

# PART A REQUEST FOR QUOTATION

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MAKHADO LOCAL MUNICIPALITY									
QUOTE NUMBER:	MAK 102 /2020	CLOSING DATE:	1	4 DECEM	IBER 2	2020 CLOS	ING T	IME:	12H00
DESCRIPTION	SUPPLY AND DELIVERY OF CLEANING MATERIALS FOR WATERVAL REGION								
THE SUCCESSFUL E	BIDDER WILL BE RE	QUIRED TO FILL IN	AND SIGN	A WRIT	TEN CC	NTRACT FOR	M (MI	BD7).	
	ID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX ITUATED AT (STREET ADDRESS								
POSTAL ADDRESS:									
PRIVATE BAG X 259	6, MAKHADO, 0920								
STREET ADDRESS									
CIVIC CENTRE, 83 K	ROGH STREET, MA	KHADO.0920							
CURRILER INFORMA	TION								
SUPPLIER INFORMA	ITION								
NAME OF BIDDER									
POSTAL ADDRESS									
STREET ADDRESS	· D	0005				AUMBED			
TELEPHONE NUMBE		CODE				NUMBER			
CELLPHONE NUMBE		0005		NUMBER					
FACSIMILE NUMBER		CODE			NUMBER				
E-MAIL ADDRESS									
VAT REGISTRATION		TOO DIN				000 11			
TAX COMPLIANCE STATUS		TCS PIN:			OR	CSD No:			
B-BBEE STATUS LEV VERIFICATION CERT [TICK APPLICABLE B	TFICATE	☐ Yes			B-BBEE STATUS LEVEL SWORN AFFIDAVIT			Yes No	
[A B-BBEE STATUS		ON CERTIFICATE/	SWORN AF	FIDAVIT	(FOR I	EMES & QSEs			BMITTED IN ORDER
TO QUALIFY FOR P	REFERENCE POINT	S FOR B-BBEE]			LADE	VOLLA FORFIC	<b>N</b> 1		
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES		□Yes □No			ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS		FOR	☐Yes	□No ANSWER PART B:3
/WORKS OFFERED?		[IF YES ENCLOSE PROOF]		OFFERED?			J		
TOTAL NUMBER OF ITEMS OFFERED					TOTA	AL BID PRICE		R	
					TOTAL BID PRICE			K	
SIGNATURE OF BIDDER					DATE				
CAPACITY UNDER V IS SIGNED	VHICH THIS BID								
BIDDING PROCEDUR	RE ENQUIRIES MAY	Y BE DIRECTED TO:		TECHN	TECHNICAL INFORMATION MAY		MAY	BE DIREC	TED TO:
DEPARTMENT		BUDGET AND TRE	ASURY	CONTACT PERSON			MR M.I ML		
CONTACT PERSON		MS P MUDAU		TELEPHONE NUMBER		(	015 519 30	)00	
TELEPHONE NUMBE	:R	1		FACSIMILE NUMBER		(	015 516 61	145	
FACSIMILE NUMBER		015 516 6145		E-MAIL ADDRESS					
E-MAIL ADDRESS		phophimu@makhado.gov.za				_			

# PART B TERMS AND CONDITIONS FOR BIDDING

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

.....

DATE:

## MAKHADO MUNICIPALITY QUOTE NO. MAK102/2020

### SUPPLY AND DELIVERY OF CLEANING MATERIALS

Suitable and qualified service providers invited to quote for Supply and delivery of cleaning materials

## **SPECIFICATION**

Item	Description	Size	Quantity	<b>Unit Price</b>	Amount
1.	Pine Gel	25 kg	20		
2.	Floor polish	25 kg	20		
3.	Hand soap dispenser	400ml	30		
4.	Industrial mops complete	-	20		
5.	Short feather dust	-	12		
6.	Multi insect killer	300ml	12		
7.	Hand wash liquid soap	5 litre	20		
8.	Soft brooms	-	18		
9.	Multipurpose thick bleach	750ml	50		
10.	Large multi-use rubber gloves	-	50		
11.	Liquid soap	750ml	25		
12.	Windowleen	750ml	10		
13.	Morton cloth	-	20		
14.	Broom p/f mil 460m Black	-	18		
15.	Washing powder	2kg	12		
16.	Duo block	5kg	15		
17.	Long feather dust	-	10		
18.	Dirt removal & shine cream 100% with micro crystals	750ml	40		
19.	Hand paper rolls	-	30		
20.	Big brooms	-	15		
	TOTAL AMOUNT				
	VAT@15% (IF APPLICABLE)				
	GRAND TOTAL				

SIGNATURE	DATE

#### **REQUIREMENTS**

- Valid Tax compliance status pin issued
- A copy of Company Registration Certificate/ CK
- Certified copy/copies of company owner(s) ID Book(s). Not later than three (03) months.
- Certified copy of BBBEE Certificate or Affidavit (For Preferential Points). Not later than three (03) months
- Attach Proof of payment of Municipal Bill/ Rates accounts/ Formal Lease Agreement, Letter from the Traditional Authority for both entity and directors of the company.
- A copy of CSD Summary Report

#### Quotations must be as follows:

- 1. Be signed by an authorized person of the supplier
- 2. Be valid for a period of sixty (60) days from the closing date
- 3. clearly indicate the price charged vat inclusive (if applicable)
- 4. Be accompanied by fully completed MBD 6.1 and MBD 4 obtainable from the municipality or can be downloaded from municipal website <a href="www.makhado.gov.za">www.makhado.gov.za</a>.

Quotations received will be assessed in accordance with the Municipal Supply Chain Management Regulations, 2005 read with Council's Supply Chain Management Policy and **80/20** points scoring. Preference points will be allocated according to BBBEE rating.

#### **Please Note:**

- 1. No quotation by facsimile or by e-mail will be accepted.
- 2. Enquiries in this regard must be directed to MR M.I MUDAU at contact number: **015 519 3000** during office hours.
- 3. Council reserves the right not to accept lowest or any quotation or to accept part of a quotation only.
- 4. All Service Provider doing business with Makhado municipality are required to register on the CSD (Central Supplier Database)
- 5. Admin enquiries can be directed to Ms TP Ntsieni or Mr M Ramabulana at 015 519 3179/3024

Civic Centre 83 Krogh Street LOUIS TRICHARDT 0920

File no: 8/3/2/1 MR MK NEMANAME ACTING MUNICIPAL MANAGER

# MBD 3.1 PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

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

	erBid	d	
	ng Time Closing Date		
OFFEI	R TO BE VALID FORDAYS FROM THE CLOSING	G DATE OF BID	
ITEM NO.		BID PRICE IN RSA CURRENCY	
		(INCLUDING VAT)	
-	Required by:		
-	At:		
-	Brand and model		
-			
-	Country of origin		
-	Does offer comply with specification? *YES/NO		
-	If not to specification, indicate deviation(s)		
-	Period required for delivery		
-	Delivery:		*Firm/not firm
	*Delete if not applicable		

#### MBD 4

#### **DECLARATION OF INTEREST**

- 1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
- 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, hareholder²):	
	3.4	Company Registration Number:	
	3.5	Tax Reference Number:	
	3.6	VAT Registration Number:	
	3.7	The names of all directors / trustees / shareholders members, their individual ic numbers and state employee numbers must be indicated in paragraph 4 below	-
	3.8	Are you presently in the service of the state? 3.8.1 If yes, furnish particulars.	YES / NO
(c)	an c	ember of the board of directors of any municipal entity; official of any municipality or municipal entity; employee of any national or provincial department, national or provincial public e stitutional institution within the meaning of the Public Finance Management Act,	

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

3.9.1 If yes, furnish particulars.....

(e) a member of the accounting authority of any national or provincial public entity; or

management of the company or business and exercises control over the company.

<sup>2</sup> Shareholder" means a person who owns shares in the company and is actively involved in the

(f) an employee of Parliament or a provincial legislature.

3.9

			nd who may be involved with cation of this bid?		YES / NO
	3.10.1				
3.11	any oth	ou, aware of any relati ner bidder and any pe	onship (family, friend, other) ersons in the service of the sta aluation and or adjudication o	between ate who	YES / NO
	3.11.1	If yes, furnish particu	ulars		
3.12			rectors, trustees, managers, akeholders in service of the s	tate?	YES / NO
	3.12.1	If yes, furnish particu	ılars.		
3.13	trustee		ent of the company's director e shareholders or stakeholde		YES/N
	3.13.1		ulars.		
3.14	princip have a	le shareholders, or stany interest in any other	rs, trustees, managers, akeholders of this company er related companies or y are bidding for this contract	t.	YES/N
	3.14.1	If yes, furnish particu	ılars:		
Fu	ll details	of directors / trustees	/ members / shareholders.		
		Full Name	Identity Number	State Employee Number	

Capacity	Name of Bidder

MBD 6.1

#### PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

#### 1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
  - the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and
  - the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).
- 1.2 The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.
- 1.3 Preference points for this bid shall be awarded for:
  - (a) Price; and
  - (b) B-BBEE Status Level of Contribution.
- 1.4 The maximum points for this bid are allocated as follows:

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

- 1.5 Failure on the part of a bidder to submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

#### 2. **DEFINITIONS**

- (a) "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- (b) "B-BBEE" means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (c) "B-BBEE status level of contributor" means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (d) "bid" means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- (e) "Broad-Based Black Economic Empowerment Act" means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) as amended by Act No 46 of 2013;

- (f) "comparative price" means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration:
- (g) "consortium or joint venture" 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;
- (h) "contract" means the agreement that results from the acceptance of a bid by an organ of state;
- (i) "EME" means an Exempted Micro Enterprise as defines by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (j) "Firm price" means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract:
- (k) "functionality" means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- (I) "non-firm prices" means all prices other than "firm" prices;
- (m) "person" includes a juristic person;
- (n) "QSE" means a Qualifying Small Enterprise as defines by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 ( Act No. 53 of 2003);
- (o) "rand value" means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- (p) "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;
- (q) "total revenue" bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the Government Gazette on 9 February 2007;
- (r) "trust" means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- (s) "trustee" means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

#### 3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

#### 4. POINTS AWARDED FOR PRICE

#### 4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20 or 90/10

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

#### Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

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

In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

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

- A bidder who qualifies as an EME in terms of the B-BBEE Act must submit a sworn affidavit confirming Annual Total Revenue and Level of Black Ownership.
- A Bidder other than EME or QSE must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

#### 6. BID DECLARATION

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

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

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

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

#### 8. SUB-CONTRACTING

8.1	Will any portion of the contract be sub-contracted?
	(Tick applicable box)
	YES NO
8.1.1	If yes, indicate:
	i) What percentage of the contract will be subcontracted%
	ii) The name of the sub-contractor
	iii) The B-BBEE status level of the sub-contractor
	iv) Whether the sub-contractor is an EME.
	(Tick applicable box) YES NO
9.	DECLARATION WITH REGARD TO COMPANY/FIRM
9.1	Name of company/firm:
9.2	VAT registration number:
9.3	Company registration number:
9.4	TYPE OF COMPANY/ FIRM
	<ul> <li>□ Partnership/Joint Venture / Consortium</li> <li>□ One person business/sole propriety</li> <li>□ Close corporation</li> <li>□ Company</li> <li>□ (Pty) Limited</li> <li>[TICK APPLICABLE BOX]</li> </ul>
9.5	DESCRIBE PRINCIPAL BUSINESS ACTIVITIES
9.6	COMPANY CLASSIFICATION
	<ul> <li>□ Manufacturer</li> <li>□ Supplier</li> <li>□ Professional service provider</li> <li>□ Other service providers, e.g. transporter, etc.</li> <li>[TICK APPLICABLE BOX]</li> </ul>
9.7	MUNICIPAL INFORMATION
	Municipality where business is situated:
	Registered Account Number:
	Stand Number:
9.8	Total number of years the company/firm has been in business:
9.9	I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

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The information furnished is true and correct;

- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution.

	NATURE(S) OF BIDDERS(S)
DATE:	
ADDRESS	
	DATE:

#### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> invited.
- Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- This SBD 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 bidrigging.
- In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

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

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

#### CERTIFICATE OF INDEPENDENT BID DETERMINATION

i, the undersigned, in submitting the accompanying bid:	
(Bid Number and Description)	
in response to the invitation for the bid made by:	
(Name of Institution)	
do hereby make the following statements that I certify to be true and complet	e in every respect:
I certify, on behalf of:	that:
(Name of Bidder)	

(Marrie or Brader)

1. I have read and I understand the contents of this Certificate;

- 2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
- 3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder:
- 4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
- 5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

MBD9

- 6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
- 7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
- 8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 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.

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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

<sup>&</sup>lt;sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

Position	Name of Bidder

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