

**FORMAL PRICE QUOTATION**  
**(UNDER R200 000)**



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**FPQ2408/01: THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE QUALITY ASSURANCE ON THE DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE 2023/2024 FINANCIAL PERIOD**

**CLOSING DATE AND TIME: MONDAY, 12 AUGUST 2024 AT 12:00 NOON**

**BIDDING COMPANY:** \_\_\_\_\_

**RAISE YOUR VOICE AND TAKE ACTION  
AGAINST CORRUPTION AND FRAUD  
ANONYMOUS REPORTING  
FRAUD AND ETHICS HOTLINE:  
0800-204-860**

website: [www.thehotline.co.za](http://www.thehotline.co.za)  
e-mail: [erwat@thehotline.co.za](mailto:erwat@thehotline.co.za)

Fax :0867 261 681 | SMS: 30916  
P O Box 10512, Centurion, 0046  
App Stores: Vuvuzela Hotline

**ERWAT STAMP**

**Table of Contents**

**FPQ DOCUMENT CHECKLIST ..... 3**

**MBD 1 ..... 4**

**SCOPE OF WORK ..... 6**

**PRICING SCHEDULE ..... 6**

**MBD 6.1 - PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 ..... 12**

**MBD 8 – DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICE ..... 16**

**MBD 9 - CERTIFICATE OF INDEPENDENT BID DETERMINATION ..... 18**

**POPIA CONSENT FORM ..... 20**

**ANNEXURE 1: ATTACH MUNICIPAL ACCOUNT STATEMENT NOT OLDER THAN 3 MONTHS AND NOT OWING FOR 90+ DAYS OR VALID AGREEMENT SIGNED BY THE LESSOR AND LESSEE ..... 21**

**ANNEXURE 2: ATTACH CIPC COMPANY REGISTRATION DOCUMENTS ..... 22**

**ANNEXURE 3: ATTACH FULL CSD REPORT ..... 23**

**ANNEXURE 4: ATTACH SARS PIN ..... 24**

**ANNEXURE 5: ATTACH IDENTITY DOCUMENTS OF DIRECTORS/ OWNERS/ SHAREHOLDERS ..... 25**

**ANNEXURE 6: ATTACH FUNCTIONALITY/ TECHNICAL SUPPORTING DOCUMENTS (WHERE APPLICABLE) 26**

**ANNEXURE 7: ATTACH PRICE BREAKDOWN (WHERE PRICING SCHEDULE PAGE DOES NOT OFFER SUFFICIENT SPACE) ..... 27**

**BID SUBMISSION ..... 28**

**TAX COMPLIANCE REQUIREMENTS ..... 28**

**JOINT VENTURE ..... 28**

**NOTICE TO BIDDERS ..... 29**

**VERY IMPORTANT NOTICE ON DISQUALIFICATIONS ..... 29**

**A. ADMINISTRATIVE REQUIREMENTS ..... 30**

**B. MANDATORY REQUIREMENTS ..... 30**

**C. PREFERENTIAL POINT SCORING ..... 30**

**D. VALUE ADDED TAX ..... 31**

**E. COMMUNICATION ..... 31**

**F. LATE BIDS ..... 31**

**G. FRONTING ..... 31**

### FPQ DOCUMENT CHECKLIST

#	Document Name	To be returned/ completed by bidder?	Bidder to tick <input checked="" type="checkbox"/> if document is submitted	SCM to confirm if document is submitted
<b>MANDATORY AND MUNICIPAL BIDDING DOCUMENTS</b>				
<b>MANDATORY REQUIREMENTS</b>				
1.	Pricing schedule	Yes		
2.	Bidders's Municipal account of statement not older than 3 months and not owing for 90+ days or valid lease agreement signed by the lessor and lessee	Yes		
3.	Tax compliance status (SARS pin)	Yes		
<b>MUNICIPAL BIDDING DOCUMENTS</b>				
4.	MBD 1 – Invitation to bid	Yes		
5.	MBD 4 – Declaration of Interest	Yes		
6.	MBD 3.1 - PRICING SCHEDULE – FIRM PRICES	Yes		
7.	MBD 6.1 – Preference Points Claim Form	Yes		
8.	MBD 8	Yes		
9.	MBD 9	Yes		
<b>OTHER DOCUMENTS</b>				
10.	POPIA form	Yes		
11.	Full CSD report	Yes		
12.	CIPC Company Registration Documents	Yes		
<b>FUNCTIONALITY REQUIREMENTS (WHERE APPLICABLE)</b>				
13.	Functionality	YES		
<b>TECHNICAL REQUIREMENTS (WHERE APPLICABLE)</b>				
14.	Brochure	N/A		
15.	Sample	N/A		
16.	Certificate of Analysis	N/A		
17.	CIDB Grading	N/A		
<b>PRICE AND SPECIFIC GOALS (80/20)</b>				
18.	Pricing schedule	Yes		
19.	Proof of specific goals requirements to claim points	Yes		
	Full CSD report, CK document and ID documents of company owners/ directors/ shareholders	<i>To claim points for 51% youth ownership as per MBD 6.1</i>	4	
	Full CSD report, CK document and ID documents of company owners/ directors/ shareholders	<i>To claim points for 51% women ownership as per MBD 6.1</i>	4	
	Full CSD report, CK document, ID documents of company owners/ directors/ shareholders, and proof of disability issued by medical doctor	<i>To claim points for 51% disability ownership as per MBD 6.1</i>	4	
	Municipal account/ lease agreement of company or owners/ directors/ shareholders	<i>To claim points for locality as per MBD 6.1</i>	4	
	Certified copy of A Department of Defence (DoD) Identification Card	<i>To claim points for military veteran as per MBD 6.1</i>	4	

**PART A  
INVITATION TO BID**

You are hereby invited to bid for requirements of ERWAT	
Bid Number	FPQ2408/01: THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE QUALITY ASSURANCE ON THE DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE 2023/2024 FINANCIAL PERIOD
Briefing session date and time.	<b>THERE IS NO BRIEFING FOR THIS FPQ</b>
Closing date	MONDAY - 12 AUGUST 2024
Closing time and venue	12H00 noon at ERWAT Head Office, R25 Bapsfontein Road
The successful bidder will be required to fill in and sign a written contract form (MBD7).	

Bidder Information	
Name of Bidding Company	
Company physical address	
Company postal address	
Contact details	Company Representative (Name):
	Telephone:
	Cell phone:
	E-mail address:
National Treasury Central Supplier Database number: (Compulsory)	MAAA
CIDB Grading CRS number	
Vat registration number	
Tax Compliance status	TCS Pin:
Are you the accredited representative in South Africa for the goods/ services/ works offered? If yes, attach proof from the agency your company is accredited to represent	
Total number of items offered	
Total price (including VAT)	R
SCM related enquiries:	E-mail: <a href="mailto:Gratitude.ramphaka@erwat.co.za">Gratitude.ramphaka@erwat.co.za</a> ; or <a href="mailto:Phumzile.mdlalose@erwat.o.za">Phumzile.mdlalose@erwat.o.za</a> Tel: 011 929 7000
Technical enquiries	Mr Albert van der Merwe E-mail: <a href="mailto:Albert.VanDerMerwe@erwat.co.za">Albert.VanDerMerwe@erwat.co.za</a> Tel: 011 929 7000

**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](http://WWW.SARS.GOV.ZA).
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

**3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?       YES  NO
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?       YES  NO
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?       YES  NO
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?       YES  NO
- 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?       YES  NO

**IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.**

NB: Failure to provide any of the above particulars may result in your bid being disqualified.

Name & Surname of Representative: \_\_\_\_\_

Signature Of Bidder: \_\_\_\_\_

Capacity Under Which This Bid Is Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**SCOPE OF WORK**  
**FPQ2408/01: THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE QUALITY ASSURANCE**  
**ON THE DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE 2023/2024 FINANCIAL PERIOD**

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**1. INTRODUCTION**

Ekurhuleni Water Care Company (hereinafter referred to as “ERWAT”) intends to appoint a registered, and experienced service provider to assist with quality assurance and compliance review of the draft Annual Financial Statements (AFS) of the 2023/2024 financial period, to determine whether it was prepared and presented in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and within the requirements of the Municipal Finance Management Act 56 of 2003, as amended and whether the AFS fairly present ERWAT’s financial results and its financial position as at the end of 30 June 2024.

The service provider should perform procedures that provide reasonable basis for obtaining limited assurance which will be concentrated in areas where there are enhanced risks of misstatement.

**2. BACKGROUND**

ERWAT is a municipal entity of the City of Ekurhuleni, established in 1992. ERWAT provides bulk wastewater conveyance and treatment to thousands of industries and more than 3,5 million of City of Ekurhuleni residents. ERWAT currently operates 19 wastewater treatment works that release between 700 to 1000 mega litres of wastewater, both domestic and industrial, per day.

As a municipal entity ERWAT’s operations are governed by the following legislations. Municipal Finance Management Act (Act 56 of 2003), Municipal Systems Act, Structure Act, National Water Act and the Companies Act (Act No 71 of 2008).

The Annual Financial Statements are prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

**3. SCOPE OF WORK**

The approach and objective of the scope of work is to evaluate and propose the required adjustments to ensure the compliance, completeness and accuracy of the draft Annual Financial Statements against the prescribed accounting framework (GRAP) and applicable laws and regulations.

The review should cover the draft Annual Financial Statements (AFS) as prepared by ERWAT Management for the year ended 30 June 2024.

The review should focus on the following elements but not limited to:

- 3.1 Conducting a technical review of the draft Annual Financial Statements for compliance with the prescribed accounting framework and applicable laws and regulations and propose quality adjustments.
- 3.2. Perform procedures to confirm the accuracy and completeness of the opening balance as per draft AFS for 2023/24 financial year and propose adjustments as required.
- 3.3. Perform a cast and call exercise on the draft AFS 2023/2024.
- 3.4. Review of the Trial Balance for the year ended 30 June 2024.
- 3.5. Review of the Asset Register for the year ended 30 June 2024.
- 3.6. Perform procedures to confirm the accuracy and completeness of the audit file (Supporting Schedules) and propose adjustments on errors noted.
- 3.7. Perform procedure to confirm compliance, accuracy and completeness of the disclosure notes

and propose adjustments on errors noted.

- 3.8. Perform procedures to confirm the compliance, accuracy, and completeness of the accounting policies and interpretation note and propose adjustments on errors noted.
- 3.9. Complete the National Treasury Disclosure/Compliance Checklist for the Standards of GRAP.
- 3.10. Support management in presenting the draft annual financial statements to EXCO and the relevant governance structures.
- 3.11 All management assertions relating to the draft financial statements.
- 3.12 Adequacy, reliability, and accuracy of the financial statements.
- 3.13 Adherence to Accounting Standard Board requirements, GRAP and other statements and or standards.

#### **4. DETAILED REQUIREMENTS**

##### **These requirements will be implemented as part of the service level agreement (SLA)**

##### **4.1. PHASE 1**

###### **Project plan and Methodology**

Provide a detailed methodology or approach to be adopted including details work breakdown structures which include at minimum the following:

Project plan detailing the approach of conducting the review and proposing adjustments within the legislated timelines:

1. Detailed review of the draft Annual Financial Statements.
2. Detailed review of Accounting Policies.
3. Detailed review of disclosure notes.
4. Describe policies and practises your firm maintains in ensuring that the Annual Financial Statements are compliant with the prescribed accounting framework and applicable laws and regulations.
5. Describe systems and tool your firm will use in ensuring that the Annual Financial Statements are compliant with the prescribed accounting framework and applicable laws and regulations.

*The review process under phase 1 should include at the minimum the following:*

1. Reconciliation of AFS, TB, GL and supporting schedules (included in the audit file)
2. Reconciliation of amounts on the face of financial statements and amounts as per the notes.
3. Compare CY accounting policies to PY accounting policies. If there are changes, are comparatives updated and note of PY adjustment disclosed.
4. Compare PY amounts as per audited AFS to comparative amounts in the current year AFS. Are there changes? If there are changes, are they supported by valid reasons and did management disclose prior period adjustments/error note.
5. Compare current year amounts to prior year and budgets amounts. Are there abnormal variances? If so, obtain and assess reasons from management.
6. Perusal of accounting policies that it is clear, specific and relevant to the municipal Entity.

7. Accounting Policies should not be generic from Caseware or other AFS preparation tool. They should be specific.

#### 4.2. **PHASE 2:**

##### **Draft Report preparation**

Status report which outlines the key issues that were identified and proposed adjustments. The report must detail the progress of the review and risk rating of the issues identified.

The reporting structure must include at least the following:

- Presentation to ERWAT Executive Committee
- Final report documenting the outcome and findings of the assessment including corrective measures and or adjustments
- Recommendations as appropriate for the Board to submit Annual Financial Statements with no material misstatements

#### 4.3. **PHASE 3:**

##### **Project closure report**

Conclusion of all findings and observations as well as ensuring that all corrections and adjustments have been appropriately actioned. Report signed off by the CA/Partner.

#### **PROJECT DURATION**

The financial statements are due for final submission to AGSA on the 31<sup>st</sup> August 2024 after undergoing internal reviews. The quality assurance and findings process is estimated to start during the second week of August 2024 (Phase 1) and to be presented to ERWAT management around third week of August 2024 (Phase 2). The time frames will be finalised at the signing of service level agreement (SLA).

#### **GENERAL REQUIREMENTS**

All staff members (excluding the partner) conducting the review are required to be on site as and when ERWAT requires for the duration of the contract. Invoice for the billable hours will be paid on actual hours worked and must be accompanied by an approved timesheet.

Should the Tenderer's Key Personnel be changed at any time during the course of the contract, the tenderer shall be obliged to give ERWAT written notice of any such change. Such change must still conform to the original provisions of the scope of work subject to the written approval of the designated ERWAT representative(s).

#### 5. **PROJECT MANAGEMENT AND CONTRACTING AUTHORITY**

The project will be managed by the Finance Department within Ekurhuleni Water Care Company.

## 6. REPORTING REQUIREMENTS

6.1. The service provider shall provide the following reports:

6.1.1. Table 1: Reporting

Name of report	Content	Due date
Project plan	Project plan detailing the approach of conducting the review and proposing adjustments within the legislated timelines.	Upon receipt of a formal appointment the bidder to discuss and agree the date of submission of the project plan and reporting.
Progress report	Status report which outlines the key issues that were identified and proposed adjustments The report must detail the progress of the review and risk rating of the issues identified.	As agreed to in the finalised service level agreement
Closeout report	To conclude on all findings and observations as well as ensuring that all corrections and adjustments have been appropriately actioned.	As agreed to in the finalised service level agreement

### 6.2. **Submission and approval of reports**

The inception and planning report, progress report and closeout report must be compiled and submitted to the Departmental Project Manager within the set timelines as indicated in the service level agreement and or the performance evaluation document.

## 7. EVALUATION CRITERIA

### 7.1 MANDATORY REQUIREMENTS

Bidders will be required to submit a minimum of three reference letters and or completion certificates of review of annual financial statements completed in the Local government.

Failure to submit a minimum of three (3) reference letters and/or completion certificates of services completed in the Local government **will lead to disqualification.**

Bidders will further be scored for review of annual financial statements in any Local government as set out in the functionality table.

Bidders are required to meet the minimum requirements or higher in all categories listed below. All supporting documents must be submitted for verification as evidence. Please complete the table with the details of the qualification requirements. Non-compliance will lead to disqualification.

**NB: ERWAT RESERVES THE RIGHT TO VERIFY ALL SUBMITTED DOCUMENTATION**

	<b>REQUIREMENT</b>	<b>DOCUMENTS REQUIRED</b>
1	One (1) Chartered Accountant: CA(SA) (Project Leader) responsible for performing an overall review of all the work.	Certified copy of certificate of membership with South African Institute of Chartered Accountants (SAICA) as a chartered accountant.
2	One (1) Semi Professional	<b><u>ONE (1) SEMI PROFESSIONAL</u></b> Certified copy of Postgraduate Diploma in Accounting Sciences (or equivalent NQF 8)
3	One (1) Graduate	Certified copy of Bachelor's degree (or equivalent NQF 7)

***NB: DESIGNATIONS (GRADUATE, SEMI PROFESSIONAL, PROFESSIONAL) ARE REFERENCED FROM AGSA CIRCULAR 01/2023/24***

**NB: THE INFORMATION POPULATED IN THE TABLE BELOW WILL BE USED FOR EVALUATION PURPOSES. THE INFORMATION CONTAINED IN THE TABLE WILL ONLY BE CONSIDERED IF THE DECLARATIONS ARE COMPLETED AND SIGNED.**

DESIGNATION	NAME	QUALIFICATION	PROFESSIONAL REGISTRATION	
			PROFESSIONAL BODY	YEARS REGISTERED
CHARTERED ACCOUNTANT: PARTNER				
SEMI PROFESSIONAL				
GRADUATE 1				

**DECLARATION IN TERMS OF THE AUTHENTICITY OF THE INFORMATION SUBMITTED BY:**

**CHARTERED ACCOUNTANT (CA)SA /PARTNER**

I, \_\_\_\_\_, duly authorized to sign this declaration, hereby confirm/declare that the information submitted as portfolio of evidence in relation to key staff experience and qualifications is a true reflection of the submission.

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## 8.2 FUNCTIONALITY EVALUATION

Potential service providers will have to achieve minimum number of **60 points out of 100** for their technical proposals before their financial proposals and are evaluated as set out in the tables below. This is required so that there is a level of comfort that the potential service provider can deliver the project with the required professionalism and quality.

### Scoring Process

The Functional Evaluation Task Team will be established to determine the following:

- Whether or not the Bidder understood the project specifications.
- The bidders experience with similar projects.
- The quality of the methodology proposed.
- The qualifications and experience of the key staff proposed.

No alteration of functionality proposals will be permitted after the deadline for receipt of bids. Questions may be asked for clarification needed to evaluate their proposals, but bidders would not be permitted to change the substance or price of their bids after bid opening. Requests for clarification and the bidder's responses would be made in writing. No interviews will be conducted in this regard.

Functionality Documentation must either be attached to the applicable Returnable Schedule as stated below or can be bound into a separate volume and clearly referenced to in each of the applicable schedules. **If the functionality document is not attached to the page or clearly referenced it will be deemed not to have been included.**

The score for the Functionality Evaluation will be calculated in accordance with the table below:

Table 2: Team and company evaluation (add the functionality table here where and if applicable)

CRITERION	CRITERION DETAILS	POINTS	SCORE
<b><u>COMPANY EXPERIENCE:</u></b>			
<p><b>Previous Experience in Audit, Preparation or Review of Annual Financial Statements in local government.</b></p> <p><i>Uncontactable references or company offices will not be considered. Kindly complete the experience table below in full.</i></p>	<p><i>Please provide signed completion certificates and/or reference letters on the letterheads of the current and previous client/employer. The reference letter must also make reference to the quality of the work.</i></p> <ul style="list-style-type: none"> <li>• Three (3) reference letters, uncontactable and denied references = 10 points</li> <li>• Four (4) completion certificates and/or reference letters = 20Points</li> <li>• Five (5) reference letters or completion certificates = 30Points</li> <li>• Six (6) or more reference letters or completion certificates = 40 Points</li> </ul>	<b>40</b>	
<b><u>EXPERIENCE OF KEY PERSONNEL:</u></b>			
<p>The scoring will be done based on post registration period based on certificate date.</p> <p>Certified copy of certificate of membership with South African Institute of Chartered Accountants (SAICA) as a chartered accountant.</p>	<p><b><u>CHARTERED ACCOUNTANT: PROJECT LEADER</u></b></p> <ul style="list-style-type: none"> <li>• 0 to 12 months from registration date = 0 Points</li> <li>• 13 to 36 months from registration date = 5 Points</li> <li>• 37 to 60 months from registration date = 15 Points</li> <li>• 61 to 120 months from registration date = 20 Points</li> <li>• 121 months and above from registration date = 30 Points</li> </ul>	<b>30</b>	
<p>The scoring will be done based on post qualification period based on certificate date.</p> <p><b><u>ONE (1) SEMI PROFESSIONAL</u></b></p> <p>Certified copy of Postgraduate</p>	<p><b><u>SEMI PROFESSIONAL</u></b></p> <ul style="list-style-type: none"> <li>• 0 to 12 months from date of qualification = 0 Points</li> <li>• 13 to 36 months from date of qualification = 5 Points</li> <li>• 37 to 60 months from date of qualification = 10 Points</li> <li>• 61 to 120 months from date of qualification = 15 Points</li> <li>• 121 months and above from date of qualification = 20 Points</li> </ul>	<b>20</b>	

Diploma in Accounting Sciences (OR equivalent NQF 8)			
<p><b>The scoring will be done based on post qualification period based on certificate date.</b></p> <p><b><u>ONE (1) GRADUATE</u></b> Certified copy of Bachelor's degree (or equivalent NQF 7)</p>	<p><u>GRADUATE</u></p> <ul style="list-style-type: none"> <li>• 0 to 12 months from date of qualification = 0 Points</li> <li>• 13 to 36 months from date of qualification = 2 Points</li> <li>• 37 to 60 months from date of qualification = 5 Points</li> <li>• 61 to 120 months from date of qualification = 7 Points</li> <li>• 121 months and above from date of qualification = 10 Points</li> </ul>	<b>10</b>	
<b>TOTAL</b>	<b>Bidder must score a minimum of 60 points to be considered for further evaluation</b>	<b>100</b>	

**PREVIOUS EXPERIENCE**

Provide the following information on **relevant** previous experience in the preparation,audit/review of **local government** Annual Financial Statements, with a minimum of three (3) **Local government preparation**,audits/reviews. Kindly note that reference letters and/or completion certificates must be signed by the company on their respective letterhead for whom the service provider has rendered the services.

The following information must be included in the table below: contactable references, give full details of name, surname, cell phone number/landline, e-mail address and physical business address.

Failure to submit a minimum of three (3) reference letters and/or completion certificates of services completed in the Local government will lead to disqualification. Bidders will be further evaluated on the review of AFS in any local government over above the three required for the Local government, as set out in the functionality table.

Kindly note that reference letters and or completion certificates must be for individual contracts. More than one reference letter for one specific contract will be seen as one reference irrespective of the number of letters/certificates attached.

Contract number & Description	Value (R, VAT included)	Contract period	Reference					
			Full Name & Surname	Organisation	Office landline number	Cell phone number	e-mail address	Physical Address

**PRICING SCHEDULE**  
**FPQ2408/01: THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE QUALITY ASSURANCE**  
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**PRICING INSTRUCTIONS:**

This is a once off bid and bidders are required to price the line items as set out below.

**TABLE 1**

PHASE	PROCESS DESCRIPTION	AMOUNT (VAT Inclusive)
PHASE 1	Project plan and Methodology	
PHASE 2	Draft Report preparation and submission	
PHASE 3	Project closure report	

For items that fall outside the scope stipulated in this document, Table 2 will be applied on an as and when required basis at the discretion of ERWAT. Circular 1/2023/24 dated 31 March 2023 "GUIDELINE ON FEES FOR AUDITS PERFORMED BY PRIVATE FIRMS ON BEHALF OF THE AUDITOR-GENERAL SOUTH AFRICA (AGSA)", will be used as basis for remuneration.

**TABLE 2**

STAFF LEVEL	UOM	RATE (VAT INCLUSIVE)
Chartered Accountant – Project Leader	Per Hour	
Semi professional	Per Hour	
Graduate	Per Hour	

**TABLE 3**

**TRAVELLING: KM's to be travelled will be limited to 100km per single trip**

AA rates will be applicable, and adjustments will be done in accordance to the current fuel prices (limited to a 2L engine capacity). The distance Bidders will be required to submit the AA certificate for the specific vehicle utilised for the trip including the actual kilometres travelled when submitting the invoice for payment. AA refers to the south African automobile association.

**PRICING SCHEDULE**

(Professional Services)

Name of Bidder \_\_\_\_\_

**FPQ2408/01: THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE QUALITY ASSURANCE ON THE DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE 2023/2024 FINANCIAL PERIOD**

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Closing Time: 12:00 Noon

Closing Date: 12<sup>th</sup> August 2024

**OFFER TO BE VALID FOR A MINIMUM OF 60 (SIXTY) DAYS FROM THE CLOSING DATE OF BID**

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Kindly refer to the pricing schedule attached to this document. The hours/days and rates contained in this section must align with that on the pricing schedule.

1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses ***inclusive of VAT*** for the project. R\_\_\_\_\_
3. Persons who will be involved in the project and rates applicable (certified invoices must be rendered in terms hereof)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
<u>Chartered Accountant – Specialist (Project Leader)</u>	R_____	R_____
<u>Semi Professional</u>	R_____	R_____
<u>Graduate</u>	R_____	R_____
_____	R_____	R_____
_____	R_____	R_____

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
_____	R_____	_____ days
_____	R_____	_____ days
_____	R_____	_____ days
_____	R_____	_____ days
_____	R_____	_____ days
_____	R_____	_____ days

- 5.1 Travel expenses (specify, for example rate/km and total km, etc.). Only actual costs are recoverable and travel fees are limited to the AA rates. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
_____	_____	_____	R_____
_____	_____	_____	R_____
_____	_____	_____	R_____
_____	_____	_____	R_____
TOTAL: R			_____

5.2 Other expenses, for example accommodation (specify, e.g. Three-star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
_____	_____	_____	R_____
_____	_____	_____	R_____
_____	_____	_____	R_____
_____	_____	_____	R_____
TOTAL: R			_____

- 6. Period required for commencement with project after acceptance of bid \_\_\_\_\_
- 7. Estimated man-days for completion of project \_\_\_\_\_
- 8. Are the rates quoted firm for the full period of contract? \_\_\_\_\_
- 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**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.
- 3. A Person who is an advisor or consultant contracted with the municipality.
- 4. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

4.1 Full Name of bidder or his or her representative: \_\_\_\_\_

4.2 Identity Number: 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

4.4 Company Registration Number: \_\_\_\_\_

4.5 Tax Reference Number: \_\_\_\_\_

4.6 VAT Registration Number: \_\_\_\_\_

4.7 The names of all directors / trustees / shareholder's members, their individual identity numbers and state employee numbers must be indicated in paragraph 5 below.

4.8 Are you presently in the service of the state? **YES / NO**  
If so, furnish particulars.  
\_\_\_\_\_  
\_\_\_\_\_

4.9 Have you been in the service of the state for the past twelve months? **YES / NO**  
If so, furnish particulars.  
\_\_\_\_\_  
\_\_\_\_\_

4.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**  
If so, furnish particulars.  
\_\_\_\_\_  
\_\_\_\_\_

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

**YES / NO**

If so, furnish particulars.

---



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4.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state?

**YES / NO**

If so, furnish particulars.

---



---

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

**YES / NO**

If so, furnish particulars.

---



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4.14 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? ***(this refers to all companies involved in, regardless of the commodity)***

**YES / NO**

If so, furnish particulars.

---



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

FULL NAME	IDENTITY NUMBER	STATE EMPLOYEE NUMBER

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

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

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

**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**

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

This preference form must form part of all tenders invited. It contains general information and 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**

**GENERAL CONDITIONS**

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

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).

The applicable preference point system for this tender is the 80/20 preference point system and shall be awarded for:

- Price; and
- Specific Goals.

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
PRICE	<b>80</b>
SPECIFIC GOALS	<b>20</b>
Total points for Price and SPECIFIC GOALS	<b>100</b>

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.

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.

**DEFINITIONS**

“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;

“price” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

“rand value” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

“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

“the Act” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## **FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES**

### **POINTS AWARDED FOR PRICE**

#### **3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS**

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

80/20

$$Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

### **POINTS AWARDED FOR SPECIFIC GOALS**

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:

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)
EME or QSE 51% owned by women	4	
EME or QSE 51% owned by youth	4	
EME or QSE 51% owned by people with disabilities	4	
EME or QSE 51% owned by military veterans	4	
EME or QSE within the boundaries of Ekurhuleni Municipality	4	

The above information will be verified in accordance with the bidders B-BBEE certificate, and or a certificate from the companies and intellectual property commission (CIPC), the department of Military Veterans and or other supporting documents. All supporting evidence must be submitted in order to claim the preferential procurement points claimed. ERWAT reserves the right to verify the information submitted.

In the case of multi-parties (Joint ventures, consortiums, partnerships, etc.), allocation of points will be calculated by adding the individual parties in the JV, etc. ownership % together; divide the total by the number of parties in the respective joint ventures, consortiums, partnerships, etc. The average % will thus be the indicating factor for the number of points to be scored limited to the maximum available points.

e.g. Joint venture:

Party 1 = 51% EME/QSE owned by women

Party 2 = 100% EME/QSE owned by women

= 151% / 2 parties in the JV = 75% and will score = 4 points

The above principle will apply to points 1, 2, 3 & 4 indicated in Table 1 above.

For point 5: The collective JV agreement's address, or the Lead JV partners' domicile Address will be utilized for scoring of points.

**DECLARATION WITH REGARD TO COMPANY/FIRM**

Name of company/firm: \_\_\_\_\_

Company registration number: \_\_\_\_\_

**TYPE OF COMPANY/ FIRM**

<input type="checkbox"/>	Partnership/Joint Venture / Consortium
<input type="checkbox"/>	One-person business/sole propriety
<input type="checkbox"/>	Close corporation
<input type="checkbox"/>	Public Company
<input type="checkbox"/>	Personal Liability Company
<input type="checkbox"/>	(Pty) Limited
<input type="checkbox"/>	Non-Profit Company
<input type="checkbox"/>	State Owned Company

**[TICK APPLICABLE BOX]**

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:

- The information furnished is true and correct;
- The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- In the event of a contract being awarded as a result of points claimed as shown in table 1 above, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- 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 –
  - disqualify the person from the tendering process;
  - recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
  - 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;
  - 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
  - forward the matter for criminal prosecution, if deemed necessary.

Company name: \_\_\_\_\_

Company address: \_\_\_\_\_  
\_\_\_\_\_

Name& Surname of Representative: \_\_\_\_\_

Signature Of Bidder: \_\_\_\_\_

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

Date: \_\_\_\_\_

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

This Municipal Bidding Document must form part of all bids invited.

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.

The bid of any bidder may be rejected if that bidder, or any of its directors have:

- abused the company's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
- been convicted for fraud or corruption during the past five years;
- willfully neglected, reneged on or failed to comply with any government, municipal or other Local government contract during the past five years; or
- 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).

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the Local government?  (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).  The Database of Restricted Suppliers now resides on the National Treasury's website ( <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> ) and can be accessed by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  The Register for Tender Defaulters can be accessed on the National Treasury's website ( <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> ) by clicking on its link at the bottom of the home page.	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:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the company / 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.

Name & Surname of Representative: \_\_\_\_\_

Signature Of Bidder:  
\_\_\_\_\_

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

Date:  
\_\_\_\_\_

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

1. This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
3. 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:

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

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

## **CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

### **FPQ2408/01: THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE QUALITY ASSURANCE ON THE DRAFT ANNUAL FINANCIAL STATEMENTS FOR THE 2023/2024 FINANCIAL PERIOD**

in response to the invitation for the bid made by:

#### **EKURHULENI WATER CARE COMPANY (ERWAT)**

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

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

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

<sup>3</sup> 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.

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 Local government 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**

**PROTECTION OF PERSONAL INFORMATION ACT, 4 OF 2013**

By signing this referral form:

- a) I/we hereby grant my/our voluntary consent that my/our personal information may be processed, collected, used and disclosed in compliance with the Protection of Personal Information Act, 4 of 2013.
- b) I/we furthermore agree that my/our personal information may be used for the lawful and reasonable purposes in as far as the ERWAT (responsible party) must use my/our information in the performance of its public legal duty.
- c) I/we understand that my/our personal information may be disclosed to a third party in as far as the ERWAT must fulfil its public legal duty.
- d) I/we furthermore understand that there are instances in terms of abovementioned Act where my express consent is not necessary to permit the processing of personal information, which may be related to litigation or when the information is publicly available. Further details are available on the ERWAT website.

Company name: \_\_\_\_\_

Company address: \_\_\_\_\_  
\_\_\_\_\_

Name & Surname of Representative: \_\_\_\_\_

Signature Of Bidder: \_\_\_\_\_

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

Date: \_\_\_\_\_

Bidders are required to complete this Form in terms of the Supply Chain Management Regulations issued in terms of clause 35(3) of the Municipal Finance Management Act of 2003, which states that bidders for consultancy services must furnish the municipality or municipal entity with particulars of:

- a. All consultancy services provided to an organ of state in the last five years; and
- b. Any similar consultancy services provided to an organ of state in the last five years.

Bidders shall furnish under **Part A** and **Part B** below, only the details of the contracts where they were directly contracted by the Organ of state to render consultancy services in the last five years. Bidders must not include consultancy services provided in terms of a sub-consultancy agreement.

Where contracts were awarded in the name of a joint venture and the bidder formed part of that joint venture, indicate in the column entitled "Project Description and Contract Number" that it was in joint venture and provide the name of the joint venture that contracted with the employer. In the column for the value of the contract for the service, record the value of the portion of the contract performed (or to be performed) by the bidder.

**NB:** The tables provided under **Part A** and **Part B** only allow for a limited number of projects to be documented, in the case where the space provided in the table is not sufficient, the bidder must attach all their information following the same format as given in the tables.

**PART A: CONSULTANCY SERVICES PROVIDED TO AN ORGAN OF STATE**

The following Consultancy Services where either commenced or completed in the last five years on behalf of an organ of state as our direct Employer.

PROJECT DESCRIPTION AND CONTRACT NUMBER [Only Project Completed Within The Last Five Years]	NAME OF ORGAN OF STATE [I.e. National/Provincial Department, Public Entity, Municipality, Municipal Entity]	CONTRACT VALUE	PROJECT STATUS
1.			
2.			
3.			
4.			
5.			

**PART B: SIMILAR CONSULTANCY SERVICES PROVIDED TO AN ORGAN OF STATE**

The following Contracts recorded in **Part A**, provided consultancy services to an organ of state that are similar to those required in terms of the scope of work for the respective disciplines in this bid:

<b>PROJECT DESCRIPTION AND CONTRACT NUMBER FOR SIMILAR CONSULTANCY SERVICES</b>
<b>AUDIT AND REVIEW OF ANNUAL FINANCIAL STATEMENTS</b>
1.
2.
3.
4.
5

**ANNEXURE 1: ATTACH MUNICIPAL ACCOUNT STATEMENT NOT OLDER THAN 3 MONTHS AND NOT OWING FOR 90+ DAYS OR VALID AGREEMENT SIGNED BY THE LESSOR AND LESSEE**

**ANNEXURE 2: ATTACH CIPC COMPANY REGISTRATION DOCUMENTS**

**ANNEXURE 3: ATTACH FULL CSD REPORT**

**ANNEXURE 4: ATTACH SARS PIN**

**ANNEXURE 5: ATTACH IDENTITY DOCUMENTS OF DIRECTORS/ OWNERS/ SHAREHOLDERS**

**ANNEXURE 6: ATTACH FUNCTIONALITY/ TECHNICAL SUPPORTING DOCUMENTS (WHERE APPLICABLE)**

**ANNEXURE 7: ATTACH PRICE BREAKDOWN (WHERE PRICING SCHEDULE PAGE DOES NOT OFFER SUFFICIENT SPACE)**

**BID SUBMISSION**

1. Bids must be delivered by the stipulated time to the correct address (ERWAT Head Office R25 Bapsfontein Road, Norkem Park). Late bids will not be accepted for consideration.
2. All bids must be submitted on the official forms provided– (not to be re-typed) in a sealed envelope clearly marked with the bid number and description.
3. NB: no bids will be considered from persons in the service of the state (as defined in Regulation 1 of the Local Government: Municipal Supply Chain Management Regulations).
4. 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.

**TAX COMPLIANCE REQUIREMENTS**

Bidders must ensure compliance with their tax obligations.

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.

Application for the tax compliance status (TCS) 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](http://www.sars.gov.za) .

In bids where Consortia / Joint Ventures / Sub-Contractors are involved; each party must submit a separate TCS pin / CSD number.

Where no TCS is available, but the bidder is registered on the Central Supplier Database (CSD), a CSD number must be provided.

**JOINT VENTURE**

In the case of a joint venture, the valid original tax clearance certificate or copy/ies thereof, of each partner, must be submitted with the bid document.

In the case of a joint venture, copies of Municipal services, rates, and taxes clearance certificate for supply chain management purpose (not older than three months from date of closing, not in arrears for more than 90 days, or valid lease agreement signed by both parties) of each partner, must be submitted with the bid document.

In the case of a Joint Venture, a joint venture agreement must be submitted with the bid indicating shareholding percentage.

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

NB: Failure to provide any of the above particulars may result in your bid being disqualified.

Name& Surname of Representative: \_\_\_\_\_

Signature Of Bidder: \_\_\_\_\_

Capacity Under Which This Bid Is Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## NOTICE TO BIDDERS

### VERY IMPORTANT NOTICE ON DISQUALIFICATIONS: \_

A bid not complying with the peremptory requirements stated hereunder will be regarded as not being an "Acceptable bid", and as such will be rejected.

"Acceptable bid" means any bid which, in all respects, complies with the conditions of bid and specifications as set out in the bid documents.

To ensure that your bid is not exposed to invalidation, documents are to be completed in accordance with the conditions and bid rules contained in the bid documents. The lowest or any bid will not necessarily be accepted, and ERWAT reserves the right not to consider any bid not or a bid not comprehensively completed as well as the right to accept a bid in whole or part. ERWAT reserves the right to appoint more than one bid for this contract.

#### A BID WILL BE REJECTED:

- If bidders are not compliant with all applicable legislative requirements, as per CSD. National Treasury in partnership with the Provincial Treasury have developed municipalities and municipal entities with a Central Supplier Database (CSD) for the registration of prospective suppliers in line with Section 14(1) (b) of the Municipal Supply Chain Management Regulations (MSCMR). (Tax compliance will be dealt with in terms of MFMA Circular No. 90)
- Non-compliance with the Value Added Tax Act, 1991; i.e. In terms of this Act, it is mandatory for any business to register for VAT if the income earned in any consecutive twelve (12) month period exceeds or is likely to exceed R 1 million. NB: Bidder/s failing to comply with this provision of the Value Added Tax Act, 1991 WILL NOT BE CONSIDERED, therefore rejected.
- Non-compliance with the Municipal Supply Chain Management Regulations, 2005; i.e. All sections affecting the evaluation of the bid must be indicated on the bid document and must be submitted and completed in full. All bidder's information must be accurate and correct.
- In the event of there being scratching out, writing over or painting out rates or information, affecting the evaluation of the bid, without initialling next to the amended rates or information. However, in cases where the total amount (aggregated) has not been affected, the bid will still be acceptable.
- In the event of the use of correction fluid (e.g., tippex), any erasable ink, or any erasable writing instrument (e.g., pencil). (Only black pen to be used).
- If the Bid has not been properly signed by a person having the authority to do so.
- Any misrepresentation constitutes a criminal offence as set out in the B-BBEE Act (as amended) and could lead to prosecution and misrepresentation on the specific goals will result in the bidder being reported to National Treasury's list of tender defaulters.
- Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder will be requested to submit to the municipality, within 7 working days. The bidder will be rejected if they fail to provide proof of tax compliance status within the 7 working days after recommendation (at the discretion of ERWAT).
- If the bidder attempts to influence or has in fact influenced the evaluation and/or awarding of the contract.
- If the bid has either been submitted in the wrong bid box or after the relevant closing date and time.
- If any municipal rates and taxes or municipal service charges owed by the bidder or any of its directors/members to the municipality or municipal entity, or to any other municipality or municipal

entity, are in arrears for more than three months (unless if the bidder has attached proof of the payment arrangement of the arrears to the bid document as at the closing date of the submission of bids).

- If any bidder who during the last five years has failed to perform satisfactorily on a previous contract with the municipality, municipal entity or any other organ of state after written notice was given to that bidder that performance was unsatisfactory.
- The accounting officer must ensure that irrespective of the procurement process followed, no award may be given to a person –
  - who is in the service of the state, or;
  - if that person is not a natural person, of which any director, manager, shareholder or stakeholder, is a person in the service of the state; or; who is an advisor or consultant contracted with the municipality in respect of contract that would cause a conflict of interest.
- If the bidder is not registered in the required CIDB contractor grading designation (category) or higher, if required in this bid documentation.
- If the bidder or any of its directors is listed on the Register of Bid Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the Local government.
- If more than one (1) company quotes and the Director/s are the same Person/s and the companies fail to disclose this in the MBD4; the bids will be rejected as a result of Anti-Competitive Behaviour.
- If the bidder has failed to submit ALL required documents as specified on the bid document.
- If any pages have been removed from the bid document, and have therefore not been submitted, or a copy of the original bid document has been submitted (all signatures to be original on each page).
- If the bidder fails to achieve the minimum score in terms of the functionality evaluation (where applicable).

#### **A. ADMINISTRATIVE REQUIREMENTS**

- Proof of company Central Supplier Database Registration (full CSD report **not** a summary report).
- Fully completed MBD forms
- Bidders to include product brochure of the product they will supply (where applicable).

#### **B. MANDATORY REQUIREMENTS**

- Municipal account statement not older than 3 months and not owing for 90+days or valid agreement signed by the lessor and lessee.
- Tax compliance status
- Supporting documents for functionality evaluation (where applicable)

**Note:** Kindly note that MBD 4.14 must be completed in line with the information provided on the CSD (Paragraph on: “**Directors/members/owners information**”). Related companies mean other companies where in the directors of the bidding company are also part of the shareholders. Bidders to provide names of the directors and their respective CSD numbers of other companies wherein they are shareholders. Therefore, bidders who are directors in other companies must tick “**Yes**” and provide the details of those relevant companies. Where directors of the bidding company are not shareholders in any company, they must tick “**NO**”.

**FAILURE TO ADHERE TO THESE CONDITIONS WILL LEAD TO THE BID BEING INVALIDATED.**

### **C. PREFERENTIAL POINT SCORING**

In terms of regulation 5 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by ERWAT on the 80/20 preference points for Broad-Based Black economic empowerment in terms of which points are awarded to bidders based on:

- Points awarded for price
- Points awarded for specific goals

ERWAT reserves the right to award more than one bidder.

### **D. VALUE ADDED TAX**

All bid prices must be inclusive of 15% Value-Added Tax where applicable.

### **E. COMMUNICATION**

ERWAT may communicate with bidders for, among others, where bid clarity is sought, to obtain information or to extend the validity period.

### **F. LATE BIDS**

Bids received at the address indicated in the bid documents, after the closing date and time will not be accepted for consideration and where applicable, be returned unopened to the bidder.

### **G. FRONTING**

ERWAT supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background ERWAT condemns any form of fronting.

ERWAT, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting issued by the Department of Trade and Industry, established during such enquiry/investigation, the onus will be on the bidder contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with the Local government for a period not exceeding ten years, in addition to any other remedies the National Treasury may have against the bidder/contractor concerned.

**GENERAL CONDITIONS OF CONTRACT**

**THE NATIONAL TREASURY**

**Republic of South Africa**



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**GOVERNMENT PROCUREMENT:**

**GENERAL CONDITIONS OF  
CONTRACT**

July 2010

## TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information inspection
6. Patent Rights
7. Performance security
8. Inspections, tests and analyses
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental Services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Variation orders
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Anti-dumping and countervailing duties and rights
25. Force Majeure
26. Termination for insolvency
27. Settlement of Disputes
28. Limitation of Liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. Transfer of contracts
34. Amendments of contracts
35. Prohibition of restrictive practices

## **GENERAL CONDITIONS OF 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 on hand.
- 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on its own initiative in the RSA at lower prices than that of the country of origin and which has the potential to harm the local industries in the RSA.
- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components,

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

- 1.17 "Local content" means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 "Tort" means in breach of contract.
- 1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

## **2. Application**

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of the contract are also laid down to cover specific goods, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

## **3. General**

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

#### **4. Standards**

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

#### **5. Use of contract documents and information inspection**

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

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

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

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

#### **6. Patent Rights**

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

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

#### **7. Performance security**

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

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

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

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

b) a cashiers' or certified cheque.

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

## **8. Inspections, tests and analyses**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Goods and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be ejected.
- 8.7 Any contract goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods, which do comply with the requirements of the contract. Failing such removal, the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

## **9. Packing**

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

**12. Transportation**

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

**13. Incidental Services**

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

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

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

**14. Spare parts**

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and;
- (b) in the event of termination of production of the spare parts:
  - (i) advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

**15. Warranty**

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

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as

the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise.

- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

## **16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated.

## **17. Prices**

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

## **18. Variation Orders**

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

## **19. Assignment**

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

## **20. Subcontracts**

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

## **21. Delays in the supplier's performance**

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance

with the time schedule prescribed by the purchaser in the contract.

- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 The right is reserved to procure outside of the contract sum all quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the goods are required, or the supplier's services are not readily available.
- 21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.
- 21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **22. Penalties**

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

## **23. Termination for default**

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) if the supplier fails to deliver any or all 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.
  - (a) if the supplier fails to perform any other obligation(s) under the contract; or
  - (c) if the supplier, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the Local government for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the

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

- 23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchaser actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser.
  - (ii) the date of commencement of the restriction
  - (iii) the period of restriction; and
  - (iv) the reasons for the restriction.

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

- 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 Local government for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

## **24. Anti-dumping and countervailing duties and rights**

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

## **25. Force Majeure**

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## **26. Termination for insolvency**

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

## **27. Settlement of Disputes**

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

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

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

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

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) The purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.

## **28. Limitation of Liability**

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

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

## **29. Governing language**

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

## **30. Applicable law**

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

## **31. Notices**

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

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

### **32. Taxes and duties**

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

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

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

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

### **33. Transfer of contracts**

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

### **34. Amendment of contracts**

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

### **35. Prohibition of restrictive practices**

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

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

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

35.4 ages from the bidder(s) or contractor(s) concerned.