



POLOKWANE HOUSING ASSOCIATION

BUDGET AND TREASURY OFFICE

REQUEST FOR QUALIFICATION FOR THE ESTABLISHMENT OF A SUITABLE AND SUSTAINABLE STUDENT ACCOMMODATION FACILITY, ON A DESIGN, FINANCE, BUILD, OPERATE, MAINTAIN AND TRANSFER MODEL FOR A PERIOD OF THIRTY (30) YEARS, ERVEN 20802-20815 AND 20817-20821 IN EXTENSION 106.

BID NUMBER : RFQ198/2016

NAME OF BIDDER :

ADDRESS :

TELEPHONE NUMBER :

CELLPHONE NUMBER :

FAX NUMBER :

E-MAIL ADDRESS :

B-BBEE LEVEL :

CENTRAL SUPPLIER (CSD) NUMBER DATABASE :

CLOSING DATE : 26 JULY 2017

CLOSING TIME : 10:00

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BID NO: RFQ 198/2016

REQUEST FOR QUALIFICATION FOR THE ESTABLISHMENT OF A SUITABLE AND SUSTAINABLE STUDENT ACCOMMODATION FACILITY, ON A DESIGN, FINANCE, BUILD, OPERATE, MAINTAIN AND TRANSFER MODEL FOR A PERIOD OF THIRTY (30) YEARS, ERVEN 20802-20815 AND 20817-20821 IN EXTENSION 106.

DIRECTORATE: BUDGET AND TREASURY OFFICE

BUSINESS UNIT: BUDGET AND TREASURY OFFICE

ENTITY: POLOKWANE HOUSING ASSOCIATION

Bids are hereby invited for the **Design, Finance, Build, Operate and Transfer (DFBOMT MODEL)** of a student accommodation facility on Polokwane Site Extension 106, for a Period of Thirty (30) Years

Bids documents containing the Conditions of Bid and other requirements in terms of the Supply Chain Management Policy will be downloaded from e-tenders Publication Portal at www.etenders.gov.za at no fee.

An official and compulsory briefing session will be held on **Wednesday, 05 July 2017 at 10H00** at the **New Peter Mokaba Stadium Complex, Executive Lounge 1st Floor**. The Council also reserves the right to negotiate further conditions and requirements with the successful bidder.

Complete Bid document, fully signed and must be sealed in an envelope marked “**REQUEST FOR QUALIFICATION FOR THE ESTABLISHMENT OF A SUITABLE AND SUSTAINABLE STUDENT ACCOMMODATION FACILITY, ON A DESIGN, FINANCE, BUILD, OPERATE, MAINTAIN AND TRANSFER MODEL FOR A PERIOD OF THIRTY (30) YEARS, ERVEN 20802-20815 AND 20817-20821 IN EXTENSION 106.**”

Closing date on **Wednesday, 26 July 2017 at 10:00** and should be deposited in the Tender Box at the Polokwane Municipality, Civic Centre, Landros Mare Street, Polokwane City, not later than 10:00. The Bid box is generally open 24 hours, 7 days a week.

Bidders should ensure that bids are delivered timorously to the correct address. If the bid is late, it will not be accepted for consideration

THIS BID IS SUBJECT TO THE, PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATION, 2011, AND THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

The Municipality shall adjudicate, and award the prequalified bidders in accordance with preferential procurement regulation 2011 and will be Quality based. Prospective bidders must accept that the bid will be adjudicated according to the said legislation. Bids shall remain valid for 90 (ninety) days from date of closing of tender.

N.B: NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE [AS DEFINED IN REGULATION 1 OF THE LOCAL GOVERNMENT: MUNICIPAL SUPPLY CHAINS MANAGEMENT REGULATIONS]

Enquiries relating to this bid should be addressed to **Mr R Maetisa** on Tel No. **(015) 290 2175**; email: robertm@polokwane.gov.za or **Mr. Shimi Maimele.** at **015 291 2314**
shimim@polokwane.gov.za.

**MR D.H. MAKUBE
MUNICIPAL MANAGER
CIVIC CENTRE
LANDDROS MARE STREET
POLOKWANE**

RESPONSIVENESS AND EVALUATION CRITERIA

POLOKWANE MUNICIPALITY WILL CONSIDER NO BID UNLESS ITS MEETS THE FOLLOWING RESPONSIVENESS CRITERIA

- The bid must be properly received in a sealed envelope clearly indicating the description of the service and the bid number for which the bid is submitted.
- The bid must be deposited in the relevant bid box as indicated on the notice of the bid on or before the closing date and time of the bid.
- Bid forms must be completed in full
- Submission of a Joint Venture Agreement, where applicable, which has been properly signed by all parties.
- Proof of payment of municipal rates and taxes.
- Complies with the requirements of the bid and technical specifications.
- Registered in the relevant professional body in the specific field
- Adheres to
 - a) SCM Policy, the Preferential Procurement Policy Framework Act, and other applicable legislations.
 - b) The Council reserves the right to accept all, some, or none of the bids submitted – either wholly or in part and it is not obliged to accept the lowest bid.

By submitting this bid, bidder authorizes the Council or its delegate(s) to carry out any investigation deemed necessary to verify the correctness of the statements and documents submitted and that such documents reasonably reflect the ability of the Bidder to provide the goods and services required by the Council.

CHECKLIST OF COMPULSORY RETURNABLE SCHEDULES AND DOCUMENTS

Please adhere to the following instructions

- **Tick in the relevant block below**
- **Ensure that the following compliance issues have been adhered to:**

COMPLIANCE REQUIREMENTS	YES	NO
Submission JV Agreement (where applicable)		
Bid Security/Bid Bond		
Central Supplier Database (Registration Report and Supplier Number)		
BEE Certificate		
Audited or Reviewed Annual Financial Statements		
Project Completion Certificates& Contactable Project References		
Brief session attendance& Signing of the Register		
Completed and signed declaration on past SCM practices form (MBD8)		
Signing of the declaration of interest form (MBD4)		
Copy of municipal rates and taxes statement of account which is not older than three (3) months or proof of leasing agreement for service providers who are renting or leasing offices and letter from Tribal Authority		

NOTE:THE AUTHORIZED SIGNATORY MUST SIGN ANY ALTERATIONS TO THE BID DOCUMENT IN FULL. ANY COMPLETION OF THE BID DOCUMENT IN ERASABLE INK WILL NOT BE ACCEPTED

PLEASE NOTE

The Municipal Manager may reject the bid or quote of any person if that person or any of its directors has:

- a) The person committed a corrupt or fraudulent act during the procurement process or in the execution of the contract, or
- b) An official or other role player committed any corrupt or fraudulent act during the procurement process or in the execution of the contract that benefited that person.
- c) Failed to pay municipal rates and taxes or municipal service charges and such rates, taxes and charges are in arrears for more than three months;
- d) Failed, during the last five years, to perform satisfactorily on a previous contract with the Polokwane Municipality or any other organ of State after written notice was given to that bidder that performance was unsatisfactory;
- e) Abused the supply chain management system of the Municipality or have committed any improper conduct in relation to this system;
- f) Been convicted of fraud or corruption during the past five years;
- g) Willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
- h) 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) or has been listed on National Treasury's database as a person prohibited from doing business with public sector.

BID NO: RFQ198/2016

I/We, the undersigned:

- a) Bid to supply and deliver to Polokwane Municipality all or any of the supplies and to render all the articles, goods, materials, services or the like described both in this and the other Scheduled to this Contract;
- b) Agree that we will be bound by the specifications, prices, terms and conditions stipulated in those Schedules attached to this bid document, regarding delivery and execution;
- c) Further agree to be bound by those conditions, set out in Forms, MBD's, SBDs and the Annexures attached hereto, should this bid be accepted in whole or in part;
- d) Confirm that this bid may only be accepted by the Polokwane Municipality by way of a duly authorized Letter of Acceptance; and,
- e) Declare that, the relevant authorized person thereto will initial each page of the bid document and amendments.
- f) Declare that all information provided in respect of the bidder as well as the bid documents submitted are true and correct.
- g) Declare that documentary proof regarding aspects of the bid process or accidental thereto will, when required, be submitted to the satisfaction of the Municipality.

Signed at this Day of (Year)

Signature of the Bidder: _____

Name of Bidder: _____

Professional Registration No., if any. (attach proof)

Address: _____

Date: _____

As Witness: 1. _____

2. _____

Particular of Sole Proprietors and partners in partnerships

Name	Identity Number	Personal Income Tax Number

(Attach of identity Document, if bidder is a Sole Proprietor and/or partners in partnership)

State in cases where the bidder is a Company, Corporation of Firm by what authority the person signing does so, whether by Articles of Association, Resolution, Power of Attorney or otherwise.

I/We the undersigned am/are authorized to enter into this contract of behalf of:

by virtue of _____

dated _____ a certified copy of which is attached to this bid.

Signature of authorized person: _____

Name of Firm: _____

Postal Address: _____

Date:

As witness: 1. _____

2. _____

Please Note:

The prices at which bids are prepared to supply the goods and materials or perform the services must be placed on the column on the Form provided for that purpose.

Bank account details of bidder:

Bank: _____

Branch: _____

Branch Code: _____

Accounting Number: _____

Type of Account: _____

BIDDING INFORMATION

Details of person responsible for bidding process

Name _____

Contact number _____

Address of office submitting bid _____

Telephone _____

Fax no _____

E-mail address _____

VAT Registration Number _____

Has a B-BBEE status level verification certificate been submitted? Yes/No

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CC):

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL

ACCREDITATION SYSTEM (SANAS):

A REGISTERED:

(Tick applicable box)

(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)

ARE YOU THE ACCREDITED REPRESENTATIVE:

Yes/No

IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED? (IF YES ENCLOSE
PROOF)

AUTHORITY FOR SIGNATORY

Signatories for close corporation and companies shall conform their authority by attaching to this form a duly signed and dated copy of the relevant resolution of their members or their board of directors, as the case may be.

An example for a company is shown below:

“By resolution of the board of directors passed on _____ 20 _____

Mr/Ms. _____

Has been duly authorized to sign all documents in connection with the bid for

Contract _____ No _____

And any Contract, which may arise there from on behalf of

Signed on behalf of the company:

In his/her capacity as: _____

Date: _____

Signature of signatory

As witness: 1. _____

2. _____

GENERAL UNDERTAKINGS BY THE BIDDER

DEFINITION

1. **"Acceptable bid"** means any bid, which in all respects, complies with conditions of bid and specifications as set out in the bid document, including conditions as specified in the Preferential Procurement Regulation (of 2011).
2. **"Chairperson"** means the chairperson of the Polokwane Municipality Bid Adjudication Committee.
3. **"Municipal Manager"** means the Municipal Manager of the Municipality.
4. **Committee** refers to the Bid Adjudication Committee.
5. **"Council"** refers to Polokwane Municipality.
6. **"Member"** means a member of the Bid Adjudication Committee.
7. **Service providers** refers to the bidders who have been successful in being awarded Council contracts.
8. **SMMEs** (Small, medium and Micro Enterprises) refers to separate and distinct business entities, including co- operative enterprises and NGOs, managed by one owner or more, as defined in the National Small Business (Act 102 of 1996).
9. **Contract** refers to legally binding agreement between Polokwane Municipality and the service provider.
10. **Bid** means a written offer in a prescribed or stipulated form in response to an invitation by the Municipality for the provision of services or goods.
11. **Contractor** means any natural or legal person whose bid has been accepted by the Council.
12. **Closing time** means the date and hour specified in the bid documents for the receipt of bids.
13. **Order** means an official written order issued for the supply of goods or the rendering of a service in accordance of the accepted bid or price quotation.
14. **Written** or **in writing,** means hand written in ink or any form of mechanical writing in printed form.

INTERPRETATION:

1. In this agreement clause headings are for convenience and shall not be used in its interpretation and, unless the context clearly indicates a contrary intention:
2. An expression which denotes: -
3. Any reference to any statute, regulation or other legislation or official policy shall be a reference to that statute, regulation or other legislation or national policy as at the signature date, and as amended or re-enacted from time to time;
4. When any number of day is prescribed, such shall be reckoned exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding day which is a business day;
5. Where any term is defined within a particular clause, other than the interpretation clause, that term shall bear the meaning ascribed to it in that clause wherever it is used in this agreement.

I/we hereby tender:

To supply all or any of the supplies and/or to render all or any of the services described in the attached documents {Forms, Schedule(s) and/or Annexure(s) to the Polokwane Municipality.

On the terms and conditions and accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and incorporated into, this bid);

At the prices and on the terms regarding time for delivery and/or execution inserted therein.

I/we agree further that:

The offer herein shall remain binding upon me/us and open for acceptance by the Polokwane Municipality during the validity period indicated and calculated from the closing time of the bid.

This bid and its acceptance shall be subject to the terms and conditions contained in the Forms, Scheduled(s) and/or Annexure(s) attached hereto with which I am /we are fully acquitted.

Notwithstanding anything to the contrary in the Form(s), Schedule(s) and /or Annexure(s) attached hereto:

If I/we withdraw my/our bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfill the contract when called upon to do so, the Polokwane Municipality may, without prejudice to its other rights, agree to the withdrawal of my/our tender or cancel the contract that may have been entered into between me/us and the Municipality;

In such event, I/we will then pay to the Municipality any additional expenses incurred by the Municipality for having either to accept any less favourable bid or, if new bids have to be invited, the additional expenditure incurred by the invitation of new bids and by the subsequent acceptance of any less favourable bid;

The Municipality shall also have the right in these circumstances, to recover such additional expenditure by set-off against monies which may be due or become due to me/us under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfillment of this or any other bid or contract;

Pending the ascertainment of the amount of such additional expenditure the Municipality may retain such monies, guarantee or deposit as security for any loss the Municipality may sustain, as determined hereunder, by reason of my/our default.

Any legal proceedings arising from this bid may in all respects be launched or instituted against me/us and if/we hereby

undertake to satisfy fully any sentence or judgment which may be obtained against me/us as a result of such legal proceedings and I/we undertake to pay the Polokwane Municipality legal costs on an attorney and own client;

If my/our bid is accepted that acceptance may be communicate to me/us by letter or facsimiles and that proof of delivery of such acceptance to SA Post Office Ltd or the production of a document confirming that a fax has been sent, shall be treated as delivery to me/us.

The law of the Republic of South Africa shall govern the contract created by the acceptance to this tender.

I/we have satisfied myself/ourselves as to the correctness and validity of this tender, that the price(s) and rate(s) quoted cover all the work/items(s) specified in the tender

documents and that the price(s) and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our risk.

I/we accept full responsibility for the proper execution and conditions defaulting on me/us under this agreement as the principal(s) liable for the fulfillment of this contract.

I/we declare that I/we have participated /no participated in the submission of any other bid for the supplies/services described in the attached documents. If your answer here is yes, please state the names(s) of the other Bid(s) involved:

General Conditions of Contract**1. DEFINITION**

The following terms shall be interpreted as indicated:

- 1.1 **"Closing time"** means the date and hour specified in the bidding documents for the receipt of bids
- 1.2 **"Contract"** means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 **"Contract price"** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4 **"Corrupt practice"** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 **"Country of origin"** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing, or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 **"Day"** means calendar day.
- 1.8 **"Delivery"** means delivery in compliance of the conditions of the contract or order.
- 1.9 **"Delivery ex stock"** means immediate delivery directly from stock actually on hand.
- 1.10 **"Delivery into consignee's store or to his site"** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.

- 1.11 **"Dumping"** occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 **"Force majeure"** means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 **"Fraudulent practice"** means a misrepresentation of facts in order to influence 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 component 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, component and machinery and includes other related value-adding activities.
- 1.19 **"Order"** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 **"Project site,"** where applicable, means the place indicated in bidding documents.
- 1.21 **"Purchaser"** means the organization purchasing the goods.

- 1.22 “**Republic**” means the Republic of South Africa.
- 1.23 “**SCC**” means the Special Conditions of Contract.
- 1.24 “**Services**” means those functional services, ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 “**Supplier**” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 “**Tort**” means in breach of contract.
- 1.27 “**Turnkey**” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 “**Written**” or “**in writing**” means hand-written in ink or any form of electronic or mechanical writing.

2. Application

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information inspection

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

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

5.3. Any document, other than the contract itself mentioned in GC 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 furnish to the purchaser the performance security of the amount specified in SCC.

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

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

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

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

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

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental Services

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

- (a) Performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) Furnishing of tools required for assembly and/or maintenance of the supplied goods;

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

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

14. Spare parts

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

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

15. Warranty

15.1. The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's

specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

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

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

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

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

16. Payment

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

16.2. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the Delivery note and upon fulfillment of other obligations stipulated in the contract. 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.3. 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 performance

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

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

21.3. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not

situated at or near the place where the goods are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

23.3. Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years. 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed.

23.4. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

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

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

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

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

23.7. If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person

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

24. Antidumping 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.

24.2. 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 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, 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 public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

GENERAL PROCEDURES

1 General Directives

- 1.1 The following general procedures contained in this document have been laid down by the Council and are applicable to all bids, orders and contracts, unless otherwise approved by the Council prior to the invitation of the bids.
- 1.2 Where applicable, special conditions or procedures are also laid down by the Council to cover specific supplies or services.
- 1.3 Where such special conditions or procedures are in conflict with the general conditions and procedures, the special conditions or procedures shall apply.
- 1.4 The bidder shall satisfy himself/herself with the conditions and circumstances of the bid. By bidding, the bidder shall deem to have satisfied himself/herself as to all the conditions and circumstances of the bid.
- 1.5 Formal contract are concluded with the contractors only where this requirement is stated in the bid invitation.
- 1.6 All bids with regard to the bidding of a service e.g. materials, cleaning services; professional services, etc. shall be subject to the negotiation of a Service Level agreement between the successful contractor and the Municipality. The acceptance of this Service Level Agreement is subject to the approval by the Council of the Municipality.
- 1.7 The written acceptance of bid shall be posted to the bidder or contractor concerned by registered or certified mail.

2 Issuing of bid documents

- 2.1 On the date that the advertisement appears in the National Treasury e-tender portal, and or media, prospective bidders may request copies of the tender documentation.

- 2.2 The Supply Chain Management Unit will keep a register and potential bidders should sign for receipt of the bid documentation. If a fee is payable, an official receipt must be issued before the bid document is handed to the bidder.
- 2.3 No bid responses from any bidder should be accepted if sent via the Internet, e-mail or fax.
- 2.4 Only the Supply Chain Management Unit will have direct communication between the potential bidders and will facilitate all communication between potential bidders and the Municipality with regard to any advertised bid. No line function staff should be allowed to communicate with potential bidders without the approval by the Manager: Supply Chain Management Unit.
- 2.5 The Supply Chain Management Unit will only consider request for the extension of the closing dates of advertised bid if the postponed date can be advertised in the media used to advertise before the original closing date. The closing time may be postponed only if all potential bidders can be advised of the postponed time, in writing, before the original closing time.
- 2.6 The decision to extend the closing date or time rests with the Manager: Supply Chain Management Unit, who must ensure compliance with all relevant rules and regulations and must confirm prior to the action being taken.

3 Payment of bid documents

Bids documents containing the Conditions of Bid and other requirements in terms of the Supply Chain Management Policy will be downloaded from e-tender Publication Portal at www.etenders.gov.za at no fee

4 Public Invitation for competitive bids

The following are procedures for the invitation of competitive bids:

- 4.1 Invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin) and

5 Public advertisement must contain the following:

The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (Vat included), or which are of a long-term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper; subject to (iii) below; and

- 6 Accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

7 Bids submitted must be sealed.

8 The following information must appear in any advertisement:

- Bid number;
- Description of the requirements;
- The place where the bid documents can be obtained;
- The date, time and venue where site inspection/briefing session will be (if applicable);
- Closing date and time;
- The fee applicable that must be paid before the bid documents will be issued; and
- The name and telephone numbers of the contact person for any enquiries

9 Site meetings of briefing sessions

A fully explanatory site inspection must be conducted before the close of the bids to ensure that the bidders understand the scope of the project and that they can comply with the conditions and requirements.

It should be a condition that prospective bidders attend a site inspection and non-attendance should invalidate a bid, where a site inspection/briefing session is applicable.

10 Handling of bids submitted in response to public invitation

10.1 Closing of bids

All bids will close at 10H00 on a date as stipulated on the advertisement, which must be reflected in the bid document.

Bids are late if they are received at the address indicated in the tender documents after the closing date and time.

A late bid should not be admitted for consideration and where practical should be returned unopened to the bidder accompanied by explanation.

10.2 Opening of bids

Bids are opened in public as soon as possible after the closure in the presence of the Manager: Supply Chain Management or his/her delegate.

The official opening of the bids should in each case read out the name of the bidder

The bid should be stamped with the official stamp of the Municipality and endorsed with the signatures of the person opening it and of the person in whose presence it was opened.

Bids should be recorded in a register kept for that purpose.

10.3 Validity Period of the bids

The validity periods should not exceed 90 (ninety) days and is calculated from the date of bid closure endorsed on the front cover of the bid document.

Should the validity period expires on a Saturday, Sunday or Public holiday, the bid must remain valid and open for acceptance until the closure on the following working date.

10.4 Consideration of bids

- The Council takes all bids duly admitted into consideration.

- The Council reserves the right to accept the lowest or any bid received.
- The decision by the Municipality regarding the awarding of a contract must be final and binding

10.5 Evaluation of bids

The following are criteria against which all bids responses will be evaluated:

11 Compliance with bid conditions;

- Bid submitted on time,
- Bid forms signed
- All essential information provided
- Compliance with central supplier database requirements
- Submission of Company Registration Certificate
- Submission of a Joint Venture Agreement, which has been properly signed by all parties
- Payment of Municipal Fees

12 Meeting technical specifications and comply with bid conditions;

13 Financial ability to execute the contract; and

- (i) The number of points scored for achieving Government's Broad-Based Black Economic Empowerment objectives and points scored for price.
- (ii) Only bidders who are registered in the relevant professional body will be considered. This requirement will remain in force as long as it is a requirement of that specific professional body.
- (iii) The Joint Ventures, all companies, which are part of the joint venture, must be registered with the professional body. The company that meets the requirement of professional body will be considered.

14 Evaluation of bids on functionality and price

14.1 All bids received will be evaluated on functionality.

15 The conditions of bid may stipulate that a bidder must score a specified minimum number of points for functionality to qualify for further evaluation.

- I. The number of points scored for achieving Government's Broad-Based Black Economic Empowerment objectives must be calculated separately
- II. Only bid with the highest number of points will be selected.

16 Acceptance of bids

Successful bidders must be notified at least by registered post of the acceptance of their bids, but that acceptance however, will only take effect after completion of the prescribed contract form.

The successful service provider will be required to sign the service level agreement.

Unsuccessful bids should not be returned to bidders, but should be placed on record for audit purposes.

A register or records should be kept of all bids accepted

17 Publication of bids results

The particulars of the successful bidders should be published in the Municipality's, website as well as the newspaper on which the bid was advertised.

18 Cancellation and re-invitation of bids

- I. In the event that in the application of the 80/20 preference point system as stipulated in the bid documents, all bids received exceed the estimated Rand Value of R50 000 000.00, the bid invitation must be cancelled. If one or more of the acceptable bid(s) received are within the R50 000 000.00 threshold, all bids received must be evaluated on the 80/20 preference point system
- II. In the event that, in the application of the 90/10 preference point system as stipulated in the bid documents, all bids received are equal to or below R50 000 000.00, the bid must be cancelled. If one or more of the acceptable bid(s) received are above the R50 million threshold, all bids received must be evaluated on the 90/10 preference point system
- III. If a bid was cancelled as indicated above, the correct preference point system must be stipulated in the bid documents of the re-invited bid.
- IV. Municipal Manager may, prior to the award of a bid, cancel the bid if:

- a. Due to changed circumstances, there is no longer a need for the services, works or goods requested.
- b. Municipal Manager must ensure that only goods, services or works that are required to fulfil the needs of the institution are procured. Or
- c. Funds are no longer available to cover the total envisaged expenditure.
- d. Municipal Manager must ensure that the budgetary provisions exist prior to inviting bids: or
- e. No acceptable bids are received (If all bids received are rejected, the institution must review the reasons justifying the rejection and consider making revisions to the specific conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids)

19 Sale and Letting of Asset

The Preferential Procurement Regulations, 2011 is not applicable to the sale and letting of assets.

In instances where assets are sold or leased by means of a bidding process, the bid must be awarded to the bid with the highest price.

BID NUMBER: RFQ 198/2016

SPECIAL CONDITIONS OF CONTRACT

1. The bidder is required by law to submit audited or reviewed annual financial statement; for the past three years; or since its establishment if established within the past three years;
2. The bidder is also required to provide a letter of intent from a financial institution, detailing the institution's intention to fund the bidder, should the bidder's proposal be successful.
3. Bid Security of **R3 000 000 will be required in RFP stage.**

BID NUMBER: RFQ 198/2016

TERMS OF REFERENCE

PART 2: PROJECT DESCRIPTION

1 PROJECT BACKGROUND

1.1 Project History

In South Africa, social housing is defined as “A rental or co-operative housing option for low income persons at a level of scale and built form which requires institutionalised management and which is provided by accredited social housing institutions or in accredited social housing projects in designated restructuring zones”. Although student accommodation falls within the ambit of this definition, it is not recognised as such in terms of policy.

1.2 The City’s Objectives

The City’s mission is to provide cost effective services which promote sustainable livelihood through socio economic development and good governance. The City recognised the need for student housing as a social challenge. In terms of the Municipality’s values for sustainable development of an economic, social and environmental friendly approach must be adopted in the development of a Smart City.

Upon identifying the national need for student accommodation facilities. The City decided to investigate the possibility of pursuing a project aimed at the construction and operation of such facilities. The City together with Thabatshweu Housing Company (PTY) LTD, the City’s housing Entity, which trades as Polokwane Housing Association – (PHA) decided to facilitate the provision of student accommodation units to fast track the development of student accommodation units. Polokwane Local Municipality commissioned the services of a multidisciplinary Transaction Advisory team to conduct a feasibility study to test the viability of developing student housing units.

A student housing demand assessment was conducted for Polokwane Municipality which proved that the City was not immune to these challenges. The assessment found that the student accommodation ratio in the Municipality was approximately 1 bed to 13 students. Further to this, the study found that, students who were not sufficiently accommodated within

the residences were leasing apartments within the City Centre and had become victims of crime.

The results of the Comprehensive Feasibility Study found the project to be viable, demonstrating value for money and appropriate risk transfer.

It is on the back of this that Polokwane Local Municipality, through its implementing agent – Polokwane Housing Association, seeks to lease land to a Private Party on which the Private Party would build, at their own cost and risk. The Private Party would receive revenue in the form of lease payments, which, subject to final negotiations, may or may not, include guaranteed occupancy agreements concluded with higher education institutions within the vicinity of the identified land parcel.

The municipality also seeks to contribute to infrastructure development within Polokwane and, in the process, to alleviate the problem of lack student accommodation for higher education institutions. And through this project the City aims to contribute to its socio-economic development such as job creation and local economic development.

2 MARKET DEMAND ASSESSMENT

Three (3) higher Education institutions within the demarcations of the Municipality were engaged. These institutions collectively account for 15 600 students studying within Polokwane Municipality. Capricorn FET College has 12 500 students, TUT has 2500 students and Boston has 600 students. Only 367 rooms are currently available between these institutions. Boston City Campus does not provide student to studying within its campus, but when engaged the institution expressed a dire need for accommodation within Polokwane. This is because a considerable amount of the students studying within the campus are not residents of Polokwane Local Municipality and therefore, must find accommodation within the city.

Some of the other issues identified during the analysis were, that the student accommodation facilities provided within Polokwane are either unsuitable but affordable, or suitable but unaffordable for the student – resulting in the students living in appalling conditions.

Table 1: Identified Institutions and their intake and number of beds

#	INSTITUTIONS	NUMBER OF STUDENT	NUMBER OF BEDS
1.	Tshwane Municipality of Technology Polokwane Campus	2 500	180
2.	Capricorn TVET College	12 500	187
3.	Boston City Campus & Business College	600	No provision made for student accommodation

Therefore, there is a need to develop suitable accommodation (in line with the DHET norms and standards for accommodation) in Polokwane Local Municipality, which is affordable to the students.

3 PROJECT SCOPE

The Preferred Bidder will be required to construct, a self-catering, 4588 bed student accommodation facility in accordance with the Department Higher Education and Training Policy on the Minimum Norms and Standards for Student Housing at Public Universities.

3.1 Rooms

The designs must accommodate a maximum of two students per room and room dimensions must be no smaller than 8m² for single rooms, and double rooms must be no smaller than 14m².

3.2 Ablution

The following standards are applicable to all ablution facilities:

- wash basins – 1 basin per 4 student residents;
- shower cubicles – 1 shower cubicle per 7 student residents;
- lavatories – 1 lavatory per 5 student residents;

- shower and lavatory cubicles must be designed in such a way that individual privacy is provided.

3.3 Accessibility

The design must include consideration of space to allow for independent movement of the student in the food preparation area and bathrooms. The positioning of all announcement features such as intercoms, telephones, counter loops and induction loop systems for those with hearing difficulties.

3.4 Fittings and Furniture

Fittings	Furniture
- CBD joinery	- Bed
- Curtain rail (double track)	- Mattress
- Towel rail	- Study table
- Mirror	- Desk chair
- Study lamp (low energy)	- Curtains
- Pin board (mounted)	- Wastepaper bin
- Book shelf	- Bedside table

3.5 Building Services

Adequate provision to be made for the following:

- Sewer;
- Storm water;
- Water supply, etc.;
- Mechanical;
- Electrical; and
- Security/Access Control Services;
- Fire Services etc. to be made and in accordance with the regulations.

3.6 CIDB Grading Requirements

Should respondents proceed to the Request for Proposal (RFP) stage, the City together with Polokwane Housing Association (PHA), require respondents to be registered with the CIDB, or are capable of being so registered within 21 working days from the closing date for submission of

responses. The contractor grading must be 8GB or higher, in order to be eligible to have their submissions evaluated.

Designation	Less than or equal to
2	R650 000
3	R2 000 000
4	R4 000 000
5	R6 500 000
6	R13 000 000
7	R40 000 000
8	R130 000 000
9	No limit

Joint Ventures are eligible to submit a response provided that:

1. every member of the joint venture is/will be registered with the CIDB
2. the lead partner has a contractor grading designation in 8GB or higher for construction work; and
3. the combined contractor grading designation calculated in accordance with the Construction Industry Development Regulations is equal or higher than the required contractor grading designation.

4 CONCEPT DESIGNS (TECHNICAL INFORMATION)

The design aims to create a sense of place that students can identify with. Each building will form a community with its unique public and private spaces. Distinct colours and names will be assigned to individual buildings to form part of their identity

4.1 Secure Green spaces

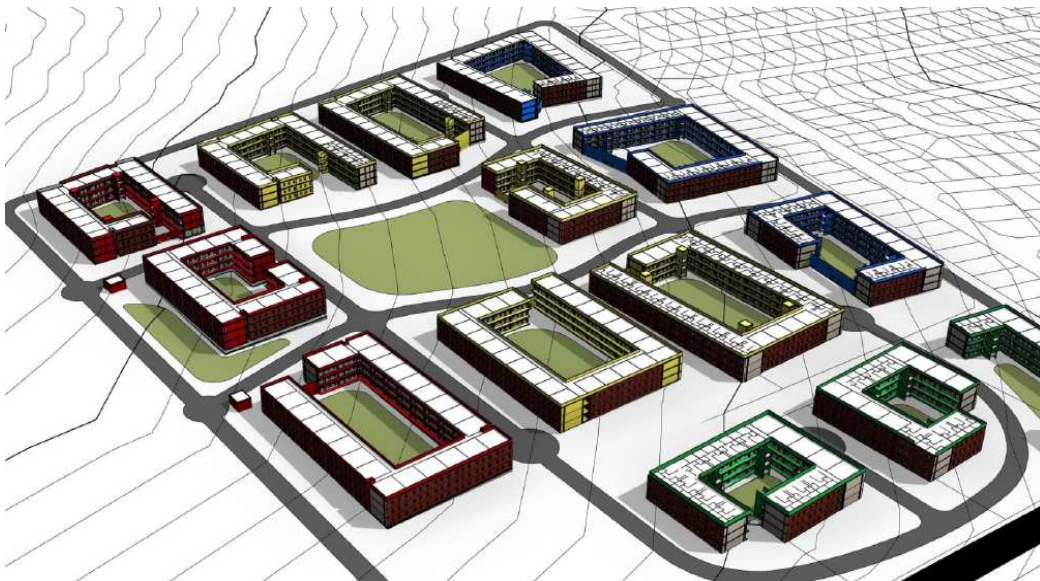
Private green spaces for each building must be provided for, as well as more public green spaces on each site. Green spaces are vital amenities that encourage social interaction as well as much needed connections to the natural world.

4.2 Pod Types and Ancillary Spaces

POD TYPES



4.3 Typical Buildings



5 PROJECT SITE

The proposed site for the facilities is on virgin land that slopes gently, thus providing natural drainage. The site is in close proximity to built-up spaces; therefore, site services are in close proximity thereof.

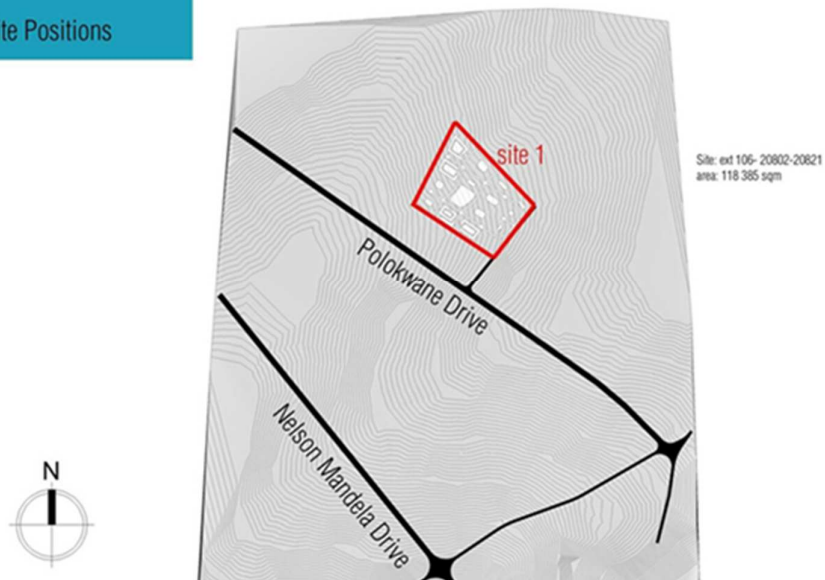
5.1 Extension 106

At 118 385 square metres extension 106 is located on Polokwane Drive, it is 10 kilometres from Capricorn FET College (Polokwane Campus), 8 kilometres from Tshwane University of Technology (TUT Polokwane Campus) and 4 kilometres from Capricorn FET College (Seshego Campus).

The proposed site development area is not vacant, there is an informal settlement on the site with approximately 134 structures and properly graded roads. The occupants of the land were recently relocated from Mohlakaneng and Disteneng. If this is still the status quo during construction, there may be delays experienced when alternative accommodation is provided for the settlers. There will be no risks to the project. There is also a formal dwelling on the western side of the site, Seshego 9-G.

Provision must be made for a shuttle service, to transport students, to and from the residence.

Masterplan : Site Positions



Provision must be made for a shuttle service, to transport students, to and from the residence.

Provision must be made for a shuttle service, to transport students, to and from the residence.

5.2 Legal and other issues pertaining to the Site

Respondent's attention is drawn to the following:

5.2.1 Restrictions on legal title

Title deeds for the sites have not been issued but the PLM is not aware of any restrictions in relation to legal title of the sites that might have a negative effect on the Project.

5.2.2 Zoning

In terms of the town planning scheme, the relevant sections of the sites are zoned for residential use. The proposed architectural designs have been structured around the zoning prescripts, being religion, business and park. We have been informed that in term of the current designs, there will be no need to rezone the sites.

5.2.3 Town planning

PLM is not aware of any conditions in the town planning scheme that militate against the development.

5.2.4 Land claims

PLM is not aware of any land claims that have been registered in respect of the site.

5.2.5 Informal settlement

There are currently not informal settlements identified at the site.

5.2.6 Heritage

There are no heritage issues of concern in respect of the development and therefore there is no need to conduct a heritage impact study as contemplated by the Heritage Resources Act, 1999.

5.2.7 Geo Tech Conditions

The site's geo-technical condition is not subject to any fatal flaws. In any event, it is expected that findings of the study will be made available to the bidders during the RFP stage.

5.2.8 Traffic Impact Issues

Given the positioning of the site as well as the proposed architectural designs, it doesn't appear that there will be a need for a traffic impact study at this stage.

5.2.9 Bulk services

The site is currently un-serviced but it is capable of immediate connection into the Polokwane Local Municipality services grid but the design of the system would have to be approved by Polokwane Local Municipality.

5.2.10 Architectural issues

There are no architectural issues that would militate against the Project.

5.2.11 Environmental Impact Assessment ("EIA")

In terms of the National Environment Management Act, 107 of 1998 (together with accompanying EIA regulations), the nature and size of the development might require that an EIA be undertaken in respect of the site or at least, a Basic Assessment Report.

6 RISK, FUNDING STRUCTURE AND CONTRACTUAL MIX

6.1 Risk Transfer

The risk transfer is an important consideration for both the Private Party and the City. Therefore, risks should be allocated to the party best suited to manage or mitigate against the risk. The risk framework should define the level of risk, management of acceptable risks and the avoidance of unacceptable risks.

The Private Party will be required to assume a substantial portion of all forms of project life-cycle risk (including construction, financing, operation and maintenance risks of technologies).

6.2 Funding Structure, Revenue and Contractual Matrix

It is anticipated that substantial funding for the Project will be provided by limited-recourse debt to be made available by Lenders (other than the shareholders or related parties of the private party) who will look primarily to the cash flows generated from the Project (that is, the rental payments to be made by the students to the SPV) to service that debt. Since the cash flows generated in the Project will depend on the sustained delivery by the SPV of the agreed services at the prescribed performance levels, poor performance by the SPV will put the servicing of such debt at risk. These Lenders will be able to mitigate such risk in part through step-in and substitution mechanisms provided for in terms of a direct agreement to be concluded between them, the SPV and the Municipality.

Respondents are advised that the financing of the development and operation of the Project will be undertaken on a project finance basis, in that the SPV will not be entitled to encumber the Project Site or any of the Municipality's properties or assets to finance the Project, save for registering the Lease Agreement as a notarial lease against the Project Site.

The financial commitments in the Project Agreements shall be denominated in Rands. The SPV will be responsible for and take the risk of currency, interest rate, and other fluctuations.

The successful bidder will be required to pay Polokwane Local Municipality all the project preparatory costs as per final agreement.

7 SOCIO-ECONOMIC DEVELOPMENT

The City recognises that the Project can achieve some of its strategically identified socio-economic objectives. The City has considered the following legislation and policy documentation of Government, relevant to economic development:

No.	Legislation/Policy	Imperatives
1.	Constitution of the Republic of South Africa, 108 of 1996 (“ Constitution ”)	<p>Section 217(2) of the Constitution provides that organs of state are not prevented by the requirements of open and competitive tender process from implementing procurement policies providing for categories of preference in the allocation of contracts and the protection or advancement of persons, or categories of persons disadvantaged by unfair discrimination.</p> <p>Section 217(3) of the Constitution further states that national legislation was to be enacted to prescribe a framework within which policies referred to in section 217(2) must be implemented.</p>
2.	Broad-based Black Economic Empowerment (“ B-BBEE Act ”)	Section 10(1) of the B-BBEE Act states that every organ of state must take into account and, as far as is reasonably possible, apply any relevant code of good practice issued in terms of the B-BBEE Act in developing criteria for entering into partnerships with the public sector.
3.	B-BBEE Codes of Good Practice published pursuant to the B-BBEE Act, 2007 and B-BBEE Codes of 2003	<p>These codes were applied in the Project, as far as reasonably possible and the following elements were taken into account:</p> <ul style="list-style-type: none"> ▪ Ownership ▪ Management ▪ Skills Development ▪ Enterprise and Supplier Development ▪ Socio-economic Development
4	New Growth Path published by the Department of Economic Development (NGP)	The NGP makes calls for an intense focus on B-BBEE regulations – ownership by communities and workers, increased skills development and career pathing for all working people – and an emphasis on procurement from local producers in order to support employment creation.
5.	The National Development Plan (NDP)	<p>The NDP:</p> <ul style="list-style-type: none"> ▪ Proposes the promotion of employment in labour absorbing industries and promotion of manufacturing in

No.	Legislation/Policy	Imperatives
		<p>areas of competitive advantage;</p> <ul style="list-style-type: none"> ▪ Seeks to reduce the unemployment rate from 27% to 14% in 2020 and to 6% by 2030; and ▪ Seeks the leveraging of public procurement to promote localisation and industrial diversification
6.	Green Economy Accord	<p>The key message in the Accord is about:</p> <ul style="list-style-type: none"> ▪ Opportunity – that climate change provides new prospects for economic activity; ▪ Innovation – that the country can draw on its technological, research and manufacturing base to generate new processes and products; ▪ Responsibility – of Government to create an enabling environment of businesses and citizens to do things differently; and ▪ Partnership – the combined efforts of all constituencies and all South African needs to be harnessed to achieve the goals of the Green Economy.
7.	Local Procurement Accord	<p>The objective of the Local Procurement Accord is to accelerate the creation of 5 million new jobs by 2020 as well as achieve the goals of IPAP. The Local Procurement Accord commits the social partners to achieving 75% localisation in the procurement of goods and services by both the public and private sectors.</p>

B-BBEE is intended to address the marginalization of Black People in the economic arena by the previous dispensation. This marginalization resulted in Black People being deprived of the opportunity to gain skills and access to financial resources.

The Municipality has compiled a list of B-BBEE outputs, which are mostly in line with those listed in the PPP Manual, published by National Treasury -

- (a) to achieve meaningful and beneficial direct ownership of substantial Equity interests in the private party to a PPP Agreement by Black People, Black Women and Black Enterprises;
- (b) to achieve effective participation in the management control of the private party and its subcontractors by Black People and Black Women;
- (c) to enable the provision of education through donations;

- (d) to develop skills;
- (e) to create jobs;
- (f) to ensure effective employment equity and skills development in the private party and its subcontractors throughout the PPP project;
- (g) to ensure that a substantive proportion of the private party's subcontracting and procurement is to Black People, Black Women and Black Enterprises;
- (h) to provide significant subcontracting opportunities for Black Enterprises, where early cash flow benefits can be derived as delivery commences;
- (i) to foster enterprise development of QSEs and EMEs, with a focus on those that are located around the Municipality area; and
- (j) to promote positive local socio-economic impact from the Project to the benefit of QSEs and EMEs, the disabled, the youth, and non-government organisations within a targeted area of project operations.

The Municipality places a high weighting on the goals of empowerment and socio economic enhancement through this Project and wishes to pre-qualify Respondents who exhibit a willingness to embrace this philosophy.

Furthermore, the Municipality is seeking Respondents which will actively involve B-BBEE partners in the undertaking of the Project.

The Municipality has reviewed and noted the socio-economic conditions present in areas surrounding the site where the Project is to be located and has decided to use the Project to advance and improve such socio-economic conditions.

In developing the economic development objectives of the project, some of the socio-economic challenges facing South Africa, and specifically Polokwane were taken into account:

- High Unemployment – 34%; and
- Youth Unemployment – 42%.

In trying to address the legislation, policies and socio-economic conditions described in the table above, the City has determined the following objectives as its specific goals in the project:

- 1 Employment for the people of Polokwane and the youth;
- 2 Localisation to contribute towards the creation of jobs and increase the development of skills. Localisation should be targeted at Polokwane Municipality suppliers, and other South African suppliers; and

- 3 Participation in the project by historically disadvantaged and marginalised citizens through equity and subcontracting.

In order to achieve the Economic Development objectives identified for the Project, the Economic Development Elements to be pursued are as follows:

- 4 Job Creation – which will be focused on the creation of sustainable employment for Polokwane based people and youth;
- 5 Local Content – which will be focused on the procurement of local products to stimulate the creation of jobs as well as procuring goods and services from Polokwane (if not available, Limpopo and the rest of South Africa) based suppliers. Respondents must sub-contract at least 25% of the project to local suppliers;
- 6 Ownership – which will be based on shareholding by Black People, Black Women and Broad-Based Ownership Schemes such as local communities and employee share ownership schemes;
- 7 Management control – which will be focused on the involvement of Black People and Black Women in the various management structures in the entity undertaking the project;
- 8 Skills Development – which will be focused on the development of Black People, Polokwane based and South African suppliers; and
- 9 Procurement, Enterprise and Supplier Development – which will entail subcontracting to empowered suppliers and suppliers owned by Black People as well as the development of such suppliers.

8 Conclusion

This part (Part 2) of the RFQ document contains the project background, project objective, project scope and associated performance parameters. The RFQ General Conditions, Evaluation Process and Response forms are provided in Part 1, Part 3 and Part 4 respectively.

MBD 3.1

Name of Bidder.....

Bid Number: RFQ 198/ 2016

Closing Time: 10H00

Closing Date: 26 July 2017

Quality Based method will be used on the evaluation

N.B: ATTACH B-BBEE VERIFICATION CERTIFICATE

EVALUATION PROCESS AND CRITERIA

BID NO: RFQ 198/2016

The following evaluation process and criteria will be used to evaluate all bids submitted:

1. Administrative Compliance – Phase One

1.1 All bids duly lodged will be examined to determine compliance with bidding requirements and conditions. Bids with obvious deviations from the requirements/conditions, will be eliminated from further evaluation.

1.2 Critical Criteria:

The following critical criteria have been identified for this bid and any non-compliance thereto will lead to the bid being regarded as non-responsive and disqualified from further evaluation:

- Provide a Central Supplier Database (CSD) number
- All pages of the bid document must be signed where required
- Compulsory briefing session attendance and signing of the register thereof
- Completed and signed declaration on past SCM practices form **(MBD8)**
- Signed J/V agreement submitted (Where applicable)
- Signing of the declaration of interest form **(MBD4)**
- Copy of municipal rates and taxes statement of account which is not older than three (3) months or proof of leasing agreement for service providers who are renting or leasing offices and letter from Tribal Authority
- Submit Audited or reviewed financial statements for the past three years

1. FUNCTIONALITY CRITERIA: 100 Points

The evaluation and scoring of bids will be made against Evaluation Criteria.

No	Bidder evaluation criteria for functionality	Weight	Description	Points allocations
1	Experience in Design, Construction	30	<p>The bidders must demonstrate experience by the company/consortium in the Design and general building, or related projects:</p> <ul style="list-style-type: none"> • The bidder has successfully completed projects to the value of plus R150 million • The bidder has successfully completed projects to the value of R130 million • The bidder has successfully completed projects to the value of R75 million <p>N.B Attach contactable references (national and/or international) and proof of completion letters/certificates. The Municipality reserves a right to conduct a due diligence and site visit on previous projects.</p>	<p>30</p> <p>20</p> <p>10</p>
2	Experience in Operational and Maintenance Capabilities in housing and accommodation Projects	30	<p>The bidders must demonstrate experience by the company/ consortium in the operations and maintenance of housing, accommodation, or related projects</p> <ul style="list-style-type: none"> • The bidder has the necessary experience in operation and maintenance projects to successfully execute the project (5 and above projects) • The bidder has the necessary experience in operation and maintenance projects to successfully execute the project(3-4 projects) • The bidder has the necessary experience in operation and maintenance projects to successfully execute the project (1-2 projects) <p>N.B Attach contactable references (national and/or international) The Municipality reserves a right to conduct a due diligence and site visit on previous projects.</p>	<p>30</p> <p>20</p> <p>10</p>
3	<p>Financial Capability (Audited AFS, and Letter of Support from Financial</p>	40	<p>Audited or Reviewed Annual Financial statements. Municipality will perform key financial ratios on the submitted Audited Annual Financial Statements.</p> <ul style="list-style-type: none"> • Submission of Compliant Audited/Reviewed AFS, 	30

	Institution)		demonstrating capacity to raise required project funding	
			<ul style="list-style-type: none"> Submission of Audited/Reviewed AFS, demonstrating inadequate capacity to raise required project funding 	10
			Proof of Bank letter support/pre-approval of funding	10
			<ul style="list-style-type: none"> Pre-approved letter of funding No letter of approval 	0
	Total	100		
	Threshold	70	Tenders that do not meet this threshold will be disqualified	

NB: The bidder must obtain a minimum score of 70% of points allocated for quality (functionality) to qualify for further recommendation on RFP.

- The minimum qualifying score for functionality is 70% (seventy percent).
- Detailed reference check on all aspect of the project would be verified e.g. Technical and Financial aspect.

Size of enterprise and current workload

What was your turnover in the previous financial year? _____

What is the estimated turnover for your current financial year?

List your current contracts and obligations

Description	Value (R)	Start date	Duration	Expected completed date

Do you have capacity to supply the goods and services described in this bid, should the contract be awarded to you? _____

1. Staffing Profile

Permanently employed staff: gender and race	Number of staff
Temporary staff to be employed for the project: gender and race	Number of staff

Provided information on key staff you intend utilizing on this contact, should it be awarded to you.
(In case of engineering construction projects key staff is defined as staff of foreman level and above.

Name	Position in your organization	Qualifications	Experience

2. Previous Experience

Provide the following information on relevant previous experience (indicate specifically projects of similar or larger size and/or which is similar with regard to type of work.

Description	Value (R, VAT excluded)	Year(s) executed	Reference		
			Name	Organization	Tel no

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
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. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

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

3.2. Identity Number:

3.3. Position occupied in the Company (director, trustee, shareholder²):.....

3.4. Company Registration Number:

3.5. Tax Reference Number:.....

3.6. Registration Number:

3.7. The names of all directors / trustees / shareholder's members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8. Are you presently in the service of the state? **YES / NO**

3.8.1. If yes, furnish particulars.
.....

.....

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

1. a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
2. a member of the board of directors of any municipal entity;
3. an official of any municipality or municipal entity;
4. 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);
5. a member of the accounting authority of any national or provincial public entity; or
6. an employee of Parliament or a provincial legislature.

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

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

i. If yes, furnish particulars: -

.....
.....

3.10. 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**

3.10.1. If yes, furnish particulars.

.....
.....

b. 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**

i. If yes, furnish particulars

.....
.....

3.11. Are any of the company’s directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

ii. If yes, furnish particulars.

.....
.....

3.12. Are any spouse, child or parent of the company’s directors’ trustees, managers, principle shareholders or stakeholders in service of the state?
YES / NO

3.12.1. If yes, furnish particulars.

.....
.....

3.13. Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.**YES / NO**

3.13.1. If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....

Signature

.....

Date

.....

Capacity

.....

Name of Bidder

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

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

1. Are you by law required to prepare annual financial statements for auditing?

1.1. If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

.....
.....

(a) Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

1.2. If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

1.3. If yes, provide particulars.

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

* Delete if not applicable

(b) Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?

*YES / NO

1.4. If yes, furnish particulars

.....

.....

(c) Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

*YES / NO

1.5. If yes, furnish particulars

.....

.....

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

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

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

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

1. General Conditions

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

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

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

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

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

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

$$LC = 1 - \left(\frac{x}{y} \right) \times 100$$

Where

x imported content

y bid price excluding value added tax (VAT)

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

1.7. A bid will be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and this declaration certificate is not submitted as part of the bid documentation.

2. Definitions

- 2.1. **“bid”** includes advertised competitive bids, written price quotations or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **“Duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **“Sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

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

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

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

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

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

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

IN RESPECT OF BID No.

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

.....

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

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

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.
- (c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

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

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

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to

request that the local content be verified in terms of the requirements of SATS 1286.

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

SIGNATURE: **DATE:** _____

WITNESS No. 1 **DATE:** _____

WITNESS No. 2 **DATE:** _____

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

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

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an
 - (a) agreement between, or concerted practice by, firms, or a decision by an association of
 - (b) firms, if it is between parties in a horizontal relationship and if it involves collusive
 - (c) bidding (or bid rigging) ² Collusive bidding is a *pe se* prohibition meaning that it cannot
 - (d) 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:
 - 1 take all reasonable steps to prevent such abuse;
 - 2 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
 - 3 cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

Has been requested to submit a bid in response to this bid invitation;

- (a) Could potentially submit a bid in response to this bid invitation, based on
 - (b) their qualifications, abilities or experience; and
 - (c) Provides the same goods and services as the bidder and/or is in the same
 - (d) line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However,

communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) Prices;
 - (b) Geographical area where product or service will be rendered (market
 - (c) allocation)
 - (d) Methods, factors or formulas used to calculate prices;
 - (e) The intention or decision to submit or not to submit, a bid;
 - (f) The submission of a bid which does not meet the specifications and conditions of the bid; or
 - (g) Bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature Date

.....
Position Name of Bidder

This document must be signed and submitted together with your bid

THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the Programme.

1. PILLARS OF THE PROGRAMME

1.1. The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:

- (a) Any single contract with imported content exceeding US\$10 million. Or
- (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2-year period which in total exceeds US\$10 million. or
- (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million. or
- (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.

1.2. The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.

- 1.3. To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.
- 1.4. A period of seven years has been identified as the time frame within which to discharge the obligation

2. REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

- 2.1. In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of R10 million (ten million Rands), submit details of such a contract to the DTI for reporting purposes.
- 2.2. The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1. (b) to 1.1. (d) above.

3. BID SUBMISSIONS AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)

- 3.1. Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.
- 3.2. In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the **DTI with the following information:**

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.

- Imported content of the contract, if possible.

3.3. The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr. Elias Malapane within five (5) working days after award of the contract. Mr. Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 3942401 or e-mail at Elias@thedti.gov.za for further details about the Programme.

4. PROCESSES TO SATISFY THE NIP OBLIGATION

4.1. Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

- (a) the contractor and the DTI will determine the NIP obligation;
- (b) the contractor and the DTI will sign the NIP obligation agreement;
- (c) the contractor will submit a performance guarantee to the DTI;
- (d) the contractor will submit a business concept for consideration and approval by the DTI, upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- (e) the contractor will implement the business plans; and
- (f) the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number **Closing date:**.....

Name of bidder.....

Postal address

.....

Signature..... **Name (in print)**.....

Date.....

CERTIFICATE FOR MUNICIPAL SERVICES AND PAYMENTS

TO: MUNICIPAL MANAGER, POLOKWANE MUNICIPALITY

FROM: _____ (Name of Bidder)

FURTHER DETAILS OF BIDDER(S); DIRECTORS/SHAREHOLDERS/PARTNERS, ETC.

Directors/shareholders/Partner	Physical address of the Business	Municipal Account No.	Physical residential address of the Director/Shareholder/Partner	Municipal Account No.

NB: Please attach certified copy (ies) of ID document(s)

Signatory _____
Date

Witnesses

1 _____
Full Names **Signature** **Date**

2 _____
Full Names **Signature** **Date**

AUTHORISATION FOR DEDUCTION OF OUTSTANDING AMOUNTS OWED TO COUNCIL

TO: MUNICIPAL MANAGER, POLOKWANE MUNICIPALITY

FROM: _____ (Name of the Bidder or Consortium)

I, _____ the undersigned, hereby authorise the Polokwane municipality to deduct the full amount outstanding by the business organisation/Director/Shareholder/Partner, etc. from any payment due by us/me.

Signed at _____ Date _____ Month _____ 20_____

Print Name: _____

Signature: _____

Thus, done and signed for and on behalf of the bidder/Contractor

Signatory

Date

Witnesses

1 _____

Full Names

Signature

Date

2 _____

Full Names

Signature

Date