EMALAHLENI LOCAL MUNICIPALITY

BID NO: ELM 23/2019
(RE-ADVERT)

DESCRIPTION: REQUEST FOR PROPOSAL FOR PROVISION OF AN INTEGRATED FINANCIAL SYSTEM FOR A PERIOD OF 36 MONTHS

NAME OF BIDDER: _____

PHYSICAL ADDRESS: _____

TELEPHONE NO.: _____

FAX NO.: _____

EMAIL NO.: _____

CONTACT PERSON: _____

TOTAL BID AMOUNT (VAT EXCL.): _____

TOTAL BID AMOUNT (VAT INCL.): _____

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1. TENDER NOTICE & INVITATION

1.1 INTRODUCTION

ELM 23/2019 (RE-ADVERT): REQUEST FOR PROPOSAL FOR SUPPLY, DELIVERY AND MAINTENANCE OF AN INTEGRATED FINANCIAL SYSTEM

Emalahleni Local Municipality invites prospective bidders to submit detailed proposals for supply and delivery of an integrated financial system with support and maintenance for a period of thirty-six (36) months.

The municipality is looking for well experienced bidder who can demonstrate the understanding of financial management systems which is designed with effective and efficient interrelationships between software, hardware, personnel, procedures, controls, and data contained within the systems.

The financial management systems must have, as a minimum, the following four characteristics:

(1) Standard data classifications (definition and formats) established and used for recording and reporting financial events;
(2) Common processes used for processing similar kinds of transactions;
(3) Internal controls over data entry, transaction processing, and reporting applied consistently; and
(4) A design that eliminates unnecessary duplication of transaction entry.

Financial Management Systems required by Emalahleni Local Municipality should establish and maintain a single, integrated and interactive functionalities which will ensure timely and accurate financial data, increase quality policy and decisions making and provide accurate or timely information.

The bidder should have proven capabilities to perform the required services with distinction, no chancers will be accepted.

The ideal service provider will be the one who can offer high quality of service, and has extensive and proven track record of similar projects successfully implemented and maintained. The costs of such system should be moderate and no quality should be compromised, standards compatibility should be maintained, ease of modification and upgrading should be of high importance.

The proposal should meet the following criteria

Improve data quality and credibility
Analysis of sector comparison
Uniform recording of transactions

Uniform data sets
Standardise key business processes
Standardisation and alignment of government accountability cycle Standardisation of account classification

The required system should comply with municipal Standard Charts of Accounts.

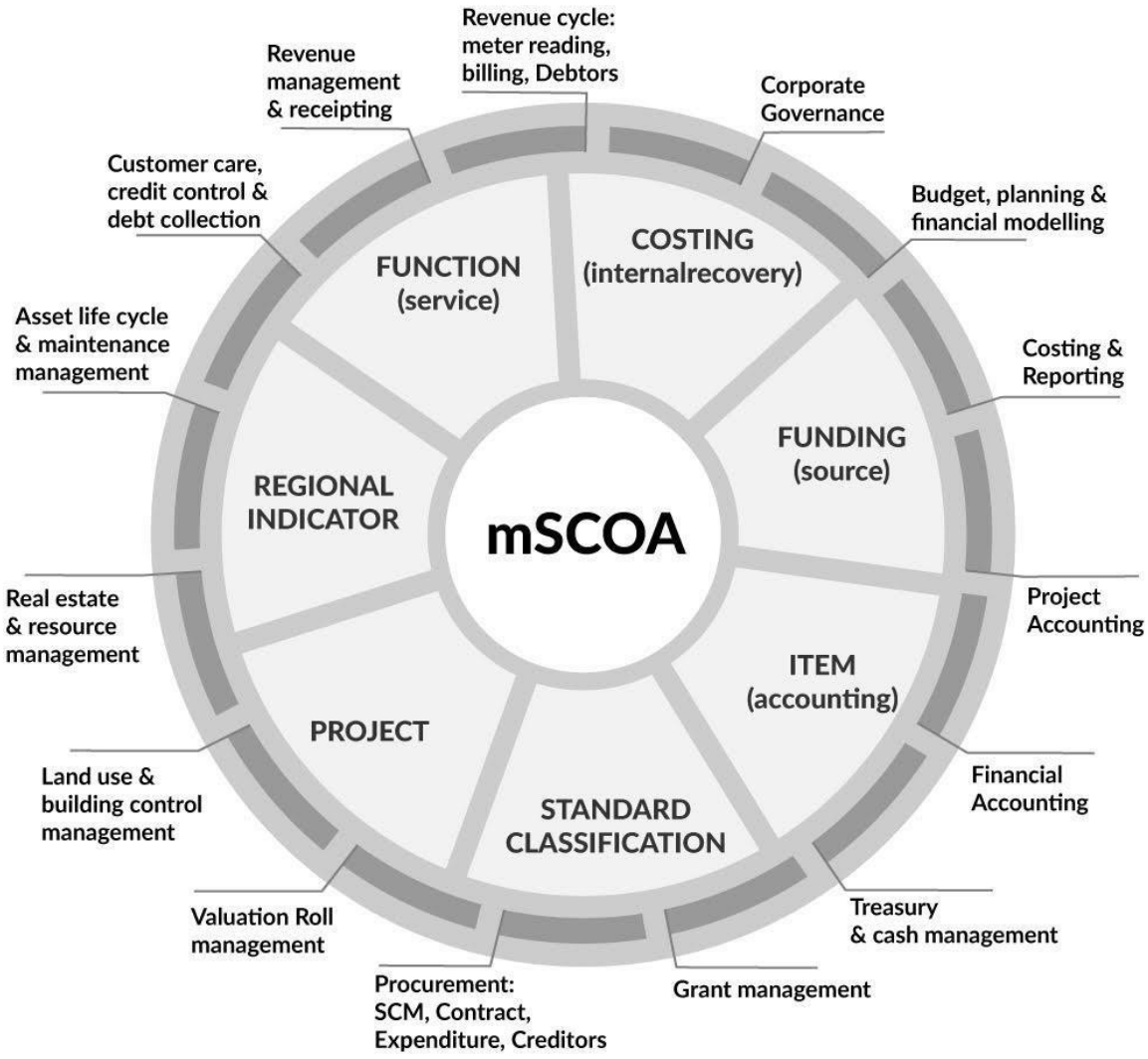

FIGURE 1

The municipality is therefore looking for a partner that will assist in ensuring that the project is successfully implemented.

Bid documents are available on www.emalahleni.gov.za and www.etenders.gov.za for downloading.

Closing date: 24 July 2020 at 11:00

A compulsory briefing will not be conducted for this tender in order to prevent the spread of the Covid-19 virus through interactions. Bidders may send electronic mails for any enquiries related to this bid.

Only Service Providers who are registered on the **Central Suppliers Database** will be considered.

Bids are to be deposited in the tender box at the Civic Centre before / by the closing date where after they will be opened in public. No late or faxed bids will be considered.

- *For technical enquiries please contact the following officials:*
  - ***a)*** *Information Technology: Ms MKM Kubyana on 013 690 6271/ 082 699 0889 kubyanamkm@emalahleni.gov.za*
  - ***b)*** *Human Resources: Ms B Khoza on 013 690 6537/ 082 852 9420 or khozabm@emalahleni.gov.za*
  - ***c)*** *Budget and related modules: Mr. S Mahlangu on 083 380 3975 mahlangus@emalahleni.gov.za*
  - ***d)*** *Revenue: Mr T Mokoneni on 013 690 6280 or 072 631 2505 or mokonenita@emalahleni.gov.za*
  - ***e)*** *Expenditure: Ms F Khoza on 013 690 6545 or082 443 2591 or khozafe@emalahleni.gov.za*
  - ***f)*** *Supply Chain Management: Mr S Ndlovu on 013 690 6505 or 082 782 7412 or ndlovusp@emalahleni.gov.z*
  - ***g)*** *Environmental and Waste Management: Ms T Mashiloane 013 690 6451 or environmental@emalahleni.gov.za*
  - ***h)*** *Development Planning: Ms N Mbanga 013 690 6448 or developmentplanning@emalahleni.gov.za*
  - ***i)*** *Technical Services : Ms G Modjadji 013 690 6300 Mahlabatp@emalahleni.gov.za*
  - ***j)*** *Community Services : Ms T Tshabalala 013 690 6360 or communityservices@emalahleni.gov.za during working hours*

- *For Supply Chain Management Office : (013)690 6483/6497/6484*
- *Working hours: Monday to Thursday 07:30 – 16:30 and Friday 07:30-13:30*

HS MAYISELA
MUNICIPAL MANAGER

Civic Centre
29 Mandela Street
eMalahleni

P.O Box 3
eMalahleni

www.emalahleni.gov.za

2. BID REQUIREMENTS

2.1 The conditions contained in the General Conditions of Contract (GCC), and the attached bid forms, as well as any other conditions accompanying this invitation are applicable.
2.2 Bidder must be registered on the National Treasury Central Supplier Database, confirmation of registration must be submitted together with the bid document.
2.3 All documents accompanying this invitation must be completed in detail where applicable, be sealed in an envelope and be deposited in the bid box before the closing date and time. The bid box is situated at Civic Centre, First Floor, Mandela Street, eMalahleni.
2.4 Duly completed and signed original bid documents should be sealed in an envelope marked:

Bid no.: ELM 23/2019 (Re-advert)
Closing date: 24 July 2020
Closing time: 11:00
Name of bidder:

2.5 Late bids / proposals will not be accepted. Please note that bids are late if they are not received at the address given in the invitation after the bid closing date and time.
2.6 No telegraphic or facsimile bids / proposals will be considered.
2.7 The Emalahleni Local Municipality reserves the right to accept any bid in whole or in part and does not bind itself to accept the lowest or any bid at all.
2.8 Bids / proposals will be valid for a period of 90 days after the closing date.
2.9 All bid prices must be quoted in South African currency on a fixed price basis and include VAT.
2.10 All relevant documents attached to this bid must be completed and signed in black ink by an authorized representative of the business.
2.11 The authorized representative of the business is required to initial each page of the bidding document.
2.12 Bidder must be able to demonstrate the capability of providing the required products and services by being in possession of adequate available resources, including personnel, facilities, systems, quality control and other related factors.

Please ensure that you submit and attach the following documents and ensure that information is fully disclosed in the proposal:

- Proof of registration with Central Supplier Database (CSD) of the National Treasury
- Original completed and signed applicable bid documents and **preference claim forms** in terms of the Preferential Procurement Regulations.
- Tax compliance status pin
- Municipal water and lights statement or written confirmation that municipal rates and taxes and municipal service charges of the prospective bidder and Executive Directors of the business are not in arrears from their respective municipality.
- Submission of a Certified B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a B-BBEE sworn affidavit (If applicable)
- Joint Venture agreement in case of a Joint Venture signed by both parties

- Authority of signatory (Attached on Bid document)
- A minimum of three (3) positive reference letters from previous clients relevant to this bid.
- Three year Annual Financial Statement and for companies required to be audited as per the company's act regulation 28, 3 year audited AFS or since established during past three years(proof must be provided)
- No partial bidding will be considered. All services should have individual pricing. A sample pricing template has been attached. Please note that the pricing template does not constitute the final pricing schedule. Each bidder should submit their personalised pricing with itemised goods/ services to be rendered. However they should be separated as the project will be implemented over three (3) financial years.
- Please refer to page 106 under 16. Mandatory Bid Requirements for detailed technical requirements which should form part of returnable documents.

Failure to comply with these conditions and filling of the declaration form may invalidate your offer.

MBD 1

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (*NAME OF MUNICIPALITY/ MUNICIPAL ENTITY***)**					
BID NUMBER:	**23/2019 (RE-ADVERT)**	CLOSING DATE:	**24 JULY 2020**	CLOSING TIME:	**11:00**
DESCRIPTION	**REQUEST FOR PROPOSAL FOR SUPPLY, DELIVERY AND MAINTENANCE OF AN INTEGRATED FINANCIAL SYSTEM**				
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

EMALAHLENI LOCAL MUNICIPALITY
CIVIC CENTRE
29 MANDELA STREET
eMALAHLENI

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]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes ☐ No		
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS F OR B-BBEE]						
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ 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						

PART B

TERMS AND CONDITIONS FOR BIDDING

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

MBD 2

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) STATUS LEVEL CERTIFICATES

Bidders are required to submit original and valid B-BBEE Status Level Verification Certificates or certified copies thereof together with their bids, to substantiate their B-BBEE rating claims. Bidders who do not submit B-BBEE Status T Level Verification Certificates or are noncompliant contributors to B-BBEE do not qualify for preference points for B-BBEE but should not be disqualified from the bidding process. They will score points for out of 90 or 80 for price only and **zero** points out of 10 or 20 for B-BBEE.

MBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state[1], 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[2]):

……..

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.

[1]"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**

2.9.1If 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:

……
……
.

Full details of directors / trustees / members / shareholders.

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

4 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 Date

…….. ……
Position Name of bidder

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

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

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

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1. GENERAL CONDITIONS

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

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

1.2

a) **The tender will be evaluated on either the 80/20 or 90/10 preference point system. Once a tender is received, the lowest acceptable tender will be used to determine the preference point system to be used for the evaluation of tenders**

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

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

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

2. DEFINITIONS

(a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

(b) "**B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

(d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(e) **"EME"** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the BroadBased Black Economic Empowerment Act;

(f) **"functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents. (g) **"prices"** includes all applicable taxes less all unconditional discounts;

(h) **"proof of B-BBEE status level of contributor"** means:

1)B-BBEE Status level certificate issued by an authorized body or person;

2)A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;

3)Any other requirement prescribed in terms of the B-BBEE Act;

(i) **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

80/20 or 90/10

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(***Tick applicable box***)

YES	NO

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted.....……%

ii) The name of the subcontractor…….. iii) The B-BBEE status level of the subcontractor.....…….. iv) Whether the sub-contractor is an EME or QSE ***(Tick applicable box***)

YES NO

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

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

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:…….

8.2 VAT registration number:…….

8.3 Company registration number:…….

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

……

……

……

……

……

8.6 COMPANY CLASSIFICATION

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

[*TICK APPLICABLE BOX*]

8.7 MUNICIPAL INFORMATION

Municipality where business is situated: …….

Registered Account Number: …….

Stand Number:……..

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

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

i) The information furnished is true and correct; ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

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

(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

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

4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
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 ☐	No ☐
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	**Date**
……	**……..**
Position	**Name of Bidder**

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 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:

[1] Includes price quotations, advertised competitive bids, limited bids and proposals.

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

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

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[3] will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

   (a) prices;
   (b) geographical area where product or service will be rendered (market allocation)
   (c) methods, factors or formulas used to calculate prices;
   (d) the intention or decision to submit or not to submit, a bid;
   (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
   (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

.. …….....	……..
Signature	Date
……	……
Position	Name of Bidder

3. SPECIAL CONDITIONS OF CONTRACT

3.1 The successful service provider must provide clearance from the municipality where they are based indicating that they are not in arrears with regard to their respective municipal services accounts.

3.2 Bidders must initial all the pages of the Bid document and sign the Bidder particulars page in full.

3.3 Bidders must complete the original Bid document in black ink, and notice must be taken that tip-ex may not be used in the document

3.4 The original Bid document must be submitted together with the cost proposals

3.5 The transaction shall be subject to any stipulations in any Act, Ordinance or Bylaw pertaining thereto.

3.6 No proposals by any person that is not competent to enter into an agreement will be considered and if it is established that it is the case, the contract agreement in this regard will be considered null and void by Council.

3.7 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 on an attorney and client scale.

3.8 Should any legal action be deemed necessary to determine any aspect arising out of these conditions or to enforce any rights in terms of these conditions, then and in that event the parties hereto agree categorically to the jurisdiction of the Magistrate's Court to hear such action and to pass judgment notwithstanding the fact that the cause of action is beyond the jurisdiction of the Court: Provided always that Council shall have the right in its sole discretion to take action in any competent higher court in any matter exceeding the ordinary jurisdiction of the Magistrate's Court.

Council reserves the right to accept any cost proposal in a tender submitted or part thereof and will not be obliged to accept the highest tender price submitted in a tender OR any proposal submitted.

4. GENERAL CONDITIONS OF CONTRACT

The conditions contained in the General Conditions of Contract (GCC), and the attached bid forms, as well as any other conditions accompanying this invitation are applicable. See Annexure B- (General Conditions of Contract)

5. SPECIAL REQUESTS BY BIDDER

Any proposal, request or condition that should be taken into account during consideration of the Bid.

6. FINANCIAL CONTRACT ARRANGEMENTS:

The following financial conditions are set by Council:

a. No payment of the milestones shall be made prior to an inspection to be done by Council to determine whether the work is complete and satisfactory

b. Payment will be made upon completion of milestones as agreed to in the tender.

7. PRICING GUIDELINES:

a. All tendered prices quoted by the contractor must be in South African Rands i. (Currency).

b. The Council is not bound to accept any of the bids submitted and reserve the right to call for Final Offers from short-listed bidders before final selection.

c. Bidder must provide a detailed pricing schedule indicating unit prices.

d. The Council reserves the right to negotiate price with preferred bidder.

e. Bidders must note that equity points will not be allocated if not claimed or properly claimed in the MBD 6.1

8. PAYMENT:

Tenderers shall note that payment shall be made in terms of ELM: General Conditions of Contract (Goods/Services).

9. CONDITIONS OF TENDER:

9.1 Validity of tender

Failure to adhere to tender specifications and regulations will render the bid document null and void.
FACSIMILE AND E-MAIL TENDERS will not be considered.

9.2 Alterations to tender documents

This tender is to be left intact in its original format and no pages are to be removed and or rearranged. Should there be inadequate or no space for the Tenderer to enter a particular item, then such information shall be submitted in a covering letter and referred to as Annexure “B”. Failure to comply with this clause shall result in rejection of the tender.

9.3 Qualifications of tenders

Tenders should be submitted on the unaltered official forms and should not be indiscriminately qualified by the Tenderer’s own conditions of the tender. Failure to comply with these requirements, or to renounce the conditions of the tender, may invalidate or prejudice the Tender.
Failure to comply with this clause shall result in rejection of the tender.

9.4 Interpretation of the tender documents

If the Tenderer has any doubt or uncertainty as to the meaning and interpretation of any part of this document or accompanying drawings, then such doubt or uncertainty shall be addressed with Ms. Kubyana on kubyanamkm@emalahleni.gov.za or 082 699 0889 or mahlangus@emalahleni.gov.za or 083 380 3975.

9.5 Cost incurred by tenderer

The municipality will not be responsible to pay any expenses or losses which may be incurred by any Tenderer in the preparation and submission of the Tender or in visiting the site in connection therewith.

9.6 Interview with tenderers

The ELM reserves the right to have interviews with the lowest or any other tenderers to endeavor to resolve matters like those stated above. The purpose of the interview will solely be to clear up discrepancies in the tender as supplied by the tenderer. Under no circumstances will changes to documents be admitted.

9.7 Value added tax

After appointment of service provider all prices quoted should include Value Added Tax.

9.8 Authority of signatory

Company

If the Tenderer is a company, a certified copy of the resolution of the board of directors (personally signed by the Chairman of the Board) authorizing the person who signs this tender to do so, as well as to sign any contract resulting from this tender and any other documents and correspondence in connection with this tender and/or contract on behalf of the company, must be submitted with their tender.
Failure to comply with this clause shall render the tender document invalid.

Partnership

If the tenderer is a partnership, a certified copy of the resolution of the partners (personally signed by all partners) authorizing the person who signs this tender to do so, as well as to sign any contract resulting from the tender and any other documents and correspondence in connection with this tender and/or contract on behalf of the partnership, must be submitted with this tender.
Failure to comply with this clause shall render the tender document invalid.

Sole Proprietor

Where the tender constitutes a one-man business, certified proof must be submitted that the person signing this tender as well as any contract resulting from this tender and any other documents and correspondence in connection with this tender and/or contract is the sole owner of the one-man business.
Failure to comply with this clause shall render the tender document invalid.

10. BREACH AND TERMINATION:

If the service provider (the “defaulting party”) commits any material breach of any of its obligations in terms of this Agreement, the other party (the “aggrieved party”) shall be entitled to-

a. in writing describe the breach to the defaulting party and call on the defaulting party to remedy its breach within 7 (seven) days of the aggrieved party serving such notice on the defaulting party; and
b. if the defaulting party has not remedied the breach within the aforesaid period, then the aggrieved party shall be entitled to cancel this Agreement forthwith.

AUTHORITY OF SIGNATORY

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.

A Company	B Partnership	C Joint Venture	D Sole Proprietor	E Close Corporation

A. Certificate for Company

I, ... , chairperson of the board of directors of ..... … ..... , hereby confirm that by resolution of the board **(copy attached)** taken on ..... 20…, Mr/Ms ..... acting in the capacity of ..... , was authorized to sign all documents in connection with this tender for contract ……. and any contract resulting from it on behalf of the company.

As witnesses :

1. Chairman : .....
2. ..... Date : .....

Tenderers must attach a copy of the Resolution of the Board .

B. 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 ..... 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.

C. Certificate for Joint Venture

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 for Contract and any contract resulting from it on our behalf.

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

NAME OF FIRM	ADDRESS	AUTHORISING SIGNATURE, NAME & CAPACITY
Lead partner		

D. Certificate for Sole Proprietor

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

..... ……

As witnesses: **Signature:**

1. Sole owner

.....

2. Date: .....

.....

.....

E. 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 ..... 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 who rests the direction of the affairs of the Partnership as a whole.

CERTIFICATE OF AUTHORITY FOR JOINT VENTURES (if applicable)

This returnable schedule is to be completed by joint ventures.

We, the undersigned, are submitting this tender offer in joint venture and hereby authorize Mr/Ms ..... ……., authorised signatory of the company, close corporation or partnership .... , 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** .....

NOTE: A copy of the Joint Venture Agreement showing clearly the **percentage contribution of each partner** to the Joint Venture shall be appended to this schedule.

11. ELM BACKGROUND

1. INFORMATION TECHNOLOGY

The municipality has several satellite offices which connect to the head office to access all applications. The site information is as follows:

Site Name	Circuit Speed	Number of Users
EMLM-0001-Head Office	10000	400
EMLM-0004-Stores	1984	20
EMLM-0002-Ga-Nala(Kriel)	1984	20
EMLM-0003-Ogies	1984	20
EMLM-0010-Phola Pay point	512	5
EMLM-0011-Parks Department	256	2
EMLM-0013-Lynville	256	10
EMLM-0014-Kwa-Guqa	512	5

VMware ESXi hardware running in the IT environment has the following: 383.61 GB of memory and 32 Logical Processors, 2 Sockets with 8 Cores per socket (Intel(R) Xeon(R) CPU E5-2620 v4 @ 2.10GHz). We have QNAP Storage with 25TB of capacity as data store.

Interface to (ACB, Bank Statement, Meter Readers, MailTronics, SAPO, Easy Pay, Assets, Payroll System, Electricity Prepaid Vending, Valuation roll).

2. DEPLOYED MODULES

a) Supply Chain Management (procurement and logistics)
b) Budget Planning and Financial modelling
c) Treasury and Cash Management
d) Creditors and Expenditure
e) Credit Control and Debt Collection
f) Valuation Roll Management
g) Asset Management
h) Revenue Management and Receipting
i) Meter reading, billing and debtors management
j) Payroll
k) Pre-paid management
l) Document Management
m) Fleet management

3. LIST OF CURRENT SERVICE PROVIDERS

a) Vesta Technical Solutions (Phoenix Financial System)
b) Pay-Day Software Pty Ltd (Payroll management)
c) ABSA (BIOnline)
d) Nthlangano Group of companies (Pre-paid vending)
e) MunCom (Document Management)

f) Metgovis (Valuation management)
g) Market Demand (Asset Management)
h) Bula mosebetsi (Meter reading)
i) EasyPay, SAPO (account payments)
j) Adapt IT(CaseWare)

4. CUSTOMER OVERVIEW

Emalahleni Local Municipality has approximately 90 0000 customers with registered properties. The breakdown is as follows:

4.1 Number of Properties +/- 90 000,
4.2 Prepaid meters +/- 60 000,
4.3 conventional electricity +/- 20 000
4.4 water meters +/- 77 000

12. GENERAL CONCEPT OF TENDER

Emalahleni Local Municipality invites prospective bidders to submit detailed proposals for an integrated financial system with support and maintenance for a period of thirtysix (36) months.

The municipality is looking for well experienced bidder who can demonstrate the understanding of financial management systems which is designed with effective and efficient interrelationships between software, hardware, personnel, procedures, controls, and data contained within the systems.

The system should conform to Municipal Regulations on Standard Chart of Accounts, and provided for the following key objectives: a. Improved data quality and credibility

b. The achievement of a greater level of standardization;
c. The development of uniform data sets critical for government reporting;
d. The standardization and alignment of the local government accounting cycle by the regulation of not only the budget in – year reporting formats but also the annual report and annual financial statement formats;
e. The creation of the opportunity to standardize key business processes with the consequential introduction of further consistency in the management of municipal finance:
f. Improved transparency, accountability and governance through uniform recording of transactions at posting account level detail:
g. Enabling deeper data analysis and sector comparisons to improve financial performance: and
h. The standardization of the account classification to facilitate mobility in financial skills within local government, other spheres of government to attract and retain skilled personnel

The prospective bidders are required to ensure that they provide for the following in their bid documents:

NUMBER	DESCRIPTION
1	System provision and licenses(detailed breakdown per available module)
2	Project planning and implementation (detailed in phases)

3	Data migration
4	Data integration with the pre-paid system
5	Customization
6	Testing
7	Specialized hardware (e.g. scanners, fingerprint readers, printers etc)
8	Intention for partnership with 3rd parties (list of all third parties)

13. FEE STRUCTURE:

13.1 Annual license fees of all systems are to be quoted as once off fees payable every twelve (12) months. All fees must be identified in the bid document this should include all licenses such as (database, report writer etc.). No additional fees should be quoted after signing the contract. The license fees for all the required modules must be included in the costing.

14. HARDWARE REQUIREMENTS

The municipality has sufficient hardware to cater for the proposed software which will be hosted onsite at the head office. The prospective bidder can proposed a hosted solution which can be used as a secondary disaster recovery site. Bidders are required to supply specialised equipment should there be such a requirement.

Bidders are advised that the municipality will offer three servers i.e. live environment, testing environment and the disaster recovery site. **Specialized hardware should form part of the bid proposal. If the system will require e.g. scanners, fingerprint readers, printers etc. the quotation should be provided with returnable documents.**

15. SOFTWARE REQUIREMENTS

The municipality requires an all-inclusive and integrated financial management system and acknowledges that not all bidders will have an allinclusive solution and therefore advise that the offering should be presented to the municipality as a one-stop system. It is the responsibility of every bidder to contact other vendors for collaboration and negotiate the fees. The municipality will enter into an agreement with one bidder and all licenses and costs will be paid to the successful bidder and not the 3rd party.

DETAILED BREAKDOWN OF THE REQUIRED MODULES ACCORDING TO MUNICIPAL NEEDS

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
	System Configurations	Access control of all systems and modules should as a minimum adhere to the following: Minimum Information Security Standards.	Authentication, authorisation and cryptographic security technologies and digital certificates must be given high emphasis throughout the entire system including but not limited to the application, data processing, data storage, data communications and user access.	required	
			Must integrate secondary authentication systems such as biometric devices for users that provides access to critical modules, processes and digital signatures or similar technologies to prevent document tampering.	required	
			Must support complex user profiles, with segregation of duties, in order to limit user rights beyond the transaction, but to also include content sensitive measures such as organisational structure, payroll, cost centre, project, source of funding, other segmented transactions or other system objects needed to ensure confidentially of information and transactional integrity.	Legislation	
			Online approval and authorisation with electronic signature capabilities of transactions via integrated security systems and segregated functionality. This should be provided through application of appropriate security policies and internal service level agreements between various units.	Legislation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Comprehensive on-line audit trail of all transactions at a transaction level must be available. This is in order to identify date, time and the user who initiated, approved or amended any transaction, including workflow. The administrator must be able to customise this for enhanced analysis and reporting.	Legislation	
			Additionally the audit trail on all activities on the system, date, time and responsible user stamped. This must be done to the extent that an activity log can be drawn from the system, outlining a particular user's activities on the system for the entire workday.	Legislation	
		Period Control	Monthly period closure and certification within the statutory reporting dates. No back-dating of transactions is allowed.	mSCOA Regulation	
			Balancing of the sub-system with control accounts must be a condition of any period closure.	mSCOA Regulation	
			Year-end closures period 12 as at 30 June (of the current year) result in a transactional transfer of opening balance to period one in the following year.	mSCOA Regulation	
			Finalisation and submission of annual financial statements (AFS) period 13 results in *opening balance transactional transfer* of only the transactions of period 13.	mSCOA Regulation	
			Audit periods with allowed audit approved journals occur in period 14 and result in *opening balance transactional transfer* of only the transactions of period 14.	mSCOA Regulation	
			Accommodate a period 15 for prior period errors (GRAP 3).	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Any corrections of prior period error(s) result in opening balance transactions in the subsequent years.	mSCOA Regulation	
			Period closing, finalisation and audit period corrections are *opening balance transactions* in the current open period as well as normal transactions in the audit periods.	mSCOA Regulation	
		Integration	Document management must occur at the capturing point of all transactions.	Best Practice	
			Sub-system(s) or ledgers must, without (manual) intervention or manipulation, integrate and constantly balance with the core financial system.	mSCOA Regulation	
			Create workflow and exception reporting mechanisms.	mSCOA Regulation	
			Enable drill down from the general ledger (GL) to subsystem source transactions to transactional level.	mSCOA Regulation	
			Integration and automation of the annual financial statements (AFS) as well as monthly MFMA section 71 reports (financial management statements).	mSCOA Regulation	
		Help function user manual	The System must include an online procedural manual facility that allows for the recording and updating of all relevant processes to aid the users of the system.	Best Practice	
			The manual must be context specific and accessible from any input screen in the system.	Best Practice	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Functionality is required to permit a duly authorised user to maintain the user manual.	Optional	
		Document and transaction control	The solution must include the online recording of all transactions with a unique transactional identifier and a date/ time stamp format which records transactions in all systems.	required	
			It is important to note that no records are physically deleted. Deleting a record in the context of the Solution means to 'flagging as deleted', the record so that it is no longer visible or active and does not present 'clutter' to normal users.	Best Practice	
			However, duly authorised users may view or report on logically deleted records.	Best Practice	
			Logically deleted records MAY NOT be reactivated. (If a record was 'flagged for deletion' in error, it will require recapturing).	Best Practice	
		Training and Skills transfer	End User Training which includes both theoretical as well as practical training.	required	
			Complete Solution Hand Over to Municipal Project Team including full documentation.	required	
			Deployment of an IT strategy for maintenance and future developments.	Best Practice	

		Back up and data recovery	Data backup procedures must be continuous and roll back. Recovery should be at the maximum extent possible and not cause system down time "RAID configuration".	required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Disaster recovery sites are either off site at the municipality or cloud based solutions that are to be tested regularly.	required	
			Daily, weekly, monthly and yearly backups must be documented and signed-off.	required	
	Performance Management System	Performance Management System that gives effect to chapter 6 of the Municipal Systems Act, 2000	Due to the nature of local government the performance management system of a municipality originates from its integrated development plan (IDP) and as such the key performance indicators are created in the IDP. This module therefore formally start with and should assist in the compilation of the IDP.	Best Practice	
			The performance management system must therefore include the following components:		
			Seamless integration with the budgeting module;	Best Practice	
			The compilation and solution to capture the service delivery- and budget implementation plan (SDBIP) measurable performance indicators and the assignment of tasks to specific managers;	Best Practice	

			Ensuring that policies and Municipal By-laws are aligned to the developmental nature of the municipality and give effect to the measurable performance objectives and service delivery- and budget implementation plan (SDBIP) of the municipality (for staff and political office bearers);	Best Practice	
			Ensure that internal municipality delegations are updated and assigned and formally accepted by individuals;	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Manage and control external service mechanisms/ providers via a contract management component that ensures delivery, sign-off and minutes are contained in a single point of entry;	Best Practice	
			The contract management module should monitor key deliveries and also invoke penalty clauses, retentions and consequences in cases of persistent breach of contract. This include listing of transgressors on the National Treasury website under the appropriate listing for transgressors;	Best Practice	
			A performance management module that manages the contracts of senior management and allows for electronic submissions and 'portfolio of evidence' management;	Best Practice	
			The performance management module should assist in consequence management and record any such actions; and	Best Practice	

			The performance management system should as a minimum produce the following documents:		
			The integrated development plan (IDP) for publication;	Best Practice	
			The service delivery- and budget implementation plan (SDBIP);	Best Practice	
			The service level agreements (SLA's) and performance contracts;	Best Practice	
			Reporting on service delivery- and budget implementation plan (SDBIP) indicators (inclusive of financial performance indicators); and	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			The municipality's annual report.	Best Practice	
			Billing module in addition to integrate: The A&B valuation roll publication as required by the Municipal Property rates Act, 2004; and The customer portal; and should as a minimum (if not hosted on the municipality's web site) be accessible or redirected from the website of the municipality.	Legislation	

	Document Management	Document Management to ensure that all municipal documents are secured and if possible electronically received to achieve the lowest possible foot print. National Archives of South Africa Act, 1996.	***Support secure and reliable document management including, but not limited to:*** Document sharing; Dedicated registry for document filling; Document tracking; Secure access to documents.	Legislation	
			Document management should originate at the lowest level of transaction. (i.e. invoices should originate from creditors module)	Legislation	
			Scanned documents and images to be linked to the each enquiry of the system (e.g. Assistance-to-the-Poor application scanned forms to be linked to the customer identification number on the system)	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
	Reporting mechanisms	Business intelligence reporting solutions	The report writer should have a user configurable application utility like Sequel server reporting server (SSRS). This must include sample reports configured as well as standard reports. This will allow for consistency in reporting and best of client base reports that can be shared in the whole-of-municipal environments;	Optional	
			Alternatively an effective, flexible report-writing facility with access to the database dictionary is required;	mSCOA Regulation	

			Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments;	mSCOA Regulation	
			In addition, there should be a management dashboard that displays at the Municipal Manager's (accounting officer) and senior managers' offices, the key performance areas information in a continues real time update. This should as a minimum:		
			Assist the municipal manager to adhere to MFMA section 70 by providing early warning of impeding financial distress;	Best Practice	
			Monitor the financial progress of grants, programs and capital projects (as per the annual service delivery-and budget implementation plan (SDBIP));	Best Practice	
			Monitor performance of debt recovery and creditor payments;	Best Practice	
			Reflect budget versus actual performance of the votes / functions of the municipality.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Allow for the export of data via reports in commonly used file formats which is normally associated with spread sheet and other data base applications.	mSCOA Regulation	
		National Treasury Portal and other statutory submissions	Statutory submission to the National Treasury local government Database (LG Database);	mSCOA Regulation	

			mSCOA data extraction and upload to portal submissions with a dashboard configuration to allow the Municipal Manager (accounting officer) to verify the mSCOA data extracts before submitting them:		
			The annual procurement plan - actual versus budget;	mSCOA Regulation	
			The asset maintenance plan - actual versus budget;	mSCOA Regulation	
			Annual Financial Statements (AFS);	mSCOA Regulation	
			Annual report;	mSCOA Regulation	
			National Energy Regulator SA (Nersa) and Department of Water Affairs and Sanitation (DWS) reports;	mSCOA Regulation	
			VAT returns 201 reconciliations;	Legislation	
			PAYE and 501 reconciliations;	Legislation	
			IRP 5; and	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Unemployment Insurance Fund (UIF) forms.	Legislation	

Municipal Budgeting, Planning and Financial Modelling: (IDP driven, project based main budget module that adhere to MFMA section 53 that as a minimum)	
Municipal budgeting and planning business processes are primarily derived from two sets of legislation, namely the Municipal Systems Act, 2000 (MSA) and the Municipal Finance Management Act, 2003 (MFMA). The MSA provides for the setting of the strategic objective whilst the MFMA and Municipal Budget and Reporting Regulations, 2009 (MBRR) provide for the output associated with this business process. This needs to incorporate key processes and procedures such as strategy formulation, integrated development planning (IDP), prioritisation, revenue generation, resource allocation, as well as long term forecasting and modelling of key financial dimensions such as the statement of financial position, cash flow forecasting, funding compliance, asset management and basic service delivery.	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
	Main Budget	In terms of Section 25 of the Municipal Systems Act, 2000 each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan (the integrated development plan (IDP)) for the development of the municipality which must inform the municipal budget to be mutually credible and reliable and should include the following functionality:	Must have budgeting capabilities in that the budget are informed from the integrated development plan (IDP) and budget capturing occur across all the mSCOA segments as per the mSCOA Regulations, 2014.	mSCOA Regulation	
			System must support budgeting cycles across the medium term revenue and expenditure framework (MTREF) (3-year budget) of the municipality.	mSCOA Regulation	
			The system should be able to link budgeting to final integrated development plan (IDP) priorities.	mSCOA Regulation	
			Budgeting on the factual elements of typical work streams.	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Budgeting on the factual elements of municipal operational and running cost.	mSCOA Regulation	
			Enable users with budget and management information to determine funding adequacy of the budget to ensure the budget is funded. (Municipal Budget and Reporting Regulations, 2009 (MBRR)).	Legislation	
			Incorporation of the sub module's elements.	Optional	
			Tracking of the budget process plan and timetable.	Optional	
			Automated workflow for departments' submissions as per budget guideline documents.	Optional	
			Comparison capabilities for department budget submissions, scenarios & recommendations.	Optional	
			Planning of secondary costing i.e. Departmental charges, internal recoveries and activity based charges.	mSCOA Regulation	
			The system should be able to link Expenditure and Revenue to All segments of mSCOA.	mSCOA Regulation	
			Track, compare and report on budget versus actual amounts for year 1 of the medium term revenue and expenditure framework (MTREF) as per mSCOA Regulation requirement.	mSCOA Regulation	
			Enable what-if inter-operability and modelling between the municipality's main budget module and the sub-budget modules.	Optional	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Ensure that the policies referred to in MFMA section 17 and the Municipal Budget and Reporting Regulation 7 are, via formal work flow, reviewed by the relevant municipality departments/ sections. Any amendments must be incorporated into the budget submission. These reviews, as a minimum, must include:		
			The tariff policy referred to in section 74 of the Municipal Systems Act, 2000;	Legislation	
			The rates policy as required in terms of the Municipal Property Rates Act, 2004;	Legislation	
			The credit control and debt collection policy referred to in section 96 of the Municipal Systems Act, 2000;	Legislation	
			The supply chain management policy referred to in Chapter 11 of the MFMA, 2003;	Legislation	
			The statutory budget submission to the National Treasury local government Database (LG Database);	Legislation	
			The annual procurement plan;	Legislation	
			The asset maintenance plan;	Legislation	
			Any amendments made/ proposed to the municipality's policies or By-laws;	Legislation	
			The rates and tariffs promulgation;	Legislation	

			The general tariff advertisement;	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Data extraction from the mandatory six (6) segments on the mSCOA classification framework and upload to the National Treasury local government Database (LG Database) portal.	mSCOA Regulation	
	Revenue	A revenue sub-ledger budget module that as a minimum:	Calculate and spread budgets based on current consumption and database history.	Best Practice	
			Measure and flag anomalies of the current database history against alternative information sources such as the Surveyor General (SG), Deeds Office and valuation rolls to ensure completeness of budgeting and actual billing.	Best Practice	
			Provide functionality for town ship development and populate amounts and consumption on average per type of connection in this development.	Best Practice	
			Provide for the adjustment of distribution losses based on anticipated remedial actions on the sales loss as identified by the water and electricity distribution loss templates. Zero consumption account based on average and type of use tariffs.	Best Practice	
			Create projected growth and tariff calculations taking into account the provision for bad debt and material losses. (In this regard transacting on the "Regional" segment is crucial for GRAP 104 type calculations).	Best Practice	

			Planning of secondary costing i.e.. Departmental charges, internal recoveries and activity based charges informing cost reflective tariffs.	Best Practice	
			Review of sundry tariffs.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Supply the general ledger's “main budget module”-budgets with the full mSCOA segments as a budget line. It should be able to provide this for revenue, expenditure and balance sheet items.	Best Practice	
	Human Resources (HR)	A Human Resource (HR) budget/ payroll module that as a minimum:	Allow the municipality to budget for its full organogram (organisational structure).	mSCOA Regulation	
			Incorporate the ability to apply costing allocation to projects and percentage (%) based allocation of administration costs to trading service departments (if not allocated) using direct calculation methods.	mSCOA Regulation	
			Provision to calculate new notch values within grades either as a percentage increase or by minimum value. These notch values are to be held on a temporary file and the user must be able to perform Various "what if" scenarios without affecting the live data.	Best Practice	

			Ensure that the planned positions is budgeted for pro-rata to when the expected appointment can be done.	mSCOA Regulation	
			Utilising historical trends, calculate the likely provision for leave and bonus provisions. This function should also be able to anticipate (if applicable) any long service allocations.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
			Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full mSCOA segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items.	mSCOA Regulation	
	Assets	An Asset management sub-ledger budget module that as a minimum:	Allows budgeting for "new capital" projects requested in the integrated development plan (IDP).	Best Practice	
			Anticipates completion and subsequent operational costs of these "new capital" projects.	Best Practice	

			Calculates existing and anticipates new planned assets' maintenance, insurance and a percentage of "un-planned" maintenance.	Best Practice	
			Calculates depreciation, taking into account the impact of major repairs.	Best Practice	
			Calculates profit or loss on planned disposals.	Best Practice	
			Provides for a (contract) retention payment schedule.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Provides for grant and work-in-progress (WIP) or contract management payment schedules to assist the main budget module with its forecasting and cash flow management.	Best Practice	
			Supplies the general ledger's main budget module planned budgets with the full mSCOA segments as a budget line. This functionality should be able to provide this for both expenditure and balance sheet items.	Best Practice	
			Provide the asset maintenance plan.	Best Practice	
	Budget Management	Budget Management and Monitoring	Allow the public to provide comments on the budget electronically via the municipality's website. These comments together with the comments received from public sessions to be populated/consolidated onto a tool that can be accessed by the public and councillors.	Best Practice	

			Automate the virement process as per the virement policy.	Best Practice	
			Link the service delivery- and budget implementation plan (SDBIP) and workflow to show progress on projects and include links to service delivery scorecards and municipal procurement plans.	Best Practice	
			Provide the annual procurement plan.	Best Practice	

Financial Accounting					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
Financial accou nting incorporates a host of policies, processes and procedures in order to op erationalise the effective and efficient recording and accounting of dail y financial transactions as well as mont h and year end closure pro cedures and transactions. The MFMA provides a platform for the prescription of norms and standards such as the Stand ards of Generally Recognised Acc ounting Practices (GRAP) w hich have been designed and formulated based on unique South African circumstances (such as the VAT requirements w hich must be accommodated by the financial system) an d leading international practices. Municipalities and municipal entities are therefore required to operationalise daily business processes and procedures tha t incorporate at the very least regular reconciliations, correct and accurate al location and classification of transactions based on the SCOA classificat ion framework. These processes and procedures must give rise to monthly performance represented by among others, the Statement of Financial Performance, Capital and Grant Perfor mance, Statement of Financial Positi on, movement in net assets and cash flow in the Section 71 in-year reporting formats. It is important to keep in mind that outputs needs to be repor ted and must at all times be meas urable so that progressive achievements can benefit communities. Processes should be focussed at clean and accountable operations and the outco me must be reported in terms of by all r oll players.				
	General Ledger (Core Financials)	General Ledger (GL) that as a minimum	Contains all the accounts for recording transactions relating to municipalities assets, liabilities and net assets as per mSCOA segments.	mSCOA Regulation	

			Is a central repository for accounting data transferred from all sub-ledgers e.g. supply chain, revenue, cash management, fixed assets, purchasing, debt control, billing, prepaid, and projects etc.	mSCOA Regulation	
			Reflect transactions posted in the sub-ledgers immediately in the main ledger thereby ensuring the financial integrity of the entire system without the need for manual reconciliations between main and sub-ledgers.	mSCOA Regulation	
			Non withstanding the above and due to probable packet loss a routine, is required to ensure that the general ledger and sub-ledger is in balance. This must be done by enforcing daily closing routines with subsequent blocking of opening routines if out of balance occurrence with control accounts is observed.	mSCOA Regulation	
			Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems for an audit trail.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
			Journal capturing capabilities (including reversible and recurring journals) including electronic approval.	mSCOA Regulation	
			Reporting functionality for all financial reports in the full mSCOA segmented transactions .	mSCOA Regulation	

	Accounts Receivable	Transactions in debtors must reflect in the AR in mSCOA segmentation	Provide a debtor master record containing at least but not limited to:		
			Debtor classes and discount categories to ensure correct billing and rebates;	mSCOA Regulation	
			Trade, sundry and other debtor types to comply with mSCOA requirements;	mSCOA Regulation	
			Debtor levies in mSCOA segmentation to the Accounts Receivable;	mSCOA Regulation	
			Receipt allocation to AR in the correct mSCOA segmentation;	mSCOA Regulation	
			Daily balancing between sub-system and AR; and	Required	
			Month-end and year-end procedures to ensure correct disclosure of cash on hand and age analysis.	Legislation	
			Drill down to transactions from the general ledger (GL) to the sub-ledger or 3rd party systems.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
		Integration of sundry systems	Cemeteries system.	required	
			Fire and emergency services systems.	Optional	
			Library system.	Optional	

			Traffic fines systems.	required	
			Transport services systems.	Optional	
	Accounts Payable	Supplier maintenance	Creating a supplier database.	Legislation	
			New and changes of bank details for suppliers should be approved by at least two senior officials	Requirement	
			Post supplier invoices, credit- and debit notes. Select documents to pay with payment dates.	Legislation	
			Make payments and part payments. Allow for future and scheduled payments.	Legislation	
			Align suppliers with debtors and HR modules.	Best Practice	
		Accounts Payable (AP)	AP must include, at a bare minimum but not limited to:		
			Goods received notes for full or partial deliveries aligned to authorised issued purchase orders. Goods return notes with debit and credit orders;	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Invoicing for goods received notes as partial or multiples invoice payments. Settlement discounts as allowed by suppliers;	Legislation	

			Selection of invoice payments on varied platforms. Bulk payment of invoices including direct linking to the banking sector. Producing of electronic remittance statements with automated distribution;	Legislation	
			Direct invoice payment such as Eskom;	Legislation	
			Sundry payments generated from payroll, billing or manual S&T transactions;	Legislation	
			Re-occurring and scheduled payment such as lease amounts or quarterly loan repayments;	Legislation	
			Retention register with auto mated update, pay-out and balancing;	Required	
			A cession register linked to the PMU with automated allocations;	Required	
			Age analysis of creditors with supporting reports;	Legislation	
			Must be able to calculate accounts payable VAT reconciliations (including calculations on returns and discounts);	Legislation	
			Must be able to perform project management from award of tender with all payments made, variation orders as well as retention provisions and payments	Requirement	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Must be able to provider a report of all payments made within a specified period, i.e daily, monthly annually, etc	Requirement	

			Must have a module for creditors statement reconciliation	Requirement	
			Should be able to provide a report indicating the number of days it took to make a payment for each invoice	Requirement	
			Should be able to detect and prevent duplicate payment of the same invoice number for the same service provider even if it is processed in different financial years.	Requirement	
			Should be able to enquire on outstanding orders using supplier name	Requirement	
			The option to scan and store invoices and other documents on the supplier;	to be integrated with existing system	
			A web portal for suppliers to enquire on payment status and uploading/submitting of invoices.	to be integrated with existing system	
		Cash Management	Automated receipting of bank deposits received.	required	
			Automated passing of journals for interest and other bank charges.	Best Practice	
			Electronic payment of creditors and salaries.	required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available

		Investments	An investment register with notifications/responses for the end of fixed investment periods (date of maturity) incorporated within the workflow. Updates from cashbook and payments must be seamless.	Best Practice	
			Produce a reconciliation of the investment register with all required documentation.	Best Practice	
		Loan Register	A loan register capable of calculating repayments and schedule payments within the workflow.	Best Practice	
			Produce a reconciliation of the loan register with all required documentation.	Best Practice	
		Tax & VAT	Fully integrated and approved VAT handling capabilities incorporating all statutory required documentation.	Legislation	
			Must have a report for VAT output and input to be used to submit VAT 201	Requirement	
			Interface to SARS eFiling for automated reconciliations and submissions of disclosures.	Legislation	
		Automated Work flow	Where authorisations are across line functions, the process must be automated. Examples are deviations (section 36), Subsistence and Travel claims, Personnel Requisitions, Transfer of funds(virement Policy), Asset Transfer, Clearance forms, Works orders, Leave applications, etc.	Optional	
		Fixed Asset Management	Trace all financial asset transactions to the asset level.	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available

			Ensure that all asset transactions are aligned with mSCOA Regulations.	mSCOA Regulation	
		Insurance Claims	Provide an insurance claims register with direct linking to the assets module.	Requirement	
			Derive valuation of assets to calculate insurance premiums from the asset register.	Best Practice	
			Write-off of assets from the insurance module must update and transact on the asset register as well as the gl.	Best Practice	
			Workflow with document management and reporting must be available.	Requirement	

Costing and Reporting					
Costing or management accounting is concerned with financial and management information internal to the municipality and municipal entity which provides the basis for sound and informed business decision making. In contrast to financial accounting, management accounting is primarily forward looking instead of historically focused and informs planning and budget processes by applying forecasting and prediction models. Determining the full cost of tariff services including primary and secondary costing to inform tariffs and pricing of services in order to achieve cost reflective tariffs, reporting thereon and measuring performance of services based on financial and non-financial information.					
	Cost Planning	Incorporate a costing module	A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs. Therefore it will be necessary to ensure direct link to Provisioning and payroll modules exist etc. through the application of internal billing departmental charges or activity based recoveries.	mSCOA Regulation	
			Management reporting on all charges should be available for reports as well as dashboard information.	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
Project Accounting					
Project Accounting refers to the capability to account for individual project costs and ensure that these settle as assets under construction (AUC's) where applicable. The project accounting functionality should be extendable to provide project management capabilities in order to track physical project progress against predetermined milestones in addition to tracking the financial performance of the project or portfolio of projects.					
	Project Creation & Planning	Y	A comprehensive project module that allows for integrated development plan (IDP) objectives to be transferred into the project module for planning, budgeting and ultimately reporting purposes.	Best Practice	
			The municipal budget module must be aligned to the project module.	Best Practice	
			Projects registered in the project module must be aligned to the mSCOA Project segment.	Best Practice	
			All segmentation of mSCOA must be incorporated into the project module, whereby a project based budget is produced, informed by the integrated development plan (IDP) and giving input to the annual service delivery- and budget implementation plan (SDBIP).	Best Practice	
			Capital acquisition, maintenance and replacements must be driven from the project module.	Best Practice	
			Operating budget items such as operating expenditure on repairs and maintenance, operational costs and typical work streams must originate from the project module.	Best Practice	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
	Project Management	Project Management Unit (PMU)	Project management and stakeholder inputs must be controlled by clear business processes and user access controls.	Best Practice	
			Projects net completed within a financial year must be carried over and work-in-progress (WIP) items registered.	Best Practice	
			Project managers should have full access to their projects within the limitations of the budget and internal policies.	Best Practice	
			Workflow processes must assist in project maintenance.	Best Practice	
			Strict budget control as per the approved integrated development plan (IDP) must be maintained.	Best Practice	
			A Safety, Health and Environmental (SHE) module to comply with general Health and Safety Regulations should be incorporated within the system. (For example the Construction Regulations, the Occupational Health and Safety (OHS) Act, 1993, General Administrative Regulations, General Safety Regulations and the National Environmental Management Act, 1998)	Best Practice	
			Regulatory Safety, Health and Environmental (SHE) documentation must be available in a document management tool with defined check lists and milestones.	Best Practice	
			Health and safety incidents must be recorded and managed on the system and reported as per legislation.	Best Practice	

Treasury and Cash Management					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
Treasury and c ash management refers to investing, financing activities and operational cash management. The following processes must be considered relevant t o this cycle – *(a) Investing ac tivities comprises the acquisition, disposal and management of tangible assets, including land, buildings, plant and machinery, motor vehicles, furni ture and equipment, computer hard ware, software and communication networks. Also included are acquisition, disposal and management of intangible assets such as research and development expenditure, patents and tra demarks, scientific and tec hnical know-how, intellectual property rights such as copyrights and licences. Municipalities and municipal entities must introduce accounting policies for dep reciation, impairment, revaluation, asset retirement, etc.;* *(b) Financing a ctivities are the means by which the municipality or municipal entity obtains its funding. This may be in the form of funds obtained from borrowing (external loans) or transfers and s ubsidies to the municipality or municipal entity. Financing activities also include finance and operating leases entered into by the municipality or mu nicipal entity. Included are related tra nsactions such as security and guarantees granted to a lender, accounts receivables pledged to a discount house, interest charges, finance charges o n leases, foreign exchange gains and losses, hedging gains and losses and commitments for capital expenditure;* *(c) Investment may take the form of fixed interest, long-term or short-term debt, investment s or loans; secured or un-secured. Procedures must be implemented to control the purchase and sale of inve stments, the movement of scrip or recording of dematerialised securities an d the resulting cash received and paid including income from investments, and* *(d) Cash and ba nk refers to transactions oc curring daily in all municipalities and municipal e ntities represented by a high volume of transactions in payments and re ceipts. Procedures must provide fo r expenses and reimburse ments of "suspense accounts and floats" including regular surprise counts; cash handling procedures for unbanked receipt s and money in transit; control over th e opening of bank accounts and obtaining access to electronic banking signatures, regular reconciliations of bank accounts and timely follow-up of r econciling items by management.*				
	Cash Management	Bank Reconciliation	***A fully integrated and automated cashbook module that links to the banking sector and allows for at least:***		
			Allow for multiple bank accounts and sweeping between accounts;	Required	
			Bank reconciliation for all bank accounts of the municipality separately	Required	
			Automated receipting of debtor payments and other monies received, where valid reference is used;	mSCOA Regulation	
			Reconciliation of all funds received by various cashiers i.e. doorsafe, credit and debit cardsd;	Required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Automated passing of journals for interest and other bank charges;	mSCOA Regulation	
			Automated clearing of system generated transactions such as payments and payments break down	mSCOA Regulation	
			Automated clearing of cash received in the general ledger (GL) to the bank account;	mSCOA Regulation	
			Automated reconciliation of bank statements to the ledger and supplying supporting documentation for management.	Best Practice	
			Forecasting of cash must be available on a dashboard.	Best Practice	
			Report all unreconciled items and an indication of whether those unreconciled items are in the cash book or bank statement	Required	
			Sequential Statement download controls to without duplicates	Required	
			Function for RD cheques issued by municipal clients for the payment of accounts	Required	
			Reconciliation of daily receipts against what has been banked	Required	
			Allocation of debit orders (against the municipal bank account) to relevant vote numbers and claim VAT where applicable	Required	
			Support mSCOA segmentation in the cashbook module.	mSCOA Regulation	

		Petty cash	A petty cash module that would allow for accounting for petty cash transactions and subsequent budget allocations and control as per mSCOA.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Internal cash receipt with drawdown of petty cash.	mSCOA Regulation	
			Automated payment requests with user authorisation and access control.	Best Practice	
		Ad hoc: The Cash Management System must at least accommodate, but not be limited to:	Loan liability register.	Best Practice	
			Investment Management and Register (parameter driven).	Best Practice	
			Interest Received and interest expense reconciliation.	mSCOA Regulation	
			Cash Flow Management which includes forecasting and analysis and full integration with the budget and financial accounting modules.	Optional	
			Funds management and budget availability control.	Best Practice	

Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable					
Supply Chain Management, Expenditure Management and Accounts Payable (Creditors) needs to incorporate as a minimum the following – *(a) Supply chain management is the management of a network of interconnected business processes involved in the provision of goods and services required by the municipality. It integrates the management of supply, demand, acquisition, logistics and disposal by implementing a supply chain management policy in compliance with the MFMA and Municipal Supply Chain Management Regulations in a fair, equitable, transparent, competitive and cost effective way;*					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
(b) Expenditure management follows the SCM processes that should ensure an effective system of expenditure control, including procedures for the approval, auth orisation, withdrawal and payment o f funds. These expenditures should be monitored against the approved budg et, and reasons for variances must be explained and corrective action must be implemented to keep expenditu re in line with budget estimates; *(c) Accounts pa yable results from any mon ies owed in respect of goods and services purchased and must be settled within thirty days of date of invoice or stateme nt unless it is prescribed otherwise. The payment of creditors or accounts payable must be reconciled monthly accor ding to the statements received from service providers;* *(d) Material an d inventory management deals with the maintenance of inventory catalogues classified according to the high-level categories provided for in the St andard Chart of Accounts. Busi ness processes need to inco rporate at a minimum, ordering; issuing and management of inventory levels; preferred suppliers linked to inventory cat egories; flagging of stock levels wit h limited movements for substantial periods; regular physical counts and reconciliation to system stock records; exception reporting and enhanced controls on stock items susceptible to misuse such as illegal stockpilling; and all sub stores to be activated on the system;* *(e) Contract ma nagement entails the man agement of contracts through the entire Contract Life Cycle so as to maximise value for money that includes procedures f or planning; contract creation; collab oration; execution; adminis tration; and close-out. Contracts should be listed in a contract register embedded into the financial application that aut omates all the activities necessary to m anage the contract as informed and dependant on the nature of the work, the type of contract, the legal aspects and delivery timeframes. It also en tails the activities carried out to d etermine whether the servi ce provider and the municipality are performing adequately to meet the requirements in listed contracts that had been a warded through the procurement pr ocess and the prescriptions in the MFMA; and* *(f) Vendor man agement entails managing a supplier database in support of various strategic procurement objectives.*					

	Supply Chain Management (SCM)	A Supply chain management system that give effect to section 11 of the Municipal Finance Management Act, 2003 (MFMA), the Municipal Supply Chain Management Regulations and council's approved SCM policy	***The supply chain module should as a minimum have the following functionality:***		
			Allow for requisition from the annual procurement plan;	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Align requisition to be project based;	mSCOA Regulation	
			Supplier rotation management (parameter driven);	Legislation	
			Supply Chain Deviation Management Facility in terms of legislation;	Legislation	
			Adhere to the municipality's delegation of duties and authority levels;	Legislation	
			Electronically validate against the National Treasury database for prohibited, employees of state and related parties and invite tenders based preferential procurement principals;	Legislation	

			Electronically manage the invitation, bid closure and adjudication process with a full document management server unpinning the cycle;	Best Practice	
			Record and electronically store the bid adjudication committee's meeting minutes and store the minutes on the document management server;	Best Practice	
			Ensure the service level agreement (SLA) and allocation letters are electronically archived prior to any payment being made;	required	
			Enforce where applicable retention enforcement and manage retention registers;	Best Practice	
			Ensure tax clearance management for the duration of the contract;	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Integrate with the asset management system;	Legislation	
			Ensure that all payments are made within 30 days of receipt of an invoice therefore; and	Legislation	
			Ensure that full accrual is done at month-end and yearend cut-off periods.	Legislation	

		Contract Management that gives effect to MFMA section 116.	Contract management through workflow and audit trail.	Legislation	
		Requisitions	Different requisition origination such as online, manual, stores and other modules.	required	
			Project based requisition forms.	mSCOA Regulation	
			mSCOA segmented capturing.	mSCOA Regulation	
			Ability to attach documents to online requisitions such as drawings or specifications.	required	
			Must support full work flow and electronic signatures.	required	
		Projects	Must be able to support the generation of mandatory budget pricing at the beginning of the project and the maintenance thereof.	Best Practice	
			Follow accepted project management methodology through work flow and document management.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Allow for incentives, penalties and returns.	Best Practice	
		Supplier Evaluation	Evaluate supplier performance in accordance with contract deliverables.	Best Practice	

			Update incentives and penalties to supplier database.	Best Practice	
			Automate notification alerting relevant system users when a supplier's BEE certificate and tax certification reach expiry dates.	Best Practice	
		Request for quote, quotations and Request for proposals	Maintain a Request for quote, quotations and proposals database linked to suppliers.	required	
			Automated notification of price differences outside of approved variance.	required	
			Automated evaluating of quotations with parameters.	Best Practice	
			Comparative tables for allocation of bids.	Best Practice	
			Automated notification and ordering system.	Best Practice	
			Workflow and document management in quotation process.	Best Practice	
		Purchase Order Processing(PO)	Allow for automated purchase orders from approved requisitions.	required	
			Electronic authorising and signing of purchase orders (PO's) through workflow process.	required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Automated sending of purchase orders (PO's) to supplier through email and/or fax.	Required	

			Processing of partial order deliveries with automated reminders of outstanding items.	Best Practice	
			Automated transfers of outstanding orders to future periods with budget controls.	Best Practice	
			Align purchase order (PO) deliverables to the annual service delivery- and budget implementation plan (SDBIP).	Best Practice	
	Inventory	Inventory / Stores sub system	All consumable items in terms of the classification framework is purchased via an inventory principal. This include direct purchases like pens, stationary, etc.	mSCOA Regulation	
			In terms of the above, all systems should cater for a stores module be it virtual or actual that will allow management to control the consumable items in an effective and controlled manner.	mSCOA Regulation	
			The stores module must seamlessly integrate and balance with the core financial system.	mSCOA Regulation	
			Where a full stores module is operational, high value items should annually be measured to establish whether any of these items should be capitalised as 'assets'.	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**

			Normal functions should be included as standard best practice and should include but not be limited to: Warehouse management; Acquisitions; Stock Level Management; Disposals; Automated consumable stores stock count sheets (departmental stores).	mSCOA Regulation	

Grant Management					
Grant management includes all the activities, processes and procedures to register and reconcile all the grants allocated, received and spent according to the conditions in the Annual Division of Revenue Act.					
	Subsidies	Maintain a grant register that as a minimum:	Provide for a grant register linked to ledger accounts.	mSCOA Regulation	
			Automate receipt allocation of grants.	Best Practice	
			Automate payment allocations.	Best Practice	
			Link to mSCOA funding source with budget control.	mSCOA Regulation	
			Provide for reporting in accordance with the mSCOA Regulation and internal control.	mSCOA Regulation	

Full Asset Life Cycle Management including Maintenance Management					
In terms of Section 152 of the Constitution, local government's primary mandate is to ensure services are provided in a sustainable and developmental manner; this notion and spirit is supported by the MFMA. Good asset management facilitates the provision of services in a financially sustainable manner and requires adequate automation of critical process within the asset management cycle. Typical to an effective and efficient system at least the following functions need to be addressed as part of the minimum business process requirements –					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
(a)	*Safeguarding of assets, e.g. asset tracking, numbering and locations;*				
(b)	*Maintaining assets, planned and unplanned maintenance which needs to also incorporate capital asset renewal;*				
(c)	*Maintenance costing as an input into asset replacement plans;*				
(d)	*Establishing and maintaining a management, accounting and information system that accounts for the assets of the municipality;*				
(e)	*Asset valuation principles in accordance with Generally Recognised Accounting Practice (GRAP);*				
(f)	*Establishing and maintaining systems of internal control over assets;*				
(g)	*Establishing and maintaining an asset register;*				
(h)	*Clarifying responsibilities and accountabilities for the asset management process, and (i) Insurance of assets.*				

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
	Asset Management	Subject to the existing legislative and generally recognised accounting practice (GRAP) requirements:	***An asset and liabilities subsystem that gives effect to MFMA section 63:*** Assets classes with its associated asset types to manage the accounting policy statements in the financial statements as well as give overall control of all assets within asset classes with its associated useful lives and its associated SCOA reporting framework. It should also include the NERSA Regulatory Reporting Manual (RAM) classification as well as the Department of Water Affairs (DWA) in order for the municipality to comply with NERSA and DWA requirements. All asset transaction types must be accommodated in a flexible manner to accommodate future expansion within the SCOA framework. An audit Trail, with an enquiry facility into the audit trail, of all movement within these files is a requirement. ***The 'asset management system' module should:***		
			Manage the full asset life cycle;	Legislation	
			Manage the contract and build phase of the project by registering the component and rolling the accounting transaction up to the work-in-progress (WIP);	Legislation	
			Immediately after a completion certificate is received, unbundle assets and maintain the parent-child relationship between the main asset and its components;	mSCOA Regulation	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Enable *table-to-floor* inspection sheets (electronic devises are preferred) as well as *floor-to-table* look-up methodologies;	Legislation	
			Host the insurance register and constantly update the portfolio as new assets are purchased or if there is progress on the value of work-in-progress (WIP);	Legislation	
			Compile and monitor expenditure against the asset maintenance plans;	Best Practice	
			Integration to billing systems to monitor investment properties and valuation inconsistencies;	Best Practice	
			Utilise the billing system functionality to ensure ownership of land and buildings to the deeds register;	Best Practice	
			Integration of the electronic scanning and verification device. The purpose is to ensure annual verification and conditional assessment with GPS co-ordinate capturing to the nearest extent possible; and	Best Practice	
			Seamless integration with a Geographical Information System (GIS) or alternative mapping enabled graphical user interphase.	Best Practice	
		Identification of Assets	Ability to identify and track assets in a hierarchy structure of departments, locations, components and subcomponents.	Best Practice	
			Define Cost Centres, Work Centres, assigning of re-servicing the equipment to an individual.	Best Practice	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			Allow for criticality rating to be assignable to each asset via the risk assessment model.	Best Practice	
			Ability to link movable assets to third party asset tracking systems.	Best Practice	
		Maintenance Strategies	Must be able to configure different strategies.	Best Practice	
			Ability to attach and insert links to Technical Documentation throughout the maintenance module.	Best Practice	
			Must cater for a master maintenance schedule with reporting of 'maintenance done'.	Best Practice	
			Must be able to indicate the lifespan of equipment for replacement budgeting purposes.	Best Practice	
			Must be able to track warranty periods by components.	Best Practice	
			Support call centre notifications and maintenance of assets with integrated workflow.	Best Practice	
		Fleet Management	Fleet Management system.	Best Practice	
		Fleet Tracking	Fleet Tracking system.	Optional	

Real Estate and Resources Management	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
Real estate ma nagement includes the management of land plus anything permanently fixed to it, including buildings, sheds and other items attached to the struct ure that are both leasein and lease-ou t. It can be grouped into three broad categories based on its use - residential , commercial and industrial. Examples of real estate include undevelop ed land, houses, condominiums, town homes, office buildings, retail store buildings and factories. Specific attention needs to be given to the property register inclusive of owned an d leasehold properties, tenant and occ upant information, lease contract administration and management, occupational health and safety requirements, insurance, etc. Other resources management among others include f leet (vehicle) management, plant and equipment, etc. including the hiring th ereof.					
	Rental	Rent out	Maintain a rent register for rental properties.	Optional	
			Holiday resort systems.	required	
			Automated rent renewals with workflow and document management.	Optional	
			Link to debtors system for collection of rent.	Optional	
			Link to valuation system.	Optional	
			Link to asset register.	Optional	
		Facilities	Facilities rental module updated from receipting with workflow refunds.	Optional	
		Rent in	Lease register with work flow and document management.	Optional	
			Automated payment scheduling.	Optional	
	General Processes	Maintenance	Maintenance module for properties and facilities.	Optional	
			Facilities Management (Maintenance).	Optional	

Human Resource and Payroll Management					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
Human resourc es and payroll management is the organisational function that deals with issues related to employees such as compensation, hiring, performance m anagement, organisational development, safety, wellness, leave management, benefits, employee motivation, communication, administration, and training in line with the pre scriptions of the Labour Relations Act. S taff establishment, human resources development and expenditures on staff benefits should be done according to the processes and procedures set out in the MSA and MFMA. Pay rol l management entails the a dministration of the financial record of employee s' salaries, wages, bonuses, net pay, and deductions and should be don e within the limits of the approved b udget and the prescriptions of the South African Revenue Services (SARS). Budgeted remuneration and benefits needs to be directly aligned to the a pproved staff establishment with provision for vacancies shown separately and all staff payments must be reconciled monthly. The issue of productivity or performance manage ment needs to be addressed by u sing the latest available technologies such as bio metrics devices.					
	Human Resources (HR)	A Human Resource (HR) payroll module that as a minimum (In addition to the normal payroll calculation):	Organisation Management.	Legislation	
			Employee Records Management.	Legislation	
			Job profile	required	
			Leave Records Management.	Legislation	
			Leave Pay Accrual to be automated also to be retrieved on an ad hoc basis.	Best Practice	
			E-Leave functionality.	required	
			Training and Development Management.	Legislation	
			Recruitment and Selection Management.	Legislation	

			Performance Management.	Legislation	
			Travel claims Management.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Human Resource Self Service.	required	
			Ability to capture and update personnel qualification, upload certificates.	required	
			Talent Management.	Optional	
			Career Path Management.	Optional	
			Payroll and Benefits Management.	Optional	
			Automated reconciliation at predetermined intervals.	Legislation	
			Overtime claims Management/ Time off in lieu.	Legislation	
			Special Allowance Management (e.g. acting, secondments, etc.).	Legislation	
			Refunds to staff in respect of over-deductions and ad hoc payments.	Legislation	
			Deductions and payments to third parties (e.g. medical aids, SARS, union contributions, etc.).	Legislation	

			Ad hoc payroll runs must reflect in the Financial Management System.	mSCOA Regulation	
			Must cater for pensioners' benefits.	mSCOA Regulation	
			Provision to record allowance details against a post and employee (e.g. Telephone Allowance, categories, amounts, telephone number etc.).	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Employee Relations.	Legislation	
			The system must cater for all requirements of the South African Revenue Services (SARS).	mSCOA Regulation	
			Must provide a facility to automate the update of tax tables whenever changes occur.	Legislation	
			History of previous tax tables must be retained on the system for an indefinite period.	Legislation	
			The system must be flexible so as to cater for any legislative changes to UIF, Workman's Compensation, Unions, etc..	Legislation	
			The system must be able to cater for more than 1 payroll type (e.g. Staff, Pensioners, etc.).	mSCOA Regulation	
			Narrative type pay slips must be provided (Hard copy and electronically).	Legislation	

			Accumulations of all deductions to be printed on pay slip if required (Pension, tax, housing allowance, motor car allowance, etc.).	Legislation	
			Salary payments made to employees' bank accounts must be catered for electronically by either ACS (Automated Clearing Bureau) or electronic funds transfer (EFT).	Legislation	
			Provide a payment hold facility.	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Third Party deduction and payments in terms of schedules or ad hoc basis.	Best Practice	
			Variance reporting.	Best Practice	
			The ability to calculate back pay across tax periods and increment periods must be provided for.	Best Practice	
			The system must allow for dummy validation pay runs to be carried out prior to running the final run.	required	
			All temporary staff (e.g. seasonal workers, learner ship programs, contract workers, etc.) to be controlled via Budget availability.	required	
			Provision to maintain (add, amend, delete) conditions of service pertaining to specific posts.	Best Practice	

			The Payroll System must be able to accommodate or account for all vacancies (i.e. funded and or unfunded vacancies) based on a Council approved Organogram in terms of. Section 66A of the Municipal Systems Act Amendment Act (MSAA).	Best Practice	
			Budget control and management of virement requirements.	mSCOA Regulation	
			Ensure that all employees' and councillors' declaration of interest and related parties are captured on the master files.	required	
			Bank account monitoring against supplier and/ or contract payment AND against own and related parties bank accounts.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Test against the central database for contracts with any 'organs of state'/ "persons in the service of state" and supply the central database with employees' and related parties' details.	Best Practice	
			Supply the central database with the identification (ID) numbers of employees, councillors and related parties.	Best Practice	
			Report and create the workflow for collection of all employees and councillors with arrear accounts.	Legislation	
			Provide the financial statements with regulated reporting requirements regarding the municipal councillors' outstanding debtor account details.	Legislation	

			Provide the general ledger (GL) with transactions that debit expenditure and credit revenue votes when applicable. This creates a temporary total liability of the payroll balance on the integration control.	mSCOA Regulation	
			Create the clearing transactions that clear the integration control, these transactions include:		
			Electronic funds transfer (EFT) to employee's bank accounts into the core financial systems cashbook awaiting approval;	mSCOA Regulation	
			Creation of "invoices" for 3rd parties, SARS (PAYE, VAT, etc.), UIF, Medical aid and pension funds;	mSCOA Regulation	
			Provide for an employee portal to update personal information and re-produce documents.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			The system must support a disciplinary module which should allow for (not complete list): - Grievances created (bottom up workflow) - System should recommend action to be performed based on type of grievance - Allow for exception reporting (when a grievance is not being addressed in correct time frame)	Best Practice	
	Time Management		Work schedule and shift planning.	Best Practice	

			Time data recording and administration.	Best Practice	
			Align with Safety Health and Environmental (SHE) module.	Best Practice	
	Payroll		Must be able to easily integrate with banks. Seamless upload of payroll information.	Legislation	
			Support multiple payrolls with different pay structures.	Legislation	
			Produce, in conjunction with the Human Resource system, a multi-year budget in the mSCOA segmentation.	mSCOA Regulation	
			Integrate with the time management system.	Best Practice	
			Ability to submit statutory reporting to SARS for all taxes.	Legislation	

Customer Care, Credit Control and Debt Collection					
Each municipality must within its financial and administrative capacity establish a sound customer management system as prescribed in the MSA. Credit control and debt collection is the responsibility of the municipality and processes, procedures and mechanisms must be implemented in line with the policy as adopted by the Council as prescribed in the MSA.					
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
	Credit Control	A credit control and debt collection system that integrate with the revenue management system and that gives effect to Chapter 9 of the Municipal Systems Act, 2000	***The system should enable the municipality to manage an end-to-end debt collection process and must:***	Required	
			Provide for SMS, email and hand delivered late payment notifications;	required	
			Provide for parameter (area, aging, debtor type, specified amount or number of disconnections required, selection of more than one area at a time) based disconnection list generation;	required	

			Manage re-connection process (capturing and recording of information if reconnection is done versus income received) classification of debtors on the reconnection list. Manage arrangements with immediate capturing of arrangements including variable arrangements(automatic printing of arrangement documents to sign per customer category. Integrated notes on the debtor master file and workflow with technical services. Generate reports on all arrangements, defaulted arrangements, arrangements hounred, arrangement below a certain percentage or arrangements longer than a specified period;	required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
			Integrated clearance applications and calculations;	Best Practice	
			To generate letter of demand to defaulted arrangements. Final notice, summons and judgement issuing;	required	
			Summons and judgement issuing	Best Practice	
			Ability to capture court orders for accounts under Administration and Debt review.	Required	
			Management of attorney actions on an integrated level.	Required	
			Ability to generate reports on income generated on accounts under Administration and Debt review	required	

			Ability to job schedule reports to run automatically	required	
			If the module is a 3rd party solution – it must as a minimum integrate the fees as well as the action history to the billing sub-ledger. This integration must be seamless.	mSCOA Regulation	
			Option to do bulk journals debits and credits available to users not via a programmer.	required	
			System must have option to calculate write offs per category and required specifications – import file be part of the write off options not involving a programmer. Program to generate reports On: - successful write off per service and ward	required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
			-Indigents with active clearances – excluded from write offs Be able to produce report on approved indigent at any given time showing subsidies already granted		
		Arrear Arrangements	*Arrear arrangement functionality must be accommodated in a work flow of various administration processes including, but not limited to:*		
			Online Application;	Best Practice	
			Authorisation of application;	Best Practice	
			Automated arrangement financials;	Best Practice	
			Automated Default process;	Best Practice	
			Irrecoverable Debt Write Off process;	mSCOA Regulation	
			Restriction and Reinstatement of Credit and prepaid meters daily import and export files to manage process;	Best Practice	
			Meter Tampering Management;	Best Practice	
			Debtor (individual/group) dashboard;	Best Practice	
			Management facility to monitor Debtors that are also Service Providers (creditors) set off Management;	Best Practice	
			Management of staff arrear set off – (portion of bonus Generate monthly reports of arrears staff members.	Best Practice	

Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			- Error report on indigents not uploaded - Report on Indigents with conventional meters – to install prepaid meters - To move arrears to abeyance to be written off - Automatic change of tariffs with upload to indigent tariffs including subsidy		

			Automated Subsidy, Write Off and reversals thereof. Option to upload arrangements for new indigents in bulk where applicable for arrears not written off Option to cancel indigent arrangements in bulk before the write off of the arrears Programs must be available to calculate the write offs of indigents as per the indigent criteria (type of indigent) as well as to perform the physical write off per service Program must have control measures not to write off indigents where: - an active clearance is in place and - no account must go into credit with the write off **Reports must be available on:** - Successful indigent write offs per service for "all" and per ward - Error report (write offs rejected)	mSCOA Regulation	
			House visit;	Best Practice	
			Capturing of details including type of indigents;	Best Practice	
			Verification of details, Test against Central Supplier Database;	Best Practice	
			Authorisation of application;	Best Practice	

			Program to remove old indigents from system and automatic reset of tariffs to normal tariff structure An option must be available to upload indigents in bulk with reports: - All indigents uploaded successfully per indigent category	required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
		Legal Process	Up to the Default Judgement.	Best Practice	
			Programs in place to manage Debit Order Payments and reversals.	Best Practice	
			Councillor Arrear Management- generate monthly report.	Legislation	
			Specialised Functionality for Third Party Interfaces (e.g. Staff Arrear Set Offs, Prepaid Vending Arrear Set Offs, Prepaid meter blocking/set offs, etc.)	Legislation	
	Customers	Customer portals to give effect to Section 95 of the Municipal Systems Act, 2000 which (amongst other) requires the following:	***A sound customer management system that:***		
			Aims to create a positive and reciprocal (give-and-take) relationship between persons liable for payments and the municipality;	Best Practice	

			Establishes mechanisms for users of services and ratepayers to provide feedback to the municipality or other service providers/ mechanisms (of the municipality) regarding the quality of the services and the performance of the municipality or its service providers/ mechanisms;	Best Practice	
			Provides accessible mechanisms to any person to query or verify municipal accounts and metered consumption;	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Enables electronic query and appeal procedures which allow persons to receive prompt response/ action to 'inaccurate accounts' queries;	Best Practice	
			Enables structured workflow mechanisms to deal with complaints from such persons, together with prompt replies and corrective action by the municipality;	Best Practice	
			Mechanisms to monitor the municipality's response time and efficiency in complying with the above; and	Best Practice	
			Provides for accessible, secure and electronic payment channels.	Best Practice	
		Customer Relations Management & Community Liaison	Able to automate customer registration.	Best Practice	

			Automate the registration of services (water, electricity & prepaid electricity).	Best Practice	
			Automate the allocation of funds to the customer to trigger instruction to unblock/ reconnect suspended service.	Best Practice	
			Automated customer correspondence capabilities which includes, but is not limited to, automated responses to customer enquiries, linking a reference number to the customers account.	Best Practice	
			Updates on statements which will reflect latest adjustments.	Best Practice	
			Integrate community liaison (e.g. service interruptions).	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Account payments and cashier balancing on one system.	Best Practice	
			Must have real time reflection of payments.	Best Practice	

Valuation Roll Management					
The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are governed by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorder and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA. Municipalities are also required to undertake interim valuations to ensure the property valuation roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.					
		Valuations Module to give effect to the Municipal Property Rates Act, 2004, and as a minimum:	Seamlessly integrate with the revenue management module.	Legislation	
			Integrate information for spatial analysis in a Geographical Information System (GIS).	Best Practice	
			Integrate with the building control system used in the municipality to ensure completion of additions and new buildings get immediately updated on the billing subsystem.	Best Practice	
			Integrate with the land use system to ensure appropriate tariffs is timeously applied.	Best Practice	
			Integrate with the Surveyor General (SG) database and town planning systems in use at the municipality.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Integrate with the deeds registry and monitor actual sales with current valuations as well as ownership against the billing system.	Best Practice	
			Validate and report anomalies in the asset register on municipal owned properties.	Best Practice	

			Provide the municipal website with the Municipal Propert Rates Act, 2004 required A&B valuation rolls.	Legislation	
		Managing and calculation of property rates, special rating areas and service charges on a property subject to a number of requirements including but not limited to:	The valuation of property will be performed in the separate (Computer Assisted Mass Appraisal) system and the individual property values and relevant property attributes passed to the Solution via an interface with valuation module. Data to be validated and managed within the Solution in compliance with legislation policies and business rules to enable calculation of property rates.	Legislation	
			Property Rates and service charges are calculated at different tariffs depending on various criteria such as the category of the property.	mSCOA Regulation	
			Functionality is required to exempt certain categories of property and/ or certain categories of property owners from rates.	Legislation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
			Functionality is required to calculate a rebate or a reduction in rates in compliance with the requirements of legislation and/ or business rules.	Legislation	
			Functionality is required for the phasing in of rates in compliance with legislation.	Legislation	

			Clearance Certificate Management to be online and comply with Section 118 of the Municipal Systems Act, 2000.	Legislation	
			Integrated clearance applications and automatic calculations on the total debt outstanding including all linked debt. Where applicable figures in terms of Section 118 (debt within 2 years) is payable for the issuing of clearance certificate be calculated automatically. Audit trail and history of all applications must be available The administration and certificate charges must be an automated levy with issuing clearance figures. **The system to provide a monthly reports:** - all clearance monies received - All new stands created in a specified period - All transfer of ownerships in a specified period - All clearances issued in terms of Sec. 118(3) where only the 2 year period were considered for the issue of the certificate	required	

Business Process	Sub-Process	Legislative or Business Requirement	System / Applications minimum functionality	Minimum Requirements	Module availability 1. Available for deployment 2.In Development 3. not Available
Land Use B uilding Control					
Land use mana gement is a process of managing the use and development of land. Aspects need to include spatial, urban policy usage, and economic consideratio ns. A land use management s ystem need to include all pr ocesses, methods and tools used for organising, operating and supervising the urban environment including the factors i nfluencing it. A management s ystem needs to cover all phases from the vision behind the preparation of plans and decisions to their implementation and the monitoring of impact s. Planning practices, decision makin g processes, procedures, implementation, monitoring mechanisms, methods and tools used in the above-mentioned phases are all elements of an in tegrated system. In general, land u se management is driven by various decisions taken at different levels of ad ministration (local, regional, national). Building management incorporat es all activities relating to township ma nagement such as building plan approvals, rezoning applications, illegal lan d usage and Municipal By-laws management. Importantly, the land an d building management needs to be int egrated with the revenue value chain of the municipality.					
	Land use	Property maintenance	Property register providing for all land in the municipal area.	Legislation	
			Town, township, suburb, street, erf, subdivision and sectional title detail must be aligned to the deeds office and Demarcation Board specifications.	Legislation	
			Integration with billing and valuation systems.	Legislation	
			Alignment of ownership must be verifiable with the deeds office.	Legislation	
			Property transfers, subdivisions, consolidations and zoning changes must be system process with work flow and document management driven.	Legislation	
	Special	Integration with external stakeholders	Must be able to align property register with the Surveyor General register.	Best Practice	
			Where a 3rd party GIS system is used integration should be seamless.	Best Practice	

			Integration with the asset register for municipal properties.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
	Building Control	Integration to the Town Planning function	Building plan submission and approval.	Best Practice	
			Document management for building plans and zoning certificates.	Best Practice	

Revenue Cycle Billing					
The valuation roll forms the basis for the levying of assessment rates and all processes and procedures are governed by the Municipal Property Rates Act, 2004 (MPRA). All categories of properties in the municipal boundary need to be recorded and maintained in a municipal register of properties including the value of land and improvements as described in the MPRA. Municipalities are also required to undertake interim valuations to ensure the roll is constantly maintained and updated. Importantly, the business processes need to ensure integration with the revenue value chain of the municipality and the billing processes and procedures.					
	Billing	Revenue management module that give effect to MFMA section 64 that also incorporate:	***Additionally to the standard minimum functionality in the MFMA the billing system must:***		
			Measure and flag anomalies of the current database transaction (all services) against alternative information sources such as Surveyor General (SG), Deeds and valuation rolls to ensure completeness of actual billing;	Best Practice	
			Calculate and account monthly for the provision of bad debt;	mSCOA Regulation	

			Integration of Prepaid at a minimum of a 'debtor per tariff '-code per region, monthly bill the consolidation sales amount and daily receipt the sales;	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services;	Required	
			Provide adequate information for spatial analysis in a GEOGRAPHICAL INFORMATION SYSTEM (GIS) system;	Best Practice	
			Create and Maintain Regional Structure;	mSCOA Regulation	
			Integrate with valuation and property systems;	Best Practice	
			Allow for multiple billing cycles;	Best Practice	
			Create and maintain a tariff structure to comply with mSCOA Regulations;	mSCOA Regulation	
			Produce monthly invoices to debtors and group accounts;	Legislation	
			Allow for rebates and penalty levies.	mSCOA Regulation	
		Specific but not limited requirements	Must have report writing capabilities for standard & Ad hoc reporting (daily, monthly & annual).	mSCOA Regulation	
			Maintenance of tariffs as per the tariffing section.	Legislation	

			Integrate with debt collection for disconnections and reconnections.	Best Practice	
			Integration into 3rd party software for receive readings taken.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Must be able to store infrastructure (metering) diagrams which will show the physical location of meter in order to be able to drill down to all of the relevant information concerning the meter in question.	Best Practice	
			Must have a full process and document flow for terminations and re-connections of services and the relevant documentation.	Best Practice	
			Must integrate with the Geographical Information System (GIS) to the extent that reticulation of services can be viewed as a layer at any point in time within the context of the current property being worked on.	Best Practice	
			On-site billing	Best Practice	
		Billing Reporting and Tariff Maintenance	Must be able to do consolidated billing of properties (all services and rates into one bill): As Municipalities are working within the determination of the Municipal Property Rates Act, 2004, a property relational database design is critical. The respective debtor is secondary to that.	Legislation	

			Generate statements at any point in time and consolidate at customer level.	Best Practice	
			Flexible tariff building structure and design. System must be capable of inclining block tariffs based on daily, monthly, or annual rate scales.	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Must allow for the maintenance of tariffs as per the tariffing section.	mSCOA Regulation	
			Customer must be able to nominate between mailing, MMS or e-mailing of monthly statement.	Best Practice	
		Revenue receipting	Must adhere to applicable legislation and by-laws.	Legislation	
			Allow for all accepted payment methods at cashiers, including automated payment and clearing of card payments.	Required	
			To accommodate fully automated processing of multiple receipting streams including but not limited to:		
			Payroll;	Best Practice	
			Third Party vendors (e.g. Absa, Easy Pay, Prepaid Vendor, etc.);	Required	

			Cash Offices;	Required	
			Traffic;	Best Practice	
			Other Municipal Directorates (e.g. Fresh Produce Market, Libraries, etc.).	Best Practice	
			To cater for multiple bank accounts.	Best Practice	
			Processing of payments at supervisor controlled cash offices to accommodate cashier opening, balancing and closing.	Required	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Multiple daily and monthly online and automated reconciliations.	Required	
			Receipting to be online.	Required	
			Cash payments must be able to be processed during database server and network downtime.	Required	
			All pay points and receipting streams to be uniquely identifiable in the sub ledger and general ledger.	Required	
			Receipting to also accommodate specialised payment types e.g. Rates Clearance, Arrear Debt arrangements, Assistance-to-the-Poor, Service Deposits, etc.	Best Practice	
			To accommodate the correction of erroneous and/or rejected receipts.	Best Practice	

			Facility to reverse "refer to drawer"(R/D) for Cheques, debit orders and IVR payments.	Required	
			To facilitate debit orders.	Required	
			Printing and re-printing (marked as "Copy Receipt") of receipts.	Legislation	
			Interface with barcode scanner to scan account numbers from the statements.	Best Practice	
			Recording of cheque details.	Best Practice	
			Reversal of receipt and associated interest where applicable.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			While the billing process itself follows standard accounting practices for raising debit and credit transactions, the tariffs of charges and the business rules that govern the selection of the Appropriate tariff are complex. The Solution will provide functionality to calculate the amounts due for services and levies in accordance with the determined tariffs and business rules.	Best Practice	
			Calculate the income due to the municipality for services and/ or products or property, on a regular, user defined and maintainable basis.	Best Practice	

			Generate invoices and/or statements for the amounts payable to the municipality on a regular, user defined and maintainable basis.	Best Practice	
			Group accounts into one or more 'billing cycles' based on user defined criteria.	Best Practice	
			Provides the facility to charge interest on arrears amount subject to certain user defined provisions and according to user maintainable rates.	mSCOA Regulation	
			Functionality is required to raise debit and credit transactions which are updated to a Debtor account. The functionality must provide for the following transaction sources:		
			Calculated transactions - these transactions will be the result of a calculation that is subject to user defined business rules to determine the tariff to be used, special conditions that may apply to be used, discounts or rebates to be applied etc.;	mSCOA Regulation	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Manually Input transactions - these transactions are captured by a user and will reflect all the details of the transaction;	mSCOA Regulation	
			Electronic transactions - these transactions are received electronically, which then must be identified and raised to the relevant Debtor account.	mSCOA Regulation	
			Transactions will be classified by type e.g. billing transaction, receipt transaction, journal transaction etc. The definition of a transaction type must be user maintainable.	mSCOA Regulation	

			All transactions, regardless of type and origin, must be date/time stamped and have the user/origin included in the record. A narration / description field must be available whereby a short description of the transaction can be recorded.	mSCOA Regulation	
			Functionality is required to correct and recalculate incorrect accounts with full audit trail of actions taken to rectify the error. This could include the recalculation of interest over different financial periods at different rates. *(MSA section 95f).*	mSCOA Regulation	
			Account maintenance functionality is required to generate the necessary transactions to correct accounts which are in error by an authorised user with a full audit trail and maintenance report of actions taken to rectify the error. *(MSA section 95f).*	mSCOA Regulation	
			Account maintenance functionality must produce 'hard copy' of all transactions generated to rectify the account to enable the user to verify and 'sign off' the action taken.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
			Functionality is required to categorise Debtors and Properties by a set of user defined parameters. The categories are used to create subsets of the Debtor Master for reporting, to establish appropriate tariffs and to determine billing cycles (MPRA section 3(3)c(i)).	mSCOA Regulation	
			Functionality is required to process different Debtor and property categories according to different business rule or time frames.	Best Practice	

			Tariffs are stored by effective date from inception and all history is retained to enable recalculation of accounts even over different tariff periods.	Best Practice	
			Functionality is required for the system to automatically apply new tariffs from the effective date specified in the tariff record. At this time the 'current ' tariff will receive a status of 'expired' and the 'new' tariff becomes 'current'.	Best Practice	
			It is important to note that in all areas of revenue calculation, rebates and/ or exemptions may be applied based on a single or on multiple criteria which may be applied to the Debtor account in an 'and/ or' context. The Solution must provide the required level of flexibility to cater for these variations.	Legislation	
			Miscellaneous Charges: Certain miscellaneous charges may be raised at regular intervals (monthly, quarterly, annually) and fixed periods whilst others are raised on an ad hoc basis with automated escalation dates and percentages.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
		Meter Management (credit and prepaid)	Functionality is required to link the numbered meter that is used to measure the consumption of services to the erf/ property on which the meter is installed. It is important to note that there may well be more than one meter per erf/ property.	Best Practice	
			Functionality is required to categorise meters.	Best Practice	
			The Solution must be able to record the relationship of each meter to the property and track meter readings and relevant history of each meter individually.	Best Practice	

			Functionality is required to link the Debtor to the numbered meter that is used to measure the Debtor consumption of services. It is important to note that a Debtor may well be linked to a number of meters. (E.g. a landlord with a number of leased properties). (MSA section 95d).	Best Practice	
			Functionality is required to create and maintain practical and efficient meter reading routes.	Best Practice	
			Functionality is required to capture and record the meter reading and the date on which the meter was read. At least the following methods of capture must be provided, namely:		
			Capture via standard keyboard entry;	Best Practice	
			Receiving meter readings electronically from a third party interface. Automated uploading and validation will be required.	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** **1. Available for deployment** **2.In Development** **3. not Available**
			Meter readings must be retained at a transaction level and may not be overwritten, deleted or adjusted. Errors must be rectified by entering a cancelling entry and entering the correct reading.	Best Practice	
			Functionality is required to calculate charges for services consumed according to user defined algorithm which may contain a number of variable factors in order to determine the correct tariffs to apply.	Best Practice	

			Functionality is required to raise the charges against a debtor's account according to a user defined billing cycle (which may coincide with the meter reading cycle for an area).	Best Practice	
			In the event of a meter being read 'out of cycle' the charges may be raised to the debtors account on an 'ad hoc' basis. These charges raised must be visible on the debtor's account immediately, but will not generate an invoice immediately as it will be included on the standard invoice/ statement generated during the next billing cycle.	Best Practice	
			In the event that a meter reading is not received, functionality is required to calculate an estimated consumption, according to a user maintained algorithm.	Best Practice	
			Functionality is required to recalculate an account from all meter transaction history, taking into account any tariff changes, or from a specific starting point in the history on an ad hoc basis with the option to accept or discard the result. (i.e. the recalculation will be regarded as a 'what if' with the option to make it 'live').	Best Practice	
Business Process	**Sub-Process**	**Legislative or Business Requirement**	**System / Applications minimum functionality**	**Minimum Requirements**	**Module availability** 1. Available for deployment 2.In Development 3. not Available
			Meter management system must be integrated/ interfaced with the Billing Component.	Best Practice	
			Prepaid electricity meters:		
			Functionality that is an integral part of the Billing interface to its prepaid vendor;	mSCOA Regulation	
			Automated blocking and arrear set off functionality is required.	Best Practice	

			Water inventory managing.	mSCOA Regulation	
			Functionality is required to manage an Inventory of Water Meters. This to be work flowed as certain steps are dependent on others.	Best Practice	
			Reports/ extracts including but not limited to:		
			Water Meter maintenance management;	Best Practice	
			Various statistical extracts and reports.	Best Practice	

16.

MANDATORY BID REQUIREMENTS

To ensure your proposal is considered for evaluation, the bidder must ensure their proposal includes the following:

a) Brief document pertinent to the RFP that supports the submission addressing the above mentioned specifications,
b) A completed list of references, minimum of three(3) from other municipalities (no district municipalities)or organization that has more than one hundred(100) system users and at least ninety thousands (90 000) consumer database either in public or private sector implemented after 1 July 2017
c) A complete list of all municipalities/organizations where the system is currently deployed
d) Provide one(1) reference letter from any municipality/organization which was used as pilot site
e) Certificate from the Payment Association of South Africa (PASA) indicating that the institution (bidder or partners) is licensed to have a payment system and to collect cash and will be able to do it on behalf of the municipality.

   PASA is the payment system management body recognised by the South African Reserve Bank (SARB), to organise, manage and regulate the participation of members in the national payment system (bidder or partner)
f) Payment Card Industry Data Security Standard (PCI DSS) Certificate
g) A hand completed and signed tender document.
h) The following must accompany all proposals:
   i. Covering Letter- A covering letter advising that the bidder has reviewed and understands the contents of the RFP package and is capable of meeting the requirements of the contract.
   ii. Profile/Resume- A profile or resume of all principal staff assigned to the project, their respective roles, qualifications and a brief description of the organization as a whole.
   iii. Schedule of activities - The bidder should provide schedule of anticipated modules that are required to meet the needs of the Emalahleni Local Municipality.
i) Shortlisted bidders should be required to conduct a presentation during the tender evaluation period. The presentation may be conducted at their respective client sites. An inspection in-loco will be conducted by Emalahleni Local Municipality at a randomly chosen client to assess the functionality of the deployed system. **Emalahleni Local Municipality reserve the right to conduct an inspection in-loco without notifying the bidder.**
j) Project plan
k) Risk management plan associated with the project
l) Change management plan associated with the project
m) Training plan
n) Detailed pricing per module, hardware which may be required, annual license fees, training, data migration, skill transfer etc
o) Information Technology network requirements on LAN and WAN

17.

EVALUATION CRITERIA

The tender will be a two stage bidding where the first phase will cover the functionality as per table below. Once the bidder has scored over 70% a second stage evaluation will be conducted which will include inspection in-loco

FUNCTIONALITY SCORECARD

	CRITERIA	WEIGHT	SCORE
1.	**Clear proposal outlining all the required services. The execution and implementation plan with service offering as outlined in the specification, commissioning, operations and maintenance, training, skills transfer, risk management.** • Project plan should entail time lines.	**30**	
2	**Relevant past experience of business/firm(relevant projects(FMS) undertaken in the last five years and the completion certificate) letters of reference** • +2 years • 4-6 years • 7+	**5**	
3.	**System capability(number of modules available for immediate implementation, number of modules currently under development)** Refer to table 1 above	**35**	
4.	**System integration and interface** • Proof of system integration and interface • External backup and recovery	**10**	
5	**Training and Skills transfer** • Trainer's qualification and experience on operating the system • Training methodology and plan for all users	**5**	
6.	**Bidder's Staff complement** • Project Manager: qualification and experience on operating the system • Developers qualification and experience on system development • Project team members to be deployed on site during implementation: qualification and experience on operating the system	**15**	
	TOTAL POINTS	**100**	
	MINIMUM REQUIRED POINTS TO QUALIFY		**70%**

18.

SELF COMPLIANCE CHECK SHEET

Ref no.	Question	ELM'S Requirement	Bidder's Response
		YES *	YES / NO
1	Have you initialled 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? Have you completed the MBD 1 form?	YES	
4	Have you taken note of the contents of par 5 of MBD 6.1 to substantiate your B-BBEE rating claims? Have you submitted an original, valid or certified copy of your Company's B-BBEE certificate to qualify for preference points?	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	Are all the mandatory documents submitted?	YES	
7	Is the Company registered with the Central Supplier Database (CSD) in terms of the category required in this Specification? Have you submitted a copy of your CSD Report?	YES	
8	Do you understand the Scope of Work that includes the Standard Specifications / Project Specifications and Particular Specifications? .	YES	
9	Have you notified your current clients that ELM will request permission to conduct system investigation and observation at their premises?		

……...
Signature

…….....
Date

……
Position

……
Name of Bidder

19.

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

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

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

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

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

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

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

1.14 “GCC” means the General Conditions of Contract.

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

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

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

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

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

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

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the

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

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

1.26 "Tort" means in breach of contract.

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

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information inspection

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall

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

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

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

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

6. Patent Rights

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

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

7. Performance security

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

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

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

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

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

8. Inspections, tests and analyses

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

8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

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

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

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

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

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

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

9. Packing

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

weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental Services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and;

(b) in the event of termination of production of the spare parts:
   (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
   (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

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

16. Payment

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

17. Prices

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

18. Variation orders

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

23.5 . Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

28. Limitation of Liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

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

29. Governing language

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

30. Applicable law

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

31. Notices

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

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

32. Taxes and duties

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

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

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

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

33. Transfer of contracts

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

34. Amendment of contracts

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

35. Prohibition of restrictive practices

35.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.

35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 0f 1998.

35.3 If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.