RICHMOND MUNICIPALITY

INVITATION TO QUOTE

DATE: 23 OCTOBER 2026

CLOSING DATE: 30 OCTOBER 2026

CLOSING TIME: 10:00 am

CONTACT PERSON:
SIMPHIWE MAPHUMULO/SIPHO NGCONGO
simphiwe.maphumulo@richmondgov.za/
sipho.ngcongo@richmond.gov.za

SERVICE REQUIRED:

SERVICE PROVIDER TO CONDUCT TECHNICAL SUPPORT FOR VAT AUDIT AS PER THE ATTACHED DETAILED TERMS OF REFERENCE

REQUEST FOR QUOTATION

DOCUMENTS CAN BE COLLECTED AT THE BUDGET & TREASURY OFFICE

OFFICE HOURS (08H00 TO 16H30)

NB: FACSMAIL, ELECTRONIC AND LATE BIDS WILL NOT BE ACCEPTED.BIDS MUST BE SUBMITTED AT THE MUNICIPAL RECEPTION IN THE MUNICIPAL TENDER BOX.

RICHMOND MUNICIPALITY

57 Shepstone Street
Private Bag 1028
Richmond (KZN)
3780

Telephone/Ucingo: 033 212 2155
Fax/Isikhahlamezi: 033 212 2102
Fax to Email: 033 212 4183
Email: mm@richmond.gov.za
Website: www.richmond.gov.za

RICHMOND
Local Municipality

All correspondence to be addressed to the Municipal Manager
Qondisa Yonke imininingwane kuMeneja kwaMasipala

ENQUIRES: SIMPHIWE MAPHUMULO Your Ref: Date: 23 OCTOBER 2026

Enquires : SIMPHIWE MAPHUMULO

Company :

Fax/E-mail :
ttt
Dear Sir / Madam

REQUEST FOR FORMAL WRITTEN PRICE QUOTATION

Kindly furnish me with a written quotation for the supply of the goods/services as detailed in the enclosed schedule.

The completed quotation document, complying with the conditions of the quotation, must be sealed and endorsed. "Quotation Number and Description" and must be hand delivered and in the official tender box located at the Reception area of Richmond Municipality at 57 Shepstone Street, Richmond no later than **30 OCTOBER 2026 @ 10:00 (no emailed or facemail returnable documents will be accepted) tenders are to be deposited at reception at 57 Shepstone street Richmond 3780. For inquiries contact** simphiwe.maphumulo@richmond.gov.za nkosinathi.ngubane@richmond.gov.za **not later than 10:00.**

Tenderers must be registered onto Central Suppliers Database (CSD). Bidders are encouraged to submit a detailed CSD report in order to score points for Specific Goals.

The following conditions will apply:

- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- The quotation must be submitted on the company letterhead.
- Price(s) quoted must be firm and must be inclusive of VAT.
- Proof of company registration with CIPC must be attached.
- Valid original tax clearance certificate or Tax compliance status pin.
- Central Supplier's Database (CSD) must be attached
- Statement of account for the business premises indicating that no municipal services charges are in arrears for longer than 90days or in the case where the business premises are leased, a copy of the lease agreement is required. A valid sworn affidavit is required in the case that a business is operating in a rural area or township where rates are not applicable.
- A firm delivery period must be indicated.

- Quotation above R30 000 will be evaluated in terms 80/20 specific goals system as prescribed in the Preferential Procurement Policy Framework Act (Regulation 2022) and for the purpose the enclosed forms MBD1, MBD 4, MBD 6.1, MBD 8 and MBD 9 must be scrutinized, completed and submitted together with your quotation.
- The successful provider will be the one scoring the highest points.
- Bidders must attach at least one letter of reference accompanied by a copy of the purchase order or appointment letter for VAT Audit done in a government Sector.
- Curriculum Vitae clearly specifying previous experience in VAT reviews/recovery
- Curriculum Vitae's must be provided for the on-site team as well.
- Certified proof of academic qualifications.
- At least one of the bidder's directors/members must be a member of the South African Institute of Chartered Accountants (SAICA (minimum 15 years' experience) and the Independent Regulatory Board for Auditors (IRBA).
- Certified proof of membership with a professional organization.
- At least one team member must be a registered tax practitioner with SARS. Proof to be attached.
- At least one team member must be a registered tax practitioner with SARS. Proof to be attached.

NB: No quotations will be considered from persons in the service of the state[i], Failure to comply with this condition will invalidate your offer.

Richmond Local Municipality does not bind itself to accept the lowest quotation and reserves the right rights to accept the whole or any part of the quotation.

Should you have any queries please contact Nkosinathi Ngubane or email nkosinathi.ngubane@richmond.gov.za

Yours Faithfully

MR NM NGUBANE
MANAGER (SCM)

	QUANTITY	DESCRIPTION	PRICE
		QUALIFIED SERVICE PROVIDER TO CONDUCT TECHNICAL SUPPORT FOR VAT AUDIT (AS PER THE ATTACHED TERMS OF REFERENCE)	
DELIVERY			
VAT			
		N.B. PRICE MUST BE INCLUSIVE OF VAT.	
TOTAL			

SCOPE OF WORK FOR VAT AUDIT RESPONSE TECHNICAL SUPPORT

1. Purpose

The Municipality seeks to appoint a suitably qualified VAT specialist to analyse the SARS VAT audit findings, prepare a technically supported response, and assist the Municipality to compile the required supporting records. The assignment must address the specific proposed adjustments and understatement penalties in the SARS audit findings communication.

2. Background and audit context

SARS issued audit findings for VAT periods spanning December 2017 to December 2025. The findings include proposed output tax adjustments, disallowed input tax and understatement penalties. The findings letter requires the Municipality to respond by 13 November 2026.

The specialist must plan the work against the response date confirmed by SARS. The work must focus on the audit findings and the evidence needed to support the Municipality's representations.

3. Objectives

- Assess each proposed adjustment against the VAT Act, Tax Administration Act, relevant grant agreements, supporting records and the facts for the affected tax periods.
- Determine whether the Municipality agrees, disagrees or partly agrees with each finding, and explain the basis for each position.
- Prepare accurate, traceable calculations and an organised evidence pack for the Municipality's review and approval.
- Provide reasoned representations on the proposed understatement penalties, supported by the circumstances and available control evidence.

4. Scope of services

4.1 Inception and evidence review

- Hold an inception meeting with the CFO and designated Finance officials; confirm the work plan, information owners, communication protocol and response milestones.
- Review the SARS findings letter and annexures, VAT 201 returns, VAT schedules, general ledger, annual financial statements, bank and cash receipt records, grant agreements, DoRA schedules and other relevant source documents.
- Prepare an evidence register that maps each SARS finding to the information received, information still required, responsible municipal official and status.

4.2 Output tax and grant treatment

For each affected tax period and each grant category identified by SARS, the specialist must:

- Analyse the VAT treatment of INEP, library, CoGTA Small Town and High-Over grant receipts, including the relevant grant purpose, agreements, deliverables, parties' responsibilities and the treatment applied by the Municipality.
- Test SARS's view that particular grant receipts constitute consideration for taxable supplies, including the findings concerning services to Eskom, the Department of Arts and Culture, CoGTA and the Department of Economic Development, Tourism and Environmental Affairs.
- Reconcile output tax declared in VAT 201 returns to the general ledger, annual financial statements, VAT schedules and cash receipts, including the cash-receipt understatement identified by SARS.
- Reperform or validate the calculations in SARS, identify any factual, period, rate, classification or calculation differences, and provide a transparent calculation for the Municipality's proposed position.
- Identify the source record and calculation supporting every amount accepted, disputed or adjusted. Do not assume a grant is taxable or non-taxable without explaining the legal and factual basis.

4.3 Input tax claims

- Review the transactions listed in SARS Annexure and trace each sampled claim to the supplier tax invoice, proof of payment, ledger entry, VAT return and underlying procurement or operational record.
- Assess whether the records meet the applicable VAT Act requirements and whether the goods or services were acquired for making taxable supplies.
- Identify missing, incomplete or inconsistent records; advise the Municipality on available source records or lawful replacement evidence, without creating or altering source documents.
- Recalculate the input tax affected by each transaction and prepare a transaction-level schedule showing the amount claimed, amount supported, amount disputed and reason.

4.4 Understatement penalties

- Assess SARS's proposed behaviour categories and penalty percentages for the output tax and input tax findings under the Tax Administration Act.
- Prepare evidence-based representations on whether a penalty should be imposed and, where relevant, the appropriate behaviour category and percentage. Consider the Municipality's processes, controls, advice received, available records, actions taken and any other relevant facts.
- Show the calculation of any proposed shortfall and penalty, including the treatment of tax payable, refunds and any duplication adjustment. Distinguish legal argument from factual evidence.

4.5 Response preparation and engagement support

- Prepare a draft response to SARS that addresses every finding and proposed adjustment, states the Municipality's position, gives reasons and cross-references supporting schedules and documents.
- Prepare an indexed, paginated evidence pack and a schedule of documents relied on. Flag any evidence gaps that require a decision by the Municipality.
- Attend meetings with the Municipality and, if instructed in writing, assist with technical discussions with SARS. The specialist must not submit a response, make a concession or communicate a final position on behalf of the Municipality without prior written approval.
- Provide a handover session to Finance officials and deliver all calculations, working papers and editable files in a format that the Municipality can maintain.

4.6 Skills transfer and capacity building

The specialist must transfer practical VAT audit-response knowledge to designated Finance officials throughout the assignment. The specialist must:

- Involve designated officials in the analysis and review of grant treatment, output VAT reconciliations, sampled input tax claims, adjustment calculations, penalty calculations and evidence indexing, subject to appropriate access to records.
- Conduct at least two structured working sessions, one during the assignment and one at close-out, and provide practical coaching as the work progresses.
- Provide reusable tools and guidance, including a VAT audit response checklist, grant treatment analysis template, input tax document checklist, reconciliation and calculation schedules, evidence index and working-paper guide.
- Record attendees, topics covered, materials provided and any follow-up capacity needs in the close-out report.

5. Contract period and response deadline

The assignment will run for up to four weeks from the date of appointment, or until the approved deliverables are completed, whichever occurs first, subject to any written variation approved by the Municipality. The specialist must submit an achievable, milestone-based work plan at inception.

7. Reporting, records and municipal approval

- The specialist will report to the Chief Financial Officer or a municipal official designated in writing by the CFO.
- The Municipality retains responsibility for decisions on its tax position and for approving and submitting the final response to SARS.

- All source records, calculations, correspondence, working papers and deliverables produced under the assignment become the property of the Municipality and must be handed over at completion.
- The specialist must protect confidential taxpayer and personal information, use it only for this assignment and comply with applicable privacy, tax administration and municipal requirements.
- Any engagement with SARS must follow the Municipality's written instructions. A power of attorney, if required, will be limited to the specific authority approved by the Municipality.

8. Minimum bidder requirements

Personnel experience

- Curriculum Vitae clearly specifying previous experience in VAT reviews/recovery
- Curriculum Vitae's must be provided for the on-site team as well.
- Certified proof of academic qualifications.
- At least one of the bidder's directors/members must be a member of the South African Institute of Chartered Accountants (SAICA (minimum 15 years' experience) and the Independent Regulatory Board for Auditors (IRBA).
- Certified proof of membership with professional organization.
- At least one team members of the team must be registered tax practitioners with SARS. Proof to be attached.
- At least one team members of the team must be registered tax practitioners with SARS. Proof to be attached.
- Please note - Non submission of the above documents will lead to disqualification.

Proposals that do not provide the mandatory information above may be treated as non-responsive, subject to the Municipality's SCM policy and applicable procurement requirements.

9. Pricing

Bidders must provide a fixed, all-inclusive fee for the defined assignment and a clear breakdown by workstream, personnel and deliverable. Any hourly rates proposed for approved additional work must be stated separately and will apply only after written approval by the Municipality. Disbursements must be itemised. Fees must not be contingent on the amount of VAT recovered, the outcome of the audit or the reduction of penalties.

10. Applicable requirements

The specialist must perform the work with reference to the Value-Added Tax Act 89 of 1991, the Tax Administration Act 28 of 2011, applicable SARS guidance and rulings relevant to the findings, the grant agreements and conditions, the Municipal Finance Management Act 56 of 2003, and the Municipality's supply chain management policy and applicable procurement requirements.

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR THE REQUIREMENTS OF THE (*RICHMOND MUNICIPALITY*)					
BID NUMBER:	001471	CLOSING DATE:	30 OCTOBER 2026	CLOSING TIME:	10H00AM
DESCRIPTION	SERVICE PROVIDER TO CONDUCT TECHNICAL SUPPORT FOR VAT AUDIT				

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 *(STREET ADDRESS)*

RICHMOND MUNICIPALITY RECEPTION AREA
57 SHEPTONE STREET
RICHMOND
3780

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:			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES, ANSWER PART B:3]			
TOTAL NUMBER OF ITEMS OFFERED			**TOTAL BID PRICE**	**R**			
SIGNATURE OF BIDDER	.....		**DATE**				
CAPACITY UNDER WHICH THIS BID IS SIGNED							

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		**TECHNICAL INFORMATION MAY BE DIRECTED TO:**	
DEPARTMENT	BUDGET & TREASURY SCM	CONTACT PERSON	Mr. Msizi Ngcobo
CONTACT PERSON	Ms. S Maphumulo	TELEPHONE NUMBER	0332122155
TELEPHONE NUMBER	033 212 2155	FACSIMILE NUMBER	
FACSIMILE NUMBER	033 212 4668	E-MAIL ADDRESS	msizi.ngcobo@richmond.gov.za
E-MAIL ADDRESS			

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 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
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ NO
	IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state[1].

2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

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

   3.2 Identity Number: .....

   3.3 Position occupied in the Company (director, trustee, hareholder[2]): .....

   3.4 Company Registration Number: .....

   3.5 Tax Reference Number: .....

   3.6 VAT Registration Number: .....

   3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers 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. .....

   .....

[1]MSCM 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 any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.11.1 If yes, furnish particulars .....

.....

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO

3.12.1 If yes, furnish particulars .....

.....

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

3.13.1 If yes, furnish particulars .....

.....

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

3.14.1 If yes, furnish particulars: .....

.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

MBD 6.1

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

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

(*delete whichever is not applicable for this tender*).

a) The applicable preference point system for this tender is the 90/10 preference point system.

b) The applicable preference point system for this tender is the 80/20 preference point system.

c)Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

(a) Price; and
(b) Specific Goals.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

2. DEFINITIONS

(a) **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

(b) **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

(c) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

(d) **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

(e) **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20 or **90/10**

$$Ps = 80\left(1 - \frac{Pt\ \ Pmin}{Pmin}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - Pmin}{Pmin}\right)$$

Where

Ps	=	Points scored for price of tender under consideration
Pt	=	Price of tender under consideration
Pmin	=	Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

80/20 **or** **90/10**

$$Ps = 80\left(1 + \frac{Pt - Pmax}{Pmax}\right) \text{ or } \quad Ps = 90\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

The specific goals allocated points in terms of this tender	**Number of points allocated (80/20 system) (To be completed by the organ of state)**	**Number of points claimed (80/20 system) (To be completed by the tenderer)**
• an EME or QSE which is at least 51% owned by black people (Full Central Supplier Database Report)	5	

• an EME or QSE which is at least 51% owned by black people who are youth (Full Central Supplier Database report)	5	
• an EME or QSE which is at least 51% owned by black people who are women (Full Central Supplier Database Report)	5	
• an EME or QSE which is 51% owned by black people living within the jurisdiction of Richmond Local Municipality (Locality) = (5 points) (proof e.g Central Supplier Database)	5	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:
.....

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium
One-person business/sole propriety
Close corporation
Public Company
Personal Liability Company
(Pty) Limited
Non-Profit Company
State Owned Company
[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are

correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process;

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

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

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

(e) forward the matter for criminal prosecution, if deemed necessary.

.....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: .....

DATE: .....

ADDRESS: .....

.....

.....

.....

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 taken to combat the abuse of the supply chain management system.

3

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

5

a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
b. been convicted for fraud or corruption during the past five years;
c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (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 *audi alteram partem* rule was applied). **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.**	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? **The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.**	Yes ☐	No ☐

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
Item	**Question**	**Yes**	**No**
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes ☐	No ☐
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 ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

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

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

....
Signature Date

....
Position Name of Bidder

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

a. take all reasonable steps to prevent such abuse;

b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and

c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (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.

MBD 9

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 consortium[3] 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.

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

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

.....	.....
Signature	Date
.....	.....
Position	Name of Bidder