



**NQUTHU MUNICIPALITY
SUPPLY CHAIN MANAGEMENT
NOTICE OF INVITATION**

INVITATION TO QUOTE

Quotation Description	▪ REQUEST FOR QUOTATION FROM AUCTIONEER'S SERVICES
Quotation Number	SCM/691/22-23
Invitation Date	01 June 2023
Closing Date and time	08 June 2023 12:00 PM
SCM Enquiries	M SHABALALA 087 260 1805
Where quotation can be collected	NQUTHU MUNICIPALITY RECEPTION AREA NQUTHU MUNICIPALITY WEBSITE
Where Quotation should be delivered	QUOTATION BOX AT THE RECEPTION AREA IN LOT83/2 MDLALOSE STREET OR e-mail to mshabalala@nquthu.gov.za

TERMS AND CONDITIONS

- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- Bidders must be registered in the Municipal Suppliers Database or CSD.
- Bidders must complete all supplementary and compulsory MBD forms enclosed in this RFQ.
- The municipality reserve the right to do due diligence on the quotations.
- The municipality reserve the right to benchmark prices quoted.
- The lowest acceptable price will score 80 points: price, and 20 points for specific goals.
- All price quotations that have a rand value of R1.00 to R50 000 000.00 including VAT, will be evaluated by applying the 80/20 principle as Prescribed by the Preferential Procurement Policy Framework Act of 2022.
- Proof of registration with South African Institute of Auctioneers

NQUTHU MUNICIPALITY SPECIFIC GOALS PREFERENCE POINT SUMMARY

The Nquthu Municipality SCM Policy in respect of specific goals include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme

20 points specific goals scores – Points breakdown and verification criteria

Specific goals	Points (80/20)	Verification
100% black ownership (African, Indian, coloured)	10	CSD
Enterprise located within local municipality uMzinyathi KZN	10 05 05	Utility, Proof of res, CSD

1. Conditions

- 1.1 Advertisements must be placed timeously in order to afford interested customers who may be resident elsewhere the opportunity to attend auctions.
- 1.2 Copies of the proposals and experience (Appointment Letters) are to be submitted with the quotation to the Municipality.
- 1.3 "Municipality's sale" is to appear in large print at the top of the advertisement and the name and telephone number of the auctioneer at the bottom in small print.
Municipality's advertisements are not to serve as marketing instrument for the auctioneers.
- 1.3 The auctioneer will be responsible for the sorting of the items into lots. If extra personnel are required, it will be for the expense of the auctioneer.
- 1.4 The auctioneer will be responsible to provide security to safeguard the items while preparing for auction and until all items have been removed from the premise of the Municipality. This will be for the expense of the auctioneer.
- 1.5 The auctioneer will be responsible to arrange additional security on the day of the auction.
- 1.6 The auction shall be conducted at the time and place indicated by the Municipality in consultation with the auctioneer.
- 1.7 The goods to be sold may be viewed by the public during such times and dates as specified by the Municipality at least one day before the sale.
- 1.8 At the commencement of the sale the auctioneer shall announce the conditions of sale, as prescribed in English by the Municipality. No additional conditions that are contradictory to these conditions shall be made or announced.
- 1.9 Auctions shall be conducted in English and Zulu.
- 1.10 On the day of the auction the auctioneer shall be at the auction site at least two (2) hours before commencement of the auction, to register prospective buyers.
- 1.11 The auctioneer shall at all auctions be assisted by at least two competent clerks at own expense.
- 1.12 The auctioneer shall provide a public address system in good working order wherever and whenever requested by the Municipality.
- 1.13 All auctions and transactions shall be conducted in the RSA currency.
- 1.14 The net proceeds of each auction shall be paid to the Municipality within 10 days after the auction, in cash or by means of a bank guaranteed cheque. The value of the payment shall be the gross amount realised from the auction less commission (VAT on the commission earned, included) and advertising costs.
- 1.15 The Municipality's auction list/catalogue shall be supplemented by the auctioneer with the following:
 - The names and addresses of the purchasers (if required by the Municipality).
 - The amount realised for each lot.

- The gross amount realised.
- The right is reserved by the Council to cancel the auction at any time.

1.16 The auctioneer shall inspect all goods before the commencement of the auction to ensure that lot numbers and descriptions are correct and acquaint himself/herself with the condition of the goods. Buyers should take note that lots are sold "voetstoots" and that no claims will be considered by virtue of incorrect description, quantity, quality, condition or any other grounds.

1.17 All prospective buyers shall be registered by the auctioneer. Where applicable, registration shall occur after payment of a registration fee, determined by the Municipality in co-operation with the auctioneer.

1.18 The auctioneer is responsible for obtaining payment from the purchaser(s) before completion of the auction. The auction will be considered as completed two hours after the last bid has been knocked down or as determined by the Municipality representative providing the extended period falls on the same day of the auction.

1.19 The registration fee shall be repaid by the auctioneer at the end of the auction, if nothing was bought by the buyer concerned or may be deducted from the amount payable by the buyer. Unclaimed registration fees at the end of the auction falls to the Council. Registration fees must be recovered within 14 working days after the auction has been completed.

1.20 The auctioneer shall only knock down a bid for a registered buyer. Buyers should take note that ownership of the goods sold and risk shall pass to the buyer as soon as payment for the purchase has been received. Goods will be released by the Municipality's representative only after payment has been received and upon production of an auctioneer's receipt of sales slip.

1.21 The procedures to be followed regarding the removal of goods sold at auction sales are explained in the Condition of Sale.

1.22 In cases of unsatisfactory performance by contractors, the council is entitled to take corrective steps for example to cancel the contract and make alternative arrangements for the rendering of the service. Should these steps result in a loss of income or additional costs to the Council, the Council is entitled to claim damages, retain security or impose a penalty.

1.23 The auctioneer or his representative may bid or buy on an auction on condition that he/she is registered as a buyer and indicates to the other buyers that he/she is bidding on a particular lot.

1.24 The auctioneer is responsible for the payment of VAT on the commission earned and the payment thereof to the South African Revenue Services.

1.25 The auctioneer shall not be part or party to a "Ring". Should any active association with a "Ring" be proved to the satisfaction of the Municipality, the contract with the auctioneer may be cancelled with immediate effect.

1.26 The term "Ring" means the grouping together of prospective buyers who manipulate prices as well as other buyers to take part in the auction.

1.27 The following conditions, regarding the removal of goods must be brought under the attention of the buyers:

- All lots must be removed by the buyer "*in toto*" within seven (5) working days of the date of the sale on his own risk and cost. If for any reason acceptable to the Municipality he cannot remove the lots within the prescribed working days, extension may be granted by the Municipality.

- If the buyer fails to take possession of the goods within the time specified herein, the Municipality has the right to, without further communication, confiscate and dispose of the goods as it may deem fit, without any reimbursement to the buyer. If the buyer wishes to take possession of the goods after the expiry of the period of retrieval, the Municipality can grant approval.

1.28 Nothing herein contained shall be construed as affecting the right of the Council to sell any goods out of hand or by quotation as may be deemed fit.

1.29 In specially approved cases where auctioneers sell goods for more than one Municipality at the same auction the commission shall be calculated on the total proceeds.

1.30 The Municipality's representative at the auction sale has the right to settle any disputes on the decision to withdraw articles for which no suitable prices are obtained, at his/her discretion.

1.31 Provision must be made for buyers to pay before the end of the auction without interrupting the auction. **Receipts will only be issued to registered buyers.**

1.32 All monies received at the auction shall be recorded in a receipt book in triplicate. The original and first copy shall be furnished to the buyer and the Municipality respectively.

1.33 The auctioneer is to note that any quotation which is not accompanied by all the information called for, or which is not properly completed or signed, will be **disqualified**.

DECLARATION OF INTEREST

- 1. No bid will be accepted from persons in the service of the state¹.
- 2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudging 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, shareholder²):.....

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.....

.....

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

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

² Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

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

3.9.1 If yes, furnish particulars.....

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

3.10.1 If yes, furnish particulars.

3.11 Are you, aware of any relationship (family, friend, other) between 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, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

(delete whichever is not applicable for this tender).

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

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	
SPECIFIC GOALS	

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right) \text{ or } P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{min} = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

$$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right) \text{ or } P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where

- P_s = Points scored for price of tender under consideration
- P_t = Price of tender under consideration
- P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
 - (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

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

Table 1: Specific goals for the tender and points claimed are indicated per the table below.
(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

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 (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company

- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

 SIGNATURE(S) OF TENDERER(S)
SURNAME AND NAME:
DATE:
ADDRESS:

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	<p>Is the bidder or any of its directors listed on the National Treasury’s database as a company or person prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? (To access this Register enter the National Treasury’s website, www.treasury.gov.za, click on the icon “Register for Tender Defaulters” or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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 <input type="checkbox"/>	No <input type="checkbox"/>
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 <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	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

