## TENDER DOCUMENT

<table>
<thead>
<tr>
<th>TENDER NUMBER:</th>
<th>T 45/2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>TENDER DESCRIPTION:</td>
<td>PROVISION OF LOAN FINANCE</td>
</tr>
<tr>
<td>CLOSING TIME:</td>
<td>12H00</td>
</tr>
<tr>
<td>CLOSING DATE:</td>
<td>06 March 2019</td>
</tr>
</tbody>
</table>

Tender Box at:
SUPPLY CHAIN MANAGEMENT UNIT
CLYDE STREET
KNYSNA
6570

**NB:**
1. All bids must be submitted on the official forms – (not to be re-typed)
2. Bids must be completed in black ink in writing
3. **No bids will be considered from persons in the service of the state**

<table>
<thead>
<tr>
<th>Name of Bidder:</th>
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<table>
<thead>
<tr>
<th>Normal Rate:</th>
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<table>
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<tr>
<th>B-BBEE Status Level of Contributor:</th>
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<table>
<thead>
<tr>
<th>Preference Points Claimed:</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>CSD number:</th>
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</thead>
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<table>
<thead>
<tr>
<th>CSD Unique reference number</th>
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</thead>
</table>

**B-BBEE certificates submitted with the bid document MUST be VALID ORIGINAL BBBEE CERTIFICATES or VALID CERTIFIED COPIES OF THE B-BBEE CERTIFICATES**

<table>
<thead>
<tr>
<th>Signature of Knysna Municipality Officials at Tender Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
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<tr>
<td>2.</td>
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</table>
KNYSNA MUNICIPALITY

TENDER NOTICE AND INVITATION TO BID

<table>
<thead>
<tr>
<th>NOTICE NO :</th>
<th>DEPARTMENT:</th>
<th>FINANCIAL SERVICES</th>
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<tr>
<td>1</td>
<td></td>
<td></td>
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</tbody>
</table>

ADVERTISED IN: KNYSNA-PLETT HERALD, ACTION ADS, MUNICIPAL NOTICE BOARD, MUNICIPAL WEBSITE, E- TENDER PORTAL

BID NO: 45/2018/19  PUBLISHED DATE: 18 January 2019

Bids are hereby invited for (Tender Description): PROVISION OF LOAN FINANCE

CLOSING TIME AND DATE: No later than 12H00 On the Date: 06 March 2019

Bids will be opened immediately thereafter, in public at the Knysna Municipality, Supply Chain Management Unit, Finance Building, Queen Street, Knysna

AVAILABILITY OF BID DOCUMENTS:

Tender Documents will be available at no charge from the Knysna Municipality Website at www.knysna.gov.za (Website navigation is as follow: Information centre – SCM – Tenders).

Alternatively Print Copies of the Tender Documents will be available as from 07h30 and thereafter on weekdays from 07h30 until 16h30, at Knysna Municipality: Supply Chain Management Unit, Finance Building, Queen Street, Knysna, at a non-refundable fee, payable to a cashier at Knysna Municipality Customer Care, Main Street, Knysna.

Date Available: 24 January 2018  Non-refundable Documentation Fee: R 266.00

BID RULES:

1. Bids are to be completed in accordance with the conditions and bid rules contained in the bid document and supporting documents must be placed in a sealed envelope and externally endorsed WITH THE BID NUMBER, DESCRIPTION AND CLOSING DATE OF THE BID, and be deposited in the Bid Box, at the office of the Knysna Municipality, Supply Chain Management Unit, Finance Building, Queen Street, Knysna.

   Bids may only be submitted on the bid documentation that is issued

   Bids will be evaluated according to the 90/10 points system. The bids are subject to the Preferential Procurement Policy Framework Act 2000 and the Preferential Procurement Regulations 2017

   The Municipality reserves the right to withdraw any invitation to bid and/or re-advertise or to reject any bid or to accept a part of it. The Municipality does not bind itself to accept the lowest bid or to award a contract to the Bidder scoring the highest number of points.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE AS DEFINED IN THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS (GOVERNMENT GAZETTE NO 40553 DATED 20 JANUARY 2017)

Tenders who are not yet registered are required to register on the Municipality’s Accredited Supplier Database as well as the CSD. Application forms are obtainable from the official website – www.Knysna.gov.za

Tenders shall be evaluated in terms of the Knysna Municipality Supply Chain Management Policy incorporating Preferential Procurement

Bidders may claim preference points in terms of their B-BBEE status level of contribution.

<table>
<thead>
<tr>
<th>Preferential Procurement Point System Applicable</th>
<th>CIDB Registration Required</th>
<th>Local Content Requirement</th>
<th>Validity Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>Not Applicable</td>
<td>N/A</td>
<td>90 Days</td>
</tr>
</tbody>
</table>

The fee may also be transferred via EFT (Knysna Municipality, Current Account – 1626561826, Nedbank, Knysna, Branch Code - 198765). Proof of payment will be required upon collection of tender documents. Bid Number to be used as payment reference with name of payee. Tender Document reference number: 349750848228
Validity period

Notwithstanding the period for validity of bids as set out in the bid documents, bids shall be deemed to remain valid until formal acceptance by the Knysna Municipality of an offer at any time after the expiry of the original validity period, unless the Knysna Municipality is notified in writing of anything to the contrary (including any further conditions) by the bidder.

Site Meeting/Information Session

Not Applicable

<table>
<thead>
<tr>
<th>ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:</th>
<th>ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section: Budget Office</td>
<td>Section: Supply Chain Management</td>
</tr>
<tr>
<td>Contact Person: A Morgan</td>
<td>Contact Person: C Bezuidenhout</td>
</tr>
<tr>
<td>Tel: 044 302 6436</td>
<td>Tel: Written Enquiries Only</td>
</tr>
<tr>
<td>Email: <a href="mailto:amorgan@knysna.gov.za">amorgan@knysna.gov.za</a></td>
<td>Email: <a href="mailto:cybezuidenhout@knysna.gov.za">cybezuidenhout@knysna.gov.za</a></td>
</tr>
<tr>
<td>Authorised by: ACTING MUNICIPAL MANAGER</td>
<td>Authorised by: P HARIPARASAD</td>
</tr>
</tbody>
</table>

Authorised by: ACTING MUNICIPAL MANAGER P HARIPARASAD
### KNYSNA MUNICIPALITY
#### TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of tender that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder’s tax obligations, before an award may be considered.

1. In order to meet this requirement bidders are required to complete in full the form TCC 001 “Application for a Tax Clearance Certificate” and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.


3. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

4. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

5. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

6. Applications for Tax Clearance Certificates 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](http://www.sars.gov.za).

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### KNYSNA MUNICIPALITY
#### DECLARATION OF INTEREST

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

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 the 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 / her representative:

   3.2. Identity number:

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

   3.4. Company Registration Number:

* Excluding persons on the register of financially qualified pensioners.
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 (where applicable) 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.

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

3.9.1. If so, furnish particulars.

3.10. Do you, have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.10.1. If so, state particulars.

3.11. Are you aware of any relationship (family, friend, other) between the bidder and any person 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 so, state particulars.

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

3.12.1. If so, state particulars.

3.13. Is 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 so, 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 so, furnish particulars.

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

**COMPLETION OF THE FOLLOWING INFORMATION IS COMPULSORY:**

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Individual Tax Number for each Director</th>
<th>State Employee Number</th>
</tr>
</thead>
</table>
I CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT. I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

<table>
<thead>
<tr>
<th>NAME OF ENTERPRISE</th>
<th>CAPACITY</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME (PRINT)</td>
<td>SIGNATURE</td>
<td></td>
</tr>
</tbody>
</table>

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

a) a member of –
   (i) any municipal council;
   (ii) any provincial legislature; or
   (iii) the National Assembly or the National Council of Provinces;

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

c) an official or 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 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 exercise control over the company.
# KNYSNA MUNICIPALITY

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

1. This Municipal Bidding Document 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.

2. The bid of any bidder may be rejected if that bidder, or any of its directors have:
   - **2.1.** abused the municipality's / municipal entity’s supply chain management system or committed any improper conduct in relation to such system;
   - **2.2.** been convicted for fraud or corruption during the past five years;
   - **2.3.** wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
   - **2.4.** 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).

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

   **3.1.** Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?  
   - (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied.)
   - Yes / No

   **3.2.** If so, furnish particulars:

   **3.3.** Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  
   - The Register for Tender Defaulters can be accessed on the National Treasury’s website ([www.treasury.gov.za](http://www.treasury.gov.za)) by clicking on its link at the bottom of the home page.
   - Yes / No

   **3.4.** If so, furnish particulars:

   **3.5.** 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

   **3.6.** If so, furnish particulars:

   **3.7.** 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

   **3.8.** If so, furnish particulars:

   **3.9.** 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

   **3.10.** If so, furnish particulars:
I, 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.

<table>
<thead>
<tr>
<th>NAME OF ENTERPRISE</th>
<th></th>
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<tbody>
<tr>
<td>CAPACITY</td>
<td>DATE</td>
</tr>
<tr>
<td>NAME (PRINT)</td>
<td>SIGNATURE</td>
</tr>
<tr>
<td>WITNESS 1</td>
<td>WITNESS 2</td>
</tr>
</tbody>
</table>
1. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *per se* prohibition meaning that it cannot be justified under any grounds.

2. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
   a) take all reasonable steps to prevent such abuse;
   b) reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
   c) cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

3. This Municipal Bidding Document 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.

4. In order to give effect to the above, the following Certificate of Bid Determination must be completed and submitted with the bid:

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

<table>
<thead>
<tr>
<th>Bid Number:</th>
<th>45/2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description:</td>
<td>Provision of Loan Finance</td>
</tr>
</tbody>
</table>

in response to the invitation for the bid ISSUED by the Knysna Municipality, do hereby make the following statements that I certify to be true and complete in every respect:

**certify, on behalf of (Name of Bidder):**

That:

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

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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.

<table>
<thead>
<tr>
<th>NAME (PRINT)</th>
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<tr>
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<td>DATE</td>
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</table>

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.
³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.
I, the undersigned, in submitting the accompanying bid, declare that I am duly authorised to act on behalf of: (name of the enterprise)

I hereby acknowledge that according to SCM Regulation 38(1)(d)(i), the Municipality may reject the tender of the tenderer if any municipal rates and taxes or municipal service charges owed by the Tenderer or any of its directors/members/partners to the Knysna Municipality, or to any other municipality or municipal entity, are in arrears for more than 3 (three) months.

To the best of my personal knowledge, neither the firm nor any director/member/partner of said firm is in arrears on any of its municipal accounts with any municipality in the Republic of South Africa, for a period longer than 3 (three) months.

If the value of the transaction is expected to exceed R10 million (VAT included) I certify that the bidder has no undisputed commitments for municipal services towards any Municipality in respect of which payment is overdue for more than 30 days;

<table>
<thead>
<tr>
<th>PHYSICAL BUSINESS ADDRESS(ES) OF THE TENDERER</th>
<th>MUNICIPAL ACCOUNT NUMBER</th>
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</table>

FURTHER DETAILS OF THE BIDDER’S Director / Shareholder / Partners, etc.:

<table>
<thead>
<tr>
<th>Director / Shareholder / partner</th>
<th>Physical address of the Business</th>
<th>Municipal Account number(s)</th>
<th>Physical residential address of the Director / shareholder / partner</th>
<th>Municipal Account number(s)</th>
</tr>
</thead>
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NB: Please attach certified copy(ies) of ID document(s)

NB: Please attach copy(ies) of Municipal Accounts

Number of sheets appended by the tenderer to this schedule (If nil, enter NIL)
Therefore hereby agrees and authorises the Knysna Municipality to deduct the full amount outstanding by the Tenderer or any of its directors/members/partners from any payment due to the tenderer; and

I further hereby certify that the information set out in this schedule and/or attachment(s) hereto is true and correct. The Tenderer acknowledges that failure to properly and truthfully complete this schedule may result in the tender being disqualified, and/or in the event that the tenderer is successful, the cancellation of the contract.

<table>
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<tr>
<th>NAME OF ENTERPRISE</th>
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<tbody>
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<td>NAME (PRINT)</td>
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</tr>
<tr>
<td>CAPACITY</td>
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</tr>
<tr>
<td>SIGNATURE</td>
<td>DATE:</td>
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</tbody>
</table>

**COMMISSIONER OF OATHS**
Signed and sworn to before me at ______________________, on this ______________________ day of ______________________ 20__, by the Deponent, who has acknowledged that he/she knows and understands the contents of this Affidavit, it is true and correct to the best of his/her knowledge and that he/she has no objection to taking the prescribed oath, and that the prescribed oath will be binding on his/her conscience.

**COMMISSIONER OF OATHS:**
Position: ______________________
Address: ______________________
Tel: ______________________
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Closing time&quot;</td>
<td>means the date and hour specified in the bidding documents for the receipt of bids.</td>
</tr>
<tr>
<td>&quot;Contract&quot;</td>
<td>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.</td>
</tr>
<tr>
<td>&quot;Contract price&quot;</td>
<td>means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.</td>
</tr>
<tr>
<td>&quot;Corrupt practice&quot;</td>
<td>means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.</td>
</tr>
<tr>
<td>&quot;Countervailing duties&quot;</td>
<td>are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.</td>
</tr>
<tr>
<td>&quot;Country of origin&quot;</td>
<td>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.</td>
</tr>
<tr>
<td>&quot;Day&quot;</td>
<td>means calendar day.</td>
</tr>
<tr>
<td>&quot;Delivery&quot;</td>
<td>means delivery in compliance of the conditions of the contract or order.</td>
</tr>
<tr>
<td>&quot;Delivery ex stock&quot;</td>
<td>means immediate delivery directly from stock actually on hand.</td>
</tr>
<tr>
<td>&quot;Delivery into consignees store or to his site&quot;</td>
<td>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.</td>
</tr>
<tr>
<td>&quot;Dumping&quot;</td>
<td>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.</td>
</tr>
<tr>
<td>&quot;Force majeure&quot;</td>
<td>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.</td>
</tr>
<tr>
<td>&quot;Fraudulent practice&quot;</td>
<td>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.</td>
</tr>
<tr>
<td>&quot;GCC&quot;</td>
<td>means the General Conditions of Contract.</td>
</tr>
<tr>
<td>&quot;Goods&quot;</td>
<td>means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.</td>
</tr>
<tr>
<td>&quot;Imported content&quot;</td>
<td>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.</td>
</tr>
<tr>
<td>&quot;Local content&quot;</td>
<td>means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.</td>
</tr>
<tr>
<td>&quot;Manufacture&quot;</td>
<td>means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.</td>
</tr>
<tr>
<td>&quot;Order&quot;</td>
<td>means an official written order issued for the supply of goods or works or the rendering of a service.</td>
</tr>
<tr>
<td>&quot;Project site&quot;</td>
<td>where applicable, means the place indicated in bidding documents.</td>
</tr>
<tr>
<td>&quot;Purchaser&quot;</td>
<td>means the organization purchasing the goods.</td>
</tr>
<tr>
<td>“Republic”</td>
<td>means the Republic of South Africa.</td>
</tr>
<tr>
<td>“SCC”</td>
<td>means the Special Conditions of Contract.</td>
</tr>
<tr>
<td>“Services”</td>
<td>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.</td>
</tr>
<tr>
<td>“Supplier”</td>
<td>means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.</td>
</tr>
<tr>
<td>“Tort”</td>
<td>means in breach of contract.</td>
</tr>
<tr>
<td>“Turnkey”</td>
<td>means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.</td>
</tr>
<tr>
<td>“Written” or “in writing”</td>
<td>means handwritten in ink or any form of electronic or mechanical writing.</td>
</tr>
</tbody>
</table>

2. Application

2.1. These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

5.3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

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

6. Patent rights

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

6.2. When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

7. Performance security

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

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

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

7.3.1. 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

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

8. Inspections, tests and analyses

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

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

8.3. If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4. If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the goods to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5. Where the goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6. Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7. Any contract goods 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 goods shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with goods which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the supplier's cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods as may be necessary at the expense of the supplier.

8.8. The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

9. Packing

9.1. The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

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

10. Delivery

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

11. Insurance

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

12. Transportation

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

13. Incidental

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

13.1.1. performance or supervision of on-site assembly and/or commissioning of the supplied goods;

13.1.2. furnishing of tools required for assembly and/or maintenance of the supplied goods;

13.1.3. furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

13.1.4. 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

13.1.5. training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

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

14.1.1. 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;

14.1.2. in the event of termination of production of the spare parts:

14.1.2.1. advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

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

15. Warranty

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

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

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

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

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

16. Payment

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

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

16.3. Payments shall be made by the purchaser no later than thirty (30) days after submission of an invoice, statement or claim by the supplier.

16.4. Payment will be made in Rand unless otherwise stipulated.

17. Prices

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

18. Variation orders

18.1. In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price and such offers, may be accepted provided that there is no escalation in price.

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

21.2. If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
21.3. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

21.5. 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

22.1. Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, 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

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

23.1.1. 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;

23.1.2. if the Supplier fails to perform any other obligation(s) under the contract; or

23.1.3. if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or 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.

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

23.4. If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of no 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 supplier as having no objection and proceed with the restriction.

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

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

23.6.1. the name and address of the supplier and / or person restricted by the purchaser;

23.6.2. the date of commencement of the restriction

23.6.3. the period of restriction; and

23.6.4. the reasons for the restriction.

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

23.7. If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1. When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.
25. Force Majeure

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

25.2. If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, 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

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

27. Settlement of Disputes

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

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

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

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

27.4.1. the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

27.4.2. the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract.

28. Limitation of liability

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

28.1.1. 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

28.1.2. the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

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

30. Applicable law

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

31. Notices

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

31.2. The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

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

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

32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4. No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of contracts

33.1. The contractor shall not abandon, transfer, cede, assign or sublet a contract or part thereof without the written permission of the purchaser.
34. Amendment of contracts

34.1. No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of restrictive practices

35.1. In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding.

35.2. If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 of 1998.

35.3. If a bidder(s) or contractor(s) has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

General Conditions of Contract (revised July 2010)
January 2019

Dear Sirs

INVITATION FOR PROPOSALS

1. PROVISION OF LOAN FINANCE TO KNYSNA MUNICIPALITY

You are hereby invited to submit firm proposals for the provision of R 60 238 000 million (or part thereof) of term loan finance to Knysna Municipality.

A. BACKGROUND

An analysis of the funding requirements of the Municipality for the approved 2018/2019 capital expenditure budget indicates the need to borrow approximately R 60 238 000 million of medium/long term finance.

Interested financial institutions are invited to submit funding proposals. The loan procurement process will be conducted in accordance with the applicable terms of Chapter 6 of the Municipal Finance Management Act, 2003.

B. LOAN SPECIFICATIONS

2. The requirements of Knysna Municipality in respect of the loan(s) are as follows:

3. B.1 Loan amount

Knysna Municipality is looking to borrow an estimated R 60 238 000 million in total. Proposals may be submitted for all or part (minimum R1,5 million) of this total.

5. B.2 Drawdown of loan

Drawdown of the loan will depend on the rate of actual spend of the loan funded capital budget during the financial year (ending 30 June) 2018/2019. Drawdowns will be made as required during the period to June 2019 and will be in minimum amounts of one million rand. Each drawdown will require the prior approval of the Municipal Manager. Knysna Municipality reserves the right to draw down less than R 60 238 000 million within the period and to cancel any undrawn portion of any approved loan.

B.3 Period of loan

The period of the loan will reflect the estimated useful life of the fixed assets being financed out of the loan, and will range from five to twenty years. Current estimates project the following split of the total loan amount:

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>R 2 800 000.00</td>
</tr>
<tr>
<td>10 years</td>
<td>R 7 090 000.00</td>
</tr>
<tr>
<td>15 years</td>
<td>R 50 348 000.00</td>
</tr>
</tbody>
</table>

Should 15 year financing not be offered by the lending institution, the following amount is germane:

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>R 2 800 000.00</td>
</tr>
<tr>
<td>10 years</td>
<td>R 57 438 000.00</td>
</tr>
</tbody>
</table>

B.4 Repayment of loan

The loan capital will be repaid semi-annually, in fixed capital portions over the life of the loan. Interest will also be paid semi-annually on the reducing capital balance of the loan. An early repayment option will be considered.

6. B.5 Denomination of loan

The loan must be denominated in South African Rand.

7. B.6 Loan Security
The loan will be unsecured.

8. B.7 Interest rate options

Knysna Municipality requires the option to draw down on a fixed or floating interest rate basis, with the option to subsequently convert from an initial floating rate, if selected, to a fixed rate. The option to fix the rate, in advance, on future drawings (forward rate agreement) is also required.

8. B.8 Tax risk

Knysna Municipality will not accept any tax risk relating to any funding structure which a prospective lender may propose.

9. B.9 Variation of interest rate

Knysna Municipality will not accept any increase in the interest rate charged on the loan over the life of the loan arising from any change in or introduction of any tax or levy or monetary or fiscal banking requirement.

10. C. INFORMATION REQUIRED

You are required to submit the following information in your proposal:

11. C.1 Pricing

You are requested to quote firm prices for the loan in the form of a fixed margin above:

Floating base rate: 6 month JIBAR

Fixed base rate: SA Government Bond yield curve: 5 year nacs 10 year ,, 15 year ,, 15 year,,

The margin should be the all-in fully inclusive margin including internal funding costs, credit spread, liquid assets cost, reserving costs, stamps and other. No other fees/margins/commissions/expenses etc. will be borne by Knysna Municipality other than those included in the quoted all-in rate, clearly identified and quantified in a fully transparent manner.

12. C.2 Cash flows

You are requested to submit schedules of cash flows over the lives of the loans showing capital redemption and interest payable by Knysna Municipality based on the following assumed parameters:

<table>
<thead>
<tr>
<th>Loan amount</th>
<th>Loan 1</th>
<th>Loan 2</th>
<th>Loan 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R 2 800 000.00</td>
<td>R 7 090 000.00</td>
<td>R 50 348 000.00</td>
</tr>
<tr>
<td>Loan periods</td>
<td>5 years</td>
<td>10 years</td>
<td>15 years</td>
</tr>
<tr>
<td>Loan drawdown</td>
<td>30 June 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First payments</td>
<td>30 December 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest payments</td>
<td>Six monthly on reducing capital balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital repayments</td>
<td>Six monthly, straight line</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JIBAR/RSA Govt. Bond yield curve</td>
<td>Appropriate rate at 11h00 on 27/2/2019 for relevant loan maturities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Six sets of cash flows are therefore required, each at a fixed and floating rate.

Or the alternative option:

<table>
<thead>
<tr>
<th>Loan amount</th>
<th>Loan 1</th>
<th>Loan 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R 2 800 000.00</td>
<td>R 57 438 000.00</td>
</tr>
<tr>
<td>Loan periods</td>
<td>5 years</td>
<td>10 years</td>
</tr>
<tr>
<td>Loan drawdown</td>
<td>30 June 2019</td>
<td></td>
</tr>
<tr>
<td>First payments</td>
<td>30 December 2019</td>
<td></td>
</tr>
<tr>
<td>Interest payments</td>
<td>Six monthly on reducing capital balance</td>
<td></td>
</tr>
</tbody>
</table>
Four sets of cash flows are therefore required, each at a fixed and floating rate.

Note: the above data has been assumed for purposes of enabling comparison of quotations based on a common set of parameters. Actual loan amounts, periods and drawdown dates will depend on the rate and type of capital expenditure as mentioned under B.2 above.

13. C.3 Credit approval

Proposers are required to obtain their credit committee’s approval in advance for the loan amount for which they are submitting an offer. Evidence of this approval must be submitted with your proposal.

14. E. TIME FRAMES

The proposed time frames for the loan raising exercise are as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publish information statement / invite comments</td>
<td>31/1/2019</td>
</tr>
<tr>
<td>Closing date for receipt of comments</td>
<td>28/2/2019</td>
</tr>
<tr>
<td>Bid Specification Committee (BSC)</td>
<td>15/1/2019</td>
</tr>
<tr>
<td>Issue of advert and letter of invitation</td>
<td>24/1/2019</td>
</tr>
<tr>
<td>Deadline for receipt of proposals</td>
<td>06/3/2019</td>
</tr>
<tr>
<td>Bid Evaluation Committee (BEC)</td>
<td>18/3/2019</td>
</tr>
<tr>
<td>BAC approval of preliminary recommendation</td>
<td>29/3/2019</td>
</tr>
<tr>
<td>Council final approval/ consideration of comments</td>
<td>30/4/2019</td>
</tr>
<tr>
<td>Loan agreements signed</td>
<td>30/5/2019</td>
</tr>
<tr>
<td>Drawdown as from</td>
<td>27/6/2019</td>
</tr>
</tbody>
</table>

15. F. SUBMISSION OF PROPOSALS

16. F.1 Addressee

Please deposit your proposal, in a sealed envelope marked "Proposal no. 45 of 2018/19 Provision of loan finance", in the official tender box, 1st Floor, Municipal Building, Clyde Street, Knysna before 12h00 on 06 March 2019.

17. Proposals received after the closing date and hour will not be considered.

18. F.2 Declaration

The Proposer must declare that (a) the information provided in the proposal is true and correct and (b) the signatory to the proposal document is duly authorised.

20. G. FURTHER INFORMATION

Any queries or requests for further information relating to this letter should be directed to Anthony Morgan on telephone number (044) 302 6436 or emailed to amorgan@knysna.gov.za

H. ACKNOWLEDGEMENT

Please acknowledge, by return, receipt of this letter of invitation.

Yours faithfully

DIRECTOR: FINANCE
M MEMANI
## DECLARATION BY TENDERER

I / We acknowledge that I / we am / are fully acquainted with the contents of the conditions of tender of this tender form and that I / we accept the conditions in all respects.

I / We agree that the laws of the Republic of South Africa shall be applicable to the contract resulting from the acceptance of my / our tender and that I / we elect domicillium citandi et executandi in the Republic at:

<table>
<thead>
<tr>
<th>Postal Code:</th>
</tr>
</thead>
</table>

I / We furthermore confirm I / we satisfied myself / ourselves as to the corrections and validity of my / our tender: that the price quoted cover all the work items specification in the tender documents and that the price cover all my / our obligations under a resulting contract and that I / we accept that any mistake(s) regarding price and calculations will be at my / our risk.

<table>
<thead>
<tr>
<th>NAME OF ENTERPRISE:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>NAME (PRINT):</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>CAPACITY:</th>
<th>DATE:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SIGNATURE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>WITNESS 1</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>WITNESS 2</th>
</tr>
</thead>
</table>
CONTRACT FORM - RENDERING OF SERVICES

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

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

1. I hereby undertake to render services described in the attached bidding documents to KNYSNA MUNICIPALITY in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number T 45/2018/19 at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

(i) Bidding documents, viz
  - Invitation to bid;
  - Tax clearance certificate;
  - Pricing schedule(s);
  - Filled in task directive/proposal;
  - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2017;
  - Declaration of interest;
  - Declaration of Bidder’s past SCM practices;
  - Certificate of Independent Bid Determination;
  - Special Conditions of Contract;

(ii) General Conditions of Contract; and

(iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

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

NAME (PRINT) ........................................
CAPACITY ........................................
SIGNATURE ........................................

WITNESSES

1 ........................................
2 ........................................
22. PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I……………………………………………. in my capacity as………………………………………… accept your bid under reference number T 45/2018/19 dated…………………………for the rendering of services indicated hereunder and/or further specified in the annexure(s).

2. An official order indicating service delivery instructions is forthcoming.

3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

<table>
<thead>
<tr>
<th>DESCRIPTION OF SERVICE</th>
<th>PRICE (ALL APPLICABLE TAXES INCLUDED)</th>
<th>COMPLETION DATE</th>
<th>B-BBEE STATUS LEVEL OF CONTRIBUTION</th>
<th>MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of Loan Finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

SIGNED AT ………………………………………     ON       ………………………………..

NAME (PRINT) ………………………………………

SIGNATURE ………………………………………

OFFICIAL STAMP

WITNESSES

1 ………………………………………

2 ………………………………………