



MKHONDO

LOCAL MUNICIPALITY

REQUEST FOR PROPOSALS (RFP) DOCUMENT:

FROM SUITABLE INVESTOR(S) TO LEASE, DEVELOP, OPERATE, PLAN & CONTROL
MKHONDO LOCAL MUNICIPALITY FORESTRY DIVISION'S OPERATIONS FOR A MAXIMUM
PERIOD OF 30 YEARS (RE-ADVERT)

CONTRACT NUMBER: MKHO02/2024/25

CLOSING DATE: **30 SEPTEMBER 2024**

EMPLOYER:

MKHONDO LOCAL MUNICIPALITY
P O Box 23
Mkhondo
2380

Represented by:

D.P Msibi
Acting Municipal Manager

FOR ENQUIRES:

Technical Enquiries:
Forestry Division:
Ms.N.Kunene

Email: NKunene@mkhondo.gov.za

Administrative Enquiries:
Supply Chain Management

Mr M.C Gumede
Email: MGumede@mkhondo.gov.za

Name of Tenderer:

Amount (All Inclusive, in Words):

.....

Amount (All Inclusive, Figure):

This document is provided solely for the purpose set out in this Request for Proposal (RFP) and is not intended to form any part or basis of any investment decision by the Prospective Investors. The recipient should not consider the document as an investment recommendation by the Municipality or any of its advisers.

Each person to whom this document (and other later documents) is made available to must make his/her own independent assessment of the Project after conducting such investigation and taking such professional advice as he/she or it deems necessary. Neither the receipt of this document or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Prospective Investor or its advisers, is to be taken as constituting the giving of an investment advice by the Municipality or its advisers.

Whilst reasonable care has been taken in preparing this RFP and other documents, they do not purport to be comprehensive or true and correct. Neither the Municipality nor any of its advisers accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in any document.

They acquaint themselves with this RFP and take note that no representation or warranty, express or implied, is or will be given by the Municipality, or any of its officers, employees, servants, agents or advisers with respect to the information or opinions contained in any document or on which any document is based. Any liability in respect of such representations or warranties, howsoever arising is hereby expressly disclaimed.

If any recipient, or its employees, advisers or agents make or offer to make any gift to any of the employees of the Municipality on the RFP either directly or through an intermediary then such recipient, the Prospective Investor will be disqualified forthwith from participating in the RFP.

Each recipient of this RFP agrees to keep confidential any information of a confidential nature which may be contained in the information provided (the "Confidential Information Provided"). The Confidential Information provided may be made available to the Prospective Investor's subcontractors, partners, employees and professional advisers who are directly involved in the appraisal of such information (who must be made aware of the obligation of confidentiality) but shall not, either in whole or in part, be copied, reproduced, distributed or otherwise made available to any other party in any circumstances without the prior written consent of the Department, nor may it be used for any other purpose than that for which it is intended.

These requirements do not apply to any information, which is or becomes publicly available or is shown to have been made available (otherwise than through a breach of a confidentiality obligation). Prospective Investors, and their constituent members, agents and advisers, may be required to sign confidentiality Contracts/undertakings (in such form as the Municipality may require from time to time).

All Confidential Information Provided (including all copies thereof) remains the property of the Department and must be delivered to the Municipality on demand. Further, by receiving this RFP each Prospective Investor and each of its members agrees to maintain its submission to this RFP confidential from third parties other than the Municipality and its officials, officers and advisers who are required to review the same for the purpose of procurement of the RFP. Any recipient residing outside the Republic of South Africa is urged to familiarize themselves with and to observe any regulatory requirements relevant to the proposed transaction (whether these derive from a regulatory authority within or outside the Republic of South Africa). Any requirement set out in this RFP regarding the content of a response to the RFP is stipulated for the sole benefit of the Municipality, and serves as expressly stated to the contrary, may be waived at its discretion at any stage in the procurement process. The Municipality is not committed to any course of action as a result of its issuance of this RFP and/or its receipt of a Proposal in response to it.

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- Record of addenda (if any)
- Certificate of Authority of Signatory
- Registration certificate / Agreement / Identity Documents
- The Authority to sign must be completed and signed (Company resolution letter “on company letter head” by directors to be attached confirming the Authority to sign).
- Compulsory Enterprise Questionnaire
- Municipal rates and services account (not OLDER than 60 days and not in Arrears) or lease agreement if the tenderer is currently leasing premises and not responsible for paying municipal accounts.
- Attendance of the compulsory clarification meeting or site briefing. (if applicable)
- Tax Requirement Compliance (Valid SARS TCS Tax pin) MBD 2
- Declaration by Bidder MBD 3.1 (Firm Prices)
- Declaration by Bidder MBD 4 (Declaration of Interest)
- Declaration by Bidder MBD 5 (For procurement above R10 million)
- Declaration by Bidder MBD 6.1 (Preference Claim Points)
- Contract Form – Purchase of Services – MBD 7.2
- Declaration by Bidder MBD 8 (Bidder’s Past Supply Chain Management Practices)
- Declaration by Bidder MB 9 (Certificate of Independent Bid Determination)
- Comprehensive (Not Summary) Central Supplier Database (CSD) Report,
- Clearance Certificate of Municipal Rates and Taxes with Current Municipal Account / Valid lease agreement if renting/ proof of Residence for bidders residing in a non-billed municipal area or jurisdiction
- Latest three year Audited Financial Statements
- Proof of Indemnity / Liability (Insurance), minimum of R 15 000 000.00
- Valid Letter of Good Standing (COIDA)
- Proof of certification that the Company or investor has been certified with Forest Stewardship Council (FSC) for a minimum of 20 years.

Other documents required for bid evaluation purposes:

- B-BBEE certificate/sworn affidavit–BBBEE for exempted micro enterprise (Joint B-BBEE/sworn affidavit–BBBEE for joint ventures)
- Proof of Experience for work done for previous clients, and Proof of experience (Over 30 years’ experience) in Timber Plantation Management,
- Proposed Empowerment / Socio-economic Plan
- Proposed Costing / Budget Model (plan)
- Proof of Bank Rating / Grading
- Proof of Plant and Machinery, and equipment Ownership (or Letter of Intent)

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PART T1: TENDERING PROCEDURES

1. GENERAL

1.1 TENDER NOTICE

T1.1 TENDER NOTICE AND INVITATION TO TENDER

MBD 1 INVITATION TO BID



MKHONDO
LOCAL MUNICIPALITY

REQUEST FOR PROPOSALS (RFP):

FROM SUITABLE INVESTOR(S) TO LEASE, DEVELOP, OPERATE, PLAN & CONTROL MKHONDO MUNICIPALITY FORESTRY DIVISION'S OPERATIONS FOR A MAXIMUM PERIOD OF 30 YEARS (RE-ADVERT)

Mkhondo Local Municipality invites suitable qualified and CSD registered service providers to submit bid sealed proposals, duly endorsed as per description below:

Bid No.	Description	Applicable Price Preference Points	Compulsory Briefing Session	Minimum Functionality Points	Evaluation Criteria	Tender Closing Date
MKHO02/2024/25	REQUEST FOR PROPOSALS (RFP): FROM SUITABLE INVESTOR(S) TO LEASE, DEVELOP, OPERATE, PLAN & CONTROL MKHONDO MUNICIPALITY FORESTRY DIVISION'S OPERATIONS FOR A MAXIMUM PERIOD OF 30 YEARS	90/10	Not Applicable	70 %	Method 4	30 September 2024, 12h00

The Municipality's objectives amongst others include, to lease the plantation in the townlands to interested commercial forestry business entities in South Africa, appoint a suitable investor(s) to lease, develop, operate, plan and control all forestry activities on a long-term lease agreement to be entered into with the Mkhondo Local Municipality for a maximum duration of thirty (30) years, and to promote direct investment, economic growth, job creation and economic development of the forestry division.

The RFP is made in line with the provisions of the Municipal Finance Management Act, 2003 No.56 of 2003), Section 33 read with Municipal Supply Chain Management Regulations of 2005 Section 40. Preferential Procurement Policy framework Act No.5 of 2000: Preferential Procurement Regulations 2022 and Supply Chain Management Policy of MKHONDO Local Municipality will apply in the adjudication process. Method 4 of evaluation of the acceptable proposals will be applied and responsive bids are expected to score at least a minimum of **70 out of 100 (or 70%)** for functionality points to be considered for further evaluation. The prospective investor will be required to demonstrate their ability and capacity to deliver and manage the plantation(s). The prospective investor will be required to submit a Business Proposal that, at a minimum, shall address the following:

- Over 30 years' experience in Timber Plantation Management (minimum),
- Company or investor must be certified with Forest Stewardship Council (FSC),
- Financial Ability, and Proof of Public Liability Insurance cover
- Empowerment plan or Socio-Economic Benefits,
- Presentation to Evaluation Committee

According to the Preferential Procurement Policy Framework Act No.5 of 2000: Preferential Procurement Regulations 2022, Tenders will be adjudicated according to the 80/20 (if tenders are less than R 50 000 000) or 90/10 (if tenders are above R 50 000 000) of the Price Preferential point system. Original or certified valid copy of B-BBEE Certificate / or sworn B-BBEE affidavit must be submitted to claim preference points / special goals. Bidders who do not submit B-BBEE Status Level Verification Certificates or are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE but will not be disqualified from the bidding process.

Proposed Prices and rates should be all Inclusive (Inclusive of Vat for Vat Vendors). Bids should be accompanied by the following compulsory documents (non-submission will result to bid being non-responsive): A valid SARS Tax Compliance Status (TCS) PIN, certified copies of Identification Documents of Directors, Copy of Company registration certificate, a recent (not older than thirty days from tender closing date) full comprehensive (not a summary) CSD registration report, current municipal account (not in arrears for more than 90 days) / proof of lease agreement must be attached if renting (Bidders residing in a non-billed areas must attach proof of residence / letter from Tribal Authority, and Entity's LATEST three-year Audited Financial Statements.

This tender document should be in a sealed envelope duly endorsed "**BID NUMBER AND DESCRIPTION.**" must be placed in the tender box situated at the Mkhondo Town Hall, on or before **30th of September 2024 at 12:00** at the Municipal Offices, corner Mark and De Wet Streets, eMkhondo.

Collection of bid documents: Tender documents may be downloaded from the Mkhondo Municipality's website www.mkhondo.gov.za or e-tenders portal www.etenders.gov.za from the **30th of August 2024**. Tenders received after closing date and time, faxed, completed with pencil, tipexed, incomplete document or e-mailed will not be considered.

NOTE: Only those tenderers who are registered on the Central Supplier Database (CSD) are eligible to submit tenders for these tenders. *The Council does not bind itself to accept or award the highest priced bid.* The Council may elect to accept only part or wholly of the successful tender. Council reserves the right to appoint more than service provider. Council reserves the right not to appoint or withdraw the tender. The adjudication process and the award, if an award is made, will conform to the requirements of the Supply Chain Management Regulation, the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations of 2022. This bid is subject to the, Mkhondo Local Municipality Supply Chain Management policy. Only the version of this notice and invitation contained in the tender document shall form part of the tender. No correspondences will be entered into with regards to evaluation scores obtained. Tenders may only be submitted on the original tender documentation that is issued by the employer. Tenders should be valid for a period of not less than ninety (90) days. Taking into consideration the provisions of the Municipal Finance Management Act, 2003 No.56 of 2003, Section 33 (1), the Municipality also invites the Local Community and other interested persons to submit to the Municipality comments or representations in respect of the proposed contract before the closing of the 30th of September 2024 to be addressed to the Acting Municipal Manager at dmsibi@mkhondo.gov.za

For Technical enquiries contact the Ms.N.Kunene, Forestry Division during business hours on, E-mail address nkunene@mkhondo.gov.za and Administrative Supply Chain enquiries to Mr. M.C Gumede, E-mail address mgumede@mkhondo.gov.za .The closing of tender will only be administered at Town Hall, 33 Mark Street, eMkhondo, 2380. Closing date: **30 September 2024 at 12h00**

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

Mr. D.P Msibi
Acting Municipal Manager

Tender Data

	Wording (Data)
	The employer is the MKHONDO LOCAL MUNICIPALITY.
	<p>The tender documents issued by the employer comprise:</p> <p>PART T1 : TENDERING PROCEDURES</p> <p>T1.1: Tender Notice and Invitation to Tender</p> <p>T1.2: Tender Data</p> <p>PART T2 : RETURNABLE DOCUMENTS</p> <p>T2.1: List of Returnable Documents</p> <p>PART C1: AGREEMENTS AND CONTRACT DATA</p> <p>C1.1: Form of Offer and Acceptance</p> <p>PART C2 : PRICING DATA</p> <p>C2.2: Price Proposal / Fee Schedule</p> <p>PART C3 : SCOPE OF WORKS</p> <p>C3 Terms of Reference</p> <p>APPENDICES</p> <p>C3.5 Annexes</p>
	<p>The Employer's agent is:</p> <p>The Acting Municipal Manager</p> <p>Mr.D.P Msibi</p> <p>Mkhondo Local Municipality</p> <p>P.O Box 23,</p> <p>eMkhondo, 2380</p>
	<p>Only those tenderers who satisfy the following eligibility criteria are eligible to submit tenders :</p> <p>a) CSD Registered service providers.</p> <p>b) Proof of certification that the Company or investor has been certified with Forest Stewardship Council (FSC) for a minimum of 20 years.</p>
	<p>c) Bidders not listed on National Treasury's Tender Defaulters Database and Restricted suppliers.</p> <p>d) Have relevant mandatory returnable documents (both administrative and technical)</p> <p>e) Tenderer or any of its directors that are not listed in the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector.</p> <p>f) The tenderer that has in <u>his or her possession</u> an original Tax Clearance Certificate / valid and compliant SARS TCS Pin issued by the South African Revenue Services;</p> <p>g) Tenderer that has not abused the Employer's Supply Chain Management System; or</p> <p>i) failed to perform on any previous contract and has been given a written notice to this effect; and</p> <p>ii) has completed the Compulsory Enterprise Questionnaire and there are no conflicts of interest which may impact on the tenderer's ability to perform the</p>

	contract in the best interests of the employer or potentially comprise the tender process.
	Compulsory Briefing: No Compulsory briefing will be held
	The Employer's address for delivery of tender offers and identification details to be shown on each tender offer package are: Location of tender box: MKHONDO LOCAL MUNICIPALITY OFFICES Physical address: 33 MARKET STREET, MKHONDO
	Postal address: MKHONDO LOCAL MUNICIPALITY PO BOX 23, MKHONDO, 2380
	Wording (Data)
	A two-envelope procedure will NOT be followed.
	The closing time for submission of tender offers is 12H00 hours on Monday, 30 September 2024
	Telephonic, telegraphic, telex, facsimile or e-mailed tender offers will NOT be accepted.
	The tender offer validity period is 90 days.
	The tender shall, when requested by the Employer to do so, submit the names of all management and supervisory staff that will be employed to supervise the labor-intensive portion of the works together with satisfactory evidence that such staff members satisfy the eligibility requirements
	The tenderer is required to submit the following certificates with his tender: 1) Particulars relating to the list of returnable documents as contained herein the tender document.
	The time and location for opening of the tender offers are in accordance with regulation 23 of the MFMA
	Functionality / Quality Scorecard: Offers that score less than 70% will be disqualified from further evaluation.
	The BBBEE balanced scorecard - 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 as stipulated in the Preferential Procurement Policy Framework Act, Act No.5 of 2000 and Preferential Procurement Regulation 2022

	Wording (Data)
	d) The number of paper copies of the signed contract to be provided by the Employer is ONE (1).
	The council reserves the right to appoint more than one service providers. The Council reserves the right to cancel or withdraw the tender, or not to award
	<p>Points For Specific Goals:</p> <p>Income-generating contracts above R50 million up to maximum threshold value, the 10-preference point for achievement of specific goals shall be allocated as follows;</p> <ul style="list-style-type: none"> a. A total of 4 preference points shall be allocated on a proportional or pro rata basis for contracting an enterprise owned by historically disadvantaged persons or individuals who meet the following requirements- <ul style="list-style-type: none"> i. 1 point for 100% black person or people owned enterprise; ii. 1 point for more than 30% woman or women shareholding or owned enterprise; iii. 1 point for more than 30% youth shareholding or owned enterprise; iv. 1 point for more than 30% people living with disability shareholding or owned enterprise. b. A total of 6 preference points shall be allocated on a proportional or pro rata basis for implementing of programmes for RDP- <ul style="list-style-type: none"> i. 1 points for enterprise located within the local area of jurisdiction; ii. 1 points for enterprise who will sub-contract minimum of 30% of the contract value to EMEs in the ward or local communities where the services to be rendered of works to be undertaken; iii. 3 points for Corporate Social Investment (CSI) or Social Labour Plan proposition; iv. (iv) 1 points for valid B-BBEE level 1 contribution (SANAS verified B-BBEE certificate for generic enterprise, and for EME and SME a sworn affidavit or CIPC issued certificate confirming annual turnover and level of Black Ownership).

Part T2.1 LISTS OF RETURNABLE DOCUMENTS (*Bidder Must comply with the set out Schedules below, tender rules and Instructions, failure to comply will result in tender being non-responsive*)

Administrative and Procurement Mandatory Returnable Documents:

- Record of addenda (if any)
- Certificate of Authority of Signatory
- Registration certificate / Agreement / Identity Documents
- The Authority to sign must be completed and signed (Company resolution letter “on company letter head” by directors to be attached confirming the Authority to sign).
- Compulsory Enterprise Questionnaire
- Municipal rates and services account (not OLDER than 60 days and not in Arrears) or lease agreement if the tenderer is currently leasing premises and not responsible for paying municipal accounts.
- Attendance of the compulsory clarification meeting or site briefing. (if applicable)
- Tax Requirement Compliance (Valid SARS TCS Tax pin) MBD 2
- Declaration by Bidder MBD 3.1 (Firm Prices)
- Declaration by Bidder MBD 4 (Declaration of Interest)
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- Declaration by Bidder MBD 6.1 (Preference Claim Points)
- Contract Form – Purchase of Services – MBD 7.2
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- Comprehensive (Not Summary) Central Supplier Database (CSD) Report,
- Clearance Certificate of Municipal Rates and Taxes with Current Municipal Account / Valid lease agreement if renting/ proof of Residence for bidders residing in a non-billed municipal area or jurisdiction
- Latest three year Audited Financial Statements
- Proof of Indemnity / Liability (Insurance), minimum of R 15 000 000.00
- Valid Letter of Good Standing (COIDA)
- Proof of certification that the Company or investor has been certified with Forest Stewardship Council (FSC) for a minimum of 20 years.

Other documents required for bid evaluation purposes (External Documents)

- B-BBEE certificate/sworn affidavit–BBBEE for exempted micro enterprise (Joint B- BBEE/sworn affidavit–BBBEE for joint ventures)
- Proof of Experience for work done for previous clients, and Proof of experience (Over 30 years’ experience) in Timber Plantation Management,
- Proposed Empowerment / Socio-economic Plan
- Proposed Costing / Budget Model (plan)
- Bank Rating / Grading
- Proof of Plant and Machinery, and equipment Ownership (or Letter of Intent)

Note: In Addition: Bidders who fail to comply with the underneath pre-set Tender Instructions and Rules will not be accepted (will be rejected as non-responsive):

*All certified documents must not be older than three months from tender closing date, all alterations and cancellations to tender document must be signed by the authorised signatory. The employer reserves the right to disqualify tenderers for infringing any of the Standard Tender Conditions, rules and issued instructions. **ALL** pages of the tender document must be initialed by the authorised signatory. Copies of certified copies will not be accepted as valid copies. Bidder’s whose names appear on the National Treasury list of Restricted Suppliers and Defaulters will not be accepted.*

Initial.....

RECORD OF ADDENDA TO TENDER DOCUMENTS
--

We confirm that the following communications received from the Employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer:

	Date	Title or Details
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Attach additional pages if more space is required. Bidders are mandated to acknowledge / sign the page irrespective of an Addendum being issued or not by the Employer.

Signed Date

Name Position

Tenderer

CERTIFICATE OF AUTHORITY FOR 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, **and attach their Registration Certificates for Companies, Close Corporations and Partnerships, or Agreements and Powers of Attorney for Joint Ventures, or ID documents. Bidders MUST attach valid Proof of Authority to sign the bid to this form on the official entity's Letterhead.**

(I) COMPANY	(II) CLOSE CORPORATION	(III) PARTNERSHIP	(IV) JOINT VENTURE	(V) SOLE PROPRIETOR

(I) CERTIFICATE FOR COMPANY

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

Chairman :

As Witnesses : 1.

2.

Date :

(ii) CERTIFICATE FOR CLOSE CORPORATION

We, the undersigned, being the key members in the business trading as

.....

.....hereby authorise Mr/Ms..... acting
in the capacity ofto sign all documents
in connection with the tender for Contract No.....and any contract resulting from
it, on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

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

(III). CERTIFICATE FOR PARTNERSHIP

We, the undersigned, being the key partners in the business trading as,.....

.....hereby authorize Mr/Ms

.acting in the capacity of.....to sign all documents in connection with the tender for Contract No..... and any contract resulting from it, on our behalf.

NAME	ADDRESS	SIGNATURE	DATE

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

(IV) CERTIFICATE FOR JOINT VENTURE

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorize

Mr/Ms.....authorized signatory of the

Company,..... acting in the capacity of lead partner, to sign all documents in connection with the tender offer for Contract No.....and any contract resulting from it, on our behalf.

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

NAME OF FIRM	ADDRESS	AUTHORIZING SIGNATURE NAME AND CAPACITY
Lead Partner		

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.

(V) CERTIFICATE FOR SOLE PROPRIETOR

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

Signature of Sole owner

As Witnesses:

1.

2. Date

CERTIFIED COPIES OF REGISTRATION CERTIFICATE / AGREEMENT/ ID DOCUMENT
--

(Important note to Tenderer: Copies of Registration Certificates for Companies, Close Corporations and Partnerships, or Agreements and Powers of Attorney for Joint Ventures, or ID documents for Sole Proprietors, all as referred to in the foregoing forms and must be inserted here)

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (MKHONDO LOCAL MUNICIPALITY)					
BID NUMBER:	MKHO02/2024/25	CLOSING DATE:	30 SEPTEMBER 2024	CLOSING TIME:	12H00
DESCRIPTION	REQUEST FOR PROCUREMENT (RFP: FROM SUITABLE INVESTOR(S) TO LEASE, DEVELOP, OPERATE, PLAN & CONTROL MKHONDO LOCAL MUNICIPALITY FORESTRY DIVISION'S OPERATIONS FOR A MAXIMUM PERIOD OF 30 YEARS (RE-ADVERTISEMENT)				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Mkhondo Local Municipality, Ground floor, Foyer					
No.33 Corner market and De Wet Street					
eMkhondo					
2380					
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:		CSD No:		
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]	
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R	
SIGNATURE OF BIDDER		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED				
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	Finance – SCM		CONTACT PERSON	Ms. N.Kunene	
CONTACT PERSON	Mr M.C Gumede		TELEPHONE NUMBER		
TELEPHONE NUMBER	017 004 0197		FACSIMILE NUMBER	N/A	
FACSIMILE NUMBER			E-MAIL ADDRESS	NKunene@mkhondo.com	
E-MAIL ADDRESS	mgumede@mkhondo.gov.za				

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, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- | | |
|--|--|
| 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? | 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.

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

TAX CLEARANCE CERTIFICATE REQUIREMENTS

1. The taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. Bidder must attach a valid SARS TCS Tax Compliance Status Pin Failure to submit the valid Tax Compliance Status (TCS) PIN from SARS will invalidate the bid.
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate SARS Tax Compliance Status Pin.

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

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

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

ITEM NO.	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
1.	REQUEST FOR PROCUREMENT (RFP: FROM SUITABLE INVESTOR(S) TO LEASE, DEVELOP, OPERATE, PLAN & CONTROL MKHONDO LOCAL MUNICIPALITY FORESTRY DIVISION'S OPERATIONS FOR A MAXIMUM PERIOD OF 30 YEARS	R

- Required by:
- At:
- Brand and Model N/A
- Country of Origin
- Does the offer comply with the specification(s)? *YES / NO
- If not to specification, indicate deviation(s)
- Period required for delivery
*Delivery: Firm / Not firm
- Delivery basis

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

** "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

*Delete if not applicable

DECLARATION OF BIDDERS - MBD4

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

Full Name:

Identity Number:

Company Registration Number:

VAT Registration Number:

Are you presently in the service of the state? **Yes / No**

If so furnish particulars:

.....

Have you been in the service of the state in the last twelve months? **Yes / No**

If so furnish particulars

.....

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

- (a) a member of
 - (1) any municipal council;
 - (2) any provincial legislature; or
 - (3) the national Assembly or the national Council of PROVINCES;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or
- (e) constitutional institution within the meaning of the Public Finance Management Act, 1999 (act no 1 of 1999);
- (f) a member of the accounting authority of any national or provincial

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

If so, furnish particulars.....
.....

Are *you*, aware of any relationship (family, friendly, other) between a bidder and persons in the service of the state who may be involved with the evaluation and adjudication of this bid.

Yes / No

If so, furnish particulars.....
.....

Are any of the company's directors, managers, principle Shareholders or stakeholders in the service of the State? **Yes / No**

If so, furnish particulars.....
.....

Is any spouse, child, or parent of the company's directors, managers, principle shareholders or stakeholders in service of the state?

Yes / No

If so, furnish particulars.....
.....

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

.....
CERTIFY THAT THE INFORMATION FURNISHED ON THE DECLARATION FORM IS TRUE AND CORRECT. I ACCEPT THAT, IN ADDITION TO CANCELLATION OF CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE

.....
SIGNATURE

.....
DATE

.....
POSITION

**DECLARATION FOR PROCUREMENT ABOVE R10-MILLION
(ALL APPLICABLE TAXES INCLUDED)**

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

		Tick applicable box	
1.	By law you are required to prepare annual financial statements for auditing?	Yes	No
1.1	If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.		
2.	Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?	Yes	No
2.1	If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.		
2.2	If yes, provide particulars:		
3.	Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?	Yes	No
3.1	If yes, provide particulars:		
4.	Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?	Yes	No
4.1	If yes, provide particulars:		

CERTIFICATION

I, the undersigned certify that the information furnished on this declaration form is correct. I accept that the state may act against me should this declaration prove to be false.

NAME OF REPRESENTATIVE	AUTHORIZED SIGNATURE (UNDERSIGNED)
DATE:	CAPACITY:

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIALPROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general informationand serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- The **90/10** system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 To be completed by the organ of state

(delete whichever is not applicable for this tender).

a) The applicable preference point system for this tender is the **90/10** preference pointsystem.

1.3 Points for this tender (even in the case of a tender for income-generating contracts)shall be awarded for:

(a) Price; and

(b) Specific Goals.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

$$Ps = 90 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

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

The specific goals allocated points in terms of this tender (it is estimated that the works will be above R50 million, the 10-preference point for achievement of specific goals shall be allocated as follows)	Number of points allocated(90/10 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)
100% Black Owned enterprise	1	
More than 30% women shareholding	1	
More than 30% youth shareholding	1	
More than 30% people with disability	1	
Located within local area jurisdiction	1	
Enterprise who will sub-contract minimum of 30% of the contract value to EMEs in the ward or local communities where the services to be rendered or works to be undertaken	1	
Corporate Social Investment (CSI) or Social Labour Plan proposition	3	
Valid B-BBEE level 1 contribution (SANAS verified B-BBEE certificate for generic enterprise, and for EME and SME a sworn affidavit or CIPC issued certificate confirming annual turnover and level of Black Ownership).	1	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

☐ Partnership/Joint Venture / Consortium

☐ One-person business/sole propriety

☐ Close corporation

☐ Public Company

☐ Personal Liability Company

☐ (Pty) Limited

☐ Non-Profit Company

☐ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....

CONTRACT FORM - PURCHASE OF GOODS / SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to **MKHONDO LOCAL MUNICIPALITY** in accordance with the requirements and specifications stipulated in bid number **MKHO02/2024/25** at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2022;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1.

2.

DATE:

CONTRACT FORM - PURCHASE OF GOODS / SERVICES**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I.....in my capacity as
accept your bid under reference number MKHO02/2024/25 dated.....for the
supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and
conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the
delivery note.

ITEM NO.	PRICE(ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)
	R	N/A	Thirty (30) years		N/A

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

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

		WITNESSES
		1.
		2.
		DATE

PART C1: AGREEMENTS AND CONTRACT DATA

C1.1: Form of Offer and Acceptance

A. OFFER

The Employer, identified in the Acceptance signature block, has solicited offers to enter into a contract in respect of the following works:

CONTRACT No.: MKHO02/2024/25

REQUEST FOR PROCUREMENT (RFP) DOCUMENT:

**FROM SUITABLE INVESTOR(S) TO LEASE, DEVELOP, OPERATE, PLAN & CONTROL
MKHONDO LOCAL MUNICIPALITY FORESTRY DIVISION'S OPERATIONS FOR A
MAXIMUM PERIOD OF 30 YEARS**

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

By the representative of the Tenderer, deemed to be duly authorised, signing this part of this Form of Offer and Acceptance, the Tenderer offers to perform all of the obligations and liabilities of the Contractor under the Contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the Conditions of Contract identified in the Contract Data.

The offered total of the prices inclusive of Value Added Tax is:

R (In words.)
.....,

This Offer may be accepted by the Employer by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document to the Tenderer before the end of the period of validity stated in the Tender Data, whereupon the Tenderer becomes the party named as the Contractor in the Conditions of Contract identified in the Contract Data.

Signature: (of person authorized to sign the tender):

Name: (of signatory in capitals):

Capacity: (of Signatory):

Name of Tenderer: (organisation):

Address:
.....

Telephone number: **Fax number:**

Witness:

Signature:

Name: (in capitals):

Date:

[Failure of a Tenderer to sign this form will invalidate the tender]

B. ACCEPTANCE

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

The terms of the contract are contained in

Agreement, and Contract Data, (which include this Agreement)
Pricing Data, including the Bill of Quantities
Scope of Work
Site Information

and the schedules, forms, drawings and documents or parts thereof, which may be incorporated by reference into Parts above.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Tender Schedules as well as any changes to the terms of the Offer agreed by the Tenderer and the Employer during this process of offer and acceptance, are contained in the Schedule of Deviations attached to and forming part of this Agreement. No amendments to or deviations from said documents are valid unless contained in this Schedule, which must be duly signed by the authorised representatives of both parties.

The Tenderer shall within two weeks after receiving a completed copy of this Agreement, including the Schedule of Deviations (if any), contact the Employer's agent (whose details are given in the Contract Data) to arrange the delivery of any other bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the Conditions of Contract identified in the Contract Data at, or just after, the date on which this Agreement comes into effect. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this Agreement

Notwithstanding anything contained herein, this Agreement comes into effect on the date when the Tenderer receives one fully completed original copy of this document, including the Schedule of Deviations (if any). Unless the Tenderer (now Contractor) within five days of the date of such receipt notifies the Employer in writing of any reason why he cannot accept the contents of this Agreement, this Agreement shall constitute a binding contract between the parties.

Signature:

Name: *(in capitals)*

Capacity:

Name of Employer *(organisation)*.....

Address:

.....

Witness:

Signature: **Name:**

Date:

C. SCHEDULE OF DEVIATIONS

The extent of deviations from the tender documents issued by the Employer prior to the tender closing date is limited to those permitted in terms of the Tender Data and the Conditions of Tender.

A Tenderer's covering letter will not necessarily be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid becomes the subject of agreements reached during the process of offer and acceptance; the outcome of such agreement shall be recorded here.

Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the Parties becomes an obligation of the contract shall also be recorded here.

Any change or addition to the tender documents arising from the above agreements and recorded here shall also be incorporated into the final draft of the Contract.

1. Subject:

.....

Details:.....

2. Subject:.....

Details:.....

3. Subject:.....

Details:.....

4. Subject:.....

Details:.....

5. Subject:.....

Details:.....

6. Subject:.....

Details:.....

By the duly authorized representatives signing this Schedule of Deviations, the Employer and the Tenderer agree to and accept the foregoing Schedule of Deviations as the only deviations from and amendments to the documents listed in the Tender Data and addenda thereto as listed in the Tender Schedules, as well as any confirmation, clarification or change to the terms of the offer agreed by the Tenderer and the Employer during this process of offer and acceptance.

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

FOR THE TENDERER:

Signature:.....

Name:

Capacity:

Tenderer: *(Name and address of organisation)*.....

.....

Witness:

Signature:.....

Name:

Date:

FOR THE EMPLOYER

Signature:.....

Name:

Capacity:

Employer: *(Name and address of organisation)*.....

.....

Witness:

Signature:.....

Name:

Date:

D: CONFIRMATION OF RECEIPT

The Tenderer, identified in the Offer part of this Agreement hereby confirms receipt from the Employer, identified in the Acceptance part of this Agreement, of one fully completed original copy of this Agreement, including the Schedule of Deviations (if any) today:

The(day) of(month)
20.....(year) at(place)

For the Service Provider:

.....
Signature

.....
Name

.....
Capacity

Signature and Name of Witness:

.....
Signature

.....
Name

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

- 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.**

5

Item	Question	Yes	No
1.1	Is the Tenderer or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <input type="checkbox"/>
1.1.1	If so, furnish particulars:		
1.2	Is the Tenderer 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 <input type="checkbox"/>	No <input type="checkbox"/>
1.2.1	If so, furnish particulars:		
1.3	Was the Tenderer or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
1.3.1	If so, furnish particulars:		
1.4	Does the Tenderer or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
1.4.1	If so, furnish particulars:		
1.5	Was any contract between the Tenderer and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
1.5.1	If so, furnish particulars:		

***where the entity tendering is a joint venture, each party to the joint venture must sign a declaration in terms of the Municipal Finance Management Act and attach it to this schedule**

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

.....
**CERTIFY THAT THE INFORMATION FURNISHED ON THE DECLARATION FORM IS TRUE AND
CORRECT. I ACCEPT THAT, IN ADDITION TO CANCELLATION OF CONTRACT, ACTION MAY BE
TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE**

.....
SIGNATURE

.....
DATE

.....
POSITION

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;

- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
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.

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

.....
CERTIFY THAT THE INFORMATION FURNISHED ON THE DECLARATION FORM IS TRUE AND CORRECT. I ACCEPT THAT, IN ADDITION TO CANCELLATION OF CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE

.....
SIGNATURE

.....
DATE

.....
POSITION

PROOF OF CSD REGISTRATION

**NOTICE OF SUPPLY CHAIN MANAGEMENT
CENTRAL SUPPLIER DATABASE REGISTRATION**

Par 14(1)(a) of the municipal supply chain management policy states that the municipality must keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements. The purpose of this notice is to obtain proof that the service provider is registered on the Central Supplier Database. **Registration is COMPULSORY in order to conduct business with Mkhondo Local Municipality.**

The database will be used to verify the accreditation of a supplier before an award can be made.

Each bidder must complete the below checklist (please tick with an X where appropriate).

QUESTIONS		YES	NO
1.	Is your company registered on the Central Supplier Database?		
2.	If yes, provide the following details:		
2.1	▪ CSD registration number		
2.2	▪ Tax Compliance Status Pin		
3.	Enquiries related to par. 2.1 and 2.2 can be made to Mr M.C Gumede at 017 004 0197		
4.	If no, please register on Central Supplier Database ,website, www.csd.gov.za , before submitting tender document		
I, (insert full name)			
of (insert physical address)			
being a Director, Principal Shareholder, owner of company			
for (insert company name)			
hereby confirms that, the information submitted in this form is accurate, to the best of my knowledge			
SIGNATURE			

MUNICIPAL UTILITY ACCOUNT / LEASE AGREEMENT / PROOF OF RESIDENCE

(Affix hereto CURRENT AND LATEST proof of municipal services account for tax & rates not owing more than three (3) months hereto) / Valid lease Agreement (Proof that leased premises rates are not in arrears for more than 90 days) / Proof of Residence for bidders that reside in non-billed municipal area or jurisdiction. Bidders MUST complete the clearance certificate a set out below.

CLEARANCE CERTIFICATE FOR WATER & LIGHTS

Section 45 (1) (d) of Municipal Supply Chain Regulations requires that the Municipality must reject a bidder whose municipal rates and taxes are in arrears for more than three months.

The purpose of this schedule is to obtain proof that municipal services, rates and taxes of the service provider are not in arrears for more than three months, with the relevant municipality in the municipal area where the service provider conduct his / her business or if the bidder is a tenant, a Letter from the Landlord stipulating the office space leased and the payment status of the service charges. Should the above not be applicable NO AFFIDIVIT will be acceptable ONLY AN OFFICIAL COUNCIL LETTER OF RESIDENCE from bidders residing in non-billed areas will be acceptable (subject to verification)

Each bidder must complete the below checklist. Important: if you fail to complete this form, the bid will be non-responsive. (Please tick with **X** where appropriate):

QUESTIONS		YES	NO
1.	Do you own a property?		
2.	Do you receive a municipal rates account?		
3.	Is your municipal rates and taxes account up to date / current (not in arrears for more than three months)?		
4.	If yes, provide the following details:		
4.1	<input type="checkbox"/> Municipality name		
4.2	<input type="checkbox"/> Municipal account number		
5.	If yes, please attach proof in the form of the original or certified copy of the bidder's municipal rates and taxes account not older than 3 months		
6.	Does the bidder lease / rent the property where the business is situated?		
7.	If yes, provide the following details:		
7.1	Landlord name		
7.2	Address property is situated		
7.3	Contact number of landlord		
8.	Please attach the copy of the lease agreement signed by the landlord / lessor and the tenant / lessee as proof		
I, (Insert full name)			
of (insert physical address)			
being a Director, Principal Shareholder, owner of company			
of (insert company name)			
Hereby confirms that, the information submitted in this form is accurate, to the best of my knowledge			
SIGNATURE		DATE:	

Names of all directors, their ID numbers and municipal account number.

Director / Shareholder / partner	ID Number of Director / Shareholder / Partner	Physical residential address of the Director / shareholder / partner	Municipal Account number(s)	Municipality where the account is held

- Certified copies of municipal accounts mentioned of each Director, Shareholder, and partner listed above (Not older than 3 months).

CERTIFICATION

I, (AUTHORISED SIGNATORY) THE UNDERSIGNED

(FULLNAME).....

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

I FURTHER UNDERTAKE FULL REPSONSIBILITY FOR ANY INCORRECT INFORMATION
PROVIDED AND THAT THE EMPLOYER (MKHONDO LOCAL MUNICIPALITY) MAY NOT
BE HELD ACCOUNTABLE FOR INCORRECT INFORMATION PROVIDED.

.....
SIGNATURE

.....
DATE

.....
POSITION

COMPULSORY ENTERPRISE QUESTIONNAIRE

The following particulars must be furnished. In the case of a joint venture, separate enterprise questionnaire in respect of each partner must be completed and submitted.

Section1: Name enterprise:

Section2: VAT registration number, if any:

Section3: CIDB registration number, if any: N/A

Section4: Particulars of sole proprietor and partners in partnerships

Name*	Identity number*	Personal income tax number*

*complete only if sole proprietor or partnership and attach separate page if more than three partners

Section5: particulars of companies and close corporations

Company registration number.....

Close corporation number.....

Tax reference number.....

Section6: record of service of the state

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

- A member of any provincial legislature
- A member of the national assembly or the National Council of Province
- A member of the board of directors of any Municipal entity
- An official of any municipality or municipal entity
- A member of any municipal council
- An employee of any provincial department national or provincial public entity or constitutional institution within the meaning of public finance management Act, 1999 (act 1 of 1999)
- A member of an accounting authority of any national or provincial public entity
- An employee of parliament or a provincial legislature

If any of the above boxes are marked, disclose the following: (insert separate page if necessary)

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

*insert separate page if necessary

Section7: Indicate by marking the relevant boxes with a cross, if any sole proprietor, partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- A member of any provincial legislature
- A member of the national assembly or the National Council of Province
- A member of the board of directors of any Municipal entity
- An official of any municipality or municipal entity
- A member of any municipal council
- An employee of any provincial department national or provincial public entity or constitutional institution within the meaning of public finance management Act, 1999 (act 1 of 1999)
- A member of an accounting authority of any national or provincial public entity
- An employee of parliament or a provincial legislature

Name of spouse, child or parent	Name of institution, public offices, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

*insert separate page if necessary

The undersigned, who warrants that he/she is duly authorised to do so on behalf of the enterprise:

(i) Authorise the employer to obtain a tax clearance certificate from the South African Revenue services that my/our tax matters are in order;

(ii) Confirms that the neither the name of the enterprise or the name of any partner, manage, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears on the register on the tender defaulters established in terms of the prevention and combating of corrupt activities Act of 2004;

(iii) Confirms that no partner, member, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears, has within the last five years been convicted of fraud or corruption;

(iv) Confirms that I / we are not associated, linked or involved with any other tendering entities submitting tender offers and have no other relationship with any of the tenderers or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest;

(v) Confirms that the contents of this questionnaire are within my personal knowledge and are to be the best of my belief both true and correct.

Signed Date

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

Tendered.....

COMPANY INFORMATION:

HEAD OFFICE	
Physical address Building: Street: Suburb: City/Town: Province District/Metropolitan Council: Local Municipality:	
Postal address	
Telephone no.	
Fax no.	
E-mail	
If subsidiary company- state name of holding company	

DETAILS OF BRANCH OFFICES:

BRANCH OFFICE	
Physical address Building: Street: Suburb: City/Town: Province District/Metropolitan Council: Local Municipality:	
Postal address	
Telephone no.	
Fax no.	
E-mail	
If subsidiary company- state name of holding company	

EVALUATION CRITERIA

Proposal documents will be evaluated in three phases. The evaluation criteria for the assessment of the proposals will be on mandatory returnable documents, functionality and financial aspects.

In the first phase:

Bids will be evaluated on mandatory returnable documents as listed and required in the document.

In the second phase:

Proposals will be evaluated according to the functionality criteria indicated apart from those laid down in the preferential procurement regulations, 2022 pertaining to the preferential procurement policy framework Act 5 of 2000. Bidders are expected to score a minimum of **70%** to be considered for further evaluation (Stage 3):

In the third phase (Stage 3):

Scoring financial offer:

- 90 points for price where the financial offer for responsive tender offers equals or is above R50 000 000.
- Specific Goals: 10 (MAX) points

Applicable Calculation of Points for Price Formula:

POINTS AWARDED FOR PRICE

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

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmax = Price of highest acceptable tender

Bidders are required to submit proof for all claimed specific goals points original and valid B-BBEE status level verifications certificates or certified copies thereof together with their bids, so substantiate their B- BBEE rating claims as stipulated in the revised preferential procurement Regulations of 2022.

A bidder who scores the highest overall points will be considered for tender award. The council reserves the right to appoint more than one service providers.

STAGE 2: FUNCTIONALITY ASSESSMENT

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY		
A Proposed Programme / Project Management Approach	Provision of a proposed Plantation Management Plan approach and detailed methodology and implementation plan that demonstrates how the prospective investors will manage, control and plan forest management activities and objectives.		
	The prospective investor will be required to provide a Plantation Management Approach with an Action Plan	Indicator	Max.Score
	The Plantation Management approach demonstrates a good understanding of the Forestry Plantation or commercial forestry management. It further incorporates a clear Action plan with clear deliverables and timeframes.	20	20
	The Plantation Management approach demonstrates a basic understanding of the Forestry Plantation or commercial forestry management. It further incorporates a clear Action plan with clear deliverables and timeframes.	10	
	Action plan provided with deliverables and timeframes.	05	
	Action plan provided with no deliverables and timeframes.	02	
	Task not well understood.	01	
	No information provided	0	
Experience of the prospective investor or lead company in managing similar projects	The prospective investor must demonstrate experience in managing forestry projects or similar projects.		
	The prospective investor's profile with details of experience in managing forestry projects (Name of site, length of service, nature of services rendered, name of client/landlord, contact details)		
	Positive reference letter demonstrating experience in managing plantations or project of similar nature	Indicator	Max.Score
	Experience in forestry plantation managing proposed usage for above 30 years	25	25
	Experience in forestry plantation managing proposed usage for 25 years and less than 30 years	15	
	No Submission	0	
Comprehensive Empowerment Plan	The prospective investor(s) must provide the detailed empowerment plan for the package proposal and must cover at minimum the job creation, enterprise development, development programme, partnership and use of local suppliers or SMME's to improve the local economic development.		

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY		
	Demonstrate how the development will benefit the local community and/or community based organisations		
	The proposal demonstrates a good understand of forestry management that fully incorporates the Job Creation (during and after plantation), Enterprise Development (during and after plantation), Training and Development Programmes (throughout the lifecycle of the project with timelines), Partnership with Local Community Entities and Procurement of Material from Local Suppliers/SMME's	20	20
	The proposal demonstrates a basic understand of forestry management that partially incorporates the Job Creation (during and after plantation), Enterprise Development (during and after plantation), Training and Development Programmes (throughout the lifecycle of the project with timelines), Partnership with Local Community Entities and Procurement of Material from Local Suppliers/SMME's	10	
	The proposal demonstrates an average understand of forestry management that incorporates Job Creation (during and after plantation), Enterprise Development (during and after plantation), Training and Development Programmes (throughout the lifecycle of the project with timelines), Partnership with Local Community Entities and Procurement of Material from Local Suppliers/SMME's	05	
	The proposal demonstrates a poor understand of forestry management that incorporates Job creation (during and after plantation), Enterprise Development (during and after plantation), Training and Development Programmes (throughout the lifecycle of the project with timelines), Partnership with Local Community Entities and Procurement of Material from Local Suppliers/SMME's	03	

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY		
	The proposal demonstrates a lack of understand of forestry management that incorporates Job Creation (during and after plantation), Enterprise Development (during and after plantation), Training and Development Programmes (throughout the lifecycle of the project with timelines), Partnership with Local Community Entities and Procurement of Material from Local Suppliers/SMME's	01	
	No Submission	0	
Detailed Company Profile of the Bidding Entity	Company Profile of the Bidding Entity (Bidders are required to submit a detailed / comprehensive company profile)		
	Bidder has submitted a detailed company profile that depicts, the organogram or company structure, the number of years they have been in existence, the core and subsidiary activities of the company, existing and completed projects, proof of machinery and equipment including tools, and PPE.	10	10
	Bidder has submitted an average company profile profile that depicts some but not all of the mentioned aspects / items as above	5	
	No Submission	0	
	Plant and Machinery	Plant and Machinery: Bidder to demonstrate proof of plant critical for the execution of the project. Registration paper of the plant are required to be attached as proof of ownership, if leasing, a letter of intent is required	
Bidder has demonstrated the proof of ownership of critical plant and machinery (or have a valid letter of Intent), including Fire Truck, Labour Carrier Truck(s), Bakkies with Bakkie sakkies, Tractor(s), Fire Fighting tools, Grader(s), TLB, Tractor Discs harrow, Mulchers, Rotovator but not limited to the list		10	10

GUIDELINES FOR CATEGORY CRITERIA	FUNCTIONALITY		
	Bidder has demonstrated proof of ownership of critical plant and machinery (or have a valid letter of Intent), some but not all plant and Machinery	3	
	Financial Capacity of Bidder Bidder to attach Proof a bank rating from the Bank or recognised Financial Institution to determine its financial capacity.		
	- Bank Rating 'A' – undoubted - Bank Rating 'B' – Good for amount quoted - Bank Rating 'C' – Average / Good if strictly in the line of business - Bank Rating "D" – Fair Trade Risk	15 10 06 03	15
TOTAL SCORE			100

PART C2 PRICING DATA

C2.1 Pricing Instructions

C2.1.1.1 THE BIDDER MUST SUBMIT A COMPREHENSIVE AND PROPOSED FINANCIAL OFFER.

C2.1.1.2 The prices / rates to be inserted in your proposal are to be the full inclusive. Such prices and rates shall cover all costs and expenses that may be required in and for the execution of the work described, and shall cover the cost of all general risks, expenses and liabilities, and obligations set forth or implied in the documents on which the tender is based, as well as overhead charges and profit of undertaking the project.

C2.1.1.3 The prices should be specified per service and the total price should be specified as a sum on sub-total and the total offer price should indicate the sum of all the services inclusive of Vat and all applicable taxes.

C2.1.1.4 All pricing to be given in South African currency (Rands and cents). Indicate if prices are linked to the Rand/Dollar or Rand/Euro exchange rates

PART C3.1: SCOPE OF WORKS

1. PURPOSE

- 1.1. To request for proposals from suitable investor(s) to lease, develop, operate, plan and control Mkhondo municipal plantation in the Mkhondo townlands.
- 1.2. To enter into a long-term lease agreement with the Mkhondo Local Municipality

2. INTRODUCTION AND BACKGROUND

The Mkhondo Municipality has an approximate of 2465.4 hectares (ha) of commercial forest land. The plantation is stretched along different parts of the Mkhondo Townlands, it stretches between Houdkop road and R543 on the Mahamba Road. Other plantation areas stretches onto N2 Pongola road and Paulpietersburg road.

The commercial timber species of the plantation consist of eucalyptus (gum), acacia (wattle) and Pinus (pine). The total planted area per species at the moment is 49 % (923.5 ha) of gum, 23 % (556.7 ha) pine, 16% (386.6 ha) wattle and 1 % (8.1 ha) of other species.

At present, the plantation has 19% (468.4 hectares) of temporary unplanted areas. The current state or use of the temporary unplanted areas is vacant and ready to be used by the prospective investor.

Any interested party or responder should take note of the services required from each species at their different age levels and the Scope and Extent of Work, which is covered in detail below.

The responder must submit one (01) business proposal on a returnable bid document. Therefore, it is necessary for the responder to note the services required from each species and the Scope and Extent of Work, which is covered in detail below.

3. OBJECTIVES OF THE PROPOSAL

3.1 The Municipality's objectives are:

- 3.1.1 To lease the plantation in the townlands to interested commercial forestry business entities in South Africa.
- 3.1.2 To appoint a suitable investor(s) to lease, develop, operate, plan and control all forestry activities on a long-term lease agreement entered into with the Mkhondo Local Municipality for a maximum duration of thirty (30) years.
- 3.1.3 To promote direct investment, economic growth, job creation and economic development of the forestry division.

4. SCOPE AND EXTENT OF WORK

- 4.1. Conduct due diligence for the areas to be leased in order to determine and negotiate equitable annual rental with Mkhondo Local Municipality.
- 4.2. Manage the plantation in a sustainable manner and maximise the potential of the leased areas by promoting plantation forestry, ecotourism, agroforestry and other regulated land use systems.
- 4.3. Development and implementation and monitoring of best forest management practices which take into account the provisions of the National Forest Act Number 84 of 1998 and National Veld and Forest Fire Management Act Number 101 of 1998.
- 4.4. The investor should commence with immediate restocking of harvested areas in line with forestry standards that maintains sustainable age class distribution and rotation supply of timber.
- 4.5. Implementation of targeted capacity building and transformation programmes to ensure coping skills and resilience of communities, youth, women and people living with Disability. These initiatives should promote employability, transfer of life skills, and overall participation in the forestry value chain.
- 4.6. Contribute to transformation by providing contractual work and opportunities to SMMEs, Broad-Based Black Economic Empowerment and economic opportunities.
- 4.7. Promote forestry sector related training programmes thereby creating career-path opportunities and overall safety of participants and communities.
- 4.8. Coordinate projects and initiatives amongst partners, encouraging land-users and the public in awareness of their responsibility in terms of integrated veld and fire (wildland) management.
- 4.9. Issue licences for permitted activities in terms of National Forest Act Number 84 of 1998 and determine market related tariffs for all goods and services derived from leased state forest land.

5. EXPECTED DELIVERABLES

5.1 Sustainable management of plantation.

5.2 In order to provide effective and efficient management of the commercial forestry business, the following expected deliverables and outcomes are required.

5.2.1 Company or Investor must ensure that the Municipal plantations meet the minimum requirements for Forest Steward Council (FSC) certification within 2 or 3 years of taking over.

5.2.2 Manage the plantation/s in line with international best practices, promote sustainable growth of the forestry sector and contribution to the economy through amongst others creation of employment.

5.2.3 Deployment of ground working personnel to manage and carry out silvicultural activities such as tree planting, alien clearing and/or aerial and ground integrated wildland fire-fighting services to prevent and control timber losses as and when required, in compliance with the applicable legislation.

5.2.4 Reduce temporary unplanted areas to acceptable forestry standards by planting pine, wattle and gum species in line with site specie matching criterion.

5.2.5 Promote sustainable forest management by controlling the characteristics of the compartments/ stands in order to achieve maximum timber growth and yield.

5.2.6 Maintenance of plantation infrastructure such as buildings and road networks in the plantations.

5.2.7 Maintain regular pruning, thinning and harvesting regimes in order to attain maximum growth and yields.

5.2.8 Participate in the work of Mkhondo Fire Protection Association (MFPA) to prevent, fight and manage wildland fires.

5.2.9 Employment and training (accredited and non-accredited) of plantation employees in compliance with labour laws, occupational health and safety standards, as well as all applicable legislation.

5.2.10 Capacity building of local communities to assist in integrating with the surrounding areas bordering the plantations.

5.2.11 Establish or form local community liaison structures for dispute resolution and deliberation of local economic developmental initiatives.

5.3 The Municipality is and will remain deliberate about transformation and its economic empowerment goals and is committed to the empowerment agenda as an integral part to nation building. The prospective investor will be required to champion the entrenchment of true economic transformation and empowerment in its spheres of influence. The prospective investor will be required to go beyond redressing historical imbalances and towards intrinsic true value that will result in active deliberate facilitation of sustainable and

meaningful participation of Black people in the mainstream of the economy through its assets, investments and projects.

- 5.4.1 Regulate access to state forest for recreational, spiritual and educational purposes or for any licenced activities as outlined in line 23 of National Forest Act 84 of 1998.
- 5.4.2 Ensure compliance with all National and Regional environmental related legislative instrument.

6. DEVELOPMENT PROPOSAL (OVERVIEW OF REQUIREMENTS)

- 6.1. The prospective investor will be required to demonstrate their ability and capacity to deliver and manage the plantation(s). The prospective investor will be required to submit a Business Proposal that, at minimum, shall address the following:
 - Over 30 years' experience in timber plantation management
 - Company or investor must be certified with Forest Stewardship Council (FSC)
 - Financial Ability; and
 - Empowerment plan or Socio-Economic Benefits.
 - Proof of Public Liability Insurance cover
 - Presentation to Valuation Committee
 - Risk analysis of the project
- 6.2. The section below further details the request for proposal specification for the appointment of the investor to enter into a lease agreement with the Division.

A. Feasibility and viability of the project

The investor will be required to submit a Financial Model that will address the following but not limited to:

- A display of value for money for the Municipal Forestry Division (What is the proposed lease agreement should be and what is informing the proposed amount). The amounts should be demonstrated from size of the plantation, expenses and profit over a period of thirty (30) years.
- The economic and commercial feasibility of the project.
- A display of the private sector party to operate and maintain the infrastructure asset.

B. Financial Capability

The investor to provide proof of financial capability in the form of letter of confirmation or letter of intent issued by a registered financial institution that a working capital or

access to debt (as an individual company or combined as a Joint Venture) and a Bank Credit Rating (Bank Rating Certificate) by a South African-based financial services group or recognised licenced Financial Services Institution.

C. Empowerment Plan or Socio-Economic Benefits

The investor is expected to submit an empowerment plan demonstrating at least the following:

- Job Creation Plan (during and post project duration);
- Enterprise Development (during and after planting of trees);
- Training and Development Programmes (throughout the lifecycle of the project);
- Demonstrate how the development will benefit the local community, local suppliers and/or community-based organisations on procurement of materials and labour;
- Demonstrate how the development will benefit disadvantaged communities, youth, women and people with disabilities; and
- Bidders are expected to advise and provide a detailed plan and how the target numbers to be listed below will be achieved.

DESCRIPTION	TARGET
Total number of jobs to be created in the project	Total number of Jobs
Number of jobs created for unemployed black people in this project	% of total jobs
Number of jobs created for black people in this project	% of total jobs
Number of black people Trained in some aspects of the project	% of workforce
Number of black youth Trained in some aspects of the project	% of black people trained
Number of black women Trained in some aspects of the project	% of black people trained
Number of black disabled people Trained in some aspects of the project	% of workforce
Rand value of spend to local SMMEs that have black ownership	% of Project Value
Full use of locally sourced or locally assembled material and/or products in line with the approved "Delivery Pipeline"	% of Project Value
Number of Local SMMEs to be supported in terms of the Enterprise and Supplier Development Plan for this project, including Demonstration graduation of suppliers in this project	Number

Note: prospective investor will be required to commit to the achievement of the specified targets as completed in the proposal. The commitments made in the proposal will form part of the lease agreement.

7. DURATION OF PROJECT

7.1 The duration of the lease agreement will be for thirty (30) years after entering into a Lease Agreement by both parties. The lease agreement will commence on the first day of the month, following the final signing of the lease agreement.

8. COSTING /COMPREHENSIVE BUDGET

8.1 The letting of immovable state property / asset must be at the market related rates except when the public interest or the plight of the poor demands otherwise. This bid will thus be evaluated and awarded based on functionality and the highest lease offer received.

8.2 Escalation at 6% per annum to be incorporated in the proposed thirty (30) year lease period. The escalation in the rental will be reviewed and adjusted every five-years over

the lease period in line with the Treasury Regulations and Prescripts and Consumer Price Index (CPI) at the Department discretion.

- 8.3 The offer will be awarded per package to the bidder who scores the highest points scored. However, should an offer not be market related, the Department reserves the right to negotiate with the investors.
- 8.4 The investor must also submit detailed information in line with the financial offer.
- 8.6 The investor must submit working spreadsheet indicating the initial rental (first year's monthly rental up to the entire thirty (30) year period).
- 8.7 The Municipality reserves the right to negotiate the best and final offer with the selected prospective investor where the proposal offered demonstrates value for money without offering the same opportunity to any other prospective investor(s) who has not been recommended.

GENERAL CONDITIONS OF THE CONTRACT

1. Definitions

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 anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. **"Country of origin"** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. **"Day"** means calendar day.
- 1.8. **"Delivery"** means delivery in compliance of the conditions of the contract or order.
 - 1.9. **"Delivery ex stock"** means immediate delivery directly from stock actually on hand.
- 1.10. **"Delivery into consignees store or to his site"** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies 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 supplies 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. **“Written”** or “in writing” means handwritten 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, 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 supplies, 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. With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

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

5.3. except for purposes of performing the contract.

5.4. Any document, other than the contract itself mentioned in GCC clause

5.5. 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.

5.6. 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

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.

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:

7.3.1. 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

7.3.2. 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 in SCC.

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 supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

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

- 8.6. Supplies 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 supplies 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 supplies 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 supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies 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 23 of GCC.

9. Packing

- 9.1. The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2. The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1. Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2. Documents to be submitted by the supplier are specified in SCC.

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 in the SCC.

12. Transportation

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

13. Incidental services

- 13.1. The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
 - 13.1.1. performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - 13.1.2. furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - 13.1.3. furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - 13.1.4. 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

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

15.3. Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser. If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, 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 in SCC.

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 in SCC.

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 in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

18.1. No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

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. No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4. 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 supplies are required, or the supplier's services are not readily available.

21.5. 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 without the application of penalties.

21.6. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies 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:

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;
if the Supplier fails to perform any other obligation(s) under the contract; or
if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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 intended penalty as not objected against and may impose it on the supplier.

23.5. Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, 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 Accounting Officer / Authority 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 antidumping 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 contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies 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. Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5. 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.

28. Limitation of liability

- 28.1. Except in cases of criminal negligence or wilful 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 in SCC.

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 the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

- 33.1. The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34. Prohibition of Restrictive practices

- 34.1. 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 (or bid rigging).
- 34.2. 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 the Competition Act No. 89 of 1998.
- 34.3. 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.

PART C5: Standard Conditions of Tender

As published in Annexure F of the cidb Standard for Uniformity for construction Procurement, Board Notice 136 Government Gazette No 38960 of 10 July 2015

F.1 General

F.1.1 Actions

F.1.1.1 The employer and each tenderer submitting a tender offer shall comply with these conditions of tender. In their dealings with each other, they shall discharge their duties and obligations as set out in F.2 and F.3, timeously and with integrity, and behave equitably, honestly and transparently, comply with all legal obligations and not engage in anticompetitive practices.

F.1.1.2 The employer and the tenderer and all their agents and employees involved in the tender process shall avoid conflicts of interest and where a conflict of interest is perceived or known, declare any such conflict of interest, indicating the nature of such conflict. Tenderers shall declare any potential conflict of interest in their tender submissions. Employees, agents and advisors of the employer shall declare any conflict of interest to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to the procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

Note:

- 1) *A conflict of interest may arise due to a conflict of roles which might provide an incentive for improper acts in some circumstances. A conflict of interest can create an appearance of impropriety that can undermine confidence in the ability of that person to act properly in his or her position even if no improper acts result.*
- 2) *Conflicts of interest in respect of those engaged in the procurement process include direct, indirect or family interests in the tender or outcome of the procurement process and any personal bias, inclination, obligation, allegiance or loyalty which would in any way affect any decisions taken.*

F.1.1.3 The employer shall not seek and a tenderer shall not submit a tender without having a firm intention and the capacity to proceed with the contract.

F.1.2 Tender Documents

The documents issued by the employer for the purpose of a tender offer are listed in the tender data.

F.1.3 Interpretation

F.1.3.1 The tender data and additional requirements contained in the tender schedules that are included in the returnable documents are deemed to be part of these conditions of tender.

F.1.3.2 These conditions of tender, the tender data and tender schedules which are only required for tender evaluation purposes, shall not form part of any contract arising from the invitation to tender.

F.1.3.3 For the purposes of these conditions of tender, the following definitions apply:

- **conflict of interest** means any situation in which:
 - someone in a position of trust has competing professional or personal interests which make it difficult to fulfill his or her duties impartially;
 - an individual or organisation is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit; or
 - incompatibility or contradictory interests exist between an employee and the organisation which employs that employee.
- **comparative offer** means the price after the factors of a non-firm price and all unconditional discounts it can be utilised to have been taken into consideration;
- **corrupt practice** means the offering, giving, receiving or soliciting of anything of value to influence the action of the employer or his staff or agents in the tender process;
- **fraudulent practice** means the misrepresentation of the facts in order to influence the tender process or the award of a contract arising from a tender offer to the detriment of the employer, including collusive practices intended to establish prices at artificial levels;
- **organization** means a company, firm, enterprise, association or other legal entity, whether incorporated or not, or a public body;
- **functionality** means the measurement according to the predetermined norms of a service or commodity designed to be practical and useful, working or operating, taking into account quality, reliability, viability and durability of a service and technical capacity and ability of a tenderer.

F.1.4 Communication and employer's agent

Each communication between the employer and a tenderer shall be to or from the employer's agent only, and in a form that can be readily read, copied and recorded. Communications shall be in the English language. The employer shall not take any responsibility for non-receipt of communications from or by a tenderer. The name and contact details of the employer's agent are stated in the tender data.

F.1.5 Cancellation and Re-Invitation of Tenders

F1.5.1 An organ of state may, prior to the award of the tender, cancel a tender if-

- (a) due to changed circumstances, there is no longer a need for the services, works or goods requested; or
- (b) funds are no longer available to cover the total envisaged expenditure; or
- (c) no acceptable tenders are received.

F1.5.2 The decision to cancel a tender must be published in the cidb website and in the government Tender Bulletin for the media in which the original tender invitation was advertised.

F.1.6 Procurement procedures

F.1.6.1 General

Unless otherwise stated in the tender data, a contract will, subject to F.3.13, be concluded with the tenderer who in terms of F.3.11 is the highest ranked or the tenderer scoring the highest

number of tender evaluation points, as relevant, based on the tender submissions that are received at the closing time for tenders.

F.1.6.2 Competitive negotiation procedure

F.1.6.2.1 Where the tender data require that the competitive negotiation procedure is to be followed, tenderers shall submit tender offers in response to the proposed contract in the first round of submissions. Notwithstanding the requirements of F.3.4, the employer shall announce only the names of the tenderers who make a submission. The requirements of F.3.8 relating to the material deviations or qualifications which affect the competitive position of tenderers shall not apply.

F.1.6.2.2 All responsive tenderers, or not less than three responsive tenderers that are highest ranked in terms of the evaluation method and evaluation criteria stated in the tender data, shall be invited in each round to enter into competitive negotiations, based on the principle of equal treatment and keeping confidential the proposed solutions and associated information. Notwithstanding the provisions of F.2.17, the employer may request that tenders be clarified, specified and fine-tuned in order to improve a tenderer's competitive position provided that such clarification, specification, fine-tuning or additional information does not alter any fundamental aspects of the offers or impose substantial new requirements which restrict or distort competition or have a discriminatory effect.

F.1.6.2.3 At the conclusion of each round of negotiations, tenderers shall be invited by the employer to make a fresh tender offer, based on the same evaluation criteria, with or without adjusted weightings. Tenderers shall be advised when they are to submit their best and final offer.

F.1.6.2.4 The contract shall be awarded in accordance with the provisions of F.3.11 and F.3.13 after tenderers have been requested to submit their best and final offer.

F.1.6.3 Proposal procedure using the two stage-system

F.1.6.3.1 Option 1

Tenderers shall in the first stage submit technical proposals and, if required, cost parameters around which a contract may be negotiated. The employer shall evaluate each responsive submission in terms of the method of evaluation stated in the tender data, and in the second stage negotiate a contract with the tenderer scoring the highest number of evaluation points and award the contract in terms of these conditions of tender.

F.1.6.3.2 Option 2

F.1.6.3.2.1 Tenderers shall submit in the first stage only technical proposals. The employer shall invite all responsive tenderers to submit tender offers in the second stage, following the issuing of procurement documents.

F.1.6.3.2.2 The employer shall evaluate tenders received during the second stage in terms of the method of evaluation stated in the tender data, and award the contract in terms of these conditions of tender.

F.2 Tenderer's obligations

F.2.1 Eligibility

F.2.1.1 Submit a tender offer only if the tenderer satisfies the criteria stated in the tender data and the tenderer, or any of his principals, is not under any restriction to do business with employer.

F.2.1.2 Notify the employer of any proposed material change in the capabilities or formation of the tendering entity (or both) or any other criteria which formed part of the qualifying requirements used by the employer as the basis in a prior process to invite the tenderer to submit a tender offer and obtain the employer's written approval to do so prior to the closing time for tenders.

F.2.2 Cost of tendering

F2.2.1 Accept that, unless otherwise stated in the tender data, the employer will not compensate the tenderer for any costs incurred in the preparation and submission of a tender offer, including the costs of any testing necessary to demonstrate that aspects of the offer complies with requirements.

F2.2.2 The cost of the tender documents charged by the employer shall be limited to the actual cost incurred by the employer for printing the documents. Employers must attempt to make available the tender documents on its website so as not to incur any costs pertaining to the printing of the tender documents.

F.2.3 Check documents

Check the tender documents on receipt for completeness and notify the employer of any discrepancy or omission.

F.2.4 Confidentiality and copyright of documents

Treat as confidential all matters arising in connection with the tender. Use and copy the documents issued by the employer only for the purpose of preparing and submitting a tender offer in response to the invitation.

F.2.5 Reference documents

Obtain, as necessary for submitting a tender offer, copies of the latest versions of standards, specifications, conditions of contract and other publications, which are not attached but which are incorporated into the tender documents by reference.

F.2.6 Acknowledge addenda

Acknowledge receipt of addenda to the tender documents, which the employer may issue, and if necessary apply for an extension to the closing time stated in the tender data, in order to take the addenda into account.

F.2.7 Clarification meeting

Attend, where required, a clarification meeting at which tenderers may familiarize themselves with aspects of the proposed work, services or supply and raise questions. Details of the meeting(s) are stated in the tender data.

F.2.8 Seek clarification

Request clarification of the tender documents, if necessary, by notifying the employer at least five working days before the closing time stated in the tender data.

F.2.9 Insurance

Be aware that the extent of insurance to be provided by the employer (if any) might not be for the full cover required in terms of the conditions of contract identified in the contract data. The tenderer is advised to seek qualified advice regarding insurance.

F.2.10 Pricing the tender offer

F.2.10.1 Include in the rates, prices, and the tendered total of the prices (if any) all duties, taxes (except Value Added Tax (VAT), and other levies payable by the successful tenderer, such duties, taxes and levies being those applicable 14 days before the closing time stated in the tender data.

F.2.10.2 Show VAT payable by the employer separately as an addition to the tendered total of the prices.

F.2.10.3 Provide rates and prices that are fixed for the duration of the contract and not subject to adjustment except as provided for in the conditions of contract identified in the contract data.

F.2.10.4 State the rates and prices in Rand unless instructed otherwise in the tender data. The conditions of contract identified in the contract data may provide for part payment in other currencies.

F.2.11 Alterations to documents

Do not make any alterations or additions to the tender documents, except to comply with instructions issued by the employer, or necessary to correct errors made by the tenderer. All signatories to the tender offer shall initial all such alterations.

F.2.12 Alternative tender offers

F.2.12.1 Unless otherwise stated in the tender data, submit alternative tender offers only if a main tender offer, strictly in accordance with all the requirements of the tender documents, is also submitted as well as a schedule that compares the requirements of the tender documents with the alternative requirements that are proposed.

F.2.12.2 Accept that an alternative tender offer may be based only on the criteria stated in the tender data or criteria otherwise acceptable to the employer.

F.2.12.3 An alternative tender offer may only be considered in the event that the main tender offer is the winning tender.

F.2.13 Submitting a tender offer

F.2.13.1 Submit one tender offer only, either as a single tendering entity or as a member in a joint venture to provide the whole of the works, services or supply identified in the contract data and described in the scope of works, unless stated otherwise in the tender data.

F.2.13.2 Return all returnable documents to the employer after completing them in their entirety, either electronically (if they were issued in electronic format) or by writing legibly in non-erasable ink.

F.2.13.3 Submit the parts of the tender offer communicated on paper as an original plus the number of copies stated in the tender data, with an English translation of any documentation in a language other than English, and the parts communicated electronically in the same format as they were issued by the employer.

F.2.13.4 Sign the original and all copies of the tender offer where required in terms of the tender data. The employer will hold all authorized signatories liable on behalf of the tenderer. Signatories for tenderers proposing to contract as joint ventures shall state which of the signatories is the lead partner whom the employer shall hold liable for the purpose of the tender offer.

F.2.13.5 Seal the original and each copy of the tender offer as separate packages marking the packages as "ORIGINAL" and "COPY". Each package shall state on the outside the employer's address and identification details stated in the tender data, as well as the tenderer's name and contact address.

F.2.13.6 Where a two-envelope system is required in terms of the tender data, place and seal the returnable documents listed in the tender data in an envelope marked "financial proposal" and place the remaining returnable documents in an envelope marked "technical proposal". Each envelope shall state on the outside the employer's address and identification details stated in the tender data, as well as the tenderer's name and contact address.

F.2.13.7 Seal the original tender offer and copy packages together in an outer package that states on the outside only the employer's address and identification details as stated in the tender data.

F.2.13.8 Accept that the employer will not assume any responsibility for the misplacement or premature opening of the tender offer if the outer package is not sealed and marked as stated.

F.2.13.9 Accept that tender offers submitted by facsimile or e-mail will be rejected by the employer, unless stated otherwise in the tender data.

F.2.14 Information and data to be completed in all respects

Accept that tender offers, which do not provide all the data or information requested completely and in the form required, may be regarded by the employer as non-responsive.

F.2.15 Closing time

F.2.15.1 Ensure that the employer receives the tender offer at the address specified in the tender data not later than the closing time stated in the tender data. Accept that proof of posting shall not be accepted as proof of delivery.

F.2.15.2 Accept that, if the employer extends the closing time stated in the tender data for any reason, the requirements of these conditions of tender apply equally to the extended deadline.

F.2.16 Tender offer validity

F.2.16.1 Hold the tender offer(s) valid for acceptance by the employer at any time during the validity period stated in the tender data after the closing time stated in the tender data.

F.2.16.2 If requested by the employer, consider extending the validity period stated in the tender data for an agreed additional period with or without any conditions attached to such extension.

F.2.16.3 Accept that a tender submission that has been submitted to the employer may only be withdrawn or substituted by giving the employer's agent written notice before the closing time for tenders that a tender is to be withdrawn or substituted.

F.2.16.4 Where a tender submission is to be substituted, submit a substitute tender in accordance with the requirements of F.2.13 with the packages clearly marked as "SUBSTITUTE".

F.2.17 Clarification of tender offer after submission

Provide clarification of a tender offer in response to a request to do so from the employer during the evaluation of tender offers. This may include providing a breakdown of rates or prices and correction of arithmetical errors by the adjustment of certain rates or item prices (or both). No change in the competitive position of tenderers or substance of the tender offer is sought, offered, or permitted.

Note: Sub-clause F.2.17 does not preclude the negotiation of the final terms of the contract with a preferred tenderer following a competitive selection process, should the Employer elect to do so.

F.2.18 Provide other material

F.2.18.1 Provide, on request by the employer, any other material that has a bearing on the tender offer, the tenderer's commercial position (including notarized joint venture agreements), preferencing arrangements, or samples of materials, considered necessary by the employer for the purpose of a full and fair risk assessment. Should the tenderer not provide the material, or a satisfactory reason as to why it cannot be provided, by the time for submission stated in the employer's request, the employer may regard the tender offer as non-responsive.

F.2.18.2 Dispose of samples of materials provided for evaluation by the employer, where required.

F.2.19 Inspections, tests and analysis

Provide access during working hours to premises for inspections, tests and analysis as provided for in the tender data.

F.2.20 Submit securities, bonds and policies

If requested, submit for the employer's acceptance before formation of the contract, all securities, bonds, guarantees, policies and certificates of insurance required in terms of the conditions of contract identified in the contract data.

F.2.21 Check final draft

Check the final draft of the contract provided by the employer within the time available for the employer to issue the contract.

F.2.22 Return of other tender documents

If so instructed by the employer, return all retained tender documents within 28 days after the expiry of the validity period stated in the tender data.

F.2.23 Certificates

Include in the tender submission or provide the employer with any certificates as stated in the tender data.

F.3 The employer's undertakings

F.3.1 Respond to requests from the tenderer

F.3.1.1 Unless otherwise stated in the tender Data, respond to a request for clarification received up to five working days before the tender closing time stated in the Tender Data and notify all tenderers who drew procurement documents.

F.3.1.2 Consider any request to make a material change in the capabilities or formation of the tendering entity (or both) or any other criteria which formed part of the qualifying requirements used to prequalify a tenderer to submit a tender offer in terms of a previous procurement process and deny any such request if as a consequence:

- a) an individual firm, or a joint venture as a whole, or any individual member of the joint venture fails to meet any of the collective or individual qualifying requirements;
- b) the new partners to a joint venture were not prequalified in the first instance, either as individual firms or as another joint venture; or
- c) in the opinion of the Employer, acceptance of the material change would compromise the outcome of the prequalification process.

F.3.2 Issue Addenda

If necessary, issue addenda that may amend or amplify the tender documents to each tenderer during the period from the date that tender documents are available until three days before the tender closing time stated in the Tender Data. If, as a result a tenderer applies for an extension to the closing time stated in the Tender Data, the Employer may grant such extension and, shall then notify all tenderers who drew documents.

F.3.3 Return late tender offers

Return tender offers received after the closing time stated in the Tender Data, unopened, (unless it is necessary to open a tender submission to obtain a forwarding address), to the tenderer concerned.

F.3.4 Opening of tender submissions

F.3.4.1 Unless the two-envelope system is to be followed, open valid tender submissions in the presence of tenderers' agents who choose to attend at the time and place stated in the tender data. Tender submissions for which acceptable reasons for withdrawal have been submitted will not be opened.

F.3.4.2 Announce at the meeting held immediately after the opening of tender submissions, at a venue indicated in the tender data, the name of each tenderer whose tender offer is opened and, where applicable, the total of his prices, number of points claimed for its BBBEE status level and time for completion for the main tender offer only.

F.3.4.3 Make available the record outlined in F.3.4.2 to all interested persons upon request.

F.3.5 Two-envelope system

F.3.5.1 Where stated in the tender data that a two-envelope system is to be followed, open only the technical proposal of valid tenders in the presence of tenderers' agents who choose to attend at the time and place stated in the tender data and announce the name of each tenderer whose technical proposal is opened.

F.3.5.2 Evaluate functionality of the technical proposals offered by tenderers, then advise tenderers who remain in contention for the award of the contract of the time and place when the financial proposals will be opened. Open only the financial proposals of tenderers, who score in the functionality evaluation more than the minimum number of points for functionality stated in the tender data, and announce the score obtained for the technical proposals and the total price and any points claimed on BBBEE status level. Return unopened financial proposals to tenderers whose technical proposals failed to achieve the minimum number of points for functionality.

F.3.6 Non-disclosure

Not disclose to tenderers, or to any other person not officially concerned with such processes, information relating to the evaluation and comparison of tender offers, the final evaluation price and recommendations for the award of a contract, until after the award of the contract to the successful tenderer.

F.3.7 Grounds for rejection and disqualification

Determine whether there has been any effort by a tenderer to influence the processing of tender offers and instantly disqualify a tenderer (and his tender offer) if it is established that he engaged in corrupt or fraudulent practices.

F.3.8 Test for responsiveness

F.3.8.1 Determine, after opening and before detailed evaluation, whether each tender offer properly received:

- a) complies with the requirements of these Conditions of Tender,
- b) has been properly and fully completed and signed, and
- c) is responsive to the other requirements of the tender documents.

F.3.8.2 A responsive tender is one that conforms to all the terms, conditions, and specifications of the tender documents without material deviation or qualification. A material deviation or qualification is one which, in the Employer's opinion, would:

- a) detrimentally affect the scope, quality, or performance of the works, services or supply identified in the Scope of Work,
- b) significantly change the Employer's or the tenderer's risks and responsibilities under the contract, or
- c) affect the competitive position of other tenderers presenting responsive tenders, if it were to be rectified.

Reject a non-responsive tender offer, and not allow it to be subsequently made responsive by correction or withdrawal of the non-conforming deviation or reservation.

F.3.9 Arithmetical errors, omissions and discrepancies

F.3.9.1 Check the highest ranked tender or tenderer with the highest number of tender evaluation points after the evaluation of tender offers in accordance with F.3.11 for:

- a) the gross misplacement of the decimal point in any unit rate;
- b) omissions made in completing the pricing schedule or bills of quantities; or
- c) arithmetic errors in:
 - i) line item totals resulting from the product of a unit rate and a quantity in bills of quantities or schedules of prices; or
 - ii) the summation of the prices.

F3.9.2 The employer must correct the arithmetical errors in the following manner:

- a) Where there is a discrepancy between the amounts in words and amounts in figures, the amount in words shall govern.
- b) If bills of quantities or pricing schedules apply and there is an error in the line item total resulting from the product of the unit rate and the quantity, the line item total shall govern and the rate shall be corrected. Where there is an obviously gross misplacement of the decimal point in the unit rate, the line item total as quoted shall govern, and the unit rate shall be corrected.
- c) Where there is an error in the total of the prices either as a result of other corrections required by this checking process or in the tenderer's addition of prices, the total of the prices shall govern and the tenderer will be asked to revise selected item prices (and their rates if bills of quantities apply) to achieve the tendered total of the prices.

Consider the rejection of a tender offer if the tenderer does not correct or accept the correction of the arithmetical error in the manner described above.

F.3.10 Clarification of a tender offer

Obtain clarification from a tenderer on any matter that could give rise to ambiguity in a contract arising from the tender offer.

F.3.11 Evaluation of tender offers

F.3.11.1 General

Appoint an evaluation panel of not less than three persons. Reduce each responsive tender offer to a comparative offer and evaluate them using the tender evaluation methods and associated evaluation criteria and weightings that are specified in the tender data.

F.3.11.2 Method 1: Price and Preference

In the case of a price and preference:

- 1) Score tender evaluation points for price
- 2) Score points for BBBEE contribution
- 3) Add the points scored for price and BBBEE.

F.3.11.3 Method 2: Functionality, Price and Preference

In the case of a functionality, price and preference:

- 1) Score functionality, rejecting all tender offers that fail to achieve the minimum number of points for functionality as stated in the Tender Data.
- 2) No tender must be regarded as an acceptable tender if it fails to achieve the minimum qualifying score for functionality as indicated in the tender invitation.
- 3) Tenders that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference points system prescribed in paragraphs 4 and 4 and 5 below.

The 80/20 preference point system for acquisition of services, works or goods up to Rand value of R1 million

- 4) (a)(i) The following formula must be used to calculate the points for price in respect of tenders(including price quotation) with a rand value equal to, or above R 30 000 and up to Rand value of R 1 000 000 (all applicable taxes included):

$$P_s = 80 + 1 \left(\frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for comparative price of tender or offer under consideration; P_t = Comparative price of tender or offer under consideration; and P_{\min} = Comparative price of lowest acceptable tender or offer.

- (4)(a)(ii) An employer of state may apply the formula in paragraph (i) for price quotations with a value less than R30 000, if and when appropriate:

(4)(b) Subject to subparagraph(4)(c), points must be awarded to a tender for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE status level of contributor	Number of points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

(4)(c) A maximum of 20 points may be allocated in accordance with subparagraph (4)(b)

(4)(d) The points scored by tender in respect of B-BBEE contribution contemplated in subparagraph (4) (b) must be added to the points scored for price as calculated in accordance with subparagraph (4)(a).

(4)(e) Subject to paragraph 4.3.8 the contract must be awarded to the tender who scores the highest total number of points.

The 90/ 10 preference points system for acquisition of services, works or goods with a Rand value above R 1 million

(5)(a) The following formula must be used to calculate the points for price in respect of tenders with a Rand value above R1 000 000 (all applicable taxes included):

90/10

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

Where

P_s = Points scored for comparative price of tender or offer under consideration;

P_t = Comparative price of tender or offer under consideration; and *P_{min}* =

Comparative price of lowest acceptable tender or offer.

(5)(b) Subject to subparagraph(5)(c), points must be awarded to a tender for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE status level of contributor	Number of points
1	10
2	9

B-BBEE status level of contributor	Number of points
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

(5)(c) A maximum of 10 points may be allocated in accordance with subparagraph (5)(b).

(5)(d) The points scored by tender in respect of B-BBEE contribution contemplated in subparagraph (5) (b) must be added to the points scored for price as calculated in accordance with subparagraph (5)(a).

(5)(e) Subject to paragraph 4.3.8 the contract must be awarded to the tender who scores the highest total number of points.

F.3.11.6 Decimal places

Score price, preference and functionality, as relevant, to two decimal places.

F.3.11.7 Scoring Price

Score price of remaining responsive tender offers using the following formula:

$$N_{FO} = W_1 \times A$$

where: N_{FO} is the number of tender evaluation points awarded for price.
 W_1 is the maximum possible number of tender evaluation points awarded for price as stated in the Tender Data.
 A is a number calculated using the formula and option described in Table F.1 as stated in the Tender Data.

Table F.1: Formulae for calculating the value of A

Formula	Comparison aimed at achieving	Option 1 ^a	Option 2 ^a
1	Highest price or discount	$A = (1 + \frac{P - P_m}{P_m})$	$A = P / P_m$
2	Lowest price or percentage commission / fee	$A = (1 - \frac{P - P_m}{P_m})$	$A = P_m / P$
^a P_m is the comparative offer of the most favourable comparative offer. P is the comparative offer of the tender offer under consideration.			

F.3.11.8 Scoring preferences

Confirm that tenderers are eligible for the preferences claimed in accordance with the provisions of the tender data and reject all claims for preferences where tenderers are not eligible for such preferences.

Calculate the total number of tender evaluation points for preferences claimed in accordance with the provisions of the tender data.

F.3.11.9 Scoring functionality

Score each of the criteria and subcriteria for quality in accordance with the provisions of the Tender Data.

Calculate the total number of tender evaluation points for quality using the following formula:

$$N_Q = W_2 \times S_O / M_S$$

where: S_O is the score for quality allocated to the submission under consideration; M_S is the maximum possible score for quality in respect of a submission; and
 W_2 is the maximum possible number of tender evaluation points awarded for the quality as stated in the tender data

F.3.12 Insurance provided by the employer

If requested by the proposed successful tenderer, submit for the tenderer's information the policies and / or certificates of insurance which the conditions of contract identified in the contract data, require the employer to provide.

F.3.13 Acceptance of tender offer

Accept the tender offer, if in the opinion of the employer, it does not present any risk and only if the tenderer:

- is not under restrictions, or has principals who are under restrictions, preventing participating in the employer's procurement,
- can, as necessary and in relation to the proposed contract, demonstrate that he or she possesses the professional and technical qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation, expertise and the personnel, to perform the contract,
- has the legal capacity to enter into the contract,

- d) is not insolvent, in receivership, under Business Rescue as provided for in chapter 6 of the Companies Act, 2008, bankrupt or being wound up, has his affairs administered by a court or a judicial officer, has suspended his business activities, or is subject to legal proceedings in respect of any of the foregoing,
- e) complies with the legal requirements, if any, stated in the tender data, and
- f) is able, in the opinion of the employer, to perform the contract free of conflicts of interest.

F.3.14 Prepare contract documents

F.3.14.1 If necessary, revise documents that shall form part of the contract and that were issued by the employer as part of the tender documents to take account of:

- a) addenda issued during the tender period,
- b) inclusion of some of the returnable documents, and
- c) other revisions agreed between the employer and the successful tenderer.

F.3.14.2 Complete the schedule of deviations attached to the form of offer and acceptance, if any.

F.3.15 Complete adjudicator's contract

Unless alternative arrangements have been agreed or otherwise provided for in the contract, arrange for both parties to complete formalities for appointing the selected adjudicator at the same time as the main contract is signed.

F.3.16 Notice to unsuccessful tenderers

F.3.16.1 Notify the successful tenderer of the employer's acceptance of his tender offer by completing and returning one copy of the form of offer and acceptance before the expiry of the validity period stated in the tender data, or agreed additional period.

F.3.16.2 After the successful tenderer has been notified of the employer's acceptance of the tender, notify other tenderers that their tender offers have not been accepted.

F.3.17 Provide copies of the contracts

Provide to the successful tenderer the number of copies stated in the Tender Data of the signed copy of the contract as soon as possible after completion and signing of the form of offer and acceptance.

F.3.18 Provide written reasons for actions taken

Provide upon request written reasons to tenderers for any action that is taken in applying these conditions of tender, but withhold information which is not in the public interest to be divulged, which is considered to prejudice the legitimate commercial interests of tenderers or might prejudice fair competition between tenderers.

F3.19 Transparency in the procurement process

F3.19.1 The cidb prescripts require that tenders must be advertised and be registered on the cidb i.Tender system.

F3.19.2 The employer must adopt a transparency model that incorporates the disclosure and accountability as transparency requirements in the procurement process.

F3.19.3 The transparency model must identify the criteria for selection of projects, project information template and the threshold value of the projects to be disclosed in the public domain at various intervals of delivery of infrastructure projects.

F3.19.4 The client must publish the information on a quarterly basis which contains the following information:

- Procurement planning process
- Procurement method and evaluation process
- Contract type
- Contract status
- Number of firms tendering
- Cost estimate
- Contract title
- Contract firm(s)
- Contract price
- Contract scope of work
- Contract start date and duration
- Contract evaluation reports

F3.19.5 The employer must establish a Consultative Forum which will conduct a random audit in the implementation of the transparency requirements in the procurement process.

F3.19.6 Consultative Forum must be an independent structure from the bid committees.

F3.19.7 The information must be published on the employer's website.

F 3.19.8 Records of such disclosed information must be retained for audit purposes.