



NEWCASTLE MUNICIPALITY

TECHNICAL SERVICES – WATER SERVICES

BID NO.: A002 – 2021/22

EXPRESSION OF INTEREST FOR THE IMPLEMENTATION OF A SELF-FUNDED MODEL FOR REDUCING WATER AND ENERGY INEFFICIENCIES

SUBMISSION OF PROPOSAL DOCUMENT DEADLINE

Date: 15 December 2021

Time: 12h00

Venue: Municipal Civic Centre Offices (Rates Hall), 37 Murchison Street, Tower Block Building -1st Floor, Newcastle, 2940

Name of Company	
CSD Master Registration No	
Physical Address	
Contact Person(s)	
Phone Number(s)	
E-Mail Address	

Sealed proposals document must be deposited in the Tender Box provided at the Municipal Civic Centre (Rates hall), 37 Murchison Street, Newcastle by no later than **12h00** on **15 December 2021** where proposals will be opened in public. Please be advised that the name, address and contact details should be written at the back of the envelope.

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PART A—ADMINISTRATIVE REQUIREMENTS IN TERMS OF THE SUPPLY CHAIN MANAGEMENT POLICY



2. BID NOTICE & INVITATION TO BID

Bid number: A002 – 2021/22 Expression of Interest for the Implementation of a Self-Funded Model for Reducing Water and Energy Inefficiencies

The Newcastle Municipality seeks suitably qualified and accredited service providers to express an interest on implementation of a Self – funded model for reducing Water and Energy Inefficiencies

Bid documents are obtainable from **15 November 2021**, at the office of the Strategic Executive Director: Budget and Treasury Office, Municipal Civic Centre Tower Block – Office B218 2nd Floor, 37 Murchison Street, Newcastle, 2940 during office hours between 08h00 to 15h00 upon a payment of a **non-refundable document fee of R 300.00. Alternatively the document may be downloaded free of charge from the National Treasury website (www.etenders.gov.za).**

Banking Details - Banking Details - The Newcastle Municipality, Nedbank - Account No: 1162 6600 66, Br Code: 133 724 (the proof of payment must reflect the bid number and bidder's name as reference).

Procurement enquiries: Mrs D Marais

Telephone no.: 034 328 7769

Technical enquiries: Ms Z. Ntombela

Telephone no.: 034 328 7917

Technical enquiries: Ms B. Gule

Telephone no.: 034 328 7969

Completed bid documents complying with the conditions of bid must be sealed and endorsed **“Bid number: A002 – 2021/22 Expression of Interest for the Implementation of a Self-Funded Model for Reducing Water and Energy Inefficiencies”** bearing the name and address of the bidder at the back of the envelope to be deposited in the official bid box provided in the foyer of Newcastle Municipality – Municipal Civic Offices (Rates Hall), 37 Murchison Street, 1st floor, Newcastle by no later than **12:00 on Wednesday, 15 December 2021** where bids will be opened in public. Late quotations or tenders received by way of facsimile or e-Mail will under no circumstances be considered.

Minimum Local Content Requirements

Only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered.

Functional Evaluation

Only bids that comply with all administrative requirements (Acceptable Bids) will be considered during the functionality evaluation phase and the allocation of points will be based on functional criteria as indicated in the Terms of Reference on page 76

Minimum functional requirement score: Potential Service Providers that submitted acceptable bids and that score at least **70%** on functionality will be eligible to conclude a contract with the Council after relevant negotiations.

Only prospective suppliers who are registered on the National Treasury Supplier database are legible to bid. To register on the CSD log onto www.csd.gov.za

**Mr. V. Govender
Acting Municipal Manager
Newcastle Municipality
Municipal Civic Centre
37 Hardwick Street
Private Bag X6621
Newcastle
2940**

1. GENERAL CONDITIONS OF CONTRACT

The successful bidder will have to observe the below terms and conditions of contract as issued by National Treasury.

1. Definitions

1. 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 vendor, 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 Vendor under the contract for the full and proper performance of his contractual obligations.
 - 1.4 **"Corrupt practice"** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 **"Country of origin"** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 **"Day"** means calendar day.
 - 1.8 **"Delivery"** means delivery in compliance of the conditions of the contract or order.
 - 1.9 **"Delivery ex stock"** means immediate delivery directly from stock actually on hand.
 - 1.10 **"Delivery into consignees store or to his site"** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the vendor 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 vendor and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

- 1.13 **“Fraudulent practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 **“GCC”** means the General Conditions of Contract.
- 1.15 **“Goods”** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 **“Imported content”** means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the vendor or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.
- 1.17 **“Local content”** means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.18 **“Manufacture”** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 **“Order”** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 **“Project site”** where applicable, means the place indicated in bidding documents.
- 1.21 **“Purchaser”** means the Institution purchasing the goods/works and/or service.
- 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 vendor covered under the contract.
- 1.25 **“Written”** or **“in writing”** means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but **excluding immovable property**, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, Special Conditions of Contract are also laid down to cover specific vendors, 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/works and/or service supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information inspection

- 5.1 The vendor 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 vendor 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 vendor shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The vendor shall permit the purchaser to inspect the vendor's records relating to the performance of the vendor and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 5.5 The vendor 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. Patent Rights

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

7. Performance security

- 7.1 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the vendor's failure to complete his obligations under the contract.
- 7.2 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.
- 7.3 The performance security will be discharged by the purchaser and returned to the vendor not later than thirty (30) days following the date of completion of the vendor's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Institution or an organization acting on behalf of the Institution.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the vendor.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

- 8.7 Any contract supplies may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the vendor who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the vendor's cost and risk. Should the vendor fail to provide the substitute supplies forthwith, the purchaser may, without giving the vendor further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the vendor.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental Services

- 13.1 The vendor may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- 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 vendor of any warranty obligations under this contract;
 - e) training of the purchaser's personnel, at the vendor's plant and/or
 - f) on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the vendor 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 vendor for similar services.

14. Spare parts

- 14.1 Specified in SCC, the vendor may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the vendor:
- a) such spare parts as the purchaser may elect to purchase from the vendor, provided that this election shall not relieve the vendor 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 vendor 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 vendor 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 vendor, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place

of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

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

16. Payment

- 16.1 The method and conditions of payment to be made to the vendor under this contract shall be specified in SCC.
- 16.2 The vendor 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 vendor.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract Amendments

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

19. Assignment

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

20. Subcontractors

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

21. Delays in the vendor's performance

- 21.1 Delivery of the goods/works and/or performance of services shall be made by the vendor 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 vendor or its subcontractor(s) should encounter conditions impeding timely delivery of the goods/works and/or performance of services, the vendor 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 vendor's notice, the purchaser shall evaluate the situation and may at his discretion extend the vendor's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have essential services executed if an emergency arises, the vendor's point of supply is not situated at or near the place the supplies are required or the vendor's supplies or goods are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the vendor in the performance of its delivery obligations shall render the vendor liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the vendor'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 vendor.

22. Penalties

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

23. Termination for default

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

- a. if the vendor 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 vendor fails to perform any other obligation(s) under the contract; or
- c. if the vendor, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner, as it deems appropriate, goods/works and/or services similar to those undelivered, and the vendor shall be liable to the purchaser for any excess costs for such similar goods/works and/or services. However, the vendor 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 vendor by prohibiting such vendor 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 vendor or any person associated with the vendor, the vendor will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the vendor fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the vendor.
- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- i. the name and address of the vendor 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 vendors 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 antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the vendor 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 as a result of an event of Force Majeure.
- 25.2 If a force majeure situation arises, the Vendor shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Vendor 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 on insolvency

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the vendor if the vendor becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the vendor, 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 vendor 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 vendor may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

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

- a. the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- b. the purchaser shall pay the vendor any monies due the vendor.

28. Limitation of Liability

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

- (a) the vendor 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 vendor to pay penalties and/or damages to the purchaser; and
- (b) the aggregate liability of the vendor to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

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

30. Applicable law

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

31. Notices

31.1 Every written acceptance of a bid shall be posted to the vendor 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 vendor 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 vendor shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the purchaser must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation Programme

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

34. Prohibition of restrictive practices

- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/are or a contractor(s) was/were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

4. SPECIAL CONDITIONS OF CONTRACT

All potential bidders should observe the below special conditions to supplement the General Conditions of Contract

1. I/We hereby bid to supply all or any of the supplies and/or to render all or any of the services described in the attached documents to the Newcastle Municipality on the terms and conditions and be in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and be incorporated into this bid) at the prices and on the terms regarding time for delivery and/or execution inserted therein.
2. I/we agree that:
 - (a) the offer herein shall remain binding upon me and open for acceptance by the Newcastle Municipality during the validity period indicated and calculated from the closing time of the bid;
 - (b) this bid and its acceptance shall be subject to Supply Chain Management Regulations, the Municipal Finance Management Act, No 56 of 2003, the Newcastle Municipality Supply Chain Management Policy and the General and Special Conditions of Contract, with which I/we am fully acquainted;
 - (c) if I/we withdraw my 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 Municipality may, without prejudice to its other rights, agree to the withdrawal of my bid or cancel the contract that may have been entered into between the Municipality and myself. I/we will then pay to the Municipality any additional expenses incurred by the Municipality having either to accept any less favorable bid or, if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favorable bid. The Municipality shall have the right to recover such additional expenditure by set-off against monies which may be due to me under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me or on my behalf for the due fulfillment of this or any other bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Municipality may sustain by reason of my default;
 - (d) If my proposal is accepted, the acceptance may be communicated to me by registered post, and that the South African Post Office Limited shall be treated as delivery agent to me;

(e) the law of the Republic of South Africa shall govern the contract created by the acceptance of my bid and I choose domicilium citandi et executandi in the Republic at (full physical address):

.....

.....

3. I/we furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of the bid: that the price(s), rate(s) and preference quoted cover all of the work/item(s) and my obligations under a resulting contract, and I accept that any mistakes regarding the price(s) and calculations will be at my risk.
4. I/we hereby accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement, as the Principal(s) liable for the due fulfillment of this contract.
5. I/we agree that any action arising from this contract may in all respects be instituted against me and I/we hereby undertake to satisfy fully any sentence or judgment which may be pronounced against me as a result of such action.
6. Are you duly authorized to sign the proposal?* ☐ YES ☐ NO
7. I/we confirm that I/we have declared all and any interest that I or any persons related to my business has with regard to this bid or any related bids by completion of the Declaration of Interest Section.
8. Has the Declaration of Interest been duly completed and included with the bid forms?* ☐ YES ☐ NO

* Delete whichever is not applicable

9. CERTIFICATION OF CORRECTNESS OF INFORMATION SUPPLIED IN THIS DOCUMENT

I/we, the undersigned, who warrant that I am duly authorized to do so on behalf of the bidder, certify that the information supplied in terms of this document is correct and true, that the signatory to this document is duly authorized and acknowledge that:

- (1) The bidder will furnish documentary proof regarding any bidding issue to the satisfaction of the Municipality, if requested to do so.
- (2) If the information supplied is found to be incorrect and/or false then the Municipality, in addition to any remedies it may have, may:-
- a) Recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract, and/or
 - b) Cancel the contract and claim any damages which the Municipality may suffer by having to make less favorable arrangements after such cancellation.

BIDDER`S NAME : _____

BIDDER'S REPRESENTATIVE : _____

SIGNATURE : _____

DATE : _____

WITNESSES

1. Name : _____

Signature : _____

Date : _____

2. Name : _____

Signature : _____

Date : _____

10. AUTHORITY TO SIGN THE PROPOSAL

SIGNED ON THIS..... DAY OF..... 20.....

AT.....

.....

SIGNATURE OF BIDDER OR DULY NAME OR AUTHORIZED REPRESENTATIVE
(IN BLOCK LETTERS)

ON BEHALF OF (BIDDER'S NAME).....

CAPACITY OF SIGNATORY.....

NAME OF CONTACT PERSON (IN BLOCK LETTERS, PLEASE)

.....

POSTAL ADDRESS

.....

TELEPHONE NUMBER

FAX NUMBER

CELLULAR PHONE NUMBER

E-MAIL ADDRESS

NEWCASTLE MUNICIPALITY

CONTINUATION OF SPECIAL CONDITIONS OF CONTRACT

RULES IN RESPECT OF BID DOCUMENTS

'Council' shall mean the Newcastle Municipality

'Committee' shall mean that Committee of the Council whose responsibility it is to consider tenders and advise Council on acceptance or otherwise.

'Municipal Manager' shall mean the Municipal Manager of the Local Council of Newcastle or such person appointed by Council to act in that capacity.

'Head of Department' shall mean the head of the Council department concerned with the particular tender or such person appointed by Council to act in that capacity.

All bidders are hereby advised that in the event that the bid is accepted by the Council all conditions and stipulations set out this bid and in all forms, schedule and/or annexure hereto, will be the contract between the Bidder and the Municipality.

1. Bidders must acquaint themselves fully on the Rules, General Conditions and Special Conditions of bid documents.
2. Failure on the part of the Bidder to sign this bid form and thus to acknowledge and accept the conditions in writing or to complete the attached forms, questionnaires and specifications and proposals in all respects, may in the sole discretion of the Municipality invalidate the bid.
3. Bidders shall quote delivery periods for the products specified and shall supply all the information called for on the attached data schedules.
4. **Proposals shall include for the delivery of the products to the Newcastle Municipality – Civic Centre, Murchison Street, Newcastle or as instructed by the Municipal Manager or delegated official or as per municipal official order.**
5. **GUARANTEE**
Where applicable, Bidders shall provide at the time of bidding, details of the guarantee given with the products offered together with the period for which the guarantee is effective from date of delivery.
6. **No bid will be accepted unless made out on the forms provided.**
7. Bidders are to note that tenders must hold good for a period of **one hundred and twenty (120) days** from the date of opening and the offer price must be inclusive of **VAT (the vat portion be indicated separately).**
8. A signed copy of these conditions and specifications must accompany the bid.

9. No proposal will be accepted unless made out on the forms provided.
10. No telegraphic or fax or e-mailed bids will be accepted.
11. Proposal received after 12:00 on the closing date of this bid will not be accepted.
12. After the bids have been opened, a bid may not be withdrawn by the person or firm submitting it except with the concurrence of the Council.
13. Council reserves the right to accept all or a portion only of any tender.
14. Should there be any difference between the prices or particulars contained in the official Form of bid and those contained in the covering letter from the bidder the prices and particulars contained in the official form of bid, in all circumstances, prevail.
15. If any of the conditions on this bid form are in conflict with any special conditions, stipulations or provisions incorporated in the bid, such special conditions, stipulations or provisions shall apply.
16. Bids must be submitted in sealed envelopes.
17. The bid number and title of the bid must appear on the front of the sealed envelope in which the bid is submitted.
18. It is important that only Bidders with the necessary experience, qualifications and technical ability to carry out the requirements of this bid submit bids in regard hereto. The Municipality will consider all prices and submissions made by the bidders. Should the Municipality require that a specific price and/or submission be reconsidered, it reserves the right to do so, subject to the Municipality requesting all Bidders to submit such a request or revision of the Bid Proposal.
19. The bidder undertakes that it will make itself and its members, officials and employees and agents aware of the appropriate legislation, regulations and by-laws of the Municipality that might have implications on the Bidder's activities in terms hereof.
20. Neither the Municipality nor any official of the Municipality will be held responsible for loss of a potential opportunity to bid due to the failure of the Bidder complying with any of the requirements of this bid.
21. The covering letter or other matter submitted with the official bid document may explain, amplify or illustrate, but not replace any part of the official bid document or the information furnished therein.
22. All data/information supplied by the Municipality will be received by the Bidder at his/her risk. It will be the responsibility of the Bidder to check and verify the accuracy of the data/information supplied by the Municipality. The Municipality will not be held responsible for any inaccurate or incomplete data/information.

23. PAYMENT OF MUNICIPAL SERVICES

Proof must be produced, together with the bidding documents that the entity is not indebted to the Municipality or Municipal area in which they are staying, for a period of more than 30 days for services rendered / rate payable. Bidders residing on farms with no municipal services should submit a letter from their Induna / owner stating the above. Municipality reserves the right to withdraw from the contract and appoint alternative bids if the bidder falls into arrears with the abovementioned monies during the period of contract.

24. INVITATION TO BID

Bids shall be invited by the Municipal Manager in terms of the Supply Chain Management Policy of the Newcastle Municipality.

25. SUBMISSION OF BIDS

The completed proposal documents are to be placed in a sealed envelope and externally endorsed "**Bid number: A002 – 2021/22 EXPRESSION OF INTEREST FOR THE IMPLEMENTATION OF A SELF-FUNDED MODEL FOR REDUCING WATER AND ENERGY INEFFICIENCIES**

and bearing name, address and bidder's contact details at the back of the envelope and should be placed in the bid box provided at the Municipal Civic Centre (Rates Hall) in Murchison Street (Newcastle) by no later than 12h00 noon on the date as stated on the cover page when it will be opened in public.

The proof of payment for the bid document must be attached to Municipal Bidding Documents when submitting the offer. The period advertised for the receipt of bids shall be as stated in the notice calling for bids and shall expire at 12:00 on the date stated in the invitation to bid.

No bids found in any other box or elsewhere subsequent to the closing date and time bid will be considered.

28. The method of submission for tender documents be a single envelope system.

29. OPENING OF BIDS

Immediately after 12:00 on the date advertised for the receipt of tenders, or as soon thereafter as possible, the tenders duly received shall be opened in public by an officer designated by the Municipal Manager and the name of each bidder shall be read out to the public in attendance.

As each bid is opened, it shall be authenticated by the supervising officer by stamping with Council's stamp and by the supervising officer's signature, witnessed by an assistant who must be an officer of Council. Each document and any annexure thereto will be stamped, signed and witnessed as described and the date of opening recorded on each document or annexure.

All bids received and endorsed in accordance with the above paragraph shall, at the conclusion of the opening procedure, be recorded in a bid register to be kept by an official designated by the Municipal Manager and such register shall be stamped, signed and witnessed as aforesaid.

30. ACCEPTANCE OF BIDS

After the opening of bids, the official designated by the Municipal Manager shall forward such tender to the Head of Department for whom such tenders have been invited. The Head of Department concerned will then consider the tenders and submit them to the appropriate Committee with the written comments of the Chief Financial Officer and with details of any irregularity or defect in connection with the bid documents or matters relating to the calling of bids together with the recommendation for consideration by the Committee.

31. BID DOCUMENTS

- a. Where applicable all bid documents and drawings are to be returned at the time of bidding except that where an additional copy of the Schedule of Quantities is provided, a copy may be retained by the tender for his records.
The original Schedule of Quantities must be forwarded to the Newcastle Municipality
- b. After awarding the bid, no documents will be returned to any unsuccessful bidder, but will be retained by the Municipal Manager.
- c. All bid documents must be completed in ink and should any alteration, omission, erasure or addition be made, it will not be recognised unless authenticated with the initials of the bidder and those of the witnesses of his signature. Bidders may, however, qualify their bid by a letter accompanying the bid documents.
- d. Any irregularity, incompleteness or obscurity in a bid renders it liable for rejection.
- e. Failure to sign the bid document will invalidate the bid , provided that if it is the only acceptable bid received, the Head of Department may recommend that it be considered as an offer after signature by the bidder.
- f. Bidders shall check that they have been provided with all the documents and drawings. Bidders must advise the Department concerned immediately if there is any duplication or obscure typing or if there is any doubt as to the meaning of any words, clause, sentence, paragraph, drawing or any other particulars and have the matter rectified, otherwise it will be taken for granted that there are no doubts or errors, and no liabilities whatsoever will be admitted in respect of errors in the tender due to the foregoing.
- g. The use of correcting fluid is prohibited.

32. DEPOSITS

- a. A sum as stated in the invitation to bid being a deposit for the supply of the bid documents. The bidder must obtain a receipt for the deposit amount from the office of the Chief Financial Officer prior to receiving the bid documents.
- b. A deposit in the sum stated in the bid documents is non-refundable.
- c. The Head of the Department concerned, in the event of receiving any deposits, shall forthwith hand to the Chief Financial Officer any deposits or security received.

33. TELEGRAPHIC/FAXED/POSTED/E-MAILED BIDS

No telegraphic or faxed or posted or e-mailed bids will be accepted.

34. LATE BIDS

- a. Any bid received after the closing date and time advertised for the receipt of bids shall not be considered, provided that a late bid may be admitted by the Council when :
 - I. in the case of a bid submitted through the post, there is proof that the bid was posted in sufficient time to reach the Municipal Manager before the closing date and time advertised for the receipt of bid and the bidder has taken reasonable steps against ordinary delays and was in no way to blame for the late receipt of his bid;
 - II. in the case of a bid delivered by hand, there is proof that the bidder had taken reasonable steps against ordinary delays and was in no way to blame for the late delivery.
- b. The Council may accept a bid which is received late and has for that reason been disallowed in terms of the provisions of this rule, provided it was the only acceptable bid received.

35. COMMUNICATION PROHIBITED

- a. Except where clarification of a bid is necessary or whenever it is necessary to approach a bidder for an extension of the binding period of a bid, no communication, without written authority of the Council, shall take place between the bidder and any member or officer of Council on a question affecting any matter which is the subject of a bid between the closing date and time of a bid and the acceptance by Council of the bid. When clarification is required or an extension of time, this may be requested by a Council Officer on the authority of his Head of Department.
- b. In no case shall bids be returned or referred to bidders for amendment or completion in any respect without the written authority of the Council.

36. COUNCIL NOT OBLIGED TO ACCEPT ANY BID

Council does not bind itself to accept the lowest or any bid and where the bid documents allow for such cases, reserves the right to accept a portion only of any bid.

Council will not compensate the bidder in the preparation and submission of his bid. Council reserves the right to purchase goods outside this contract if and when the need arise

37. DEVIATION FROM CONTRACT

The Council will reserve the right to purchase goods outside of the bid contract if and when the need arises.

38. ALTERNATIVES

The bidder may submit alternatives which, in his/her opinion, are to the Council's advantage economically and technically.

39. CONTRACT DURATION

The contract will be valid for a period of 36 months from the date of appointment or negotiated.

40. POST AWARD PRODUCT COMPLIANCE PROCEDURES

The following post award product compliance procedure will apply:

- i. In the case the equipment has been discontinued / replaced with a new model, the service provider(s) will be required to submit letters from the Manufacturer / Supplier stating the changes and the approval be obtained from the Accounting Officer prior to the executions of such changes.
- ii. Furthermore, service provider(s) are expected to disclose information on the following:
 - Financial Implications & Price Variances
 - Any potential risk
- iii. The new model should at least meet the minimum specification of the original model.
- iv. The delivery and installation of new equipment cannot be affected without the approval from the head of the department (Strategic Executive Director).

41. DEMONSTRATIONS AND INSPECTIONS

- i. All bidders must be prepared to demonstrate, where required, free of charge and obligation, at the Newcastle Municipality or any other area within the boundary of the Newcastle Municipality, any services offered in this bid.
- ii. Where officials are required to attend demonstrations or inspections outside the boundary of the Newcastle Area, all costs to attend such demonstration shall be borne by the bidder.

42. Pricing

- 42.1. Rates and prices offered by the bidder must be written onto the pricing schedule or form of offer of this document by hand, completed in full and signed by the duly authorised signatory.
- 42.2. All prices shall be quoted in South African currency, and be **INCLUSIVE of VAT**. Bid prices that do not include VAT shall not be considered.
- 42.3. Bid prices must include all expenses, disbursements and costs (e.g. transport, accommodation etc.) which may be required for the execution of the bidder's obligations in terms of the Contract. Bid prices shall cover the cost of all general risks, liabilities and obligations set forth or

implied in the Contract, as well as overhead charges and profit (in the event that the bid is successful), unless otherwise specified.

42.4. All bid prices will be final and binding.

2.4.1. A bid will not be invalidated if the amount in words and the amount in figures do not correspond,

2.4.2. in which case the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount; therefore, where there is a discrepancy between the amount in figures and the amount in words, the amount in words shall apply.

43. Forward Exchange Rate Cover

43.1. In the event of price(s) based on the exchange rate, the successful bidder(s) will be required to obtain exchange rate cover in order to protect the Municipality against exchange rate variations.

43.2. The bidder must provide proof of forward exchange rate cover within 14 days after an order was placed.

43.3. If proof that forward exchange rate cover was taken out within 14 days after the order was placed but is not submitted to the Municipality along with the invoice, the contract price adjustment will not be accepted and the contract may be cancelled.

44. Submission of Bids

44.1. Sealed bids, with the **"Bid Number and Title"** clearly endorsed on the envelope, must be deposited in the bid box on or before the closing date and time of the bid.

44.2. The bid box is in Municipal Civic Offices, 37 Murchison Street, Rates Hall, 1st Floor, Newcastle.

44.3. All literature must be securely attached to the bid. The Council shall not be held liable for any loss or damages sustained due to the service provider's failure to comply with this condition.

44.4. If a courier service company is being used for delivery of the bid document, the bidder description must be endorsed on the delivery note/courier packaging and the courier must ensure that documents are placed / deposited into the bid box. The Newcastle Municipality will not be held responsible for any bid document which is not timeously delivered, mislaid or incorrectly delivered due to the negligence of the courier company or any other party involved in the delivery of the bid document.

Please note:

- Bids that are deposited in the incorrect box will not be considered.
- Mailed, telegraphic or faxed tenders will not be accepted.
- Documents may only be completed in **black ink**.
- The use of correction fluid/tape on the bid documents is not allowed. If there is an error, draw a line through it, initial next to it and make the correction directly above /below/next to it.
- All bids must be submitted in writing on the official forms supplied (not to be re-typed).

45. Opening, Recording and Publications of Bids Received

- 45.1. Bids will be opened on the closing date immediately after the closing time specified in the bid documents. If requested by any bidder present, the names of the bidders, and if practical, the total amount of each bid and of any alternative bids will be read out aloud.
- 45.2. Details of bids received in time will be recorded in a register which is open to public inspection.
- 45.3. Any bid received after the appointed time for the closing of bids **will not be considered** but shall be filed unopened with the other bids received, which bid(s) can be returned to the bidder at his request and cost.

46. Validity Period

Bids shall remain valid for **one hundred & twenty (120) days** after the tender closure date.

47. Incorrect Information

Where a contract has been awarded on the strength of the information furnished by the bidder which after the conclusion of the relevant agreement, is proven to have been incorrect, the municipality may, in addition to any other legal remedy it has or may have, recover from the contractor all costs, losses or damages incurred or sustained by the municipality as a result of the award of the contract.

48. Withdrawal of Bid during and After the SCM Process:

- 48.1. When a bidder withdraws his/her bid during the SCM bidding process, it must be in writing, prior to the award of the bid, of which Newcastle holds the right to accept or reject with or without a claim for any damages.
- 48.2. When a bidder withdraws or cancels the contract after award of the bid to the particular winner of the bid, the awarded bidder will be held responsible for any damages or administrative expenses incurred prior to the award of the bid.

49. Invoices

All invoices must be forwarded to the following address:

Newcastle Municipality
Private Bag x6621
Newcastle, 2940

49.1. Legal requirements for invoices

10.1.1. Please ensure that your tax invoices complies with the requirements as stipulated by SARS (VAT Act No 89 of 1991), i.e.:

49.1.1.1. Ordinary invoice (not VAT Registered)

- a) The word „**INVOICE** “ in a prominent place
- b) Official invoice number and date of transaction
- c) Trade name, legal name, registration number (if any) and address of supplier
- d) The Official order number of Newcastle Municipality is compulsory – non-compliance – no payment

- e) The Municipality's name and postal address (Private Bag X6621, Newcastle, 2940)
- f) Accurate description of goods and / or services supplied / provided.
- g) Unit of measurement of goods or services supplied
- h) Price

49.1.1.2. **VAT/Tax invoice (VAT registered)**

- a) Word „**TAX INVOICE**’ in a prominent place
- b) Trade, legal name and registration number (if any) of supplier
- c) Address and VAT number of supplier
- d) The official invoice number and date of invoice
- e) The Official order number of Newcastle Municipality is compulsory – non-compliance – no payment
- f) The Municipality's name and postal address (Private Bag X6621, Newcastle, 2940) and VAT registration number (4000791824)
- g) Accurate description of goods and / or services supplied / provided.
- h) Unit of measurement of goods or services supplied
- i) Price and VAT amount

50. Payment Terms

- 50.1. It is the policy of the Newcastle Municipality to pay all creditors by means of electronic bank transfers.
- 50.2. Creditors will be paid within 30 days after receipt of an invoice and statement for the month in question, detailing all invoices during that month and reflecting the total amount due by the Municipality. In exceptional circumstances, the Municipality may, at its discretion, deviate from the above.

51. Poor Performance

Where the supplier fails to render the services within the stipulated period, or should services rendered be deemed not to the satisfaction of the Newcastle Municipality, the tenderer will receive written notice of poor performance. Failure to address performance issues could result in the entire contract being reviewed or cancelled.

52. Central Supplier Database

No awards will be made to a tenderer who is not registered on the Central Supplier Database.

53. Disbursements, Travel and Subsistence

- 53.1. No bidder will be refunded any cost or disbursements incurred in respect of the project, save where the prior written approval of Newcastle Municipality has been obtained in respect of such expenditure.

- 53.2. Any authorized disbursements will be refunded at the reasonable and actual cost determined by Newcastle Municipality. Any expenditure incurred by the successful bidder in respect of authorized travel for the project will be refunded in accordance with the Newcastle Municipality travel policy as applicable from time to time. The rates payable for the use of private vehicles will be the prevailing rates quoted by the Automobile Association of South Africa.
- 53.3. All claims in respect of authorized disbursements (travel and subsistence costs) must be substantiated by documentary evidence such as receipts and logs of kilometres travelled.
- 53.4. All expenses incurred by the bidder for the proposal and presentations are the responsibility of the bidder and will not be reimbursed by Newcastle Municipality.

7. AUTHORITY OF SIGNATORY

Indicate the status of the Bidder by ticking the appropriate box hereunder. The Bidder must complete the certificate set out below for the relevant category.

A COMPANY	B PARTNERSHIP	C JOINT VENTURE	D SOLE PROPRIETOR	E CLOSE CORPORATION

A. Certificate for Company

I,, chairperson of the board of
....., hereby confirm that by resolution of the
board (copy attached) taken on 20..... ,

Mr/Ms.....acting in the capacity of , was authorised to
sign all documents in connection with this bid for Bid no **Bid no.: A002 - 2021/22** and any contract
resulting from it on behalf of the company.

As witnesses:

1. Chairman:

2. Date:

B. Certificate for Partnership

We, the undersigned, being the key partners in the business trading as
.....
....., hereby authorise Mr/Ms, acting in the capacity of
....., to sign all documents in connection with this bid for **Bid no.: A002**
- 2021/22 and any contract resulting from it on our behalf.

Name	Address	Signature	Date

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

C. Certificate for Joint Venture

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms, authorised signatory of the company, acting in the capacity of lead partner, to sign all documents in connection with this bid for **Bid no.: A002 - 2021/22** and any contract resulting from it on our behalf. This authorisation is evidenced by the attached power of attorney signed by legally authorised signatories of all the partners to the Joint Venture.

Name of Firm	Address	Authorising Name and Capacity	Authorising Signature
Lead Partner:			

NOTE: A copy of the Joint Venture Agreement indicating clearly the percentage contribution of each partner to the Joint Venture, is to be submitted with the bid. A board resolution, authorising each signatory who signed above to do so, is to be submitted with the bid.

D. Certificate for Sole Proprietor

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

As witnesses:

1. Sole Owner:
2. Date:

E. Certificate for Close Corporation

We, the undersigned, being the key members in the business trading as
....., hereby authorise Mr/Ms
acting in the capacity of, to sign all to sign all documents in connection with this bid for **Bid no A002 - 2021/22** and any contract resulting from it on our behalf.

Name	Address	Signature	Date

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

8. AUDITED FINANCIAL STATEMENTS

Please attach onto this page audited financial statements

Alternatively, the PSP may submit a letter/declaration from his bank worded as above, providing the required details and signed by an appropriate Bank Official (attached behind this page).

Name of Bidder			
Signature		Name (print)	
Capacity		Date	

9. PROOF OF GOOD STANDING WITH MUNICIPAL ACCOUNTS

MUST BE COMPLETED FOR THIS BID

Declaration in terms of paragraph 38(1)(d)(i) of the Supply Chain Management Regulation, irrespective of the contract value of the bid:

NB: Please note that this declaration must be completed by ALL bidders

- i. I, the undersigned hereby declare that the signatory to this tender document; is duly authorised and further declare:
- ii. I acknowledges that according to SCM Regulation 38(1)(d)(i), the Municipality may reject the tender of the tenderer if any municipal rates and taxes or municipal service charges owed by the Tenderer or any of its directors/members/partners to Newcastle Municipality, or to any other municipality or municipal entity, are in arrears for more than 3 (three) months.
- iii. I acknowledge that should it be found that any municipal rates and taxes or municipal charges as set out in (ii) above are in arrears for more than three (3) months, the bid will be rejected and the Newcastle Municipality may take such remedial action as is required, including the rejection of the bid and/or termination of the contract; and
- iv. The following account/s of the bidding entity has reference:

Physical Business Address(es) of the Tenderer	Municipality	Municipal Account Number

NB: If insufficient space above, please submit on a separate page

PLEASE NOTE further that if no municipal rates and taxes or municipal charges are payable by the bidding entity, indicate the reason/s for that in the space below by means of a tick next in the relevant block,

Reason	Tick	Portfolio of evidence
Bidding entities who rent premises from a landlord		Signed copy of the lease agreement together with a letter from the landlord stating that no levies are in arrears.
Bidding entities who operate from a property owned by a director / member / partner		Municipal account statement/s of a director / member / partner
Bidding entities who operate from farms / informal settlements		A letter from their Induna/owner.
Bidding entities who operate from somebody else's property		Sworn affidavit stating the details and relationship with the property owner.
Other (Please specify)		

Attach latest municipal account statement behind this page. The portfolio of evidence must not be older than three months from the close of this tender.

SIGNED AT.....THIS.....DAY OF..... 20.....

Name of Duly Authorised Signatory: (Please print).....

Authorised Signature:

As witness: 1.

2.

10. CENTRAL SUPPLIER DATABASE REGISTRATION

No awards will be made to a tenderer who is not registered on the Central Supplier Database (CSD).

The establishment of a Central Supplier Database (CSD) will result in one single database to serve as the source of all supplier information for all spheres of government. The purpose of centralising government's supplier database is to reduce duplication of effort and cost for both supplier and government while enabling electronic procurement processes.

Registration on the Central Supplier Database must be done online via the website:

<https://secure.csd.gov.za/>

<u>Name of Bidder</u>			
<u>Signature</u>		<u>Name (print)</u>	
<u>Capacity</u>		<u>Date</u>	

11. RPOOF OF REGISTRATION WITH THE BODY OF PROFESSIONALS

Please attach the certificate onto this page – Proof of Registration with the Body of Professionals

<u>Name of Bidder</u>			
<u>Signature</u>		<u>Name (print)</u>	
<u>Capacity</u>		<u>Date</u>	

NB: THE FOLLOWING CLAUSES HAVE BEEN REPEATED AS THESE WILL LEAD TO THE REJECTION OF THE BID

- All bid documents must be completed in black ink and should any alteration, omission, erasure or addition be made, it will not be recognised, unless authenticated with the initials of the bidder and those of the witnesses of his signature.
- Failure to sign the bid document will invalidate (Invitation to Bid) the bid, provided that it is the only acceptable bid received, Council may recommend that it be considered as an offer after signature by the bidder.
- NO correction fluid/tape may be used.
- Bidders shall ensure that they have been provided with all the documents and drawings. Bidders must advise the Department concerned immediately if there is any duplication or obscure typing or if there is any doubt as to the meaning of any words, clause, sentence, paragraph, drawing or any other particulars and have the matter rectified, otherwise it will be assumed correct and no liabilities whatsoever will be admitted in respect of errors in the bid due to the foregoing.
- Bids received after the official closing date and time of this bid, will not be accepted.
- Proof must be produced, together with the bidding document that the entity is not indebted to the Municipality or municipal area in which they are staying, for a period of more than 30 days for services rendered / rates payable. Bidders residing on farms with no municipal services should submit a letter from their Induna/owner stating the above.
- **TAX COMPLIANCE STATUS**
A valid Tax Compliance Status Pin or CSD Master Registration Number should be supplied on MBD 1 for verification.

NAME OF BIDDER

ADDRESS

TELEPHONE NUMBER

NAME OF THE OFFICIAL **POSITION**

SIGNATURE **DATE**

WITNESSES

NAME **NAME**

SIGNATURE **SIGNATURE**

ID NUMBER **ID NUMBER**

12. MBD 1: INVITATION TO BID

(TO BE COMPLETED AND BE SUBMITTED WITH FINANCIAL PROPOSAL)

PART A

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NEWCASTLE MUNICIPALITY

Bid Number	A002 – 2021/22	Closing Date	15 December 2021	Closing Time	12h00
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Description	Expression Of Interest For The Implementation Of A Self-Funded Model For Reducing Water And Energy Inefficiencies
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THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN
THE BID BOX SITUATED AT

**FIRST (1st) FLOOR OF THE NEWCASTLE MUNICIPALITY
MUNICIPAL CIVIC CENTRE OFFICES (RATES HALL)
37 MURCHISON STREET
NEWCASTLE
2940**

SUPPLIER INFORMATION

Name of Bidder					
Postal Address					
Street Address					
Telephone Number	Code		Number		
Cellphone Number					
Facsimile Number	Code		Number		
E-Mail Address					
Vat Registration Number					
Tax Compliance Status	TCS PIN:		OR	CSD No:	
B-BBEE Status Level Verification Certificate [Tick Applicable Box]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE Status Level Sworn Affidavit		<input type="checkbox"/> Yes <input type="checkbox"/> No

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

Are you the Accredited Representative in South Africa for the Goods /Services /Works Offered?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if yes enclose proof)	Are you a Foreign Based Supplier for the Goods /Services /Works Offered?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if yes, answer part B:3)
--	--	---	---

Total Number of Items Offered	
--------------------------------------	--

Signature of Bidder	Date:
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Capacity under which this bid is signed:

ENQUIRIES MAY BE DIRECTED TO:**Bidding Procedure Enquiries****Technical enquiries**

Contact person Mrs D Marais

Ms. Z. Ntombela

Telephone number 034 328 7769

034 328 7917 or 082 774 9639

E-mail address Dalene.marais@newcastle.gov.za

Zama.ntombela@newcastle.gov.za

PART B

Terms and Conditions for Bidding

1. BID SUBMISSION:

- 1.1. Bids must be delivered by the stipulated time to the correct address. Late bids will not be accepted for consideration.
- 1.2. **All bids must be submitted on the official forms provided–(not to be re-typed) or online**
- 1.3. This bid is subject to the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations, 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 Number (Pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.
- 2.3 Application for the Tax Compliance Status (TCS) certificate or Pin may also be made via e-filing. In order to use this provision, taxpayers will need to register with SARS as e-filers through the **website www.sars.gov.za**.
- 2.4 Foreign suppliers must complete the Pre-Award Questionnaire in part B:3.
- 2.5 Bidders may also submit a printed TCS certificate together with the bid.
- 2.6 In bids where consortia / joint ventures / sub-contractors are involved, each party must submit a separate TCS certificate / Pin / CSD number.
- 2.7 Where no TCS is available but the bidder is registered on the Central Supplier Database (CSD), a CSD number must be provided.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. Is the entity a resident of the Republic of South Africa (RSA)? ☐ Yes ☐ No
- 2.8 Does the entity have a branch in the RSA? ☐ Yes ☐ No
- 3.1. Does the entity have a permanent establishment in the RSA? ☐ Yes ☐ No
- 2.9 Does the entity have any source of income in the RSA? ☐ Yes ☐ No
- 3.1. Is the entity liable in the RSA for any form of taxation? ☐ Yes ☐ No

If the answer is "no" to all of the above, then it is not a requirement to register for a Tax Compliance Status System Pin Code from the South African Revenue Service (SARS) and if not register as per 2.3 above.

NB: Failure to provide any of the above particulars may render the bid invalid.

No bids will be considered from persons in the service of the state.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

13. **MBD 3.3: PRICING SCHEDULE FOR (PROFESSIONAL SERVICES)**

(TO BE COMPLETED AND BE SUBMITTED WITH FINANCIAL PROPOSAL)

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

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO INCLUDED	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES		
1.	The accompanying information must be used for the formulation of proposals.			
2.	Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.			R.....
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)			
4.	PERSON AND POSITION	HOURLY RATE	DAILY RATE	
	-----	R-----	-----	
	-----	R-----	-----	
	-----	R-----	-----	
	-----	R-----	-----	
	-----	R-----	-----	
	-----	R-----	-----	
	-----	R-----	-----	

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

-----	R-----	----- days
-----	R-----	----- days
-----	R-----	----- days
-----	R-----	----- days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
-----		R.....
-----		R.....
-----		R.....
-----		R.....

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

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

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
-----		R.....
-----		R.....

----- R.....

----- R.....

TOTAL: R.....

6. Period required for commencement with project after
acceptance of bid

7. Estimated man-days for completion of project

8. Are the rates quoted firm for the full period of contract?*YES/ NO.

9. If not firm for the full period, provide details of the basis on which
adjustments will be applied for, for example consumer price index.....

.....

.....

.....

*Delete if not applicable

14. 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/ 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	Tax Reference Number	

3.7. The names of all directors / trustees / shareholders 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 –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

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

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

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
3.9.1	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.		
3.11	Are you, aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?	Yes	No
3.11.1	If yes, furnish particulars.		
3.12	Are any of the company's directors, managers, principal shareholders or stakeholders in service of the state?	Yes	No
3.12.1	If yes, furnish particulars.		
3.13	Are any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in service of the state?	Yes	No
3.13.1	If yes, furnish particulars.		
3.14	Do you or any of the directors, trustees, managers, principal shareholders or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.	Yes	No
3.14.1	If yes, furnish particulars.		

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

Full Name	Identity Number	State Number	Employee

Name of Bidder			
Signature		Name (print)	
Capacity		Date	

15. MBD 8: 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 to combat the abuse of the supply chain management system.
3. **The bid of any bidder may be rejected if the bidder, or any of its directors have:**
 - a) Abused the Municipality'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) Wilfully neglected, reneged or failed to comply with any government, municipal or public sector contract during the past five years; or
 - d) Been listed in the Register for Bid Defaulters in terms of section 29 of the Prevention and Combating of Corruption Activities Act (No 12 of 2004).
4. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

ITEM	QUESTION	YES	NO
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the audit alteram partem rule was applied).</p> <p>The database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Bid Defaulters in terms of section 29 of the Prevention and Combating of Corruption Activities Act (No 12 of 2004)?</p> <p>(The Register for Bid Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

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

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) _____

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

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

Name of Bidder			
Signature		Name (print)	
Capacity		Date	

16. MBD 9: CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

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

- e) the submission of a bid which does not meet the specifications and conditions of the bid;
or
 - f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

Name of Bidder			
Signature		Name (print)	
Capacity		Date	

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.

17. MBD 7.2 CONTRACT FORM - RENDERING OF SERVICES

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

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number: A002 – 2021/22 at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

WITNESSES

1

2

DATE:

DATE

MBD 7.2 CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference numberdated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

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

SIGNED AT ON

NAME (PRINT).....

SIGNATURE

OFFICIAL STAMP

78

WITNESSES

1

2

DATE:



PART B – TERMS OF REFERENCE

EXPRESSION OF INTEREST FOR THE IMPLEMENTATION OF A SELF-FUNDED MODEL FOR REDUCING WATER AND ENERGY INEFFICIENCIES



NEWCASTLE MUNICIPALITY

EXPRESSION OF INTEREST FOR THE IMPLEMENTATION OF A SELF-FUNDED MODEL FOR REDUCING WATER AND ENERGY INEFFICIENCIES

1. REQUEST FOR PROPOSALS:

Service Providers are requested to submit proposals for Shared Water Saving Contracts (SWSC) and Revenue Enhancement Contracts (REC) to assist the Newcastle Local Municipality's Water Conservation/ Water Demand Management (WC/WDM) and Non-Revenue Water (NRW) Strategies.

2. PURPOSE

Service Providers are requested to submit proposals for Shared Water Saving Contracts (SWSC) and Revenue Enhancement Contracts (REC) to assist the Newcastle Local Municipality's Water Conservation/ Water Demand Management (WC/WDM) and Non-Revenue Water (NRW) Strategies having the main objective of reducing the current losses attributed to leaks, theft, overflows, and meter reading inaccuracies, while simultaneously improving billed volumes to consumers and allowing the private sector to partner with the Municipality and share in the savings achieved from the intervention on a 80/20 basis for a 3-year term.

3. TERMS OF REFERENCE

3.1. INTRODUCTION AND BACKGROUND

Municipalities are responsible for the daily delivery of water and sanitation services to their residents. It is generally accepted internationally that the use of the International Water Association (IWA) water balance is done by all entities and it helps and guides any utilities activities in gauging the efficiency of their operations. Additionally, the Department of Human Settlements, Water and Sanitation (DHSWS) and the Auditor General requires this information as part of regulatory reporting on a monthly, quarterly and annual basis.

Shared Water Saving Contracts (SWSC) and Revenue Enhance Contracts (REC) have been identified as a potential mechanism to assist with achieving the objectives for the Municipality's Water Conservation/Water Demand Management (WC/WDM) and NRW reduction strategies.

The primary rationale of the water efficiency and revenue enhancement programs will be to implement technical solutions to reduce kilolitre and kilowatt/hour consumption. The secondary reason is to increase the monthly accounts for water services rendered to consumers and/or other bulk water service customers.

There are many factors that contribute to water losses and wastages. Newcastle Municipality's NRW annual costs have an increasing trend which is not sustainable as well as the lack of budget to combat these losses. Hence, the need to have a service provider to self-fund interventions to assist the Municipality to reduce their losses.

The majority of Municipalities, Utilities etc. throughout the developing world and including developed countries have high levels of losses which needs to be curbed in a sustainable manner while also using the current ageing infrastructure to enhance all WC/WDM initiatives.

A large component of these costs to ensure water supply is electricity costs in the Municipal water cycle. Electricity has to be looked at due to the ever-increasing tariffs being applied by ESKOM as well as the guarantee of supply of electricity where the assurance of supply is decreasing over time. The fundamental problem is that Municipalities require funding to help them reduce costs as well as increase revenue which there is a shortage of.

4. CONTRACT OBJECTIVE

The main objective of the strategy is to reduce the current losses attributed to leaks of potable water while simultaneously improving billed volumes to consumers, using private sector funding, and allowing the private sector partner to share in the savings achieved from the intervention on an 80/20 basis driven by the 3-year procurement limitation imposed by the Municipal Finance Management Act (MFMA). National Treasury has allowed these types of Contracts to run for 7 years at Provincial level and could be allowed at Local Municipal level should permission be sought. If permission from National Treasury is granted then the contract period will be extended and a 60/40 split between the Consultant and Client shall be implemented.

The primary rationale of the water efficiency and revenue enhancement programs will be to implement technical solutions to reduce kilolitre and kilowatt/hour consumption. The secondary reason is to increase the monthly accounts for water services rendered to consumers and/or other bulk water service customers.

EXPLANATION OF COSTS AND REVENUES TARGETED

The business of a Municipality has costs and revenue generated from its operation of conveyancing the potable water from sales points of a Water Service Provider (or the Municipal's own water treatment plants) to eventually sell it to their customers. The initiatives that the appointed service provider targets will attempt to reduce the costs as well as increase the revenue for the Municipality in any way possible whilst ensuring all Municipal By-Laws and other laws and regulations are adhered to. The examples of targeted losses are as follows:

- A reduction in leaks and bursts in the water network;
- A consequent reduction in burst frequency which reduces the opex cost of Municipal overtime and materials to be used in repairs;
- A reduction of overflows from reservoirs;
- A reduction in purchase volumes purchased from WSP or from water treated from the Municipality's own treatment plants;
- A reduction in electricity costs as the amount of water needed to be pumped from one zone to another is reduced hence a reduction of cost from ESKOM;
- A reduction in water consumption in buildings, facilities etc. operated and/or owned by the Municipality;
- A reduction in electricity consumption in buildings, facilities etc. operated and/or owned by the Municipality;
- A reduction of consumption for indigent households and flat-rate paying households utilising more than 6kl/month; and
- A reduction in cost for procuring electricity from ESKOM by generating its own electricity.

Examples of targeted revenue increases are as follows:

- An increase in billed volumes from the Top water consumers;
- An increase in billed volumes from domestic consumers;
- An increase in confidence by consumers with the advent of smart meter technologies and readings; and

- An increase in areas where intermittent water supply exists and thus an increase in billed volume by ensuring water supply 100% of the time provided water is supplied to that area by the WSP.

5. SCOPE FOR EXPRESSION OF INTEREST

This scope of works is to present a strategic plan to conduct water audits, develop an integrated high-performance water saving solution that maximizes water conservation and water efficiency operation, finance and implement a SWSC and REC for the Newcastle Local Municipality.

The following activities are required from the interested party

Proposed PSP's Initiatives

In attempting to address the problem statements mentioned in the previous section the initiatives have been unbundled such that the Municipality will be able to monitor, track and manage the contractual obligations of the prospective PSP:

- Reduction of Real Losses – Pressure management;
- Reduction of Real Losses – Burst frequency reduction;
- Reduction of Electricity Costs – Variable speed drive installation on pumps;
- Reduction of Electricity Costs – Replace/retrofit new electric efficient motors and/or pumps;
- Reduction of Electricity Cost – Replacement of all Municipal buildings with LED lighting;
- Reduction of Operational Costs – On all water and waste water treatment plants;
- Increase of Revenue – Replace bulk metering on Top water consumers;
- Increase of Revenue – Replace/retrofit all domestic consumers with new SMART domestic metering/technologies linked directly to the Municipality's billing software;
- Increase of Revenue – Assessment and management of restrictor washes installed during the drought program (if any);

- Generation of Electricity – Installation of proprietary equipment to generate electricity either by Solar (PV) panels and generation via hydraulic energy in the Municipal's bulk water network system;
- Increase/Maintenance of Revenue – By ensuring continuous water supply; and
- Maintenance of Revenue – Overcoming lost pumping hours/storage capabilities due to load-shedding.

Approach and Methodology

The approach that will be adopted as part of this assignment has been presented graphically in *Figure 1* and explained in more detail in the following sections.

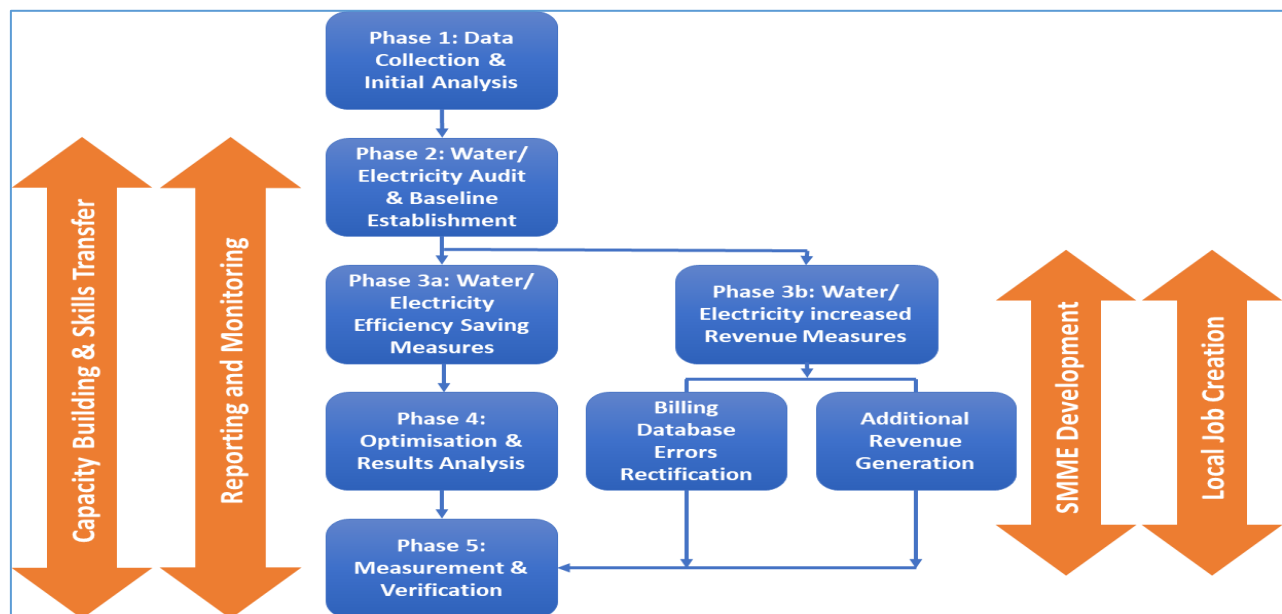


Figure 1: PSP's Approach and Methodology

Before the commencement of any on site investigation activities can commence, a project initiation/handover meeting must be held with the Municipal representatives to confirm the scope of services that will be carried out on each site, agree protocols and arrange for clearance for each facility/initiative. This meeting shall also conclude which KPI's, reporting requirements, approvals, and project management procedures shall be adopted for use on this project.

Phase 1: Data Collection and Initial Analysis

Before the commencement of any on site investigation activities, a detailed desktop analysis of the facilities/infrastructure will be completed. The guideline procedure which will be followed is recommended as follows:

- Information Retrieval and Data Gathering – Retrieval of all relevant information which can be used as part of the analysis such as five years water balances, bulk water purchases, electricity billing, burst frequency data and water billing data;
- Data Analysis – All information will then be transferred onto a common platform and analysed individually to identify any inaccuracies within the retrieved data and to gain a better understanding of the current system operations;
- Site Meetings – Meeting with direct stakeholders responsible for the operating and general maintenance of the facility in order to obtain a better understanding of the current system;
- Prioritisation of Intervention – In order to address the objectives of the program, it is important to determine some sort of prioritisation criteria that allows for quick wins. It is important to understand that intervention is not driven by the constraint of available water resources, but rather from a cost/benefit perspective of the PSP because of the nature of the SWSC and RECs. It is also important to note that, because of this, it is possible that not all infrastructure/initiatives will be included in the program at the same time, but rather phased in over a time period. A prioritisation indicator, or number of them, will therefore need to be selected together with the Client to determine the order of interventions.

Phase 2: Water/Electricity Audit and Baseline Establishment

Once all available information has been retrieved and the proposed SWSC and REC approach has been approved by the Client, a water and electricity audit can commence. The guideline approach to the investigative work which would form part of the water and electricity audit has been listed as follows:

- *Bulk Infrastructure Inspection* – A formal investigation and condition assessment will be carried out on all bulk infrastructure. Bulk infrastructure includes all infrastructure which forms part of the bulk system used to supply reticulation or internal service connections, up to the point of consumption as well as all electricity connections. In general, this infrastructure includes:
 - a. All Bulk Metering including Custody Transfer Points – Conditions assessment of all meter and shortfall of metering points;
 - b. Booster Pump Stations – Understanding of current operation and efficiency;
 - c. Bulk Pipelines – Identification and assessment of condition of line;
 - d. System Valves – Understanding of system valves operation (Right hand opening/closing and status);
 - e. Control Valves – Conditions assessment of control and determination of the application the control vales are used for which is generally pressure reducing, pressure sustaining and inlet control;
 - f. Electric Lighting – All lighting in buildings that are owed by the Municipality or where long-term leases exist where the Municipality operates;
 - g. Electricity Connections – to ensure that they are reading correctly; and
 - h. Problems encountered – current and past.

- **Baseline Field Measurements** – Before any proposed initiatives can be rolled out, measurements of the current system flowrate and pressures must be recorded as well as electricity profiles. This information can be used not only to determine whether certain initiatives may be viable but can also be used to as a benchmark once the all interventions have been completed and post intervention field measurements have been recorded;

- **Establishment of Project Baseline** – reconciliation of all billing records will be undertaken and a water/electricity consumption/billing baseline will be established in

accordance with a Standard Operating Procedure document as recommended by the World Bank for Performance Based Contracts (which determines how baselines shall be established, ideally with 36 months billing, failing which 12 months billing will be used or one month of detailed logging data).

Phase 3: Non-Revenue Water/Electricity Reduction and Energy Generation

This phase is split into two distinct sub-phases:

- Phase 3a: the physical reduction of water leakage/electricity usage; and
- Phase 3b: financial savings from administrative corrections or increased revenue from replacement of correct and/or smart metering and energy generation.

Phase 3A: Water Leakage/Electricity Reduction Saving Measures

A wide range of initiatives and technologies are currently available to assist with reduction of water leakage within reticulation networks. Various applications as listed below will form the basis of the proposed interventions depending on the information retrieved from the water audit:

- Installation of pressure management systems which would reduce the system pressure within the entire building. Therefore, all pressure dependent usage such as showers and irrigation will decrease;
- Installation of advanced pressure management devices which reduce pressure automatically during off-peak periods and increases pressure when usage increases;
- Installation of temporary leak detection equipment such as noise correlators which would assist in identifying any leaks within the building reticulation. This would lead to quicker leak repair and reduced consumption;
- Replacement and refurbishment of defective existing infrastructure such as leaks on taps and toilets or defective inlet control valves which cause on-site storage to overflow;

- Replacement of current lights with LED lighting in buildings owned or have long-term leases where MM operated; and
- Replacement/retrofit of motors and/or pumps in pump stations as well as Variable Speed Drives (VSD) to reduce and control electricity supply at pumps stations, Water Treatment Works and Waste Water Treatment Plants

As can be seen in the above section a large amount of technologies is currently available to assist with the reduction of water/electricity usage for the infrastructure. The selection and application of individual or collective technologies will be decided on a site-by-site basis and included in a detailed feasibility report for approval. The PSP must have access to a number of products and technologies in this regard and preference to “mix and match” products depending on the application and impact rather than promoting a specific product.

Phase 3B: Financial Efficiency Savings

On completion of the data collection and water audit exercise, it will be possible to verify the accuracy of the water/electricity accounts/bills issued by the Client. The following financial efficiency savings measures will therefore be carried out:

- *Fixed Charge Assessment* – checks will be undertaken to ensure that the consumer is being billed the correct fixed charge (based on either the meter size or consumer category) at each facility. If any corrections are due, preparatory engagement and correspondence to correct the situation will be undertaken with the relevant consumers on behalf of the Client.
- *Meter Reading Accuracy Assessment* – the accuracy of the billing meter readings will be undertaken to determine that an accurate bill is being submitted to consumers and not one based on, for example, high estimated meter readings. Should any additional billed volume, credits or refunds be due to the Client as a result of this exercise, all supporting documentation and correspondence shall be prepared and communicated on behalf of Client if they so wish.

Phase 3C: Increase in Revenue Generation

The following interventions will be part of this entire strategy to increase or generate new revenue:

- *Replacement of Bulk Meters for Top Consumers* – generally the Top consumers of a Municipality will account for the largest proportionate usage of volume of water. Additionally, these consumers are the commercial, industrial and institutional of the Municipality and most often are the ones paying for their services. All their meters will be changed out to the new metering technology and correct installation to ensure the maximum increase in revenue for the Municipality;
- *Replacement of Domestic Meters with SMART Meters/Technologies* – SMART metering has many definitions but the underlying goal for this initiative is to increase volume passed through the meter and ultimately transfer the validated meter reading to the Municipal billing system; and
- *Installation of PV and/or Hydraulic Generated Electricity* – Installation of Solar (PV) plants where possible as well as motors and pumps used to generate electricity using the existing hydraulic energy being used to transport water to various parts of the water system and converting it to electricity. The electricity generated could be used to either sell to consumers and/or be used as an alternate supply to ESKOM for the Municipal usage.

Phase 4: Final Optimisation and Results Analysis

Once all initiatives have been completed, optimisation and post-intervention measurements will be carried out to assess the initial success of the intervention. The guideline work packages that will be carried out as part of this phase have been listed below:

- Field measurements will be taken to assess the optimised system operation of the building;

- Review of initial results and calculation of savings (depending on the intervention) and increase in revenue (depending on the intervention) and return on investment;
- Compiling of savings/revenue generation report and handover of site to the Client's maintenance team.

NB. It should be noted that all results will be from the reduction of kL for water and kW for electricity that have passed through a meter. Similarly, the increase of revenue will be the increase in kL for water and the increase in kW for electricity through meters where both the PSP and the Municipality agree on. This does not include the debt recovery of the volume increase and this function still forms part of the Municipality's responsibility.

Phase 5: Measurement and Verification

One of the most important aspects of the project is ensuring that savings derived from the project are maintained over a long period of time. The continuous monitoring of water usage for each zone/building/site would ensure that any abnormal increases are picked up immediately and can be investigated and resolved timeously. For the monitoring of these sites, automatic meter reading devices with built-in leak detection technology (for water) is proposed to be installed. This will enable the retrieval of accurate weekly or monthly meter readings while also picking up any abnormal low flow conditions which could be leakage.

This will also assist in approving the impact of all intervention carried out on all sites forming part of this initiative. Measurement and Verification (M&V) is proposed to be carried out in accordance with the Standard Operating Procedure document issued by the World Bank standard for Performance Based Contracts.

Monitoring of Water/Electricity Consumption

Once this project has been implemented, it will be a requirement of the service provider to produce to the monthly and quarterly reports on the savings realised, illustrated in Rands and kilolitres per month, as per the *Figure 2*:

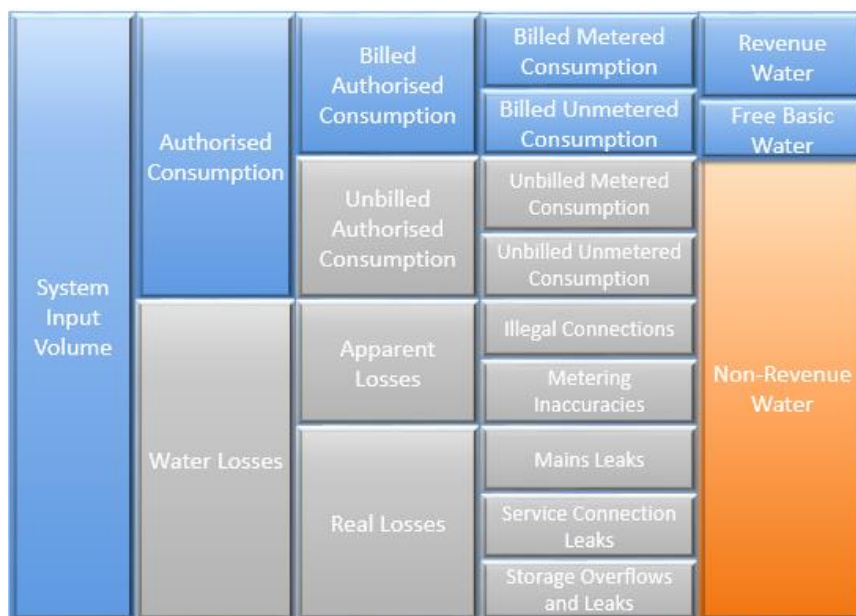


Figure 2: Modified IWA Water Balance

For electricity consumption only meter readings (and consequently electricity bills from ESKOM) from working, calibrated meters will be used as a reporting mechanism which shall be reduced to an acceptable spreadsheet format.

6. ROLES AND RESPONSIBILITIES OF THE STAKEHOLDERS

6.1 Roles and Responsibilities of the Service Provider

Project Management and Programme

The PSP will be required to undertake the overall management of the project and provide an implementation programme with the assistance of a Project Steering Committee headed by the Client. Additionally, the PSP will provide protocols for preventative maintenance, inspection, monitoring and repairs to all new and affected existing systems, infrastructure and equipment. Rollout of additional water/electricity efficiency equipment, electricity generating equipment, over and above what is mentioned previously, shall be considered by the Client for

implementation by the service provider should it be financially and economically viable.

The PSP will further endeavour to attend project meetings with the Municipal officials on a predetermined schedule, at a minimum of one meeting per month. The following responsibilities will also be included:

- Ensure that the development and implementation of the water/electricity efficiency improvements adhere to labour law, health and safety standards and all applicable building codes and legislation;
- Ensure that during the execution and upon completion of the improvements, the work/site will be cleared and cleaned of all waste;
- Implement a water usage monitoring system required to quantify and qualify projected and actual savings; and
- Correct and make good deficiencies and faults on improvements, equipment and systems installed.

Training and Mentorship

The PSP shall put in place an enterprise development and skills transfer model targeted at unemployed youth and women. Furthermore, in order to up-skill resources within the Client, the PSP will be required to train and mentor approximately 3 candidates in all roles and responsibilities in the project. The premise is that these candidates will be employed and trained by the service provider for the contract period, after which they are transferred to become permanent staff of the Client. The Client will work with the service provider in the selection of the candidates.

6.2. Roles and Responsibilities of the Municipality

Project Management and Programme

The Municipality, as the Client, will be responsible for the commissioning of a Project Steering Committee that will be responsible for the decisions and management of this project. The Municipality will review and advise the PSP on the Implementation Plans, progress and variations to the Scope of work received from the PSP.

The Municipality will Schedule Progress and Site Inspections at a minimum of one meeting a month and a weekly site visit as decided by the Project Steering Committee. The following responsibilities of the Municipality will also be included:

- Ensure that the PSP complies with the relevant acts and laws as set out by this Bid document and Gazetted by Government. This includes but is not limited to the Labour Relations Act, Occupational Health and Safety Act, Municipal Systems Act, relevant CIDB regulations.
- Ensure that there is an approved Budget for the term of the Contract according to the Implementation plan, Quotations, and Bill of Quantities received by the PSP for the work to be done in the Contract Term.
- Ensure that work done by the PSP is done according to the Scope of works as provided and to the Quality standards required and expected of the PSP.
- Diligently measure the success or failure of the implementations by the PSP to allow for progress to be measured.

7. ANTICIPATED TIMEFRAMES

Once the Expression of interest is obtained we as the Municipality will then follow our normal Supply Chain Processes.

The project timeframe – from the date of appointment - is a period of three (3) years, however if required and approved by the National Treasury, the Timeframe may be extended to seven

(7) years with the respective approved budget forecasts as mentioned in the previous sections.

8. LOCATION OF SCOPE OF WORKS

The location of work will be confined to the entire area jurisdiction of the Newcastle Municipality.

9. BUDGET AND PROJECT FINANCING

The project is self-funded, meaning that Newcastle Municipality will not participate in paying of capital investment at the beginning of the project. The PSP will provide an estimate or BOQ for the work to be done in the term to allow for the Municipality to develop and approve the project in the budget. The service provider will bear all the capital investment cost and recover his/her investment from savings or increased revenue volumes realized. The investment between the PSP and the Municipality will be an 80/20 split of the investment/ cost of work for the 3 –year term, and a 60/40 split if approval was given by the National Treasury for the 7-year term.

The service provider invests funds in new equipment/services in order to achieve water/electricity savings sufficiently to repay their investment. The service provider will be rewarded from the monetary value of achieved savings (or revenue generated). This shall be agreed upon only once pilot studies have been completed and the PSP decides upon which interventions on which sites will be economically and financially viable.

It should be noted that: When carrying out the analysis of water/electricity savings as well as revenue generating initiatives, the PSP will baseline and use for invoicing purposes **only volumes and quantities for water and power for electricity that have passed calibrated meters that both the PSP and Client agree to be accurate**. The remuneration will only be linked to the improvement of volumetric values (for revenue generation) or decrease in volumetric values (for cost reduction) of the NRW component water balance and the electricity bills from ESKOM.

This means that:

The PSP will only be remunerated monthly should they reduce operating costs and increase revenue for the Municipality for the various initiatives undertaken. If they fail then the proposed

PSP will not be remunerated for their time, materials, equipment or any other costs related to the project for those months they were unsuccessful.

2. RESPONSIVENESS AND EVALUATION CRITERIA

2.1 ELIGIBILITY CRITERIA

The Newcastle Municipality may not consider any proposals unless it meets the following responsiveness criteria:

- 2.1.1 The proposal must be properly received in a sealed envelope clearly indicating the description of the service/goods/works to be supplied and the Bid number for which the Bid is submitted;
- 2.1.2 The proposal must be deposited in the relevant Bid box as indicated on the notice of the Bids invitation on or before the closing date and time of the Bid;
- 2.1.3 A Tax Clearance Certificate (TCC) or a copy of TCC together with the status pin page for verification must be submitted with the Bid on or before the closing time and date of the Bid.
- 2.1.4 Costing or Financial proposal and Technical proposals should be on separate envelopes and such be bonded together to avoid misplacement.
- 2.1.5 A Joint Venture Agreement or Consortium, where applicable, which has been properly signed by all parties must be submitted. Both parties should submit individual TCC as well as for the joint venture and on award it is expected that the proof of joint bank account is made available.
- 2.1.6 The proposals must comply with the requirements of the project scope. The proposal must comply in full and observe the requirements of the Notice to Bidders
- 2.1.7 The bidder must provide proof of financial ability or demonstrate that he / she has capacity to execute the contract. Copy of bank statement or Letter of bank guarantee or recent audited financial statements (not older than three years)
- 2.1.8 The bidder or any of its directors/shareholders is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 person prohibited from doing business with the public sector;
- 2.1.9 The bidder has not:
 - a) abused the Employer's Supply Chain Management System; or
 - b) failed to perform on any previous contract and has been given a written notice to this effect;
- 2.1.10 The bidder has completed the Declaration of Interest and there are no conflicts of interest which may impact on the tenderer's ability to perform the contract in the best interests of the employer or potentially compromise the tender process and persons in the employ of the state are permitted to submit tenders or participate in the contract;
- 2.1.11 The bidder is registered on the **Central Supplier Database**;

2.1.12 The bidder is not in arrears for more than 3 months with municipal rates and taxes and municipal service charges from their own municipality anywhere in the Country. The latest municipal account and or Lease agreement is to be attached. The statement must not be older than three months from the closing date of this tender. Alternatively, if the tenderer is currently leasing premises and is not responsible for the payment of municipal services, a copy of the Lease Agreement must be attached.

2.1.13 All returnable schedules are to be completed and all relevant certificates attached where indicated.

2.1.14 Objective criteria

In terms of Preferential Procurement Regulation 11 and section 2(1) (f) of the Preferential Procurement Policy Framework Act, the following are the objective criteria:

- The risk of fruitless and wasteful expenditure to Newcastle Local Municipality;
- The risk of Irregular expenditure to Newcastle Local Municipality;
- The risk of poor project and contract management on existing project with Newcastle Local Municipality;
- The risk of an abnormally low bid; and
- The risk of a material irregularity.

The Municipality reserves a right to apply objective evaluation criteria should the recommended bidder pose any of the above-mentioned risks. After assessment, Newcastle Local Municipality after ascertaining sufficient information will not make an award to the bidder exposing the Municipality to one or more of the above mentioned risks.

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.

2.1.15 Technical Enquiries

For enquiry purposes please contact:

Contact Person	:	Ms. Z. Ntombela
Telephone number	:	034 328 7917
Email address	:	Zama.Ntombela@newcastle.gov.za

2.1.16 Copyrights in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised during the course of the consultancy service should vest with the Council – Newcastle Municipality.

2.1.17 The method of evaluation will be based on quality assessment (functionality), administrative compliance and then the prequalified proposals will be considered; where the minimum qualifying score of **70%** in respect of the Functionality Test must be achieved for prequalification.

2.1.18 By submitting this Bid, the bidder authorises 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.

PLEASE NOTE

2. The Municipal Manager will cancel a contract awarded to a person if:

- 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.

3. The Municipal Manager will reject the Bid or quote of any person if that person or any of its directors has:

- a) Failed, during the last five years, to perform satisfactorily on a previous contract with The Newcastle Municipality or any other organ of State after written notice was given to that Bidder that performance was unsatisfactory;
 - b) Wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years.
-

3. FUNCTIONALITY EVALUATION PROCESS ON PROPOSALS

CATEGORY	EVALUATION CRITERIA		POINTS
Competency Evaluation			
Experience of Key Personnel 1: NRW Project Engineer with a minimum qualification of Pr.Eng or Pr.Tech. in Civil Engineering and post graduate Master’s degree (Certified Copies of Degree/s and ECSA registration for Professional must be included as proof to claim points)	Excellent – relevant experience in Non-Revenue Water projects. Minimum 15 years post undergraduate degree/diploma, minimum 5 years post Pr Eng./Tech experience and post graduate Master's degree	10	10
	Satisfactory – relevant experience in Non-Revenue Water projects. Minimum 10 years post undergraduate degree/diploma, minimum 3 years post Pr Eng./Tech experience and no Master's degree		7
	Poor – relevant experience in Non-Revenue Water projects. Minimum 5 years post undergraduate degree/diploma, under 1 year post Pr Eng./Tech experience and no Master's degree		3
	None – no relevant experience in Non-Revenue Water projects. Minimum 5 years post undergraduate degree/diploma, no Pr Eng/Tech experience and no Master's degree		0
Experience of Key Personnel 2: Civils Project Engineer with a minimum qualification of Pr.Eng or Pr.Tech. in Civil Engineering and post graduate Master’s degree (Certified Copies of Degree/s and ECSA registration for Professional must be included as proof to claim points)	Excellent – relevant experience in civils work particularly water projects. Minimum 15 years post undergraduate degree/diploma, minimum 5 years post Pr Eng/Tech experience and post graduate Master's degree	10	10
	Satisfactory – relevant experience in civils work particularly in water projects. Minimum 10 years post undergraduate degree/diploma, minimum 3 years post Pr Eng/Tech experience and no Master's degree		7
	Poor – relevant experience in civils work particularly water projects. Minimum 5 years post undergraduate degree/diploma, under		3

CATEGORY	EVALUATION CRITERIA	POINTS	
	1 year post Pr Eng/Tech experience and no Master's degree		
	None – no relevant experience in civils work particularly in water projects. Minimum 5 years post undergraduate degree/diploma, no Pr Eng/Tech experience and no Master's degree		0
Experience of Key Personnel 3: Electrical Project Engineer with a minimum qualification of Pr.Eng or Pr.Tech. in Electrical Engineering and post graduate Master's degree (Certified Copies of Degree/s and ECSA registration for Professional must be included as proof to claim points)	Excellent – relevant experience in electrical engineering projects. Minimum 15 years post undergraduate degree/diploma, minimum 5 years post Pr Eng/Tech experience and post graduate Master's degree	10	10
	Satisfactory – relevant experience in electrical engineering projects. Minimum 10 years post undergraduate degree/diploma, minimum 3 years post Pr Eng/Tech experience and no Master's degree		7
	Poor – relevant experience in electrical engineering projects. Minimum 5 years post undergraduate degree/diploma, under 1 year post Pr Eng/Tech experience and no Master's degree		3
	None – no relevant experience in electrical engineering projects. Minimum 5 years post undergraduate degree/diploma, no Pr Eng/Tech experience and no Master's degree		0
Experience of Key Personnel 4: Financial Manager with a BCom or BCompt degree working for the Civil engineering company. (Certified Copies of Degree/s must be included as proof to claim points)	Excellent – more than 15 years working in a civil engineering company	10	10
	Satisfactory - more than 10 years working in a civil engineering company		7
	Poor - more than 5 years working in a civil engineering company		3
	None - less than 5 years working in a civil engineering company		0
International Organisation of Standardisation	Accreditation for ISO 9001 by a South African accredited body		10

CATEGORY	EVALUATION CRITERIA	POINTS	
requirements ISO 9001 for quality (proof of certification for applicable standard must be included as proof to claim points)	No ISO 9001 accreditation but have an internal quality control system which must be included in the submission	10	5
	No ISO 9001 accreditation or internal quality control system		0
Relevant Experience/Track Record for either completed projects and/or current contracts (letters of awards need to be included as proof to claim points)	5 or more NRW reduction projects as well as 5 WSDP's completed	20	20
	2 or more NRW reduction projects as well as 2 WSDP's completed		14
	1 NRW reduction projects as well as 1 WSDP's completed		10
	1 NRW reduction projects and no WSDP's completed		0
Confirmed affiliation with the Consulting Engineers South Africa (CESA) (certification needs to be included as proof to claim points)	Confirmed CESA affiliation and registration	10	10
	No CESA affiliation and registration		0
Proof of financial stability. Proof from the last audited Annual Financial Statement of the Service Provider	Excellent – Proof from the latest audited Annual Financial Statement that the service provider has a turnover of more than R200million	20	20
	Satisfactory – Proof from the latest audited Annual Financial Statement that the service provider has a turnover of more than R150million		14
	Poor – Proof from the latest audited Annual Financial Statement that the service provider has a turnover of under R150million		10
	None – No proof from the latest audited Annual Financial Statement		0
Total		100	

The responses will be evaluated according to the above criteria and only achievement of **70%** and above will make a bidder allegeable for further evaluation.