

" The City of Heritage "



BID NO: 05/2020/2021

**REQUEST FOR PROPOSAL TO REVIEW ULUNDI MUNICIPALITY SPATIAL
DEVELOPMENT FRAMEWORK (SDF)**

BID DOCUMENT

SEPTEMBER 2020

**The Municipal Manager
Ulundi Local Municipality
Private Bag X17
Ulundi
3838**

Tel: 035 874 5100

**NAME OF PROFESSIONAL
SERVICE PROVIDER :**

CONTACT PERSON :

TELEPHONE :

FAX :

ADDRESS :

TENDER CLOSES: AT 12H00, THURSDAY, 15 OCTOBER 2020

ULUNDI LOCAL MUNICIPALITY

TABLE OF CONTENT

DESCRIPTION	PAGE NUMBERS
Tender Advert/invitation	3-4
Specification and term of reference	5- 12
Pricing Schedule	13
MBD2 – Tax Clearance Certificate	14
MBD4 – Declaration of Interest	15-20
MBD6.1 – Preference Points Claim Form In Terms Of The Preferential Procurement Regulations 2017	21-28
MBD 6.2 - Declaration Certificate For Local Production And Content For Designated Sectors	29-36
MBD8 – Declaration of Bidder’s Past Supply Chain Management Practices	37-39
MBD9 – Certificate of Independent Bid Determination	40-45
Checklist	46

Invitation and Notice for Tender



**ULUNDI LOCAL MUNICIPALITY
BID NOTICE AND INVITATION AWARD**

Bids are hereby invited from suitable service providers of the following Ulundi Municipality projects:

Project/BID No.	Project Description	Point System	Closing Date	Time	Technical enquiries	Contact number
05/2020/2021	Call for proposal for spatial development framework review	80/20	15/10/2020	12h00	N.H.L Buthelezi	035 874 5211

Preference will be given to the local and previously disadvantaged service providers.

Only service providers registered in the Ulundi Municipality suppliers' database and registered with Central Supplier Database (CSD) will be considered.

Bid documents may be obtained on the **Ulundi Municipal Website at www.ulundi.gov.za**. Bid documents must be submitted in a sealed envelope clearly marked with the bid number, closing date and, dropped off in the tender box at SCMU, Ulundi Municipality, Corner of Princess Magogo and King Zwelithini Street, Ulundi, 3838 by no later **12H00 of the above stated closing dates**. The bid box is generally open from 07h30 to 16h30 Monday to Thursday and 07h30 to 15h15 Friday. All quotes must be submitted on the official forms – (Not to be retyped). This bid is subject to the general conditions of contract (GCC) and any other special conditions of contract.

THE FOLLOWING ARE MANDATORY: CSD summary report, valid tax clearance or SARS login pin, a certified copy of the most recent municipal account in which the business is registered, copies of ID of members of the entity, B-BBEE Certificate and Certified copy of CIPRO e.g. CK certificates. Bidders are requested to sign where necessary and initial each page on the Bid Documents.

This proposal will be evaluated in terms of the 80/20 Preferential Procurement Point system where 80 points are for functionality and price, and 20 points are for BBEE according to the said legislation.

Late tenders will not be accepted, and the Ulundi Municipality reserved the right not to make an award. Failure to comply with the above conditions will invalidate your offer.

Pre-qualification conditions for a tenderer (PPPFA) Act 2000: Exempted Micro Enterprise (EME) or Qualifying Small Enterprise (QSE) which is at least 51% owned by black people who are women and 51% owned by black people living in rural or underdeveloped areas or townships.

Kindly note that the successful bidder will be subjected to a screening process prior to the bid being awarded, should it be discovered that a successful bidder provided misleading information he/she will be disqualified with immediate effect.

NB: Please provide an itemized breakdown (on a separated sheet) of the total "tender sum" shown on the bid document.

SCM related enquires: Miss B.G. Hadebe (035 874 5120)

**Mr. N.G. Zulu
MUNICIPAL MANAGER**

SPECIFICATION

APPOINTMENT OF A SERVICE PROVIDER TO REVIEW ULUNDI MUNICIPALITY SPATIAL DEVELOPMENT FRAMEWORK WHICH WILL FORM BASES OF ULUNDI WALL-TO-WALL SCHEME

BACKGROUND

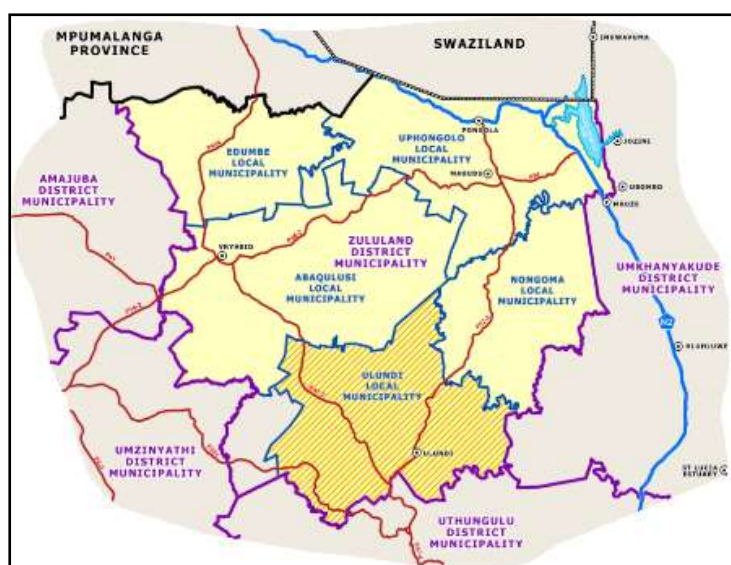
1. Section 26 (e) of the Local Government: Municipal Systems Act, No. 32 of 2000 (hereafter the MSA) stipulates that all municipalities are required to compile Spatial Development Frameworks (hereafter “SDFs”) as an essential aspect of their Integrated Development Plans (hereafter “IDPs”).
2. The MSA also stipulates that central to an SDF is a Strategic Environmental Assessment of the SDF proposals which is undertaken in order to ensure that an SDF is based on sound empirical analysis and is economically, socially, ecologically and institutionally sustainable. Consequently, the credibility and the sustainability assessment of an SDF is basic to the assessment of legal compliance of an SDF.
3. The uLundi Local Municipality requires the review of a SDF which is sustainable, legally compliant and provides clear guidance for the development of guidelines to inform a Scheme. A Service Provider is required to assist the Municipality in accomplishing this task.
4. In addition to the requirements of legal compliance and sustainability, basic to an SDF is the imperative to provide for the localization of national and provincial sector specific policies and guidelines which have been crafted since 1994. Central to this process is the drive toward redressing the imbalances of the past where the spatial segregation of people, land use, social and economic activities was the norm.
5. The annual IDPs assessments reveal that although some SDFs within Municipalities are making headway in achieving legal compliance and the imperatives of the spatial integration of economic, social, ecological, and institutional arrangements, many Municipalities require assistance with such a task. Many SDF’s across the province are found to be descriptive of the status quo and lacking in **strategic direction** for decision makers. In this context, the Municipality’s SDF will seek to establish “a sound strategic and innovative” approach which is realistic, collaboratively formed and providing sound land management guidance.
6. Consequently, Proposals are requested from suitably qualified and experienced service providers in order to review the SDF with the stakeholders of the uLundi Local Municipality.

2. LOCATION AND DISTRICT CONTEXT

The Ulundi Local Municipality is located on the southern boundary of the Zululand District Municipality in north-eastern KwaZulu-Natal. The Ulundi municipal area is approximately 3,250

km² in extent and includes the towns and settlements of Ulundi, Nqulwane, Mahlabathini, Babanango, Mpungamhlophe and Ceza as well as the Traditional Authorities of Buthelezi(KwaPhindangene & KwaNondayana), Buthelezi (Empithimpithini) Mbatha, Mpungose, Ndebele, Ntombela, Ximba, Zungu, Zulu (KwaNsimbi).

The Ulundi Municipality is one of the five local municipalities that constitute the area of jurisdiction of the Zululand District Municipality – the other four local municipalities are the eDumbe Municipality, the Abaqulusi Municipality, the uPhongolo Municipality and the Nongoma Municipality.



Source: uLundi LM IDP 2017

3. THE OBJECTIVES OF THE PROJECT

- 3.1 In 2010 the National Department of Rural Development and Land Reform (DRDLR) published a manual on the preparation of SDFs titled 'GUIDELINES FOR THE FORMULATION OF SPATIAL DEVELOPMENT FRAMEWORKS'. The Department of COGTA and the municipality also considers it appropriate to consider these guidelines provided in the review of a credible SDF.
- 3.2 The objective of the project is to create a credible, legally compliant and sustainable SDF with the uLundi Local Municipality and its stakeholders using the manual prepared by DRDLR as one of the guiding tools.
- 3.3 The credibility of the SDF will hinge upon a sound, empirical analysis of the Municipal area of jurisdiction.

- 3.4 Compliance with the provisions of the MSA and the Municipal Planning and Performance Management Regulations (GN R796 of 2001) is mandatory.
- 3.5 The SDF should be reviewed within the context of the adopted uLundi Local Municipality's IDP and should include the development of:
- 3.5.3 An agreed upon long terms spatial development vision.
Agreed upon objectives, strategies and guidance on the location and nature of development within the municipality.
The development of more detailed spatial linkage plans for core areas.
- 3.5.4 A Capital Investment programme in keeping with SPLUMA, the Provincial Spatial Planning Guidelines and the imperatives of the 2011 Provincial Growth and Development Strategy and implementation Plan.
- 3.5.5 Address the spatial location and integration of core sector specific mandates such as land reform, environmental conservation and biodiversity, infrastructure, socio-economic and institutional dimensions.
- 3.5.6 Alignment with the existing environmental management tools which ensure the addressing, analytical and sustainability assessment dimensions applicable to the SDF proposals.
- 3.5.7 The alignment of the SDF with the District and neighbouring municipalities.
- 3.5.8 An SDF which clearly shows the desired patterns of land use, potential Scheme Development Guidelines and Framework level overlays.
- 3.5.9 Alignment with S21 of SPLUMA
- 3.5.10 Take into consideration the comments raised by the MEC in her SDF/IDP Assessment done in terms of section 32 of the MSA.
- 3.5.11 The SDF must give effect to the development principles contained in the Spatial Planning & Land Use Management Act including:
- a. Spatial Justice;
 - b. Spatial Sustainability;
 - c. Efficiency;
 - d. Spatial Resilience; and
 - e. Good Administration

4. SCOPE OF WORK AND CRITICAL MILESTONES

The following eight project phases with associated critical milestones are suggested:

Phase 1: Project initiation

Phase 2: Status Quo

Phase 3: Synthesis of Issues and Vision Development

Phase 4: Objectives and Strategic Scenarios

Phase 5: Environmental Sustainability Evaluation, Amended Strategic Scenarios & Draft SDF

Phase 6: Approval Process

Phase 7: Implementation, Monitoring and Evaluation Process

Phase 8: Close Out Process: Consolidated SDF Report, Executive Summary, GIS

Data and Participation Report

The scope of work for each phase should pay strict attention to the objectives of the project as detailed in section three above and should encompass the following core elements in each phase:

4.1 PHASE 1: PROJECT INITIATION

4.1.1 A brief project inception report is required which clearly spells out the proposed methodology, timelines and milestones. The project work plan, public participation process plan and skills transfer process plan should be included in the presentation of the inception report to the Steering Committee.

4.2 PHASE 2 STATUS QUO

4.2.1 Basic to the credibility of the SDF will be a rapid surface area analysis and mapping documenting:

- The broad brush mapping of the existing kinds of ownership across the municipal area;
- Development pressures;
- Spatial possibilities for densification
- Analyse the possibilities for an approach to development of private land.
- Access and barriers to services;
- Existing planning initiatives within the study area;
- Socio-economic trends;
- Possible tourism potential (both along the coast and inland);
- Stakeholder needs analysis;
- Existing land uses;
- Landscape and spatial syntax issues;
- Opportunities of sharing borders with all municipalities with an emphasis on areas along borders that can be jointly developed;
- strengthening of primary and secondary nodes and corridors where appropriate; and
- Other strategic information the Municipality, Service Provider and Steering Committee may feel will inform the SDF.

- 4.2.2 An analysis of the institutional, social, economic and ecological environment which is essential to the development of a sustainable SDF. This may include a SWOT analysis where appropriate.
- 4.2.3 Core Mapping and any model based analysis that the team may feel will add value to and assist in developing a creative and innovative SDF;
- 4.2.4 Sound empirical analysis of the coastal and inland character of the area analysis; and
- 4.2.5 Any other factors that the Service Provider considers to be important to the Analysis Phase of the project.

4.3 PHASE 3: SYNTHESIS OF ISSUES AND VISION DEVELOPMENT

- 4.3.1 In this phase of the project the strategic description of and analysis of the status quo should be synthesized into a credible, readable integration focusing on strategic issues. The possible vision for the area should be developed based upon sound public participation processes and innovative communication media.

4.4 PHASE 4: OBJECTIVES AND STRATEGIC SCENARIOS

- 4.4.1 This phase should incorporate the development of strategic scenarios, objectives, strategies and action plans including elements discussed in section 3.5 and 3.6 above.
- 4.4.2 All strategic interventions should be mapped appropriately as is discussed section five (5) below; and
- 4.4.3 Estimated costs for all interventions need to be developed.

4.5 PHASE 5: ENVIRONMENTAL SUSTAINABILITY EVALUATION AND DRAFT SDF

- 4.5.1 This phase encompasses the sustainability evaluation of the SDF which is central to an SEA process. The sustainability evaluation may lead to the amendment of the strategic interventions which make up the Draft SDF. All SEA evaluation results will inform the final SDF.

4.6 PHASE 6: APPROVAL PROCESS

- 4.6.1 The Service Provider facilitates the approval process in keeping with the public participation process plan, takes cognisance of comments and addresses required amendments. The SDF is then submitted for approval to the Council.

4.7 PHASE 7: IMPLEMENTATION, MONITORING AND EVALUATION PROCESS

4.7.1 The implementation, monitoring and evaluation process plans are developed to the satisfaction of the Steering Committee and the Municipality

4.8 PHASE 8: CLOSE OUT PROCESS

4.8.1 The close out process encompasses the Consolidated SDF Report, Executive Summary, GIS Data, Mapping, Overlays, Final Participation Report and Skills Transfer Report.

5. OUTCOMES AND DELIVERABLES

5.1 The SDF should localize National and Provincial Legislation and Policy imperatives such as the National Development Plan, the Integrated Urban Development Framework, the Provincial Growth and Development Strategy and Implementation Plan, Outcome 9, the National SDF Guidelines and provincial Spatial Planning Guidelines.

5.2 The SDF should clearly indicate the localization of the Capital Investment Imperatives as discussed in the Provincial Spatial Guidelines and SPLUMA.

5.3 The SDF should contribute positively towards sustainability in the institutional, economic, social and ecological dimensions across sectors.

5.4 The SDF should be able to serve as a tool for both a vertical and a horizontal alignment of government-wide activities, plans, policies and legislation.

5.5 The SDF must be a GIS based tool which clearly enables the structured implementation of programs, their monitoring and decision-making.

5.6 Submissions should be in the form of both hard and electronic versions of the SDF. Mapping should be submitted in Arc View GIS capable file format (shape-files, layer files, mxd files) for use in a GIS environment. The shape-files must have clear attribute information that differentiates each SDF construct and its purpose, for example a service node shape-file should have an attribute called "description" with the value "service node". All mapping notation should be in keeping with the standards already established in the Scheme Guidelines (COGTA 2011). The Service Provider should ensure that all GIS data and Meta data is fully compatible with that of the, Municipality GIS Unit, Provincial COGTA GIS Unit and Zululand District Shared Services GIS Unit.

5.7 The Service Provider is encouraged to use Development Communication Media such as maps, graphics, annotation, photographs, models and video clips in order to enhance the analysis of the spatial reality and envisaged SDF scenarios and vision striven for. The intent is that the SDF needs to be user friendly and facilitate sound yet credible communication between stakeholders.

- 5.8 Development Communication Media is encouraged for all stakeholder engagement processes. The SDF document and communication media should be prepared well in advance of the stakeholder engagement process and should be to the satisfaction of the Steering Committee. Innovation and the use of isiZulu where appropriate will be encouraged during stakeholder engagements.
- 5.9 The Service Provider will be expected to submit draft reports and associated Development Communication Media for each phase of the project.

6. FINAL SUBMISSION

- 6.1 The final documentation should be three copies of each in the form of both hard and electronic versions of core documents and maps. Mapping should be submitted in ArcGIS format (i.e. shape-files, layer files, mxd files) for use in the Ulundi Municipality. The Service Provider should ensure that all GIS data and metadata is fully compatible with Ulundi Municipality and Zululand District Municipality GIS for each phase of the project before invoices are submitted for payment.
- 6.2 The documents and communication media should be prepared well in advance and the stakeholder engagement process should be to the satisfaction of the Steering Committee. Innovation and the use of isiZulu where appropriate is required for stakeholder engagements;
- 6.3 The Service Provider will be expected to submit draft reports and associated Development Communication Media and appropriate mapping for each phase of the project.
- 6.4 The Final Consolidated Report which consists of:
- 6.5 Agreed upon number of copies of the Consolidated Report encompassing the relevant aspects of the previous phase outcomes including all maps, tables, registers and figures in both hardcopy (printed) and softcopy (electronic such as MS word and PDF documents);
- 6.6 Maps at A0 level with appropriate transparent overlays;
- 6.7 Public Participation Report & associated comments; and
- Mapping should be submitted in Arc View GIS format as per section eight (6.1).

Pricing Schedule

Project description	AMOUNT (r)
Call for proposal for spatial development framework (SDF) review	
Total	
Vat(15%)	
Subtotal	

COMPANY STAMP

Bidders Signature

MBD 2

TAX CLEARANCE CERTIFICATE

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

- 1 In order to meet this requirement bidders are required to complete in full form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
- 3 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.
- 4 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 5 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 6 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

7 Copies of the TCC 001 “Application for a Tax Clearance” form are available from any SARS branch office nationally or on the website: www.sars.gov.za.

8 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

MBD 4

DECLARATION OF INTEREST

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 favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in the service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
3.	In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1	Full Name of bidder or his / her representative:	
3.2	Identity number:	
3.3	Position occupied in the Company (director, trustee, shareholder ²):	
3.4	Company Registration Number:	
3.5	Tax Reference Number:	
3.6	VAT Registration Number:	
3.7	The names of all directors / trustees / shareholders / members, their individual identity numbers and state employee numbers (where applicable) must be indicated in paragraph 4 below.	
3.8	Are you presently in the service of the state?*	YES / NO
3.8.1	If yes, furnish the following particulars: Name of person / director / trustee / shareholder member: Name of state institution at which you or the person connected to the bidder is employed: Position occupied in the state institution: Any other particulars:	
3.9	Have you been in the service of the state for the past twelve	YES / NO
3.9.1	months? If so, furnish particulars.	

<p>3.10</p> <p>3.10.1</p>	<p>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?</p> <p>If yes, furnish the following particulars:</p> <p>Name of person:</p> <p>Name of state institution at which you or the person connected to the bidder is employed:</p> <p>.....</p> <p>Position occupied in the state institution:</p> <p>.....</p> <p>Any other particulars:</p> <p>.....</p>	<p>YES / NO</p>
<p>3.11</p> <p>3.11.1</p>	<p>Are you aware of any relationship (family, friend, other) between the bidder and any person in the service of the state who may be involved with the evaluation and or adjudication of this bid?</p> <p>If yes, furnish the following particulars:</p> <p>Name of person:</p> <p>Name of state institution at which you or the person connected to the bidder is employed:</p> <p>.....</p> <p>Position occupied in the state institution:</p> <p>Any other particulars:</p> <p>.....</p>	<p>YES / NO</p>
<p>3.12</p> <p>3.12.1</p>	<p>Are any of the company's directors, managers, principal shareholders or stakeholders in the service of the state?</p> <p>If yes, furnish the following particulars:</p> <p>Name of person / director / trustee / shareholder / member:</p>	<p>YES / NO</p>

	<p>.....</p> <p>Name of state institution at which you or the person connected to the bidder is employed:</p> <p>.....</p> <p>Position occupied in the state institution:</p> <p>Any other particulars:</p> <p>.....</p>	
3.13	<p>Is any spouse, child or parent of the company's directors, trustees, managers, principle shareholders or stakeholders in the service of the state?</p> <p>If yes, furnish the following particulars:</p> <p>3.13.1 Name of person / director / trustee / shareholder / member:</p> <p>.....</p> <p>Name of state institution at which you or the person connected to the bidder is employed:</p> <p>.....</p> <p>Position occupied in the state institution:</p> <p>Any other particulars:</p> <p>.....</p>	YES / NO

3.14	Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract?	YES / NO
3.14.1	If yes, furnish particulars:	

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

THE FOLLOWING INFORMATION IS COMPULSORY TO COMPLETE:

Full Name	Identity Number	Individual Tax Number for each Director	State Employee Number (where applicable)

5.	The contract will be automatically cancelled if there is a conflict of interest which is not disclosed by the bidder.
-----------	--

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official or any Municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (e) a member of the accounting authority of any national or provincial entity; or
- (f) an employee of Parliament or a provincial legislature.

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

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

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

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

1. GENERAL CONDITIONS

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

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

1.2 The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTION	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“black designated groups”** has the meaning assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (d) **“black people”** has the meaning assigned to it in section 1 of the Broad-Based Black Economic Empowerment Act;
- (e) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (f) **“co-operative”** means a co-operative registered in terms of section 7 of the Cooperatives Act, 2005 (Act No. 14 of 2005);
- (g) **“designated group”** means:
 - 1. black designated groups;
 - 2. black people;
 - 3. women;
 - 4. people with disabilities; or
 - 5. small enterprises, as defined in section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996);
- (h) **“designated sector”** means a sector, sub-sector or industry or product designated in terms of regulation 8(1)(a);
- (i) **“EME”** means an exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents;
- (k) **“military veteran”** has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011);
- (l) **“National Treasury”** has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (m) **“people with disabilities”** has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);
- (n) **“price”** includes all applicable taxes less all unconditional discounts;
- (o) **“proof of B-BBEE status level of contributor”** means:
 - (i) the B-BBEE status level certificate issued by an authorised body or person;
 - (ii) a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or
 - (iii) any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act;

$$P_s \geq 80 \geq 1 \geq \frac{P_t - P_{min}}{P_{min}} \quad \text{or} \quad P_s \geq 90 \geq 1 \geq \frac{P_t - P_{min}}{P_{min}}$$

Where

- P_s = Points scored for comparative price of bid under consideration
- P_t = Comparative price of bid under consideration
- P_{min} = Comparative price of lowest acceptable bid

5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

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

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

- 5.2 A bidder who qualifies as an EME in terms of the B-BBEE Act must submit a sworn affidavit confirming Annual Total Revenue and Level of Black Ownership.
- 5.3 A Bidder other than EME or QSE must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

- 5.6 Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the BBEE Codes of Good Practice.
 - 5.7 A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.
 - 5.7 The points scored by a tenderer for B-BBEE in terms of subregulation (2) must be added to the points scored for price under subregulation (1).
 - 5.8 The points scored must be rounded off to the nearest two decimal places.
 - 5.9 Subject to subregulation (9) and regulation 11, the contract must be awarded to the tenderer scoring the highest points.
 - 5.10 (a) If the price offered by a tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.
- (b) The organs of state may
- (i) negotiate a market-related price with the tenderer scoring the highest points or cancel the tender;
 - (ii) if the tenderer does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points or cancel the tender;
 - (iii) if the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.
- (c) If a market-related price is not agreed as envisaged in paragraph (b)(iii), the organ of state must cancel the tender.

6. BID DECLARATION

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

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 5.1

7.1 B-BBEE Status Level of Contribution: = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a BBEE certificate issued by a Verification Agency accredited by SANAS or a sworn affidavit.

8. SUB-CONTRACTING

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

(Tick applicable box)

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

8.1.1 If yes, indicate:

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

(Tick applicable box)

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

9. DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm:.....

9.2 VAT registration number:.....

9.3 Company registration number:.....

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

.....

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

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

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form; iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

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

(a) disqualify the person from the bidding process;

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

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

(e) forward the matter for criminal prosecution.

WITNESSES	
1.
2.

.....	
SIGNATURE(S) OF BIDDERS(S)	
DATE:
ADDRESS

MBD 6.1(a)

SWORN AFFIDAVIT – BBEE EXEMPTED MICRO ENTERPRISE

SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a member / director / owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:
 - The enterprise is _____ % black owned;
 - The enterprise is _____ % black woman owned;
 - Based on the management accounts and other information available on the _____ financial year, the income did not exceed R10,000,000.00 (ten million rands);
 - Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% black owned	Level One (135% B-BBEE procurement recognition)	
More than 51% black owned	Level Two (125% B-BBEE procurement recognition)	
Less than 51% black owned	Level Four (100% B-BBEE procurement recognition)	

4. The entity is an empowering supplier in terms of **the dti** Codes of Good Practice.
5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
6. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date: _____

 Commissioner of Oaths
 Signature & stamp

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT F 1 MBD 6.2

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

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

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

1. General Conditions

1.1. Preferential Procurement Regulations, 2011 (Regulation 9.(1) and 9.(3) make provision for the promotion of local production and content.

1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

1.3. Regulation 9.(3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.

1.4. Where necessary, for bids referred to in paragraphs 1.2 and 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.

1.5. A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

1.6. The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286:201x as follows:

$$LC = 1 \times 100$$

Where

x imported content

y bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

1.7. A bid will be disqualified if:

the bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and.

2

this declaration certificate is not submitted as part of the bid documentation.

2. Definitions

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

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

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

2.4. “**designated sector**” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national

development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

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

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

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

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

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

3. The stipulated minimum threshold(s) for local production and content for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content? YES / NO

3

4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.6 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

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

Indicate the rate(s) of exchange against the appropriate currency in the table below:

Currency Rates of exchange

- US Dollar
- Pound Sterling
- Euro
- Yen
- Other

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

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL) IN RESPECT OF BID No.

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

.....

NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of(name of bidder
entity), the following:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.

(c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y) R

Imported content (x) R

Stipulated minimum threshold for Local content (paragraph 3 above)

Local content % as calculated in terms of SATS 1286

If the bid is for more than one product, a schedule of the local content by product shall be attached.

4

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

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

SIGNATURE: DATE: _____

WITNESS No. 1 DATE: _____

WITNESS No. 2 DATE: _____ **OR DESIGNATED SECTORS**

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

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

1. General Conditions

1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.

1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

- 1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

x is the imported content in Rand

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

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

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

- 1.6 A bid may be disqualified if –
 - (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
 - (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

2. Definitions

- 2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility(close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour or intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
3. **The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

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

4. Does any portion of the services, works or goods offered have any imported content?
(Tick applicable box)

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

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

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

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?

(Tick applicable box)

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

5.1. If yes, provide the following particulars:

- (a) Full name of auditor:
- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

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

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

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

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Institution):

.....

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thdti.gov.za/industrialdevelopment/ip.jsp>. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of(name of bidder
entity), the following:

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

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

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

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder 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?</p> <p>(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).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.5.1	If so, furnish particulars:		

CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME) CERTIFY THAT THE
INFORMATION FURNISHED ON THIS DECLARATION
FORM IS TRUE AND CORRECT.**

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

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 (MBD9) 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:

ULINDI LOCAL MUNICIPALITY

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

I certify, on behalf of: _____ that:
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder.
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.

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

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

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

³ **Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.**

DECLARATION OF INTEREST

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 favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an 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.

3.1 Full Name:.....

3.2 Identity Number:.....

3.3 Company Registration Number:.....

3.4 Tax Reference Number:.....

3.5 VAT Registration Number:.....

3.6 Cell Number:.....

3.6 Are you presently in the service of the state* **YES / NO**

3.6.1 If so, furnish particulars.

.....

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

3.7.1 If so, furnish particulars.

.....

YES/ NO

.....

3.8 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?

3.8.1 If so, furnish particulars.

.....

YES /NO

.....

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

3.9.1 If so, furnish particulars

.....

YES /NO

.....

3.10 Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state?

3.10.1 If so, furnish particulars.

.....

YES / NO

.....

3.11 Are any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in service of the state?

3.11.1 *If so, furnish particulars.*

YES / NO

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

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.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

9. CHECKLIST

CHECK LIST

No	Description	Ticked Bidder	by	Ticked Municipal Representative	by
1	Initial/ Sign of all pages				
2	Form of bid completed				
3	Original Tax Clearance Certificate attached				
4	Preferential Points Claimed				
5	Preferential % Calculated and claimed				
6	All witnesses signed where it required				
7	Bid Declaration with regard to Equity completed				
8	Particulars of Bidders Completed				
9	Bid Declaration of interest Completed				
10	Declaration of Bidders Past SCM Practice MBD Form 8 completed				
11	Certificate of Independent Bid Determination MBD Form 9 completed				