**SECTION A**

**Invitation to Tender – UMN 15/2023**

**uMngeni Local Municipality**

Suitable and capable service providers are invited to bid to **Render a Standard Transfer Specification System Compliance Pre-Payment Electricity Online Vending and Management System for a Period of Three Years.**
The municipality reserves the right to:

- not award this bid;
- to cancel the bid.

## Collection of Bid Documents

Tender documents will be made available on e-tenders - https://www.etenders.gov.za/ and municipal website: https://www.umngeni.gov.za/documents/?category=tender-adverts printable at bidder's own cost.

**Compulsory Briefing Session**

**The briefing session will be held as follows:**

| | |
|---|---|
| **Date:** | **23 February 2024** |
| **Venue:** | **Hilton Boardroom** |
| **Time:** | **10H00** |
| **Site to be visited:** | **N/A** |

## Evaluation Criteria

This tender will be evaluated based on the following criteria:

1. Administrative Compliance
2. Mandatory Requirements
3. Functionality
4. Price and Preference Points

Queries relating to the issue of these documents may be addressed to **Mbongeni Zuma** Tel. No. (033) 239 8313: e-mail mbongeni.zuma@umngeni.gov.za

The closing time for receipt of Tenders is **12h00.** Telegraphic, telephonic, telex, facsimile, e-mail and late Tender Proposals will not be accepted.

**SCHEDULE OF CONTENT**

**MBD1**

# PART A
# INVITATION TO BID

| YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE uMNGENI LOCAL MUNICIPALITY | | | | | |
|---|---|---|---|---|---|
| **BID NUMBER:** | **UMN 15/2023** | **CLOSING DATE:** | **14 MARCH 2024** | **CLOSING TIME:** | **12H00** |
| **DESCRIPTION** | **APPOINTMENT OF A SERVICE PROVIDER TO RENDER A STANDARD TRANSFER SPECIFICATION SYSTEM COMPLIANCE PRE-PAYMENT ELECTRICITY ONLINE VENDING AND MANAGEMENT SYSTEM FOR A PERIOD OF THREE YEARS** | | | | |
| **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

| |
|---|
| CORNER OF SOMME AND DICKS STREET |
| HOWICK |
| 3290 |

| **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: | |
| ***(SPECIFIC GOALS MUST BE COMPLIED WITH, TO CLAIM PREFERENCE POINTS)*** | | | | | |
| | | | | | |
| **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 | FINANCE | DEPARTMENT | FINANCE |
| CONTACT PERSON | Mr M ZUMA | CONTACT PERSON | Mr M ZUNGU |
| TELEPHONE NUMBER | 033 239 8313 | TELEPHONE NUMBER | 033239 9218 |
| FACSIMILE NUMBER | N/A | FACSIMILE NUMBER | N/A |
| E-MAIL ADDRESS | Mbongeni.zuma@umngeni.gov.za | E-MAIL ADDRESS : Mbongeni.zungu@umngeni.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, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. |
| **2.** | **TAX COMPLIANCE REQUIREMENTS** |
| 2.1 | BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. |
| 2.2 | BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS. |
| 2.3 | APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA. |
| 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:……………………………………………...........................................................................................................

**PRICING SCHEDULE**
**(SERVICES)**

Name of Bidder…………………………………… Bid Number…………………...

Closing Time ……………. ….. Closing Date ………………………..

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

**APPOINTMENT OF A SERVICE PROVIDER TO RENDER A STANDARD TRANSFER SPECIFICATION SYSTEM COMPLIANCE PRE-PAYMENT ELECTRICITY ONLINE VENDING AND MANAGEMENT SYSTEM FOR A PERIOD OF THREE YEARS**

| ITEM NO. | DESCRIPTION | QUANTITY | RATE PER UNIT | TOTAL FOR 36 MONTHS |
|---|---|---|---|---|
| 1. | Pre-Payment Electricity Online Vending and Management System | | **Excl. VAT** | **Excl. VAT** |
| | **SUB-TOTAL** | | | **Excl. VAT** |
| | **VAT AT 15%** | | | |
| | **GRAND TOTAL (BID PRICE IN RSA CURRENCY WITH ALL APPLICABLE TAXES INCLUDED)** | | | **Incl. VAT** |
| **AMOUNT IN WORDS** | | | | |

## 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.……………………..……………………………………..
…………………………………………………………………………………………….

.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**

**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, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.**

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**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to 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**

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 PREFERENCE POINT SYSTEMS**

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

**80/20**

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

Where

| | | |
|---|---|---|
| Ps | = | Points scored for price of tender under consideration |
| Pt | = | Price of tender under consideration |
| Pmin | = | Price of lowest 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.***

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

| The specific goals allocated points in terms of this tender | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points allocated (90/10 system) (To be completed by the organ of state) | Number of points claimed (80/20 system) (To be completed by the tenderer) | Number of points claimed (90/20 system) (To be completed by the tenderer) |
|---|---|---|---|---|
| Ownership Goals | 10 | 5 | | |
| Empowerment Goals | 4 | 2 | | |
| Reconstruction & Development Programme Goals | 4 | 2 | | |
| Other Goals (Specify) | 2 | 1 | | |
| **Total Points Allocated to Specific Goals** | 20 | 10 | | |

## 4.3 Ownership

Gender and youth ownership

Women ownership / men ownership (must be South Africa)

| Specific Goal(s) | Weight | 80\|20 PP | 90\|10 PP | Source Document Verification |
|---|---|---|---|---|
| **Ownership Categories :** | | | | |
| | | | | |
| **Gender Based Ownership %** | | | | |
| **Women Ownership(*Must be South African)** | | | | |
| Women ownership - 100% | 100% | 10 | 5 | ID Copies : Directors \|Co. Registration \| CSD \| Shareholders Certificate |
| Women ownership - > 51% | 50% | 5 | 2,5 | ID Copies : Directors \|Co. Registration \| CSD \| Shareholders Certificate |
| Women ownership less than 51% | 30% | 3 | 1,5 | ID Copies : Directors \|Co. Registration \| CSD \| Shareholders Certificate |
| | | | | |
| **Youth Development : (Below 35 Years )** | | | | |
| Youth ownership - 100% | 100% | 10 | 5 | ID Copies : Directors \|Co. Registration \| CSD \| Shareholders Certificate |
| Youth ownership atleast 51% | 80% | 8 | 4 | ID Copies : Directors \|Co. Registration \| CSD \| Shareholders Certificate |
| Youth ownership less than 51% | 40% | 4 | 2 | ID Copies : Directors \|Co. Registration \| CSD \| Shareholders Certificate |

## 4.4 Empowerment

| # | Specific Goal(s) | Weight | 80\|20 PP | 90\|10 PP | Source Document Verification |
|---|---|---|---|---|---|
| | **Sub-Contracting : Empowerment** | | | | |
| 1 | **Local Economic Develoment Sub-Contracting** | | | | |
| | 1. At least 30% of the value of the contract is sub-contracted to local SMME | 100% | 4 | 2 | For accommodating 30% for Subcontracting in the BOQ |
| | 2. for a maximum of 29% of the value of the contract is sub-contracted to local SMME | 50% | 2 | 1 | For accommodating 30% for Subcontracting in the BOQ |
| | 3. for 0% of the value of the contract is sub-contracted to local SMME | 0% | 0 | 0 | For accommodating 30% for Subcontracting in the BOQ |
| | 4. Enteprise at least 51% ownership by Military Veterans | 50% | 2 | 1 | ID copies of directors, Company Registration documents with Shareholder's certificates; and Verified proof of service |
| | 5. Enterprise 100% owned by Military Veterans | 100% | 4 | 2 | ID copies of directors, Company Registration documents with Shareholder's certificates; and Verified proof of service |
| | 6. Enterprise less than 51% ownership by Military Veterans | 30% | 1,2 | 0,6 | ID copies of directors, Company Registration documents with Shareholder's certificates; and Verified proof of service |
| | 7. People with Disablities Points for 100% ownership | 100% | 4 | 2 | Confirmation from a qualified and authorized medical practitioner |
| | 8. People with Disabilities at least 51% ownership | 50% | 2 | 1 | Confirmation from a qualified and authorized medical practitioner |
| | 9. People with disabilities Points, less than 51% ownership | 30% | 1,2 | 0,6 | Confirmation from a qualified and authorized medical practitioner |
| | 10.Points for 100% local employees | 100% | 4 | 2 | Cipro Details confirming ownership, ID Copy, copy of CSD showing business address |
| | 11.Points, at least 51% local employees | 50% | 2 | 1 | Confirmation of the company's employee(s) ward and voting district as per the IEC (Independent Electoral Commission of South Africa) |
| | 12.Points, less than 51% local employees | 30% | 1,2 | 0,6 | Confirmation of the company's employee(s) ward and voting district as per the IEC (Independent Electoral Commission of South Africa) |

*Kindly note that suppliers can only be scored in one category even if you qualify for more than 1 category.*

## 4.5. Reconstruction & Development Programme Goals Promotion of Local Business (s)

| # | Specific Goal(s) | Weight | 80\|20 PP | 90\|10 PP | Source Document Verification |
|---|---|---|---|---|---|
| | **Reconstruction and Development :** | | | | |
| 1 | **Promotion of Local Business(s)** | | | | |
| | 1. Enterprise Located within the Local Municipality | 100% | 4 | 2 | Utilities : Directors or Co.\| Affidavit \| Existing Lease Agreement |
| | 2. Enterprise Located within the District Municipality | 50% | 2 | 1 | Utilities : Directors or Co.\| Affidavit \| Existing Lease Agreement |
| | 2. Enterprise Located within the Province | 25% | 1 | 0,5 | Utilities : Directors or Co.\| Affidavit \| Existing Lease Agreement |
| | | | | | |

## 4.6 Other

Business owned by black people.

| # | Specific Goal(s) | Weight | 80\|20 PP | 90\|10 PP | Source Document Verification |
|---|---|---|---|---|---|
| | Other Categories : | | | | |
| 1 | *Specficy Other Goals* | | | | |
| | 1. an EME or QSE which is at 25% - 50% owned by black people; | 100% | 2 | 1 | *Sworn Affidavit - QSE/EME General and Bank Confirmation Letter* |
| | | | | | |

## 5. DECLARATION WITH REGARD TO COMPANY/FIRM

5.1 Name of company/firm……………………………………………………………………….

5.2 Company registration number: ………………………………………………………...

5.3 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]

5.4 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**: ………………………………………………………

………………………………………………………

………………………………………………………
………………………………………………………

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

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

2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

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

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

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

| Item | Question | Yes | No |
|---|---|---|---|
| 4.1 | 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?<br>(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).<br><br>**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)?<br>**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**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

1 This Standard 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 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

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 Institution)

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.

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

**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.**

**SECTION G**

**MUNICIPAL RATES AND SERVICES**

| Names of Directors/Partners/Senior Managers | Physical residential address of the Director/Partner/Senior Manager | Residential Municipal Account number(s) | Name of Municipality |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**NB: Please attach copy/copies of Municipal Account(s)**

**DECLARATION**

**I, THE UNDERSIGNED (NAME) ..........................................................................................................................................**

**CERTIFY THAT THE INFORMATION FURNISHED ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

...................................................................... ........................................................
Signature Date

...................................................................... ........................................................
Position Name of Bidder

## SECTION H
### AUTHORITY TO SIGN A BID

The bidder must indicate the enterprise status by signing the appropriate box hereunder.

<table>
<tr><th>(I)<br><br>CLOSE CORPORATION</th><th>(II)<br><br>COMPANIES</th><th>(III)<br><br>SOLE PROPRIETOR</th><th>(IV)<br><br>PARTNERSHIP</th><th>(V)<br><br>CO-OPERATIVE</th><th colspan="2">(VI)<br><br>JOINT VENTURE / CONSORTIUM</th></tr>
<tr><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2"></td><td>Incorporated</td><td></td></tr>
<tr><td>Unincorporated</td><td></td></tr>
</table>

I/We, the undersigned, being the Member(s) of Cooperative/ Sole Owner (Sole Proprietor)/ Close Corporation/ Partners (Partnership)/ Company (Representative) or Lead Partner (Joint Venture / Consortium), in the enterprise trading as:

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

hereby authorise Mr/Mrs/Ms ......................................................................................................................................

acting in the capacity of ..............................................................................................................................................

whose signature is .......................................................................................................................................................

to sign all documents in connection with this bid and any contract resulting therefrom on behalf of the enterprise.

<table>
<tr><th>NAME</th><th>ADDRESS</th><th>SIGNATURE</th><th>DATE</th></tr>
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*(if the space provided is not enough please list all the director in the resolution letter)*

**Note:**

The following document must be attached to this form according to the status of the enterprise, in the form of a resolution authorising the signatory to sign all documents in connection with this bid and any contract resulting therefrom on behalf of the enterprise, and **such resolution shall include a specimen signature of the signatory.**

| | |
|---|---|
| Co-operative: | Resolution letter from the directors |
| Close Corporation: | Resolution letter from the directors |
| Company: | Resolution letter from the director/s |
| Sole Proprietor: | Resolution letter from the director |
| Partnership: | Resolution letter from the director |
| Joint Venture / Consortium: | Resolution/agreement passed/reached' signed by the authorised representatives of the enterprises. |

**Note: Director/s may appoint themselves if they will be the one signing all documents in connection with this bid and any contract resulting therefrom on behalf of the enterprise.**

***Failure to complete, sign and date this form or failure to provide the certificate(s) in the form of a resolution as described above shall result in the tender being considered non-responsive and rejected.***

## SECTION I
### GENERAL CONDITIONS OF CONTRACT

**1. Definitions**

The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock 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 supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

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

1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

**2. Application**

1.1 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.

1.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

1.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

**3. General**

1.1 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.

1.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

**4. Standards**

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

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

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

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

c. 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.

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

**6. Patent rights**

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

**2. Performance security**

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

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

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

3. 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

4. a cashier's or certified cheque

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

**2. Inspections, tests, and analyses**

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

2.2 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 Department or an organization acting on behalf of the Department.

2.3 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.

2.4 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.

2.5 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 supplier.

2.6 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.

2.7 Any contract supplies may on or after delivery be inspected, tested or analyzed 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 supplier 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 suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

2.8 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

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

b. 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

a. Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

b. Documents to be submitted by the supplier are specified in SCC.

## 11. Insurance

a. 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

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

## 13. Incidental Services

a. The supplier 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 supplier of any warranty obligations under this contract; and
(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

## 14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
(b) in the event of termination of production of the spare parts:
(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the

purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

**15. Warranty**

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

b. 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.

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

d. Upon receipt of such notice, the supplier 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.

e. If the supplier, 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 supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

**16. Payment**

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

b. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

c. Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

d. Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

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

**18. Contract amendments**

a. 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**

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

**20. Subcontracts**

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

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

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

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

c. 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.

d. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

e. Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

f. 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 supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

**22. Penalties**

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

**23. Termination for default**

a. The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
   - (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
   - (b) if the Supplier fails to perform any other obligation(s) under the contract; or
   - (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

c. Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

d. If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

e. 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.

f. If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
   a. the name and address of the supplier and / or person restricted by the purchaser.
   b. the date of commencement of the restriction
   c. the period of restriction; and
   d. the reasons for the restriction.

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

g. 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. Anti-dumping and countervailing duties and rights

a. 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

a. Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

b. If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## 26. Termination for insolvency

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

**27. Settlement of Disputes**

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

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

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

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

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

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

**28. Limitation of liability**

a. Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
   i. the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
   ii. the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing language**

a. 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**

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

**31. Notices**

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

b. 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**

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

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

c. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department 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 (NIP) Programme**

a. 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**

a. 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).

b. 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.

## SECTION J
## SPECIAL CONDITIONS OF CONTRACT

This bid is subject to the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations, 2022; the General Conditions of Contract (GCC) and the following applicable other Special Conditions of Contract.

The offers must remain valid for a period of 120 days from the closing date of the submission of bids.

**1. CONTRACT PERIOD**

**1.1 36 months**

2. **EVALUATION CRITERIA**

There are **four *(4)*** main steps in the selection process, namely, ensuring that bids comply with administrative Compliance, Mandatory Requirements, Functionality and Price and Preference Points.

**2.1 Step 1 - Administrative Compliance**

Check and verify compliance with the submission and completion of compulsory bid documents as prescribed by the municipality.

The following documents are returnable:

| CRITERIA | | YES | NO | REMARKS |
|---|---|---|---|---|
| Section A | Invitation To Tender/Bid | | | Comply, Complete and sign |
| | | | | |
| Section B | MBD 3.1: Pricing Schedule | | | Comply, Complete and sign |
| | | | | |
| Section C | MBD 4: Declaration of Interest | | | Comply, Complete and sign |
| | | | | |
| Section D | MBD 6.1: Preference Points Claim Form | | | Comply, Complete and sign |
| | | | | |
| Section E | MBD 8: Declaration of Bidder's Past Supply Chain Management Practices | | | Comply, Complete and sign |
| | | | | |
| Section F | MBD 9: Certificate of Independent Bid Determination | | | Comply, Complete and sign |
| | | | | |
| Section G | Municipal Rates and Services | | | Comply, Complete and sign |
| | | | | |
| Section H | Authority To Sign A Bid | | | Comply, Complete and sign |
| | | | | |
| Section I | General Conditions of Contract | | | Comply, Complete and sign |
| | | | | |
| Section J | Special Conditions of Contract | | | Comply, Complete and sign |
| | | | | |
| Section K | Terms Of Reference | | | Comply, Complete and sign |

**2.2 Step 2 – Mandatory Requirements**

**2.2.1**.Attached Compliance Certificate or Accreditation document from Standard transfer Specification association

**2.2.2**.System Must be a web base system (a link should be provided)

**2.3 Step 3 – Functionality**

Prospective bidders will be scored on functionality prior to being evaluated on preference points. Bidders must obtain a minimum of 70% points on the functionality scoring

| No | Description Items | Maximum Potential Score | Points Claimed | Bid Evaluation Committee Scores | Page Ref. No. |
|---|---|---|---|---|---|
| 1 | The Company has undertaken prepaid electricity vending and management solutions for municipalities in the last Seven (7) years.<br>**4 points awarded per qualifying project. Maximum of 5 projects will be considered**<br><br>**Attach appointment letters and reference letters as proof** | 20 | | | |
| 2 | Letters of agreement from the supplier with third party vending and arrears collection agencies within the jurisdiction of uMngeni Municipality<br><br>1 letter – 5 points<br>2 letters-10 points<br>3 letters -15 points<br><br>**Attach letters of agreement as proof of contract with third part vendors** | 15 | | | |
| 3 | The service provider must provide proof of at least on-line integration with a municipal billing system where arrears balances are updated, and transactions are posted to the billing system real-time.<br><br>3 or more municipal reference letters / System extract (Proof of Slip from Vending system) 30 points | 30 | | | |

| | | | | | |
|---|---|---|---|---|---|
| | 2 municipal reference letters / System extract (Proof of Slip from Vending system) 20 points<br><br>0 municipal reference/System extract (Proof of Slip from Vending system) 00 points | | | | |
| 4 | The service provider must supply a detailed plan for the deployment of the STS TID rollover.<br><br>Excellent detailed plan-15<br>Good detailed plan-10<br>Satisfactory detailed plan-05<br>Poor Detailed plan-00 | 15 | | | |
| | **TOTAL SCORED** | 80 | 50 | 50 | |

## SECTION K

## TERMS OF REFERENCE

**APPOINTMENT OF A SERVICE PROVIDER TO RENDER A STANDARD TRANSFER SPECIFICATION SYSTEM COMPLIANCE PRE-PAYMENT ELECTRICITY ONLINE VENDING AND MANAGEMENT SYSTEM FOR A PERIOD OF THREE YEARS**

### PURPOSE

The uMngeni Local Municipality herewith invites proposals for a multi-utility pre-paid vending system / solution that will be fully integrated with the uMngeni Local Municipalities existing financial system and applications and function on the existing electronic infrastructure. The intention is also to appoint a service provider with experience, technical expertise and management capabilities to provide to remote meter reading services and to manage automated meter reading / meter data management system for large power users and other metering points within the municipality's distribution area – in accordance with SANS 474:2009 (NRS 057) and NRS 049:2008 and NRS 071:2004 for a period of three (3) year.

### 2. BACKGROUND

The uMngeni Local Municipality is currently utilizing an existing service provider for the management of a Prepayment Electricity Vending system in its licensed area.

The municipality is looking for a suitable Service Provider that will supply, install, support and maintain an Electricity Prepayment Vending System as an integral part of the municipality's service delivery requirement.

The supply, delivery, installation, training and commissioning of the most optimal vending solution for Electricity STS meters, including a cloud based back-end, billing system integration and distributed 3rd party 24-hour vending, offered by the tenderer within the framework and performance specification as detailed in this document.

Provide a meter data management system that is capable of electronically reading all AMR ready meters and produce all necessary reports for billing and management purposes. The meter data management system standard used must be vendor agnostic, the municipality's has multi-vendor meters. It must be capable of reading data from all standard AMR-ready meters operating under existing South African cellular networks.

The new meter's specifications will be provided to successful bidders. Bidders must be able to demonstrate that their AMR system is fully compatible and can communicate with uMngeni Local Municipality LM multi-vendor meters. Bidders will be responsible to obtain software keys and meter protocol information directly from the municipal appointed meter suppliers, and to ensure that system can communicate with these meters that are installed within municipality's distribution area.

Stand-by and support required as detailed in this document.

Disaster recovery and business continuity as specified.

The uMngeni Local Municipality intends to have vending points throughout its geographic areas, as reflected (but not limited to) in following areas:

## 3. AREAS REQUIRING PREPAYMENT ELECTRICITY VENDORS

| Item | Town / Area | Minimum number of vending points |
|---|---|---|
| 1 | Howick Main Office | 1 |
| 2 | KwaMevana Office | 1 |
| 3 | Mpophomeni Office | 1 |
| 4 | Mageza Garage | 1 |
| 5 | EasyPay Points | 1 |
| 6 | Wireit | 1 |

## 4. REQUIREMENTS

### 4.1 USE OF REASONABLE SKILL AND CARE

In applying the scope of work, it is expected of the service provider(s) to render services that commensurate with the highest expectations of professionals in the industry and to ensure that all legislative requirements are met.

It is expected of the service provider to take ownership of the project and to facilitate a process that commensurate with the integrity of the municipality as a public institution to ensure successful completion of project within budget estimates and time frames.

It will also be required of the service provider to report back at project management team meetings and to contribute to reports on the process progress and outcomes to the relevant officials and/or committees if need be.

It will be required of the service provider to prepare a detailed phased project program for the project within 2 weeks of appointment. This must include system testing and user acceptance. The Service Providers are required to acknowledge the dynamics of proper planning for the practical completion of the project. The completion of the project will be within three (3) years after allocation of the tender. The bidder will be required to provide following for the LPU AMR System.

- Remote meter reading services;
- Meter data management service;
- Monthly electricity billing file, to be uploaded to Samras Billing System;
- Billing system integration (Samras system or any other municipal financial system);
- To upload meter data and update the municipal metering database monthly;
- Access via a web portal for municipal customers and officials;
- To inspect, test and certify the correctness/integrity of the existing metering installations to ensure compliance with NRS standards and specifications (as and when required basis);

- Metering specialist services, as and when required by the municipality;
- Meter testing and calibration services, as and when required;
- Submit meter faults log to municipality for all error events and alarms;
- Outage management (where applicable);
- Energy balancing;
- Reporting;
- Training; and
- Technical System Support.

The meters, current transformers and wiring shall be installed by the municipality; however the successful bidder shall be required to test and certify that installations comply with minimum requirements prior to uploading the metering points onto their AMR system.

**5. NORMATIVE REFERENCES**

The solution offered must be compliant with SABS 1524, the STS Specifications and SABS IEC 1036. The following standards contain provisions which through reference in the SABS 1524 constitute provisions of this specification.

| | |
|---|---|
| SABS 1524-1:1994 | Single-phase electricity dispensing systems, Part 1: Electricity Dispensers. |
| SABS IEC 1036:1990 | Alternating-current static Watt-hour meters. |
| NRS 009-4-2:1994 | National electricity meter cards and associated numbering standards section two national electricity meter number. (Replacing MCI57). |
| MC 115 | National electricity meter card specification for ED's (will be replaced by a NRS spec in future) |
| IEC 62055-41/51/52 | Standard transfer specification edition 2, STS600-8-6 |
| ESKOM XMLVend 2.1 | Eskom's specification for standardization of vending client/server protocols |
| NRS 009-1:1994 | Electricity Sales Systems Part 1: Glossary system overview. Preferred requirements for applications in the electricity supply industry. |

The bidder's AMR system must comply and meet requirements of applicable standards and specifications:

- NRS 049,
- NRS 071 (SANS 473),

- NRS 057 All Parts (SANS 474),

## 6. SYSTEM CONFIGURATION

- In making an assessment of the hardware, software, network infrastructure availability and requirements at each of the current vending offices, the tenderer shall keep in mind the system configuration required by the uMngeni Local Municipality and utilize the current infrastructure belonging to the uMngeni Local Municipality. It remains the responsibility of the tenderer to ensure compliance to the tenderer's minimum requirements.
- The vending system must be TCP/IP compliant and functional over Ethernet on a LAN/WAN environment. WIFI, GPRS, ADSL and Diginet lines must also be accommodated.
- The vending solution offered by the tenderer must be capable of managing and vending to Electricity STS meters from a common platform and user interface. A single consumer record must have the capacity to have Electricity meters linked to it.
- A hosted database configuration set is required with standby disaster recovery capability for business continuity.
- A disaster recovery plan shall be provided with all necessary hardware and infrastructure utilized.
- Assurance of business continuity in the event of a catastrophic systems and / or communications system breakdown in the Municipal environment must be provided. A description of associated redundancies built into the offered solution must also be provided.
- The system should have the capacity provide for a monthly update of a local database copy in the uMngeni Local Municipality premises if and when required.

## 7. PHYSICAL LOCATION OF SERVERS AND WORKSTATIONS

The configuration envisaged by the municipality is one where the management and vending server(s) will be located off-site in a high availability environment with redundant power and connectivity. Full disaster recovery and business continuity will be provided for.

Vending workstations (credit dispensing units) will be required at each of the vending offices. The system must not be limited to existing workstations and locations. Two offices operate without internet connections and use GPRS based handheld vending units at present. This must be accounted for in the offer. The tenderer is required to evaluate the existing hardware at each of the current offices and make an optimum solution recommendation to the municipality.

## 8. SYSTEM CAPACITY

The system shall be designed to ultimately accommodate a minimum of 15 000 consumers/meters. The system shall have the capacity to retain a five (5) year transaction history (estimated 10 million transactions) in the live database and older transactions in an archive database. Any system limitations shall be indicated by the tenderer.

## 9. PERFORMANCE SPECIFICATION

- A full and detailed functionality description of the system shall be provided by the tenderer.
- The tenderer shall not focus on provisioning of computer hardware since the uMngeni Local Municipality will use existing infrastructure where possible. For this reason it is also imperative that tenderers should be quite clear on where the uMngeni Local Municipality hardware and/or networks lack the capability and/or capacity to function properly with the system proposed by the tenderer and the tenderer should indicate the cost of additional or replacement infrastructure.

A detailed graphical drawing depicting the proposed network and system layout must be drafted to clarify and indicate solution functionality. Should changes be required, full specifications and pricing must be provided.

- The system proposed by the tenderer should at least make sure that:

Different servers are utilized for different applications such as:

- Database functions
- Management applications
- Transactions
- Encryption / Security
- Disaster recovery

The vending solution should be designed to use a relational database and run as a client server application on a LAN or a WAN. It should be able to run under the Windows Server 2003/2008 and at least Windows XP operating systems. The network for the vending solution is Ethernet. The network protocols shall be TCP/IP and be able to operate real-time over GPRS/3G/EDGE/HSDPA/GPRS/WIFI/ADSL/Diginet as available in certain areas in the on-line mode

- In order to simplify the third-party integration, process the system will comply with Eskom XMLVend 2.1 (or later). It would be preferred that the system is native XML i.e. that there is no translation interface between the system and an XML client and that all client/server interfaces are based on the XML standard.
- The system shall be a single database solution which from which both management functions and vending take place for all meter and utility types. All updates to customer data must be immediately available at vending terminals and all transactions made at all sales outlets must be immediately available for reporting on.
- The vending terminal solution shall be web based or a web application which automatically updates from the host server should updates be posted. Security and data encryption will be provided by mutually authenticated SSL between the vending terminal and the server.

- The solution should have the capability to provide pre-paid vending services over the internet/intranet. Customers should be able (should the uMngeni Local Municipality wish to activate these options) to purchase prepaid electricity either via the Internet or a cell phone as follows:
    - A registered service on the web where the customer registers for the service. This includes providing the required financial information and then simply authenticating on every transaction. uMngeni Local Municipality's vending and credit management rules must still be applicable and transactions must be made against the uMngeni Local Municipality local vending system not an offline copy.
- The system should cater for integration to vending mechanisms such as automatic cash handling machines, self-service terminals and other third-party vending networks by providing an API specification to the alternate provider. The tenderer shall assist with integration testing.
- The solution shall be able to function on low-bandwidth requirement between remote vending points (credit dispensing units) and the central prepaid system (system master station) and optimized to run over networks (such as GPRS), with the maximum packet size being minimal and clearly indicated. GPRS/WIFI/ADSL/DIGINET connection points should be created on the uMngeni Local Municipality infrastructure to directly serve transactions on this type of networks.
- The vending system shall cater for integration with the systems / applications in use. uMngeni Local Municipality uses Samras as the financial system. The nature of the integration catered for must include periodic bulk export / import of arrears balances / collections to / from the billing system.
- The service provider must indicate their approach to the requirements of mSCOA with respect to data exchange between systems.

- The system must cater for storage of all information to comply with financial services regulations (e.g. the storage of all sales/vending transactions).
- The vending system will provide a web-based interface to allow for management functionality and reporting over the uMngeni Local Municipality Intranet and internet. Connections will be secured by mutually authenticated SSL between the management terminals and the web server. The standard Microsoft Internet Explorer will be used for this. The system must ensure that the program supports the latest version of Microsoft Internet Explorer and always keep up with updates by Microsoft. The currently deployed version of Microsoft Internet Explorer is IE8.
- Tamper monitoring and specific technologies to effect notifications in this regard should be catered for in the solution.

**10. SYSTEM / OPERATION REQUIREMENTS**

Pre-Paid Vending System

## 11. GENERAL

The administrator(s) must have the option to link directly into the server from their offices for e.g. management, reports, etc. Maintenance staff must have the option to link into the system over a 3G data connection from remote locations to perform customer maintenance functions.

All licenses required must be clearly defined and a list provided with license cost. All limitations must clearly be indicated.

All current data on the current vending systems used by the municipality must be catered for on the supposed vending system. The last 3 years data must be migrated into the supposed vending system from the current vending system.

## 12. ACCESS

It must be possible to allocate access rights into the system into users and user groups. Access rights allocations shall be transferred during the data migration process and distributed throughout the system. The vending system must allow for activation of password ageing functionality. If this function is activated, the password of the particular user shall expire after a definable amount of time. Early password expiry warnings must be available. In addition, a concurrent log-in limit for log-in attempts is also required. User IDs not used or disabled permanently must not be able to be removed from transaction history data. A full audit trail on user IDs and movement must be kept. Access rights must be configured by the uMngeni Local Municipality.

## 13. ARREARS

The vending system offered by tenderer shall make it possible for the municipality to deduct arrears from moneys tendered by consumers to purchase pre-paid electricity and / or water. The vending system must be able to define within the applicable arrears scheme and/or credit control policy of the municipality different arrears recovery categories/indexes. Within each category/index, the system shall allow for various recovery alternatives. This must be included and enforced in all electricity dispensing strategies and/or systems, inclusive of third-party vending systems.

The system shall allow for at least:

- Fixed percentage of transaction recovery
- Availability charge recovery on a monthly or daily basis
- Full arrear payment recovery
- Partial or percentage-based arrear recovery and limited sales

## 14. BLOCKING

The vending system offered by the tenderer will allow for profiled blocking of purchases by customers based on arrears balances in specific account types. Blocking will be configurable by account type and will allow for either no sales or limited monthly sales to customers with arrears balances.

Customers with shared service accounts will all be unblocked simultaneously when any one blocked account is paid in full.

**15. mSCOA**

The service provider must indicate their approach to the requirements of mSCOA with respect to data exchange between systems.

The service provider must provide proof of at least one on-line integration with a billing system where arrears balances are updated, and transactions are posted to the billing system real-time.

**16. ENGINEERING**

The system must make provision for the generation of all STS engineering vouchers directly from the management terminal and these vouchers can be printed, viewed (without printing) or sent via SMS.

An Android smart phone-based Engineering application must be provided. The application must allow for issuing of engineering tokens and for field meter replacements with an audit trail including GPS coordinates.

**17. FREE ISSUES / REPLACEMENT TOKENS**

The vending system should allow the issuing of vouchers free of charge with the requirement to add reasons and free text notes to each issue.

**18. KEY MANAGEMENT**

The vending system must support the upload of key management files (KMF) into the system database to configure and connect encryption devices, for STS encryption algorithms.  This can be used to load details of new area keys into the encryption device.

STS certification is required, in the name of the bidding company, to a minimum of STS Edition2: IEC62055-41 Ed3, including Electricity and Water units and currency vending and Key Management and Engineering tokens, conforming to a minimum of Edition 1.9 of the STS standards. Security modules in use must be the Prism STS-6 type module.

**19. VENDOR CREDIT MANAGEMENT**

The vending system should allow a limit for the amount of credit that any individual terminal or group of terminals in the system can issue without re-authorization.  This amount can be defined per terminal.

The credit update of a terminal must be done by a supervisor (or another user with appropriate access rights) updating the credit limit via the management interface. All updates will be recorded; the records will include the previous credit balance and the user identity, the date and time of the update and a reference field with free text entry. The update will automatically print for audit purposes.

Electricity token limits will be set at terminal group level. These limits may be exceeded by operators with the input of a password to confirm the transaction value.

**20. MESSAGES**

The vending system should allow the utility to define voucher messages that are printed at the bottom of the printed voucher.  The municipality must have the option to change the messages according to requirements.

## 21. REGISTRATION

The vending system must be able to track any historical connections between the meter, point of connection and the consumer.

## 22. VENDING

Vending to a consumer shall only be possible when a point of connection and meter are linked to the consumer and a tariff has been selected. The customer must still be able to do payments although blocked for pre-paid electricity sales.

Should the information on the database differs from the information on the meter card, no token must be generated.

Free Basic Electricity must be issued to identified indigents based on the Municipalities Indigent policy. The indigent register is updated monthly and the system must accommodate these updates monthly or as requested.

Free Basic Electricity tokens must be SMS'ed to those indigents that have registered mobile numbers immediately the new register becomes available. The tokens must also be available to the Indigent customers at all point's of sale on request. Additionally a USSD based service request must be available for the customers to request their tokens from their mobile phones.

## 23. SEARCH AND FILTER

The vending system should support full search for the following items in registration:

23.1 Consumer surname, first names, ID number, postal address details, comments, blocking codes, account number, point of connection, meter serial number.

All of these searches can be incremental searches or full word searches. Once the search criteria are entered, the system must display the first record matching the search condition or the closest field at any one time for the search.

## 24. REPORTS

The vending system should support a set of standard reports and the capability to customize and / or create new Reports. The tenderer undertakes to add or alter reports according to the needs of the Municipality for at least the first six months free of charge.

Printer selection and formatting according to operating system availability must be supported. Exporting of all reports to at least Excel or PDF must be supported.

It should be noted that a Month Management Report is a mandatory requirement and samples of this must be submitted with the tender.

The standard reports required should include:

### 24.1 Standard operator reports

- Operator actions between dates grouped by date
- List of all users registered on the system
- List of all the user's groups and their functions

- List of all the groups and their respective functions

### 24.2 Standard consumer reports

- Number of consumers registered by town between dates
- List of POC'S grouped by system area code
- List of all STS meters registered on the system
- List of towns registered on the system
- List of disconnected meters by POC between dates
- List of disconnected meters by disconnect reason between dates
- Consumer information for POC'S
- Total new connections per town
- Total installed meters per town
- Meter replacements per town
- All consumers in alphabetic order

### 24.3 Standard transaction reports

- List of transactions grouped by date between dates
- Sum of transactions grouped by transaction type and tariff
- List of credit and debit card transactions between dates
- Total electricity bought between dates by consumer
- Free issues between dates per meter
- Cheque List between dates
- Low purchases of electricity over a specified period
- Total electricity bought in the last 30 and 90 days
- Breakdown of consumer's purchase times between dates
- Balancing report of credit amounts used against physical transactions
- Reversals between dates
- Summary of all end of shifts for a user between dates
- All transactions for a meter between custom dates
- Arrears owed by consumer
- Daily cash reconciliation report
- All transactions for a account between dates
- Low consumption report
- Indigent high purchase report
- Total sales by town

- Total sales by operator
- All transactions for one shift on one user
- Shift details for one user
- IBT customer purchase breakdown with graph
- IBT month sales analysis by Tariff Class

**24.4 Engineering Reports**

- Current power limit for a meter
- Current power limit for all meters
- Audit trail on Amperage changes
- Reports in the vending system must be able to be previewed before printing.

## 25. SOFTWARE

The vending system should be able to use/support the Windows 10, or earlier software/operating systems

## 26. TARIFFS

The vending system must support the use of vending based tariffs. The system must cater for pre-defined tariffs by date to be created in advance. Tariff structure of current vending systems must be accommodated.

Meter Tariff Index and Customer Tariff Class must not be linked in the system in order to avoid key changes when tariffs are changed, for instance from an Indigent to Domestic tariff.

## 27. BLOCK TARIFFS

A block tariff module or stepped tariffs must be able to be defined.

## 28. VAT

The vending system shall support the use of vending based VAT where the VAT is calculated at the time of vending.

## 29. SECURITY

The vending system interconnections shall be secured with mutually authenticated SSL certificates. The tenderer must describe the process of issue and management of these certificates.

Passwords must meet the Auditor General's requirements in terms of complexity and expiry. An optional One Time Pin for system administrators must be provided for.

## 30. ACCOUNT PAYMENTS

In vending, it should be possible to pay off arrears amounts or portions thereof separately from the purchase of actual electricity.

The solution shall also allow for debtor payments and sundry payments if and when required by the uMngeni Local Municipality. This functionality will allow and provide the municipality the capability of collecting account payments, arrear amounts as well as sell pre-paid services.

The business rules of the municipality will apply at all times. Current account amounts, arrear amounts, linked account amounts and blocking codes will be transferred from the financial system to the vending system.

The system must make provision for capturing of debit– and credit cards payments and cancellation of payments (not tokens). Cancellation options must be linked to access rights.

***NOTE:* The debit card and credit card options must be configurable for each workstation.**

The system must work in such a manner that the pre-paid electricity sales as well as the account payment amount be deducted from the credit amount on the dispensing unit.

**The system must make provision for account payments on conventional meter accounts and rates accounts.**

**The cashier must be warned before a transaction is finally accepted.**

**The system must allow the cashier different search options but at least the following:**

- Swipe meter card
- Manually key in meter number
- Manually key in billing account number

## 31. VENDING AMOUNTS

For each workstation in a vending system, a list of predefined typical purchase amounts must be able to be setup individually.

## 32. THIRD PARTY VENDING

### 32.1 THIRD PARTY VENDING

The service provider must be integrated with third party vending providers in order to provision the Municipality with a broad-based third-party footprint to sell prepaid electricity locally and nationally.

The footprint must include retail chain stores, banks, petrol stations web-based sales using credit card and/or EFT, and non-retail vendors. The service provider must indicate the process and cost, if any, of deploying additional footprint with non-retail (informal) vendors to areas where there is deemed to be insufficient coverage.

The service provider should indicate the policy and process that they use to deal with non-retail (informal) vendors that are over-charging customers.

The service provider must describe in detail their remittance process where monies collected are paid across to the municipality. This must include payment schedules and administration requirements.

A list of vending sites or proposed vending sites, retail stores and banks that will be made available must be provided. Only one level of aggregation is allowed; no sub-aggregators shall be enabled in order to control the vending footprint effectively.

Please note: the municipality will not allow voucher-based vending to its customers.

A supporting letter from the aggregator(s) is required.

## 33. TID ROLLOVER

The service provider must supply a detailed plan for the deployment of the STS TID rollover. Options for deploying the key changes and any challenges that may be faced during the process must be described.

**Additionally, letters from three municipalities where the service provider is actively updating meters must be supplied.**

**34. AMR / LPU SYSTEM REQUIREMENT**

**34.1 AMR System Outputs – Billing Data**

The bidder will be required to provide billing data in electronic format for each billing period timeously for the test billing run. The test billing and live billing run dates will be given to appointed bidder. The billing data format must be in Samras format (or other billing software format as will be determined by Council). The billing data will include ff.:

a) Total active energy consumed

b) Total reactive energy consumed

c) Total energy consumed for each time-of-use (TOU) periods (peak, standard and off-peak)

d) Maximum average per ½ hour period demand as recorded in the relevant time-of-use periods applicable to each customer – maximum demand

e) Start and end register readings for total active and reactive energy for the billing period

f) Start and end readings for energy consumed in each time-of-use period

**34.2 Communications**

- It will be the responsibility of the service provider to ensure that the correct tariff is applied to each customer as per uMngeni Local Municipality NERSA approved tariff of charges, and for the applicable season (high season / low season tariffs) and that the meters are programmed correctly for the various tariffs.
- The bidder must allow for a test or trial billing run to identify any problem areas in advance before the final billing run.
- The communications between the meters and the bidder's head-end software system shall be using GSM/GPRS/ LTE/5G. The bidder must operate at least two APNs from different 1st tier cellular network providers.
- The municipality shall supply modems and SIM cards as and when required.
- The bidder shall ensure that all critical servers and all equipment used for the AMR system are hosted at a secure data centre owned and operated by one South African tier one internet service providers (ISPs), South African based companies.
- Cellular technology is to be used for communications between the meter and AMR/MDMS system; and must be future proofed to 5G/IOT technology.
- Data shall be read from each meter at stipulated minimum frequency per customer. All meters shall be programmed to record the required data :

a) a) Load profile data with active and reactive energy half-hour reading – minimum frequency of 12 hours for ≥ 1MVA and 24 hours for < 1MVA
b) Instantaneous data to create phasor diagram – 72 hours for ≥ 1MVA and 120 hours for < 1MVA
c) Meter event log – 72 hours for ≥ 1MVA and 120 hours for < 1MVA
d) Billing register (active and reactive energy) – once per month
e) Demand registers – once per month

**34.3 Web portal**

**34.3.1 AMR/MDMS web-based system**

The AMR system must cater for SSEG (small-scale embedded generations) installations, where the Municipality may require full 4-quadrant metering to be recorded in load profile and billing registers with both import and export active energy.

The bidder’s system must make provision for municipality to view phasor graphs in polar format, clearly showing the amplitude and angular relationship of the three phase voltages and currents. As well as data depicting the actual instantaneous values of voltage, current, active, reactive and apparent power and power factor per phase.

The municipal staff shall view and read mode of the metering data on the metering database using web portal access, as and when required.

The AMR system must be a fully hosted cloud-based solution for meter data acquisition, meter data management and billing service – with a web-based front-end and must work with the standard versions of internet browsers, that is:

- Microsoft Internet Explorer version 9 onwards
- Microsoft Edge (latest version)
- Google Chrome version 9 onwards
- Apple Safari version 4 onwards
- Mozilla Firefox version 3.5 onwards
- And other common internet browsers.

The system interface must be compatible with standard operating systems Windows, Android, MAC, IOS.

The system interface must use HTTPS authentication and encryption signed by an internationally recognised and globally trusted certification authority.

The system must use open protocols and be based on a robust architecture model and framework using industry standard systems and applications.

The AMR system must be able to collect and store meter data : load profile data, billing registers, voltages, currents and power, events and alarms per meter.

AMR system must read the meter data automatically, as per reading cycles to be defined by municipality. The frequency of meter readings shall be in accordance with specified minimum periods of meter reading as per NRS specifications.

It must be possible for municipal staff to gain access to system, via the web portal or other means, to enable configuration of some operation parameters, as required. It must allow multiple user access.

The system must have a function for remote disconnection and reconnection of meters as and when required.

The system software must have a dashboard, be able to plot graphs showing:

- Load profile
- Voltage profile
- kVA profile
- kWh profile
- maximum demand

The software must allow for data export into .csv, .xlsx, .pdf AND other file format that will be compatible with the municipality's financial system (i.e. Samras Billing System).

The customer web portal must not allow access to the system's metering database (only for administrator user). LPU or TOU customers must be allowed to view only their own load profile graphs, billing and tariff data for their account only. The system to provide web access for the municipal TOU/LPU customers and shall ensure that their billing information displayed on the system is accurate and up to date.

The system shall maintain audit trails and logs of all user actions taken or executed on the metering data management system; and the correct access rights / levels to be maintained.

The AMR system shall be able to interface directly to the Samars financial and billing system for billing purposes.

**34.3.2 Metering database**

**34.3.2.1 Meter data management system**

The bidder must demonstrate that is able to electronically uMngeni Local Municipality's AMR compliant meters, and that their system is vendor-agnostic and be fully compatible with AMR meters supporting cellular technology. The system must be scalable accommodating an initial ±100 meters, ultimately reading all the electricity meters. All customer data – Samras account no., account name, addresses, contact details, GPS co-ordinates of meter (amongst others) – for the RNM customers shall be stored on the meter data management system (MDMS) metering database.

The initial phase of project is automated meter reading of time of use (TOU) meters.

**34.3.2.2 Energy balancing**

The system must have capability to do energy balancing, i.e. to balance the kWh units entering a certain node in the network, with the kWh units consumed. This data shall be used to determine technical and non-technical losses at metering points within the uMngeni Local Municipality distribution network.

**34.3.3 Faults management**

The service provider shall make provision for database backup and redundancy in case of failure. Daily data backups shall be done of the full database, including municipal records and metering information, at an off-site disaster recovery site. The metering data to be stored by service provider is the property of uMngeni Local Municipality and full database backup must be saved on municipal database on monthly basis.

The service provider must be able to demonstrate database backup and disaster recovery procedures.

The bidder must demonstrate that is able to electronically uMngeni Local Municipality's AMR compliant meters, and that their system is vendor-agnostic and be fully compatible with AMR meters supporting cellular technology.

The system must be scalable accommodating an initial ±100 meters, ultimately reading all the electricity meters.

All customer data – Samras account no., account name, addresses, contact details, GPS co-ordinates of meter (amongst others) – for the RNM customers shall be stored on the meter data management system (MDMS) metering database.

The initial phase of project is automated meter reading of time of use (TOU) meters.

The system must have capability to do energy balancing, i.e. to balance the kWh units entering a certain node in the network, with the kWh units consumed. This data shall be used to determine technical and non-technical losses at metering points within the UMngeni Local Municipality distribution network.

The bidder must be able to diagnose and report on metering faults and problems; and the faults log to be viewed and managed by the service provider and municipal staff.

**34.3.4 Outage management**

The system must support outage notification in order to detect and report loss of power at metering or network points. Outage notification messages and alarms to be sent municipal staff in the event of an outage notification.

**34.3.5 Confidentiality and security**

The bidder shall ensure that their system only allows authorized persons to access the customer data and meter data. There must be strict user controls for those authorized to have data access. All software must be password protected, software registers must keep all copies of the software used. The system hardware shall be located in an access-controlled environment/premises.

The bidder shall not use the information for any other purpose other than for the purposes of meter reading, billing for and on behalf of uMngeni Local Municipality. All meter data collected and processed by the AMR/MDMS system shall remain the property of uMngeni Local Municipality, and the service provider will have no rights on any of the ADLM data.

**34.3.6 Reporting**

The system must support outage notification in order to detect and report loss of power at metering or network points. Outage notification messages and alarms to be sent municipal staff in the event of an outage notification.

The bidder shall ensure that their system only allows authorized persons to access the customer data and meter data. There must be strict user controls for those authorized to have data access. All software must be password protected, software registers must keep all copies of the software used. The system hardware shall be located in an access-controlled environment/premises.

The bidder shall not use the information for any other purpose other than for the purposes of meter reading, billing for and on behalf of uMngeni Local Municipality. All meter data collected and processed by the AMR/MDMS system shall remain the property of uMngeni Local Municipality, and the service provider will have no rights on any of the ADLM data.

As a minimum the MDMS system must generate the following reports in .xlsx, .pdf or other standard format:

- Consumption data per customer
- Financial or billing data per customer
- Voltage or fuse failures
- Communication errors and faults
- Outage reports as and when required
- Energy balance auditing report as and when required
- Eskom bill verification report on monthly basis; and
- Other database reports

The system must be able to generate a daily report on all communications faults experienced with metering points, to be forwarded to ADLM

### 34.3.7 SAMRAS integration

The bidder's MDMS shall interface with the Samras Billing System of the municipality. The metering and billing data from the system, shall be provided to uMngeni Local Municipality in electronic format within timeframes to be specified by the municipality. The municipality does a test billing run immediately after the last day of each month to ensure that any problems are identified and rectified before the final live billing run.

### 34.3.8 Service level agreement

The service provider will be required to enter into a service level agreement (SLA) with the municipality with regards to, amongst others, accuracy and integrity of metering and billing data, monthly submissions of billing data for test and live billing runs. The billing data shall be in a format as specified by the municipality and which shall be compatible with the Samras billing system or other system to be utilized by uMngeni Local Municipality.

### 34.3.9 Technical system support

The bidder must demonstrate, in the event of on-site system support is needed, they will be able to have technical support staff available within reasonable time to provide the system support that will be required by the municipality.

### 34.3.10 Competency levels

The bidder's personnel who will be working on the municipal metering installations must be competent and authorized, with at least or as a minimum a certificate on Operating Regulations for High Voltage Systems (ORHVS) Level 10.

## 35. IMPLEMENTATION AND COMMISSIONING

The tenderer shall be responsible for the conversion of current uMngeni Local Municipality system data, static as well as historical transaction as well as all meter related data to the new system of which the cost must be included in the proposal.

## 36. SYSTEM CHANGES AND ENHANCEMENTS

The tenderer shall indicate corporate policy requirements on system enhancements and changes, including mSCOA compliance and the upcoming key rollover.

### 36.1 System Site Visit/Demonstration

The uMngeni Local Municipality retains the right to request a full system demonstration and/or site visit. The tenderer undertakes to arrange as such. A full list of current system users with contact details should be supplied by the tenderer. The municipality reserves the right to contact any of these users and the tenderer undertakes to arrange a site visit to any user(s) as indicated by the Municipality within a specified timeframe as agreed on.

The Bidder to also demonstrate the operations and functionality of their AMR systems and will be evaluated on following criteria:

a) Meter accuracy test and issue test certificate / report

b) Setting up of a new meter on the system

c) Operations of dashboard

d) Live meter reading / Live site

e) Meter data analysis, phasor analysis etc.

f) Available reports and graphs

g) Integration capability to Samras system

h) Typical export file

i) System availability and reliability / business continuity in case of failures

j) System architecture and compliance to industry standards and applications

k) Ability to provide technical system support within reasonable time

l) System backup and disaster recovery procedures.

## 37. CUSTOMER REFERENCES

The tenderer must supply at least three reference letters from other Municipalities confirming that the tenderer provides them with prepayment hosted online-vending services, Automated Electricity Meter Reading (AMR) and third-party vending via a broad-based footprint and also arrears collection via data exchange with the Municipality billing system. The letter must confirm the period that the tenderer has been providing the service to the Municipality.

The uMngeni Local Municipality may wish to contact one or more of the tenderer's reference clients during the tender evaluation period. Please provide contact names and details of the individuals who should be contacted in this regard.

Contact with reference clients will be arranged through the tenderer, but the uMngeni Local Municipality reserves the right to conduct these information sharing sessions without representatives from the tenderer being present. Live or real time updates for bill payments and arrears collections – dependent on Billing System (if the provider can connect real time) should be offered and proof in the form of a letter from the Municipality should be provided.