officer is not available, another senior finance official heading either of the budget or treasury offices, reporting directly to the chief financial officer and designated by the chief financial officer; and
- 47.1.2** at least one senior supply chain management practitioner of the Municipality; and
- 47.1.3** a technical expert in the relevant field who is an official of the Municipality, if the Municipality has such an expert.
- 47.2** The Accounting Officer shall appoint the members and chairperson of the Bid Adjudication Committee. If the chairperson is absent from a meeting, the members of the committee who are present shall elect one of the committee members to preside at the meeting.
- 47.3** Neither a member of a Bid Evaluation Committee, nor an advisor or person assisting such committees, may be a member of a Bid Adjudication Committee.

**48. ADJUDICATION AND AWARD**

- 48.1** The Bid Adjudication Committee shall consider the report and recommendations of the Bid Evaluation Committee and make a recommendation to the Accounting Officer on how to proceed with the relevant procurement.

**49. NEGOTIATIONS WITH PREFERRED BIDDERS**

- 49.1** The accounting officer may, subject to paragraph 4 of this policy, negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- 49.1.2** does not allow any preferred bidder a second or unfair opportunity; is not to the detriment of any other bidder; and
- 49.1.3** does not lead to a higher price than the bid as submitted. Minutes of such negotiations must be kept for record purposes

**50. APPROVAL OF BID NOT RECOMMENDED**

- 50.1** If a Bid Adjudication Committee decides to recommend a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication Committee must, prior to recommending the bid:
- 50.1.2** check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears;
- 50.1.3** check in respect of the preferred bidder that it has the necessary resources and skills required to fulfil its obligations in terms of the bid document.

**51. NOTIFY THE ACCOUNTING OFFICER**

- 51.1** The Accounting Officer may:
- 51.1.1** after due consideration of the reasons as pointed per clause 41.1. above, accept or reject the decision of the Bid Adjudication Committee referred to above.
- 51.1.2** If the decision of the Bid Adjudication Committee is rejected, refer the decision of the adjudication committee back to that committee for consideration.
- 51.1.3** If a bid other than the one recommended in the normal course of implementing this Policy is approved, then the Accounting Officer must, in writing and within ten working days, notify the Auditor-General, the Provincial and the National Treasury of the reasons for deviating from such recommendation.
- 51.2** The requirement of above does not apply if a different bid was approved in order to rectify an irregularity.

**52. RECONSIDERATION OF RECOMMENDATIONS**

- 52.1** The Accounting Officer may, at any stage of a bidding process, refer any recommendation made by the Bid Evaluation Committee or Bid Adjudication Committee back to that Committee for reconsideration of the recommendation.

**53. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES**

- 53.1** The Accounting Officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –
- 53.1.1** To assist in the resolution of disputes between the municipality and other persons regarding –

- i. any decisions or actions taken in the implementation of the supply chain management system;
  - ii. any matter arising from a contract awarded in the course of the supply chain management system.
- 53.2** The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively
- 53.3** The person appointed must –
- 53.3.1** strive to resolve promptly all disputes, objections, complaints or queries received; and
  - 53.3.2** submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- 53.4** A dispute, objection, complaint or query may be referred to the relevant provincial treasury if – the dispute, objection, complaint or query is not resolved within 60 days; or no response is forthcoming within 60 days.
- 53.5** If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- 53.6** This paragraph must not be read as affecting a person’s rights to approach a South African court of law at any time.

**54. PROCUREMENT OF BANKING SERVICES**

- 54.1** Subject to Section 33 of the Municipal Finance Management Act, any contract for the provision of banking services: –
- 54.1.1** must be procured through competitive bids;
  - 54.1.2** must be consistent with Section 7 or Section 85 of the MFMA; and
  - 54.1.3** may not be for a period of more than 5 years at a time.
- 54.2** Bids shall be restricted to banks registered in terms of the Banks Act, 94 of 1990.
- 54.3** The process for procuring a contract for banking services must commence at least 9 [Nine] months before the end of an existing contract.
- 54.4** The closure date for the submission of bids may not be less than 60 [Sixty] days from the date on which the advertisement is placed in a newspaper in terms of paragraph 21.1. Bids must be restricted to banks registered in terms of the Banks Act 94 of 1990.

**55. PROCUREMENT OF IT RELATED GOODS OR SERVICES**

- 55.1** The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- 55.2** Both parties must enter into a written agreement to regulate the services rendered by, as well as the payments to be made to, SITA.
- 55.3** The Accounting Officer must notify SITA together with a motivation of the IT needs if –
- 55.3.1** the transaction value of IT related goods or services required in any financial year will exceed **R50 000 000.00 [Fifty Million]** (VAT included); or
  - 55.3.2** the transaction value of a contract to be procured whether for one or more years exceeds **R50 000 000.00 [Fifty Million Rand]** (VAT included).

**55.4** If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

**56. PROCUREMENT OF ACCOMMODATION FOR SEMINARS AND CONFERENCES**

The Accounting Officer may procure accommodation for Council business on attendance of conferences/seminars/workshop/meetings outside the District, in the following manner: -

**56.1** where feasible, 3 [Three] quotations must be sought for accommodation within a reasonable radius from the seminar/meeting/workshop or conference venue.

**56.2** the ruling is in the spirit of not getting a venue that is too far from the conference venue as this can result in getting accommodation too far from the venue.

**57.3 TRAVEL AND ACCOMMODATION**

**57.3.1** The accounting officer-

**57.3.1.1** may approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and

**57.3.1.2** may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.

**57.3.2** In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.

**57.3.3** Notwithstanding sub-section (57.3.1) or (57.3.2), the accounting officer, or the mayor in the case of an accounting officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

**57.3.4** The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials or political office bearers attending such meetings or events must be limited to those officials or political office bearers directly involved in the subject matter related to such meetings or events.

**57.3.5** The accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only -

**57.3.5.1** during peak holiday periods; or

**57.3.5.2** when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.

**57.3.6** An official or a political office bearer of a municipality or municipal entity must-

**57.3.6.1** utilise the municipal fleet, where viable, before incurring costs to hire vehicles;

**57.3.6.2** make use of available public transport (if public transport is safe to use) or a shuttle service if the cost of such a service is lower than-

**i.** the cost of hiring a vehicle;

**ii.** the cost of kilometres claimable by the official or political office bearer; and

- iii. the cost of parking
- 57.3.6.3 not hire vehicles from a category higher than Group B or an equivalent class; and
- 57.3.6.4 where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.
- 57.3.7 A municipality or a municipal entity must utilise the negotiated rates for flights and accommodation as communicated from time to time by the National Treasury through a notice or any other available cheaper flight and accommodation.

**58.4 DOMESTIC ACCOMMODATION**

- 58.4.1 The accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.
- 58.4.2 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres (except in winter months with a high fog occurrence or in an event that trip requires an official or public office bearer to leave his/her home before their normal office hours).

**59. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE**

- 59.1 The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –
  - 59.1.1 the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - 59.1.2 there is no reason to believe that such contract was not validly procured;
  - 59.1.3 there are demonstrable discounts or benefits to do so; and
  - 59.1.4 that other organ of state and the provider have consented to such procurement in writing.
 Circular 96 Published by National Treasury with regards to the procurement of goods and services under contracts secured by other organs of state and adopted by the Council is to be implemented.

**59.2 SALIENT REQUIREMENTS APPLICABLE TO REGULATION 32**

- 59.2.1 Over and above the requirements stated in Regulation 32, there are also other salient requirements which must be considered by the participating municipality or municipal entity as well as the organ of state that is approving the procurement under its contract. These include the following:

**59.3 THE CONTRACT MUST BE VALID**

- 59.3.1 The municipality or municipal entity will not enter a new contract with the service provider/s but will become a participant in an existing contract. The contract must therefore not have expired, or its validity modified to accommodate the procurement from the contract and must be legally sound as proven in the motivated report mentioned above. The participating municipality or municipal entity

will conclude an addendum to the agreement with the service provider/s that stipulates the duration of the participation agreement, which may not exceed the end date of the original contract.

**59.4 THE DURATION OR VARIATION OF THE CONTRACT**

**59.4.1** The municipality or municipal entity must confirm the duration of the contract between the service provider/s and the other organ of state and determine the remaining term of the contract. Once this has been confirmed, the municipality or municipal entity must assess whether the remaining period will be sufficient for the service provider/s to deliver on its requirements. In other words, the participating municipality or municipal entity will only be permitted to utilise the contract of the other organ of state for the balance of the remaining period of the contract.

**59.4.2** The contract cannot be extended or varied by the participating municipality or municipal entity. It can only be extended by the original contracting parties in line with the contractual terms agreed to in the original contract. Should the contract between the original contracting parties be terminated for any reason before the contract end date, then that termination applies to the municipality or municipal entity participating on the contract as well. The accounting officer consenting to the participation on the contract must therefore inform the participating accounting officer of any contract amendments or variations made to the contract, in writing.

**59.5 THE GOODS OR SERVICES MUST BE THE SAME AND THE QUANTITY MAY NOT BE INCREASED**

**59.5.1** The municipality or municipal entity must assess whether the goods or services being provided to the other organ of state are similar to the goods or services required by the municipality or municipal entity. The goods or services required by the participating municipality or municipal entity must be the same as advertised and adjudicated by the other organ of state and may not be increased from the originally contracted quantity. Therefore, the participating municipality or municipal entity will procure the required goods or services under the same scope or specification, terms and conditions as provided for in the original contract.

**59.6 CONTRACTUAL ARRANGEMENTS**

**59.6.1** The shared contract must have the same dispute resolution mechanism to settle contractual disputes, a combined periodic contract management performance review to appraise the shared contract, and to regularly report to the council of the participating municipality or the board of directors of the municipal entity, as may be appropriate, on the management of the contract, service level agreement and the performance of the shared contractor/s.

**59.6.2** The exercising of contractual rights, obligations, or remedies in terms of the contract must be exclusively dealt with in terms of the dispute resolution mechanism as stipulated in the original contract. Each contractual party must uphold their legal obligations to the contract.

**59.7 IMPLICATIONS FOR THE ORGAN OF STATE WHO IS THE CONTRACT OWNER IN THE PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE**

**59.7.1** The application of regulation 32 in a procurement process effectively means that the accounting officer of the original contracting organ of state is willing to forfeit a portion of its contract that has not already been utilised to the accounting officer who is requesting to procure under that contract. It may also mean that the accounting officer may no longer procure goods or services from that contract anymore as the balance of the contract would have been allocated to the municipality or municipal entity that is requesting to procure under that contract. The accounting officer of the original contracting organ of state undertakes such decision with the knowledge that the original contracting organ of state no longer requires the remaining portion of that contract. The accounting officer of the original contracting organ of state must notify the accounting officer of the municipality or municipal entity that is procuring under the original contract of all changes to the contract.

**59.8 PANEL OF CONSULTANTS/LIST OF APPROVED SERVICE PROVIDERS AND FRAMEWORK AGREEMENTS**

**59.8.1** Municipalities and municipal entities must not participate on a panel secured by another organ of state as a panel of consultants or a list of service providers or a panel of approved service providers is not a contract. Municipalities or municipal entities may only participate on framework agreements arranged by organs of state, for example, State Information Technology Agency (SITA), the relevant treasury; that are empowered by legislation to arrange such on behalf of other organs of state.

**60. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS**

**60.1** The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.

**60.2** Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

**61. PUBLIC-PRIVATE PARTNERSHIPS**

**61.1** Part 2 of Chapter 11 of the MFMA applies to the procurement of public-private partnership agreements. Section 33 of the MFMA also applies if the agreement will have multi-year budgetary implications for the Municipality within the meaning of that section.

**62. PUBLICATIONS IN THE MEDIA**

**62.1** In respect of any contract relating to the publication of official and legal notices and advertisements in the media by or on behalf of the Municipality, there is no requirement for a competitive bidding process to be followed.

**63. COMMUNITY BASED VENDORS**

The Head of Supply Chain Management may request quotations directly from Community Based Vendors in a specific area or from a specific community for the procurement of goods and

services for amounts less than **R30 000.00 [Thirty Thousand Rand]** (including construction works).

#### **64. RANGE OF PROCUREMENT PROCESSES**

Goods and services, including construction works and consultant services shall be procured through the range of procurement processes set out below: -

##### **64.1 PROUDLY SA CAMPAIGN**

**64.1.1** The Proudly SA Campaign is supported to the extent that, all things being equal, preference is given to procuring local goods and services from:

- i.** Firstly – suppliers and businesses within the municipality or district;
- ii.** Secondly – suppliers and businesses within Mpumalanga;
- iii.** Thirdly – suppliers and businesses within the Republic of South Africa.

**64.1.2** The principles set out in sub-paragraph 64.1.1. must be reflected in the specific goals points.

##### **64.2 APPOINTMENT OF CONSULTANTS**

**64.2.1** When evaluating bids for the rendering of consultancy services to the Council, functionality shall be considered before price.

**64.2.2** The Accounting Officer may procure consulting services provided that any Treasury guidelines and CIDB requirements in respect of consulting services are considered when such procurements are made.

**64.2.3** Consultancy services must be procured through competitive bids if-

- i.** the value of the contract exceeds **R200 000.00 [Two Hundred Thousand Rand]** (VAT included);  
or
- ii.** the duration period of the contract exceeds one year.

**64.2.4** In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of:

- i.** all consultancy services provided to an organ of state in the last five years; and
- ii.** any similar consultancy services provided to an organ of state in the last five years.

**64.2.5** The Accounting Officer must ensure that copyright in any document produced, as well as the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

**64.2.6** Appointment of panels of consultants be made for period of two years, subject to compliance with Section 33 of MFMA.

**64.2.7** The criteria to be used to evaluate bids for the rendering of consultancy services to the council be finalized by the user department and be approved by the Accounting Officer as part of the tender document before the tender document is released.

**64.3 POLICY HIERARCHY**

**64.3.1** Wherever this policy is not aligned to the new revised Preferential Procurement Regulations, 2022, the Preferential Procurement Regulations, 2022 will supersede this policy

**64.3.2** Wherever this policy is not aligned to the cost containment regulation, the cost containment regulation will supersede this policy

**64.4 PROCUREMENT OF ASSETS**

**64.4.1** Procurement of assets should comply with all relevant legislations and applicable internal policies as where applicable.

**64.5 VEHICLES USED FOR POLITICAL OFFICE-BEARERS**

**64.5.1** The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.

**64.5.2** The procurement of vehicles in sub-section (1) must be undertaken using the national government transversal contract mechanism (if in existence), unless it may be procured at a lower cost through other procurement mechanisms.

**64.5.3** Before deciding to procure a vehicle as contemplated in sub-section (2), the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered:

- (a)** status of current vehicles;
- (b)** affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in sub-section (1);
- (c)** extent of service delivery backlogs;
- (d)** terrain for effective usage of the vehicle; and
- (e)** any other policy of council.

**64.6.4** If the rental referred to in sub-section (3) is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.

**64.6.5** Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.

**64.6.6** Notwithstanding sub-section (5), a municipality or municipal entity may replace a vehicle for official use by political office bearers before the completion of 120 000 kilometres only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

**64.6.7** An accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

**65. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES**

**65.1** The Accounting Officer may –

**65.1.1** dispense with the official procurement processes established by this policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

**65.1.1.1** in an emergency;

**65.1.1.2** if such goods or services are produced or available from a single provider only;

**65.1.1.3** for the acquisition of special works of art or historical objects where specifications are difficult to compile;

**65.1.1.4** in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

**65.1.2** ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

**65.3** The Accounting Officer must record the reasons for any deviations in terms of sub-paragraphs 65.1.1 and 65.1.2 of this policy and report them to the next meeting of the council and include it as a note to the annual financial statements.

**65.4** Section 65.1 does not apply to the procurement of goods and services contemplated for water and electricity from DWA and ESKOM respectively.

**66. EMERGENCY DISPENSATION**

**66.1** The conditions warranting Emergency dispensation should include the existence of one or more of the following:

**66.1.1** the possibility of human injury or death;

**66.1.2** the prevalence of human suffering or deprivation of rights;

**66.1.3** the possibility of damage to property, or suffering and death of livestock and animals;

**66.1.4** the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the Municipality as a whole;

**66.1.5** the possibility of serious damage occurring to the natural environment;

**66.1.6** the possibility that failure to take necessary action may result in the Municipality not being able to render an essential community service; and

**66.1.7** the possibility that the security of the state could be compromised.

**66.2** The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above

**66.3** Where possible, in an emergency, 3 [three] quotes in accordance with general acquisition management principles should be obtained and a report submitted, via the Bid Adjudication

Committee, to the Municipality Manager for approval. However, where time is of the essence, the emergency shall be immediately addressed, and the process formalized in a report to the Municipality Manager as soon as possible thereafter

**67. UNSOLICITED BIDS**

- 67.1** In accordance with Section 113 of the MFMA there is no obligation to consider unsolicited bids received outside a normal bidding process.
- 67.2** The Accounting Officer may decide in terms of Section 113(2) of the MFMA to consider an unsolicited bid, only if: –
- 67.2.1** the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- 67.2.2** the product or service will be exceptionally beneficial to, or have exceptional cost advantages for the municipality and the community;
- 67.2.3** the person who made the bid is the sole provider of the product or service; and
- 67.3** The reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- 67.4** If the Accounting Officer decides to consider an unsolicited bid that complies with sub-paragraph 64.2, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with: -
- 67.4.1** reasons as to why the bid should not be open to other competitors;
- 67.4.2** an explanation of the potential benefits if the unsolicited bid were accepted; and
- 67.4.3** an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- 67.5** All written comments received pursuant to sub-paragraph 57.3, including any responses from the unsolicited bidder, must be submitted to the National Treasury and the relevant provincial treasury for comment.
- 67.6** The bid adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- 67.7** A meeting of the bid adjudication committee to consider an unsolicited bid must be open to the public.
- 67.8** When considering the matter, the bid adjudication committee must consider –
- 67.8.1** any comments submitted by the public; and
- 67.8.2** any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- 67.9** If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor-General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following such recommendations.
- 67.10** Such submission must be made within 7 days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

**68. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM**

The following measures are established to combat the abuse of the supply chain management system:

**68.1** The Accounting Officer must–

**68.1.1** take all reasonable steps to prevent abuse of the supply chain management system;

**68.1.2** investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this supply chain management policy and, when justified –

**i.** take appropriate steps against such official or other role player; or

**ii.** report any alleged criminal conduct to the South African Police Service;

**68.1.3** check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;

**68.1.4** reject any bid from a bidder –

**68.1.4.1** if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or

**68.1.4.2** who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that its performance was unsatisfactory;

**68.1.5** reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

**68.1.6** cancel a contract awarded to a person if –

**68.1.6.1** the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

**68.1.6.2** an official or other role-player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

**68.1.7** reject the bid of any bidder if that bidder or any of its directors –

**68.1.7.1** has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;

**68.1.7.2** has been convicted for fraud or corruption during the past five years;

**68.1.7.3** has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

**68.1.7.4** has been listed in the Register for Tender Defaulters in terms section 29 of the Prevention and Combating of Corrupt Activities Act 12 of 2004

**68.1.8** reject the bid of any bidder tendering as part of a joint venture, whose bid otherwise be rejected individually or otherwise.

**68.2** The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-paragraphs 65.1 of this policy.

**69. ROTATION OF SERVICE PROVIDERS APPOINTED IN PANEL CONTRACTS**

- 69.1** Service providers appointed as panels in all the contracts of the municipality will be rotated for opportunities through the Supply Chain department's database that will be created for each contract.
- 69.2** The rotation will be made based on an expenditure spent basis. Thresholds will be set, and after those thresholds have been reached then a new threshold will be set.
- 69.3** Allocations for expenditure will be made as per preferential points obtained by the panel contractors.
- 69.4** The rotation of the panels will be centralized at Supply Chain Management Department for all the Municipality's Departmental contracts awarded to avoid unfair allocation of work to service providers in line with the SCM Policy.

**PART 3: LOGISTICS, DISPOSAL AND PERFORMANCE MANAGEMENT**

**70. LOGISTICS MANAGEMENT**

- 70.1** The accounting officer must implement an effective system of logistics management which must include the following:
  - 70.1.1** monitoring of spending patterns on types or classes of goods and services which should, where practical, incorporate the coding of items to ensure that each item has a unique number for the purposes of monitoring;
  - 70.1.2** setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
  - 70.1.3** placing of manual or electronic orders for all acquisitions other than petty cash;
  - 70.1.4** before payment is approved, certification from the responsible officer that the goods and services have been received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted or in terms of a contract;
  - 70.1.5** appropriate standards of internal control and warehouse management to ensure goods placed in stores are secure and only used for the purpose for which they were purchased;
  - 70.1.6** regular checking to ensure that all assets, including official vehicles, are properly managed, appropriately maintained and only used for official purposes; and
  - 70.1.7** monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for a particular good or service.

**71. TRANSPORT MANAGEMENT**

- 71.1** The Municipality's fleet management policy must always be adhered to.

**72. VENDOR PERFORMANCE**

**72.1** The accounting system will enable system-based evaluation, based on the vendors' performance regarding certain pre-determined criteria.

**72.2** This information will be available for future evaluation purposes, contract negotiations and regular feedback to the vendors.

**73. CONTRACT ADMINISTRATION**

**73.1** Contract administration includes all administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy.

**73.2** All contracts must be administered by a contract manager, who will be an internal official assigned to ensure the effective administration of the contract. The contract manager will typically be the internal project manager assigned to the project as a whole but may also be a cost centre owner or other responsible official.

**73.3** A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.

**73.4** The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

**73.5** In administering a contract, the contract manager will be required to form opinions and make decisions which, while in the Municipality's best interests, must be fair to all parties concerned.

**73.6** Departmental Heads (Directors) shall be responsible for ensuring that contract managers:

**73.6.1** are assigned to all contracts within the Department Head's area of responsibility;

**73.6.2** are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

**73.7** The contract manager shall:

**73.7.1** ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;

**73.7.2** ensure that contracts related to the procurement of goods and services are captured on the Municipality's accounting system in the form of a price schedule;

**73.7.3** ensure that all original contract documentation is lodged with the Supply Chain Management Department for record purposes;

**73.7.4** monitor the performance of the contractor in order to ensure that all of the terms and conditions of the contract are met;

**73.7.5** where necessary, take appropriate action where a contractor is underperforming or is in default or breach of the contract;

**73.7.6** where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that the necessary Service Entry Sheets or Goods Received Notes are captured on the Municipality's accounting system;

**73.7.7** manage contract variation or change procedures;

**73.7.8** administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;

- 73.7.9** conduct, as appropriate, post contract reviews; maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- 73.7.10** act with care and diligence and observe all accounting and legal requirements.

**74. DISPOSAL MANAGEMENT**

**74.7** The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to section 14 of the MFMA, are as follows:

**74.1.1** It will be implemented and effected through the Disposal Committee which will be appointed by the Accounting Officer and made up at least one senior Finance officer and other departmental representatives.

**74.2** The items to be disposed of include but not limited to:

**74.2.1** Movable assets:

**74.2.1.1** the asset is uneconomical to repair;

**74.2.1.2** the asset is irreparable;

**74.2.1.3** the relevant department has no further use for the asset; and

**74.2.1.4** no other department requires the asset.

**74.2.2** Immovable assets:

**74.2.2.1** the relevant department has no further use for the asset;

**74.2.2.2** no other department requires the asset;

**74.2.2.3** a member of the public wishing to acquire the asset can utilize the asset to the advantage of the community; or

**74.2.2.4** where the assets were specifically created for the sale or rental thereof to the public.

**74.3** The disposal of assets must be by one of the following methods:

**74.3.1** transferring the asset to another organ of state in terms of a provision of the MFMA enabling the transfer of assets;

**74.3.2** transferring the asset to another organ of state at market related value or, when appropriate, free of charge;

**74.3.3** selling the asset; or

**74.3.4** destroying the asset;

**74.3.5** trading in the asset.

**74.4** The disposal of assets must be done provided that –

**74.4.1** immovable property may be sold only at market-related prices except when the public interest or the plight of the poor demands otherwise;

**74.4.2** movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market-related prices, whichever is the most advantageous;

**74.4.3** in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 [thirty] days whether any of the local schools are interested in the equipment; and

**74.4.4** in the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic

- 74.5** When letting or disposing of an asset it must be ensured that –
- 74.5.1** immovable property is let at market-related rates except when the public interest or the plight of the poor demands otherwise;
- 74.5.2** all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed; and
- 74.5.3** where assets are traded in for other assets, the highest possible trade-in price is negotiated.

**75. TRANSFER OR PERMANENT DISPOSAL OF ASSETS AND THE GRANTING OF RIGHT**

- 75.1** Non-exempted capital assets shall be transferred or permanently disposed of strictly in accordance with Chapter 2 of the Municipal Asset Transfer Regulations.
- 75.2** Exempted capital assets shall be transferred strictly in accordance with Chapter 3 of the Municipal Asset Transfer Regulations.
- 75.3** The granting of rights (where sections 14 and 90 of the MFMA do not apply) by the Municipality, shall be executed strictly in accordance with Chapter 4 of the Municipal Asset Transfer Regulations.

**76. PERFORMANCE MANAGEMENT**

- 76.1** The accounting officer must ensure that an effective internal monitoring system is implemented in order to determine, on the basis of retrospective analysis, whether the authorised supply chain management processes were followed and whether the measurable performance objectives linked to and approved with the budget and the service delivery and budget implementation plan, were achieved.
- 76.2** Performance management shall accordingly be characterized by a monitoring process and retrospective analysis to determine whether:
- 76.2.1** value for money has been attained;
- 76.2.2** proper processes have been followed;
- 76.2.3** desired objectives have been achieved;
- 76.2.4** there is an opportunity to improve the process;
- 76.2.5** suppliers have been assessed and what that assessment is; and
- 76.2.6** there has been deviation from procedures and, if so, what the reasons for that deviation are
- 76.3** The performance management system shall accordingly focus on, amongst others:
- 76.3.1** achievement of goals;
- 76.3.2** compliance to norms and standards;
- 76.3.3** savings generated;
- 76.3.4** cost variances per item;
- 76.3.5** non-compliance with contractual conditions and requirements; and
- 76.3.6** the cost efficiency of the procurement process itself.

**77. ROLES AND RESPONSIBILITIES OF OFFICIALS**

**77.1 SUPPLIER PERFORMANCE**

- 77.1.1** The supplier of goods and services is required to perform as per terms and conditions agreed upon and should inform the municipality if circumstances prevent them to perform, with reasons provided.
- 77.1.2** For all relevant deviations from the agreed terms and conditions of any contract, the key performance indicators (KPI's) should be reviewed as well as the alignment with the strategic objectives established in the IDP.
- 77.1.3** Supplier's performance will be analysed, assessed and/or reviewed by Emalahleni Local Municipality Top Management on a quarterly basis in compliance with the provisions of Section 116 of the MFMA, 2003.
- 77.1.4** Prescribed procedures to evaluate service providers must be complied with, which process should among others include the following:-
- 77.1.4.1** the requirements of this policy must be included in the contract of the service provider;
- 77.1.4.2** the performance of the service provider under the contract or service level agreement must be assessed quarterly by the Reporting Officer/Evaluator;
- 77.1.4.3** the assessment must be completed in the electronic contract management system or manually if the system is not functional;
- 77.1.4.4** the Reporting Officer/Evaluator must complete the Service Provider Assessment on the contract management system at the end of each quarter.;
- 77.1.4.5** the service provider must be given a report on his/her assessment through the office of the Municipal Manager at the end of each quarter and on completion or termination of the contract; and
- 77.1.4.6** Supply Chain Management Unit (Assistant Manager SCM) will review the quarterly Service Provider assessments within 20 (twenty) days after the end of each quarter and submit a detailed summary report to the Municipal Top Management for consideration.
- 77.2** **IN THE INSTANCE OF UNDER-PERFORMANCE**
- 77.2.1** The Municipality will facilitate support interventions to service providers in the identified areas of underperformance.
- 77.2.2** Service providers who have been identified as under-performing in identified areas must be informed of these support interventions in writing.
- 77.2.3** The impact of support interventions must be monitored by the Assessment Panel.
- 77.2.4** Corrective action should be documented in writing within the Electronic Contract Management System.
- 77.2.5** The records of the support interventions must be documented, signed by both parties and appropriately filed in the Contract Management System.

## **PART 4: OTHER MATTERS**

- 78. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER**

- 78.1** The accounting officer must ensure that, irrespective of the procurement process followed, no award is given to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- 78.2** Before making an award to a provider or bidder, a tax clearance certificate from South African Revenue Service must first be provided as contemplated in paragraph 12.1.3 and 12.1.4.
- 78.3** According to National Treasury's Circular 90 the CSD and tax compliance status PIN are the approved methods to be used to prove tax compliance as the SARS no longer issues Tax Clearance Certificates but has made provision online , via e-filing, for bidders to print their own Tax Compliance Status which they can submit with their bids or price quotations.
- 78.4** Accounting Officers may, therefore, accept printed or copies of Tax Compliance Status submitted by bidders and verify them on e-filing. The verification result should be printed and filed for audit purposes.
- 78.5** The municipality must utilise the Master Registration Number or tax compliance status PIN to verify bidders.
- 78.6** The municipality must print the tax compliance status screen view or letter with the result of the bidder's status at the date and time of verification to file with the bidder's bid documents for audit purposes.
- 78.7** Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have arranged to meet their outstanding tax obligations. The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.
- 78.8** Where goods or services have been delivered satisfactorily without any dispute, accounting officers should not delay processing payment of invoices due to outstanding tax matters. Municipalities and municipal entities are advised to update their current SCM policies to ensure alignment with the new TCS.

**79. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE**

- 79.1** Procurement of services is prohibited: -
- 79.1.1** from the person who is in the service of the state; or
- 79.1.2** if that person is not a natural person, of which any director, manager, majority shareholder or majority stakeholder is a person in the service of the state; or
- 79.1.3** who is an advisor or consultant contracted with the municipality in respect of a contract that would cause a conflict of interest.

**80. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE**

- 80.1** The notes to the annual financial statements must disclose particulars of any award of more than **R2 000.00 [Two Thousand Rand]** to a person who is a spouse, life partner, child or parent of a

person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- 80.1.1** the name of that person;
- 80.1.2** the capacity in which that person is in the service of the state; and
- 80.1.3** the amount of the award.

## **81. ETHICAL STANDARDS**

**81.1** A code of ethical standards is in place, for officials and other role players in the supply chain management system in order to promote –

- 81.1.1** mutual trust and respect; and
- 81.1.2** an environment where business can be conducted with integrity and in a fair and reasonable manner.

**81.2** An official or other role player involved in the implementation of the supply chain management policy –

- 81.2.1** must treat all providers and potential providers equitably;
- 81.2.2** may not use his/her position for private gain or to improperly benefit another person;
- 81.2.3** may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than **R350.00 [Three Hundred and Fifty Rand]**;
- 81.2.4** notwithstanding sub-paragraph 81.2.3, must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- 81.2.5** must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by the municipality;
- 81.2.6** must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- 81.2.7** must be scrupulous in his/her use of property belonging to the municipality;
- 81.2.8** must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
- 82.2.9** must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
  - 82.9.1** any alleged fraud, corruption, favouritism or unfair conduct;
  - 82.9.2** any alleged contravention of paragraph 81 of this policy; or
  - 82.9.3** any alleged breach of this code of ethical standards.

## **83. DECLARATIONS IN TERMS OF PARAGRAPHS 81 MUST BE DECLARED TO THE ACCOUNTING OFFICER**

- 83.1** must be recorded in a register which the accounting officer must keep for this purpose;

- 83.2** by the accounting officer must be made to the executive mayor who must ensure that such declarations are recorded in the register.
- 83.3** The National Treasury's code of conduct must also be considered by supply chain management practitioners and other role players involved in supply chain management. A copy of the National Treasury code of conduct is available on the website [www.treasury.gov.za/mfma](http://www.treasury.gov.za/mfma) located under "legislation".
- 83.4** A breach of the code of conduct adopted by the municipality must be dealt with in accordance with Schedule 2 of the Local Government: Municipal Systems Act 32 of 2000.

**84. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS**

- 84.1** No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
- 84.1.1** any inducement or reward to the municipality for or in connection with the award of a contract; or
- 84.1.2** any reward, gift, favour or hospitality to –
- 84.1.2.1** any official; or
- 84.1.2.2** any other role player involved in the implementation of the supply chain management policy.
- 84.2** The accounting officer must promptly report any alleged contravention of sub-paragraph 84.1 to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- 84.3** Sub-paragraph 84.1.2 does not apply to gifts less than **R350.00 [Three Hundred and Fifty Rand]** in value.

**85. SPONSORSHIPS, EVENTS AND CATERING**

- 85.1** The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- 85.1.1** a provider or prospective provider of goods or services; or
- 85.1.2** a recipient or prospective recipient of goods disposed or to be disposed.
- 85.2** The municipality may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality, unless the prior written approval of the accounting officer is obtained.
- 85.3** The accounting officer may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
- 85.4** Entertainment allowances of qualifying officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.

- 85.5** The municipality may not incur expenses on alcoholic beverages unless the municipality or the municipal entity recovers the cost from the sale of such beverages
- 85.6** The accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality's budget or by any suppliers or sponsors.
- 85.7** The municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.
- 85.8** The accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health.

**86. COMMUNICATION**

- 86.1** The municipality may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- 86.2** The accounting officer must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.
- 86.3** Newspapers and other related publications for the use of officials and public office bearers must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- 86.4** The municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

**87. CONFERENCES, MEETINGS AND STUDY TOURS**

- 87.1** The accounting officer must establish policies and procedures to manage applications to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives
- 87.2** When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, the accounting officer or the mayor as the case may be, must take the following into account-
  - 87.2.1** the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
  - 87.2.2** whether the conference or event addresses relevant concerns of the institution;
  - 87.2.3** the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
  - 87.2.4** the availability of funds to meet expenses related to the conference or event.

- 87.3** The accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
- 87.4** The benchmark costs referred to in sub-section (87.3) may not exceed an amount as determined from time to time by the National Treasury through a notice.
- 87.5** The amount referred to in sub-section (87.3) excludes costs related to travel, accommodation and related expenses, but includes-
- 87.5.1** conference or event registration expenses; and
- 87.5.2** any other expense incurred in relation to the conference or event.
- 87.6** When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- 87.7** The accounting officer of a municipality must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.
- 87.8** Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, *inter alia*, where an appropriate venue exists within the municipal jurisdiction
- 87.9** The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-section (87.2).
- 87.10** The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance

**88. OTHER RELATED EXPENDITURE ITEMS**

- 88.1** All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
- 88.2** Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.
- 88.3** Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.
- 88.4** The municipality must avoid expenditure on elaborate and expensive office furniture.
- 88.5** The municipality may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.
- 88.6** The municipality may consider providing additional time-off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager.
- 88.7** The municipality or municipal entity must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs

**89. OBJECTIONS AND COMPLAINTS**

**89.1** Persons aggrieved by decisions or actions taken in the implementation of the supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action, at the office of the accounting officer.

**90. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES**

**90.1** The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

**90.1.1** to assist in the resolution of disputes between the municipality and other persons regarding -

**90.1.1.1** any decisions or actions taken in the implementation of the supply chain management system; or

**90.1.1.2** any matter arising from a contract awarded in the course of the supply chain management system.

**90.1.2** to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

**90.2** The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

**90.3** The person appointed must –

**90.3.1** strive to resolve promptly all disputes, objections, complaints or queries received; and

**90.3.2** submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

**90.4** A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

**90.4.1** the dispute, objection, complaint or query is not resolved within 60 [sixty] days; or

**90.4.2** no response is forthcoming within 60 days.

**90.5** If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

**90.6** This paragraph must not be read as affecting a person's rights to approach a South African court of law at any time.

**91. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER**

**91.1** If a service provider acts on behalf of the municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –

**91.2** a cap on the compensation payable to the service provider; and

**91.3** that such compensation must be performance-based.

**92. PAYMENT OF SUB-CONTRACTORS OR JOINT VENTURE PARTNERS**

**92.1** The Chief Financial Officer or an official designated by the chief financial officer may consent to the direct payment of sub-contractors or joint venture partners by way of:

**92.1.1** an approved cession; or

**92.1.2** an agreement for direct payment.

**93. EXTENDING OR VARYING A CONTRACT**

**93.1** Subject to sub-paragraph 78.2, the Accounting Officer on its own initiative or upon receipt of an application from the person, body, organization or corporation supplying goods or services to the municipality in terms of this policy, may resolve to extend or vary a contract if:-

**93.1.1** the circumstances as contemplated in paragraph 55.1.1 prevail; or

**93.1.2** with due regard to administrative efficiency and effectiveness, the accounting officer deems it appropriate.

**93.2** The municipality may not extend or vary a contract:-

**93.2.1** more than once;

**93.2.2** for a period exceeding the duration of the original agreement; or

**93.2.3** for an amount exceeding 20 percent of the original bid value for construction related goods, services and or infrastructure project and 15 percent for all other goods and or service.

**93.3** Should there be any need to deviate from clause 93.2, the provisions of Section 116 of the MFMA should be applied.

**94. POLICY REVIEWS**

**94.1** Notwithstanding the review date herein this policy shall remain effective until such time otherwise approved by Council and may be reviewed on an earlier date if necessary.

**95. BUDGET & RESOURCES**

**95.1** The financial and resource implication/s related to the implementation of this policy should be qualified and quantified. Where the provisions of this policy conflict with the provisions of the Emalahleni Local Municipality Costs Containment Policy, the provisions of the Costs Containment Policy shall take supremacy.

**96. IMPLEMENTATION**

**96.1** The Policy shall be implemented by Management, Service Providers, Councillors and by any other affected party including the members of the public and Management shall take reasonable steps to ensure that the policy is implemented and adhered to.

**97. PENALTIES**

**97.1** Non-compliance of any of the stipulations contained in the policy will be regarded as misconduct and will be dealt with in terms of the Municipality's Disciplinary Code.