



**uMLALAZI MUNICIPALITY**

**TENDER NO. : KZN ULM 06/25/26**

**TENDER DOCUMENT FOR:**

**SUPPLY AND COMMISSIONING OF HUMAN RESOURCES AND PAYROLL SYSTEM  
FOR THE PERIOD OF 36 MONTHS**

**CLOSING DATE: 29 AUGUST 2025 AT 12:00**

|                                                                                                                                                          |                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>COMPILED BY:</b> Finance Department<br>P O BOX 37<br>Butcher Street, 3815                                                                             | <b>SCM OFFICES ADDRESS</b><br>KV Challenor Street ( Industrial Areas)<br>ESHOWE, 3815                                                                                                         |
| <b>Technical Related Queries</b><br>Contact Person: Andile Shandu<br>Tel N <sup>o</sup> : +27 35 473 3300 (Ext – 3362)<br>Email: AndileS@umlalazi.gov.za | <b>SCM Related Queries</b><br>Contact Person: Sanele Duma<br>Tel N <sup>o</sup> : +27 35 473 3300 (Ext - 3457)<br>Email: <a href="mailto:saneled@umlalazi.gov.za">saneled@umlalazi.gov.za</a> |

**SERVICE PROVIDER'S DETAILS:**

|                                 |  |
|---------------------------------|--|
| <b>NAME OF SERVICE PROVIDER</b> |  |
| <b>CONTACT PERSON</b>           |  |
| <b>E-MAIL ADDRESS</b>           |  |
| <b>TELEPHONE NUMBER</b>         |  |
| <b>PHYSICAL ADDRESS</b>         |  |
| <b>POSTAL ADDRESS</b>           |  |

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## 1. NOTICE



UMLALAZI MUNICIPALITY

Notice No. 09/25/26

### **INVITATION FOR THE SUBMISSION OF TENDERS**

Tenderers are hereby invited in terms of Section 112 of the Local Government: Municipal Finance Management Act 56 of 2003 read with uMlalazi Supply Chain Management Policy to undertake the following:-

| TENDER DESCRIPTION                                                                         | TENDER NUMBER    | CLOSING DATE AND TIME                                     | FUNCTIONALITY                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Supply and commissioning of Human Resources and payroll system for the period of 36 months | KZN ULM 06/25/26 | 29 August 2025 at 11 KV Challenor Street, Eshowe at 12h00 | <ul style="list-style-type: none"><li>• Experience = 25</li><li>• Local Government Experience = 15</li><li>• Audit Outcomes = 10</li><li>• Accreditation = 20</li><li>• Support = 10</li><li>• Locality = 10</li><li>• IT security = 10</li></ul> |

### **ELIGIBILITY TO TENDER**

Only system vendors/suppliers are eligible to tender.

Sealed tenders endorsed **tender number and description** must reach the Municipal Manager, uMlalazi Municipality, and must be hand delivered and placed in the Tender Box at the Municipal Buildings, KV Challenor Street, Eshowe by no later than 12h00 on the above stipulated dates.

This tender will be evaluated based on returnable documents, functionality and price where 80/20 point system as per stipulated specific goals of this tender in terms of Preferential Procurement Regulations, 2022.

Specific Goals:

| NO. | Categories                                                                                                                                                                                          | Weight                    | 80 20               |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------|
| 1.  | <b>Ownership Goals:</b> <ul style="list-style-type: none"><li>• Broad Based Black Economic Empowerment :</li><li>• BBEE Level 1</li><li>• BBEE Level 2</li><li>• BBEE Level 3 &amp; Below</li></ul> | <b>100%</b><br>60%<br>20% | <b>10</b><br>6<br>2 |

|           |                                                                                                                                                                                                                                                                                           |                           |                    |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|
| <b>2.</b> | <b>Reconstruction &amp; Development Programme Goals:</b> <ul style="list-style-type: none"> <li>Enterprise Located within uMlalazi Municipality = 4</li> <li>Enterprise Located within District Municipality = 2</li> <li>Enterprise Located within the Province = 1</li> </ul>           | <b>100%</b><br>50%<br>25% | <b>4</b><br>2<br>1 |
| <b>3.</b> | <b>SMME Development (EME and QSE):</b> <ul style="list-style-type: none"> <li>an EME or QSE which is at least 100% owned by black people</li> <li>an EME or QSE which is at least 51% owned by black people</li> <li>an EME or QSE which is at 25% - 50% owned by black people</li> </ul> | <b>100%</b><br>50%<br>25% | <b>4</b><br>2<br>1 |
| <b>4.</b> | <b>Combination of other goals:</b> <ul style="list-style-type: none"> <li>an EME or QSE that is 100% owned by : Black ( Youth , Women , Disabled People ,Military Veterans), residing within uMlalazi Municipality</li> </ul>                                                             | <b>100%</b>               | <b>2</b>           |
|           |                                                                                                                                                                                                                                                                                           | <b>100%</b>               | <b>20</b>          |

Registration on the Councils Database is preferred prior to the submission and closing of the tender. It is the responsibility of the Tenderer to ensure that the Data Base registration documents are received by the Supply Chain Management Office. Further information in this regard can be obtained from the Supply Chain Management Unit on 035 – 473 3300 ext. 3445. Tenderers are requested to register on Central Supplier Database (CSD)

Tender documents must be collected **at the Municipal offices Financial Services Revenue Section, Hutchinson Street, Eshowe on Monday to Fridays from 08:30 to 14:30. Tender Documents will be available from 29 July 2025 up to 22 August 2025 at a non-refundable cost of R1000.00 and will be available on eTenders Portal at no cost.** EFT payments will be accepted and must be made on or before 16:00 pm on the last day of purchasing tender document. Payment may be deposited to uMlalazi Municipality as per the following banking details; First National Bank; Account Number 52191090523, Branch 220230, use company name as reference. **Proof of payment will required to receive tender document.**

**There will be no briefing session, for further information or clarities contact:** Mr Andile Shandu, on 035 473 3362, or e-mail: AndileS@umlalazi.gov.za during normal office hours.

Late tenders, telegraphic or facsimiled tenders will **NOT** be accepted. Canvassing in the gift of Municipality is strictly prohibited and will lead to disqualification of tenders. uMlalazi Local Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole/ part of the bid.

**MR. N.N. SHANDU**  
**MUNICIPAL MANAGER**  
 Display date: 28 July 2025  
 Notice Number: 09/25/26

## Definitions

The following terms shall be interpreted as indicated:

- (i) **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- (ii) **“Contract”** means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (iii) **“Contract price”** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- (iv) **“Corrupt practice”** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- (v) **“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- (vi) **“Country of origin”** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- (vii) **“Day”** means calendar day.
- (viii) **“Delivery”** means delivery in compliance of the conditions of the contract or order.
- (ix) **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.
- (x) **“Delivery into consignees store or to his site”** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- (xi) **“Dumping”** occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- (xii) **“Force majeure”** means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable, 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.
- (xiii) **“Fraudulent practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

- (xiv) “**GCC**” means the General Conditions of Contract.
- (xv) “**Goods**” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- (xvi) “**Manufacture**” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- (xvii) “**Order**” means an official written order issued for the supply of goods or works or the rendering of a service.
- (xviii) “**Project site**,” where applicable, means the place indicated in bidding documents.
- (xix) “**Municipality or Client**” means the organization purchasing the goods and services.
- (xx) “**Republic**” means the Republic of South Africa.
- (xxi) “**SCC**” means the Special Conditions of Contract.
- (xxii) “**Services**” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- (xxiii) “**Written**” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
- (xxiv) “**Certified copy**” means true and accurate representation of original by an authorized person (Not a copy of a certified copy).

## 2. INSTRUCTIONS AND CONDITIONS OF TENDER

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### 2.1 ELIGIBILITY TO TENDER

Only system vendors/suppliers are eligible to tender.

### 2.2 RETURN OF DOCUMENT

The completed and signed set of Tender Documents shall be sealed in an envelope endorsed **“SUPPLY AND COMMISSIONING OF HUMAN RESOURCES AND PAYROLL SYSTEM FOR THE PERIOD OF 36 MONTHS”** must reach the Municipal Manager, uMlalazi Municipality, by hand and placed in the Tender Box at the SCM offices, KV Challenor road (industrial Area), by no later than 12:00 pm on the date as per advert where they will be opened in public. NB: Late tenders, telegraphic or facsimile tenders will not be considered.

### 2.3 COMPLETION OF TENDER DOCUMENT

- Tender document must duly completed in very manner
- Forms in this tender document must be completed and signed.
- All pages allocated signing spaces must be signed
- Tenderers will make provision for all machinery, labour, material, equipment and all non-incidentals needed for the execution and completion of the project in accordance with the tender documents.

### 2.4 AUTHORITY FOR SIGNING

Authority to sign the documents on behalf of the tenderer must be submitted with the tender and remain in force unless replacement submission is made and accepted by the municipality.

### 2.5 ACCEPTANCE OF TENDERS

- 2.5.1. The Bidder or a competent authorised representative of the Professional Service Provider who submitted the tender has attended the compulsory briefing meeting (if applicable to this tender).
- 2.5.2. The tender offer is signed by a person authorised to sign on behalf of the Bidder.
- 2.5.3. A Bidder who submitted a tender as a Joint Venture if accepted in the bid document, must include an acceptable Joint Venture Agreement in this bid.
- 2.5.4. Acceptance of the tender will not guarantee that the programme, methods and other details will be approved. Municipality may consider reviewing such prior entering into a contract agreement.
- 2.5.5. The Municipality does not bind itself to accept the lowest or any other bid and reserves the right to accept the whole part of the bid.
- 2.5.6. The uMlalazi Municipality will not be held responsible for any cost incurred for submitting this tender.
- 2.5.7. Failure to comply with the foregoing instructions may lead to the tender not being considered.
- 2.5.8. When the bid is accepted, the successful tenderer will be informed and the contract negotiated indicating the financial implications and terms of service will be entered into.
- 2.5.9. **In terms of Section 38 of the Supply Chain Management Policy the Municipality reserves the right to reject any Bid:**

- (i) If any municipal rates and tariffs or municipal service charges owed by that Company owner or any of its directors to the municipality or municipal entity or to any other municipality or municipal entity are in arrears for more than 3 (three) months.
- (ii) Who in last 5 (five) years has failed to perform satisfactory on a previous contract with the municipality or municipal entity or any other organization of state after written notice was given to that Service Provider that performance was unsatisfactory.

2.5.10. Canvassing in gift of Municipality is strictly prohibited and will lead to disqualification of the Proposal.

2.5.11. Registration on the Councils Database shall be mandatory to the successful bidder. This will apply on final award of this tender.

## 2.6 LIST OF RETURNABLE DOCUMENTS TO BE SUBMITTED BY TENDERER

| Item | Description                                                                                                                                                                                                                     | Remark                    |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| A.   | Proof of purchase of tender document (Applicable to purchased tender documents only)                                                                                                                                            | Compulsory, if Applicable |
| B.   | Valid tax clearance certificate (original) valid as at date of tender closing                                                                                                                                                   | Compulsory                |
| C.   | Company / CC /Trust / Partnership / Registration certificates and Certified copies of identity document of Directors / Owners / Members / Shareholders, Joint Venture Agreement and Power of Attorney in case of Joint Ventures | Compulsory                |
| D.   | Proof of registration with CSD                                                                                                                                                                                                  | Compulsory                |
| E.   | Rates Clearance Certificate                                                                                                                                                                                                     | Compulsory                |
| F.   | Preferential Procurement Points claim from in terms of the preferential procurement regulations 2022                                                                                                                            | Compulsory                |
| G.   | Verification documents for Preferential Procurement Points for specific goals (refer to MBD 6.1)                                                                                                                                | Further evaluation        |
| H.   | Declaration of interest                                                                                                                                                                                                         | Compulsory                |
| I.   | Declaration of Bidders past Supply Chain Management practices                                                                                                                                                                   | Compulsory                |
| J.   | Certificate of Independent Bid Determination                                                                                                                                                                                    | Compulsory                |
| K.   | Certificate of authority to sign documents                                                                                                                                                                                      | Compulsory                |
| L.   | Audited annual financial statements if offer is above R10 Million                                                                                                                                                               | Compulsory, if Applicable |
| M.   | MBD5 Declaration for procurement above R10 Million ( All applicable taxes included)                                                                                                                                             | Compulsory, if Applicable |
| N.   | Accreditation Certificate of System Vendor/Supplier or partnership agreement                                                                                                                                                    | Compulsory                |
| O.   | Record of addenda to tender document                                                                                                                                                                                            | Compulsory                |
| P.   | Amendments or qualifications by the tenderer if applicable                                                                                                                                                                      | Compulsory                |

## 2.7. EVALUATION METHOD

- a) Eligibility to tender.
- b) Compulsory returnable documents.
- c) Functionality
- d) Price and preferential procurement system as specified in the bid.

## **2.8. VALIDITY PERIOD**

The tender undertakes that bid will be valid for a period of **120 (Hundred and twenty)** days and that the Tenderer will not retract or change the tender during the period that the uMlalazi Municipality is scrutinizing the acceptance thereof.

## **2.9. COMPETENCE OF KEY PERSONNEL AND QUALITY**

**2.9.1.** To carry out and complete work the Professional Service Provider shall employ only such person as are careful competent and efficient in their various professions. All key personnel presented by the tenderer during bidding stage for evaluation purposes must be maintained or remain unchanged for the duration of the contract “no substitution without municipality’s written approval will be allowed”

**2.9.2.** Appointed bidder will be required to maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender, this shall be part of the service level agreement.

## **2.10. LOCATION AND GEOGRAPHICAL SIZE OF THE MUNICIPALITY**

The administrative center of uMlalazi Local Municipality (KZN284) (Eshowe) is situated along the north eastern coast of Kwa Zulu Natal, 140km north east of Durban. Umlalazi municipality is located within King Cetshwayo District. Geographically, the municipal area covers 2 217km<sup>2</sup> and consist of 28 electoral wards with dominance of rural wards, and there are 14 tribal authority areas of which AmaKhosi are custodians thereof on behalf of the Ingonyama Trust Board.

## **2.11. INSPECTION**

The successful tenderer must be acquainted with uMlalazi Municipality area. The service provider must make his own arrangements to familiarize themselves with area of work.

## **2.12. AMENDMENTS UPWARD OF TENDERED PRICE**

- a) Tenders must further note and accept that any variance upward of the prices tendered will not be considered by Municipality as a reason to amend the said tendered price.
- b) Any attempts to invoke an increase in tendered price will render the tender invalid and it will be discarded.

## **2.13. COST OF TENDER**

The Municipality does not hold itself liable for any or all of the costs involved by the tender in compiling a tender. Should a tender withdraw an offer after being given written acceptance thereof all costs of re-advertising will be for that tenderer’s account.

## **2.14. ALTERNATIVE**

Should a tenderer wish to submit an alternative, he may do so subject to the tender being submitted additional to and based on the specifications as listed in the tender document. Any letter or documents describing such alternative must be in duplicate.

## **2.15. MANDATORY OBJECTION PERIOD**

All administrative actions and decisions taken by the Municipality through its officials may become subject to an appeal process. As such, in terms of Section 62 of the Municipal Systems Act 32 of 2000, a period of fourteen (14) days will be set aside to allow for the submission of appeals against the award / process of making the award to a particular bidder by any interested party. Except in scenarios where the decision of a duly appointed appeal panel sets aside the appointment of the successful bidder as the service provider for this contract, the appointment will then be confirmed by the municipality in writing.

## **2.16. PRICING INSTRUCTIONS/CONDITIONS**

- 2.16.1.** The annual escalation shall apply, equivalent to CPIX, and shall not exceed 10%.
- 2.16.2.** Should the tendered rates/ price exceeds the prescribed rates by applicable regulatory body, the lowest acceptable offer may be negotiated based prescribed fees guidelines. (if applicable)
- 2.16.3.** The offer must be all inclusive of VAT.
- 2.16.4.** The price must be unconditional.
- 2.16.5.** Tenderers to submit tender prices in accordance with the description, requirements and sections as indicated in the tender documents.
- 2.16.6.** The Municipality reserves the right to negotiate a reasonable price with the lowest acceptable bid prior final recommendation is made.
- 2.16.7.** The service that is partly delivered to the municipality remain the property of the supplier until complete service is delivered.
- 2.16.8.** No part payments will be accepted, failure to complete delivery nullifies the whole contract.
- 2.16.9.** Invoice will be only be accepted once complete order has been delivered, and the municipality accept no ownership, responsibility, security, what so ever for materials/product/ equipment/service etc., that was delivered to the municipality until the delivery is complete.

- 2.16.10.** The tenderer must make provision for all machinery labour, material, equipment and all non-incidentals needed for the execution and implementation of the contract in accordance of the tender document.

## **2.17. CRITERIA FOR ISSUING OF PURCHASE ORDER**

- 2.17.1.** Purchase order will be issued by municipality as and when the service is required
- 2.17.2.** The municipality will generate and issue works order based on **accepted unit prices** as per price scheduled incorporated in the form of offer.
- 2.17.3.** Amount of materials/ product/ service to be delivered per financial year will be determined by the municipality from time to time guided by availability of budget and need.
- 2.17.4.** The municipality will raise works orders as in when required during period of this contract
- 2.17.5.** The works order will indicate material type, quantity and amount of work to be provided on each occasion.

## **2.18. PAYMENT INSTRUCTION:-**

- 2.18.1.** No payment will be made if such work fall beyond the ambit of the contract and approved **Contract Price**, all variation orders must be approved in writing by a person authorized to do so.
- 2.18.2.** Payment will be made by the municipality to the Service Provider upon delivery of service, which payment will be made via electronic transfer of funds to the service provider's financial institution subject receipt of a valid tax invoice accompanied with relevant supporting documents specified in this contract.
- 2.18.3.** The Service Provider is obliged to submit the invoice together with a signed monthly reports, travel log books, job card or municipal time sheet (whichever is applicable) and job card/time sheet must be properly filled and reflect worked hours / quantity of work done, site name etc. Failing which no work shall be certified for payment.
- 2.18.4.** Valid tax invoice must be submitted on the last day of each month and payment shall be made in 30 days after date of invoice.
- 2.18.5.** In the event that the Municipality is not satisfied with the performance of the Service Provider, the Municipality shall give written notice to this effect to the Service Provider providing sufficient detail and a reasonable time frame to enable the Service Provider to rectify such performance.
- 2.18.6.** In the event of the entire amount or a portion of the invoice being disputed by the Municipality, only the portion in dispute shall be withheld from payment, until the dispute is resolved. The undisputed portion shall be paid to the Service Provider within the stipulated time frames.

**2.18.7.** The Service Provider shall immediately give notice of any circumstances preventing them from completing their obligations in terms of the contract.

## **2.19. PENALTIES**

**2.19.1.** If within the period(s) specified in the contract, the Municipality shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods/works and/or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The Municipality may also consider applying termination clause of the contract should non-compliance with delivery timeframes constitutes gross breach of this contract.

**2.19.2.** Failure to deliver the goods or service within the period(s) specified in the contract is as a result of an event of force majeure, the service provider must report in writing with evidence required and Municipality shall assess the submission on its discretion.

**2.19.3.** Notwithstanding the provisions of **penalties and termination Clause** , 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

## **2.20. OTHER GENERAL TERMS AND CONDITIONS OF THIS BID**

**2.20.1.** Awarding of contract will be subject to the Service Provider's acceptance of offer in writing.

**2.20.2.** Project personnel requirements will be confirmed during project initiation and shall remain unchanged for the duration of the project, unless prior written consent has been granted by the Municipality.

**2.20.3.** All secretarial services such as arranging meetings, setting of agenda's and minute taking shall be the responsibility of the Service Provider.

**2.20.4.** No material or information derived from the provision of the services under the contract may be used for any other purposes except for those of the uMlalazi Local Municipality except where duly authorized to do so in writing by the uMlalazi Local Municipality.

**2.20.5.** The successful Service Provider agrees to keep all records and information of, or related to the project confidential and not discloses such records or information to any third party without the prior written consent of uMlalazi Local Municipality.

## **2.21. CONTRACT AGREEMENT/SERVICE LEVEL AGREEMENT**

The successful Service Provider shall sign a Service Level Agreement/ Contract with the municipality.

### 3. SPECIFICATIONS AND SCOPE OF WORK

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#### 3.1. BACKGROUND

The Municipality intends entering into an agreement with the service provider to supply and commission a Human Resources and Payroll System

Estimated number of employees 1300

#### 3.2. CONTRACT OR PROJECT DURATION

The contract period shall be **thirty six (36)** months, reads together with the other relevant clauses in the service level agreement.

#### 3.3. SCOPE OF WORK AND SPECIFICATIONS

#### 3.4. SCOPE OF WORK AND COSTS COVERAGE

##### 3.3.1 Data Migration/Implementation cost

- All master data and balances have to be migrated from existing modules and functioning 3rd party systems where applicable, and where necessary/practical transaction have to be migrated as well. **The data migration plan costs must be included in the pricing plan and priced for accordingly. The portion of the project is non-negotiable and failure to execute this task will result in the non-performance.**
- A data migration plan must be submitted and should form part of a project plan to be submitted where legacy or third-party systems needs to be incorporated in the current core financial system. Data migration must include at least 4 parallel runs with existing systems including integration with 3<sup>rd</sup> party systems. The tenderer should provide for all cost involve to perform parallel runs.
- The implementation, redevelopment, enhancements, improvements and any related implementation cost must be provided in detail per functional area, module, and business process

##### 3.3.2 Training and Support

- All users should receive system specific training as well as hands-on practical experience to function independently of the system provider. This is compulsory when any enhancement upgrading or amendments in accordance with the regulated business processes are required.
- The service provider is required to annually sign a Service Level Agreement with the municipality in respect of licensing and support and any other required legislated upgrades (i.e mSCOA charts

and Tax Acts and reporting requirements) necessary to conform with the MSCOA regulations, regulated business processes and any legislation or regulations as may be promulgated or amended.

- Annual license fees for the product offering will be considered for payment in advance 30 days from the commencement of each financial year.
- Support charges are payable as and when required on submission of invoices and supporting evidence for Subsistence, travelling and other disbursements.
- The tender should base the cost on 92 hours onsite support at uMlalazi's head office in Eshowe and 92 hours for the remote support.
- Annual service level agreement fees, where fees are payable to ensure that remote support is available, i.e. helpdesk will be paid monthly upon submission of the invoice.

### **3.3.3 Annual fees**

- Annual maintenance fee, where software maintenance fees are payable annually. Annual Maintenance include the updating of the System with all the latest approved version of the charts and all relevant updates to ensure full compliance with relevant MSCOA regulations, Tax Acts and other applicable frameworks.
- Annual service level agreement fee, where fees are payable to ensure support is available, i.e. helpdesk.

### **3.3.4 Hardware/Software requirements**

- Hardware/Software requirements to enable optimum performance of system.

## **3.4 ASSIGNMENT COST & PAYMENT**

- This section includes payment arrangements in addition to the pricing instructions.
- Payment will be made upon completion of major Milestones.
- Interim payments on non-completed Milestones will not be made; the payment will only be made on approval of the deliverable by the Municipality.
- The municipality reserves the right to negotiate annual payment agreements according to cash-flow planning of the organisation.

## **3.5 TIMEFRAME**

- The timeframe for the end product deliverables (Fully Implemented System Training, Data Migration and Handholding) are as follows:
  - Full implementation of the system including data migration within 3 months from the date of appointment

- Handholding for a period of 6 months from the live launch of the system
- Response time must be within 12 hours for all reported faults. Failure to respond within 12 hours may result in penalties being imposed.

### 3.6 **SYSTEM PERFORMANCE**

|                                                            |
|------------------------------------------------------------|
| Payroll Management modules                                 |
| Payroll management functionality                           |
| Leave Management functionality                             |
| General Ledger Integration functionality                   |
| Budget management functionality                            |
| Job Costing functionality                                  |
| mSCOA                                                      |
| System Intelligence Connector                              |
| <b>Human Resources Management Modules:</b>                 |
| Job Management                                             |
| Personnel Management                                       |
| Performance Management                                     |
| Equity                                                     |
| Skills                                                     |
| Skills Map                                                 |
| People Self Service including Job Requisition & Mobile App |

## 2. **Payroll Management: Salaries and Benefits**

- This module must at bear minimum be: multi-legislative and multi-frequency, i.e. on the single database various legislations must be catered for, e.g. labour laws and tax laws must be built onto the system, must also be able to cater for multiple pay circles, e.g. weekly, fortnightly, monthly companies can be paid from a single database.
- This module must have the ability to handle different salary structures, i.e. package, salary plus benefits etc.
- Allow linking of salary scales to employees in order to automate notch increases in a specific month
- Must have unlimited payroll definitions to allow capturing of salary details
- Must be aligned to municipality's remuneration approach as per conditions of service
- Must display salary information
- Must facilitate salary package breakdown
- Must give full history of salary changes

- Must adequately manage employee benefits
- Accommodate handling of ad-hoc claims, such as S&Ts, acting allowance, travel claims etc.
- Must be able to manage third party payments, such as SARS, Unions, garnishees etc.
- Must allow for ad-hoc payroll run as and when required
- Must allow dummy payroll run
- Must allow different payment methods
- Must have the functionality for payslips and IRP5 to be e-mailed, print or save
- All payroll related data must interface with general ledger
- Overtime management must seamlessly integrate with payroll and general ledger

### 3. Leave Management

- a. Leave management module must allow configuration of leave function to meet the municipality's policies and procedures. Rules must be built-in in order to monitor leave as specified in the policy or legislation, e.g. taking of leave on Monday and Friday as well as before or after public holiday.
- b. Each leave type must be clearly defined using designated colours which the municipality will provide to the successful bidder.
- c. Leave management module must allow for automatic calculation of leave commute and this data must interface with payroll module seamlessly.
- d. Leave reports must be available to management effortlessly, and various methods must also be made available e.g. e-mail, online, and or self-service
- e. Leave entitlement must be created as per the conditions of service for each employee
- f. History of leave taken and leave balances must be available for each leave type
- g. Leave management module must be able to generate leave accrual and liability at the end of 30 June and this data must seamlessly integrate with the general ledger.
- h. Ability to automatically forfeit leave days in line with legislation.
- i. Send reminders to employees of leave days that are about to be forfeited, hence this requires accurate alignment with the SALGBC: Conditions of Service and collective agreements.
- j. The ability to remind employees and supervisors of leave applications made which were authorized prior to employees going on leave through email / sms
- k. The system must alert employee via email / sms that leave has been approved and that employee can proceed on leave
- l. Ability to alert Human Resources Section as well as supervisor and / or Admin Officers through email on possible abuse of sick leave (this must align to the eight-week period rule)
- m. The leave system must align with the SALGBC Conditions of Service
- n. Costing of loss time due to **Away Without Official Leave**

#### **4. General ledger and Budgeting**

- a. The budget module must be able to host the municipal approved organogram
- b. This module must seamlessly integrate with payroll, leave management and general ledger
- c. The budgeting module must allow for pro-rata budgeting in respect of positions vacated during a financial year
- d. The budgeting module to allow for pro-rata budgeting in respect of positions to be filled during the year other than at the beginning of the financial year
- e. The budgeting module must allow for manual additions of positions that are not on the organogram, e.g. financial interns and other interns' positions
- f. The budgeting module must be linked to each cost centre in terms of the mSCOA chart
- g. The budgeting module must host the entire mSCOA chart, and must be able to effortlessly update the chart as and when required.
- h. The budgeting module must integrate with the main financial system in the manner that is just and equitable (Data related risk must be taken into account)

#### **5. mSCOA**

- a. The system must host the mSCOA chart

#### **6. Reporting Requirements**

The system must provide:

- Variance reports on payroll transactions as well as any other finance related data like budgets (per Division/ Department/Section/ cost centre etc.)
- The facility to generate organisation structure charts.
- Statutory reports (payroll, skills development etc.)
- The viewing of HR related data in a graphical format
- Standard graphs: age analysis, years of service, head count and salary by grade.
- Extraction of data in a quick format.
- User-friendly reporting tool, drag-and-drop facility
- Various quick reports that can be saved for use at a later stage
- The ability to create drill downs, what-ifs and graphics
- The ability to generate simple as well as complex reports at the click of a button.
- Creation of own reports and include with the standard report menus Payroll administrator can create several standard reports (leave trends, EE etc.) in order to share and view interactive reports and dashboards securely over the Internet. Such reports must be scheduled to be delivered on specific times and to specific recipients as per the report requirement specification document or standard HR practice. (this list is not exhaustive)

#### **7. Personnel Management , Employment Equity, and Learning and Skills Development**

##### **The system must**

- a. Manage employees and record employee transactions- keep historic information of each employee on file for future reference.

- b. Keep a complete record of each employee including employee transactions and document attachments such as disciplinary actions, discussions conducted, experience gained, items issued, qualifications obtained, training planned and attended and medical history.
- c. Enable the Municipality to manage employment equity goals and targets throughout all HR processes by defining equity positions, monitoring goals and targets against actual staff movements and appointments, using management reports to manage equity targets, and printing Statutory Equity Reports (EEA2, EEA4 & EEA13) required by the Department of Labour.
- d. Provide steps in generating Workplace Skills Plan (WSP) and track Attended Training Register (ATR).
- e. Have ability to generate skills plans for various workplaces, individual companies or a group of companies.
- f. Be generated per employee or a training schedule must be set up to link multiple employees to a training course using a wizard template to guide the municipality through the process.

## **8. Employee Self Service**

### **The System must**

- a. Have a web-based Employee Self Service that offers a range of easy-to-use, time-saving utilities that empowers municipal employees to manage their own HR processes.
- b. Allow the municipality to free up resources that will allow it to focus on the strategic imperatives of the business instead of mundane administrative issues.
- c. Enable employees that do not have access to a computer to use the mobile application functionality for most of the features (available on IOS and Android) and
- d. At bear minimum employees should be able to:
  - i. Apply for leave
  - ii. Manage their claims
  - iii. Commute Leave as per the municipal leave policy
  - iv. Manage their own personal details like bank accounts and next-of-kin information
  - v. View current and previous payslips and tax certificates as well as printing selected reports
  - vi. Complete performance reviews
  - vii. Apply for training
  - viii. Upload qualifications

**Bidders must complete this table in full, as this forms the core functionality of the system and will inform the Service Level Agreement**

| <b>Mandatory System Requirements</b>                                                                                                                                                                                                                   | <b>Comply (Y/N)</b> | <b>Comments</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------|
| Ability to handle separate organisational payrolls                                                                                                                                                                                                     |                     |                 |
| System provides, all legislated payroll reports, and includes updates with the standard's software maintenance agreement                                                                                                                               |                     |                 |
| Ability to restrict access to Payroll/Personnel system to provide secure inquiry                                                                                                                                                                       |                     |                 |
| Ability to perform supplementary payroll processing to support year end processing schedules (ability to perform year end/quarter end adjustments)                                                                                                     |                     |                 |
| Ability to provide a payment history record for each payment and/or adjustment that the system generates that contains sufficient information to recreate all of the conditions and factors involved in the generation of the payment and adjustments. |                     |                 |
| Ability to adjust all accumulated totals that are affected by an adjustments(e.g; taxes, retirement benefits etc)                                                                                                                                      |                     |                 |
| Ability to change employee position and grade mid –pay cycle                                                                                                                                                                                           |                     |                 |
| Ability to perform both payroll and other functions from a single system (database) with automatic update of information in both systems for a single transaction                                                                                      |                     |                 |
| Ability to maintain salary information for terminated employees for a user defined time interval                                                                                                                                                       |                     |                 |
| Ability to run mass updates (e.g. salary increases)                                                                                                                                                                                                    |                     |                 |
| <b>Employee Set Up and Maintenance</b>                                                                                                                                                                                                                 |                     |                 |
| Ability to integrate with banking systems of major banks in South Africa                                                                                                                                                                               |                     |                 |
| System must provide the ability to safeguard against using duplicate ID numbers                                                                                                                                                                        |                     |                 |
| <b>Deductions and Contributions</b>                                                                                                                                                                                                                    |                     |                 |
| Ability to future date deductions e.g. stop orders, mortgage bonds, insurance policies etc                                                                                                                                                             |                     |                 |
| Ability to support or show deductions in arrears                                                                                                                                                                                                       |                     |                 |
| Ability to provide information relating to all deductions                                                                                                                                                                                              |                     |                 |
| Ability to track balance, limit /goal information by deduction                                                                                                                                                                                         |                     |                 |
| Ability to generate automatic G/L journal entry for all payroll transactions                                                                                                                                                                           |                     |                 |
| <b>Earnings</b>                                                                                                                                                                                                                                        |                     |                 |
| Ability to pay earnings based on flat rate, percentage of salary rate (base pay rate), amount per hour, and fixed amount                                                                                                                               |                     |                 |
| Ability to calculate overtime in accordance with the relevant policy and prescripts                                                                                                                                                                    |                     |                 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Ability to automatically calculate and generate retrospective pay                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
| Ability to create and calculate dummy payslip                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
| Ability to create a salary structure for an employee                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| <b>Direct deposit</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
| Ability to enable end user to change the format of the bank file when changes are requested from the bank                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| Ability to have multiple financial institutions per employee designated for direct deposit                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| <b>Payroll Taxes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| Ability to provide and update tax tables                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| Vendor will provide updates to tax tables as changes occur                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| <b>Pensions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
| Ability to calculate retirement benefits based on salary, years of service and selection of plan options                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| Ability to calculate an estimate for retirements benefits based on different plan options                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| Ability to support and deduct multiple pension types and calculations                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
| <b>Reporting Features</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| System has pre- processing audit reports                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| Ability to view payroll data for SARS and Department of Labour reports                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
| Ability to generate payroll register                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| Ability to create reports showing up to date information                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
| Ability to generate leave reports                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
| Ability to generate various deductions reports                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| Ability to produce a total compensation report for an employee                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| Ability to create and show employment equity report                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
| Ability to record workplace skills plan and create employees training report                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| <b>Employee Self service</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| System has an employee service features which includes; <ul style="list-style-type: none"> <li>✓ Apply for leave</li> <li>✓ Manage their claims</li> <li>✓ Commute Leave Application</li> <li>✓ Manage their own personal details like bank accounts and next-of-kin information</li> <li>✓ View current and previous payslips and tax certificates as well as printing selected reports</li> <li>✓ Complete performance reviews</li> <li>✓ Apply for training</li> <li>✓ Upload qualifications</li> </ul> |  |  |

|                                                                                                                                                                                                                                                                         |  |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|                                                                                                                                                                                                                                                                         |  |  |
| Ability for an authorised employee to view their leave balances online                                                                                                                                                                                                  |  |  |
| Allow the municipality to free up resources that will allow it to focus on the strategic imperatives of the business instead of mundane administrative issues.                                                                                                          |  |  |
| <b>Leave management</b>                                                                                                                                                                                                                                                 |  |  |
| Ability to process leave requests                                                                                                                                                                                                                                       |  |  |
| Ability to route leave request to manager via email for approval                                                                                                                                                                                                        |  |  |
| Ability to process multiple leave types in accordance with the leave policy                                                                                                                                                                                             |  |  |
| Ability to calculate and cap leave days based on categories such as years of service, employment status (permanent, temp etc)                                                                                                                                           |  |  |
| Ability to store and retrieve up to-date and year to date leave accrued, taken , paid and forfeited                                                                                                                                                                     |  |  |
| Ability to calculate leave pay-outs at termination in accordance with the relevant policy and prescripts or government notices/rules                                                                                                                                    |  |  |
| Ability to determine the rand amount of leave liability                                                                                                                                                                                                                 |  |  |
| Ability to generate leave calendar or integrate with outlook                                                                                                                                                                                                            |  |  |
| <b>Grievance and Disciplinary management records</b>                                                                                                                                                                                                                    |  |  |
| Ability to maintain a record of grievance and disciplinary matters                                                                                                                                                                                                      |  |  |
| <b>Additional requirements</b>                                                                                                                                                                                                                                          |  |  |
| Management of the structure of the municipality – posts vacant, budgeted , not funded, levels, etc.                                                                                                                                                                     |  |  |
| Ability to pay the notch progression and performance bonus calculating the tax and backpay automatically                                                                                                                                                                |  |  |
| Ability to calculate service bonus or 13 <sup>th</sup> cheque automatically                                                                                                                                                                                             |  |  |
| Ability to process recurring or non-recurring tax on 13 <sup>th</sup> cheque automatically                                                                                                                                                                              |  |  |
| <b>mSCOA</b>                                                                                                                                                                                                                                                            |  |  |
| Supply the general ledger's main budget module with counts of the actual and planned positions (organogram) budgets for the full <b>mSCOA</b> segments as a budget line. The functionality should be able to provide this for both expenditure and balance sheet items. |  |  |

### **3.7 OBLIGATIONS / RESPONSIBILITIES AND DUTIES OF THE SERVICE PROVIDER**

- 3.7.1 Provide, perform and complete the services in a proper, efficient and prompt manner and in accordance with the project specifications and contract requirement in terms of this agreement.
- 3.7.2 To maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender which shall form part of **annexures** on the contract agreement.
- 3.7.3 Ensure that Service provider's tax matters are in order for duration of the contract.
- 3.7.4 Service provider must be in good standing central supplier data base for the duration of the contract.
- 3.7.5 The service provider to provide achievable response time and be available 24 hours to attend to emergencies
- 3.7.6 **RESPONSE TIME:** Respond within **12 hours** from time of request.
- 3.7.7 To adhere to response time frames as specified in the request for quotation document.
- 3.7.8 To deliver quality service in line with specifications.
- 3.7.9 Invite responsible Municipal official for inspection and signing of job card on site and prior leaving site.

### **3.8 CONTROL PROCEDURES OFFICE HOURS (07H15 -16H00)**

- 3.8.1 No work to be performed without an official purchase order or written instruction from Municipality.
- 3.8.2 All documentation such as Invoices, relating to the services provided must be forwarded at latest within **seven (7) calendar days** to the Expenditure section.
- 3.8.3 If the specifications were clear without any ambiguities, service providers must obtain a written confirmation from the municipality for any additional work to be carried in relation to the original work given.
- 3.8.4 Job card must be completed on site with all relevant information and be signed by service provider representative and the assigned municipality's finance official.
- 3.8.5 No Sundry charges will be paid for, all cost must be included in the Labour price tendered.

### **3.9 EXPERTISE/ STAFF**

- 3.9.1 Service Provider must have certified Implementers and Trainers within its team
  - Preferred mSCOA Trainer Accreditation by Treasury
  - Certified Product Implementer(s)
  - Certified Product Trainer(s)

### **3.10 TRANSFER OF SKILLS**

3.10.1 Skills transfer must be provided during execution of the project where it is practically possible.

3.10.2 Successful service provider to submit proposed skills transfer strategy on the project as requirement of this tender.

3.10.3 This schedules shall be read together with skill transfer clause of this contract. The uMlalazi Municipality is striving to capacitate its financial services personnel to enable them to register as professionals with statutory bodies through providing them with practical experience which has been considered as lacking part during skills audit undertaking by municipality.

3.10.4 The service provider must ensure that skills are transferred during execution of the project and Skill transfer shall be offered within the tendered price.

#### **3.11 Skills transfer aspects:**

Service Providers to transfer skills to delegates of uMlalazi Local Municipality, but not limited to the following aspects:

- (i) Payroll Processing and Functionality Management
- (ii) Leave Management
- (iii) Payroll Reconciliation
- (iv) Report Customisation
- (v) Job Profile Management
- (vi) Personnel Management
- (vii) Skills Management
- (viii) Equity Management

#### **3.12 The following conditions also apply:**

- (i) Failure to transfer skills shall constitute breach of this contract.
- (ii) Skill transfer to take place at Company office submitted at tender stage or at Municipal office where appropriate.
- (iii) Editable version documents will be produced and left with the municipality for future use.
- (iv) Only professional registered person be used to transfer skills.
- (v) Prior arrangements be made municipality nominated personnel to ensure his/her availability.

### **3.13 MONITORING, REPORTING REQUIREMENTS AND PERFORMANCE MANAGEMENT**

**3.13.1** Monitoring, reporting requirements and performance includes but not limited to:

- (i) Submit, written reports on the project progress as per the agreed reporting requirements.

- (ii) The service provider should be available to present progress reports during the contract.

**3.13.2 Format of communication** - All requests for formal approval from the Employer, or any other body, shall be submitted in writing in hardcopy format. Interim payment claims shall be submitted in the same format, accompanied by an original tax invoice. Ad-hoc communication between the Employer and the Service Provider may be conducted per facsimile or in electronic format (e-mail). All plans and contract documents submitted for approval shall be in hardcopy format.

### 3.14 **MANAGEMENT MEETINGS**

- (i) To be able to manage the contract, the Employer and Service Providers will have various meetings, to proactively and jointly manage and minimise adverse risks to the project. The attendees shall have the necessary delegated authority to make decisions in respect of matters discussed at such meetings.
- (ii) Regular meetings of a general nature may be convened and chaired by the *Employer's Agent* as follows:

| Title and purpose                      | Approximate time & interval | Location        | Attendance by:                            |
|----------------------------------------|-----------------------------|-----------------|-------------------------------------------|
| Overall contract and progress feedback | Monthly                     | To be confirmed | <i>Employer's Agent, Service Provider</i> |

- (iii) Meetings of a specialist nature may be convened as specified elsewhere in this Scope or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the *services*. Records of these meetings shall be submitted to the *Employer's Agent* by the person convening the meeting within five days of the meeting.
- (iv) All meetings shall be recorded using minutes or a register prepared and circulated by the person who convened the meeting. Such minutes or register shall not be used for the purpose of confirming actions or instructions under the contract as these shall be done separately by the person identified in the *conditions of contract* to carry out such actions or instructions.

**3.14.1 Time frames for deliverables and penalties** will be based on the approved programme as form part of the annexures.

#### **3.14.2 Service Provider's key persons:**

The Service Provider shall at all times maintain the involvement of the key personnel as the exigencies of this contract require.

The service provider must supply key staff throughout the duration of the contract:

#### **Project Leader:**

Project Leader will ultimately be responsible for all works undertaken on this contract and as such shall at a minimum be expected to do the following:

- (i) be the primary contact person at the service provider and shall compile, receive and respond to all contractual communications between the service provider and the Employer.
- (ii) review, approve and sign all reports being submitted
- (iii) attend all start-up meetings and progress meetings.
- (iv) attend all Supply Chain meetings.

#### 4. PRICING SCHEDULE

##### YEAR 1

| Details                                                                                       | Amount<br>VAT | Excl<br>VAT | Amount Incl VAT |
|-----------------------------------------------------------------------------------------------|---------------|-------------|-----------------|
| Once-off (If Applicable)                                                                      |               |             |                 |
| Software                                                                                      |               |             |                 |
| Professional Fees/Support Fees per hour (On-site)                                             |               |             |                 |
| Professional Fees/Support Fees per hour (Remote)                                              |               |             |                 |
| Training                                                                                      |               |             |                 |
| Other applicable charges please specify<br><b>Note : Unspecified charges will not be paid</b> |               |             |                 |
|                                                                                               |               |             |                 |
|                                                                                               |               |             |                 |
|                                                                                               |               |             |                 |
|                                                                                               |               |             |                 |
|                                                                                               |               |             |                 |
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|                                                                                               |               |             |                 |
|                                                                                               |               |             |                 |
|                                                                                               |               |             |                 |
|                                                                                               |               |             |                 |
| <b>TOTAL ( To be carried to the form of offer)</b>                                            |               |             |                 |

#### **Compulsory note:**

The tender should base the cost on 96 hours onsite support at uMlalazi's head office in Eshowe and 96 hours for the remote support

**SIGNED ON BEHALF OF TENDERER : .....**

## FORM OF OFFER

### TENDER KZN ULM 06/25/26

The Municipal Manager  
uMlalazi Municipality  
P O Box 37  
ESHOWE  
3815

Sir,

I/We \_\_\_\_\_ do hereby tender for the **Supply and Commissioning of the Human Resources and Payroll System for the Period of Thirty Six (36) Months** as per specifications and scope of work in the tender document as shown on the table below

Total amount carried from pricing schedule (Excl VAT) R \_\_\_\_\_

VAT (Only VAT Vendors) R \_\_\_\_\_

**TOTAL PRICE (Rand value inclusive of VAT):** R \_\_\_\_\_

Total amount in words:

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The above fees include all required information or resources to complete the tender as per the specifications.

Until such time that a formal agreement is compiled and accepted, these tenders will be in conjunction with your acceptance or the persons acting on your behalf and will be a binding contract between both parties.

Upon the terms set out in the conditions of tender, I/We hereby acknowledge that:-

1. I/We have read and acquainted myself/ourselves with the terms and conditions of tender and understand the purpose thereof and agree that all such conditions shall form part of this tender;
2. This Offer may be accepted by uMlalazi Municipality by signing the Form of Acceptance within the period of validity stated in this Tender document, whereupon the Tenderer becomes the **Service Provider** in terms of this contract.

**THE CONDITIONS OF TENDER I/WE READ AND ACCEPT**

**Signature (of person authorized to sign the tender):**

|                                                                             |                          |
|-----------------------------------------------------------------------------|--------------------------|
| <b>Signature :</b> <i>( of person authorized to sign the tender):</i> ..... |                          |
| <b>Name:</b> <i>(of signatory in capitals):</i> .....                       |                          |
| <b>Capacity:</b> <i>(of Signatory):</i> .....                               |                          |
| <b>Name of Tenderer:</b> <i>(organisation):</i> .....                       |                          |
| <b>Address:</b> .....                                                       |                          |
| <b>Telephone number:</b> . .....                                            | <b>Fax number:</b> ..... |
| <b>Witness Signature:</b> .....                                             |                          |
| <b>Name:</b> <i>(in capitals):</i> .....                                    |                          |
| <b>Date:</b> .....                                                          |                          |

*[Failure of a Tender’s to sign this form will invalidate the tender]*

## **5. FORM OF ACCEPTANCE**

**Contract No: KZN ULM 06/25/26**

By signing this part of the Form of Offer and Acceptance, the Employer identified below accepts the Tenderers Offer. In consideration thereof, the Employer shall pay the Service Provider the amount due in accordance with the Conditions of Contract identified in the Contract data. Acceptance of the Tender's Offer shall form an agreement between the Employer and the Tenderer upon the terms and conditions contained in this Agreement and in the Contract that is the subject of this Agreement.

**Signature** : \_\_\_\_\_ **DATE:** \_\_\_\_\_

**Name (in capitals)** : MR NN SHANDU

**Capacity** : MUNICIPAL MANAGER

**Name of Employer** : uMLALAZI MUNICIPALITY

**Address** : P.O BOX 37  
ESHOWE  
3815

**Witness Signature** : \_\_\_\_\_

**Name (in capitals)** : \_\_\_\_\_

**Date** : \_\_\_\_\_

**6. FORMS TO BE COMPLETED BY THE TENDERER**

**COMPULSORY DOCUMENTATION**

**A. PROOF OF PURCHASE OF TENDER DOCUMENT**

(Applicable to purchased tender documents only)

**ATTACH RECIEPT TO THIS PAGE**

**SIGNED ON BEHALF OF TENDERER:** .....

## **B. TAX CLEARANCE CERTIFICATE REQUIREMENTS**

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Services (SARS) to meet the bidder's tax obligations.

1. In order to meet this requirement, bidders are required to complete in full, the attached form TCC 001. 'Application for 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.
2. 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.
3. The original Tax Clearance Certificate must be submitted together with 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 will not be acceptable.
4. In bids where Consortia/Joint Ventures/ Sub-Contractors are involved, each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" forms are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za)
6. Applications for the Tax Clearance Certificate may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za)

**SIGNED ON BEHALF OF TENDERER:** .....

**C COMPANY / CC / PARTNERSHIP / JV / SP REGISTRATION CERTIFICATES & ID DOCUMENTS OF ALL DIRECTORS**

*[NOTE: Registration Certificates for Companies, Close Corporations and Partnerships, or JV Agreements and Powers of Attorney for Joint Ventures, or ID documents for Sole Proprietors must be attached here. Tenderers must include certified ID copies of all directors, members and partners]*

**In addition to the above, the tenderer must insert here certified copy of identity documents of all directors. NB: “Certified copy” means true and accurate representation of original by an authorized person (Not a copy of a certified copy). Originally certified copy must not be older than six months. Copy of a certified copy will not be considered.**

**ATTACH PROOF TO THIS PAGE**

**SIGNED ON BEHALF OF TENDERER: .....**

**D PROOF OF CENTRAL SUPPLIER DATABASE REGISTRATION**

***NOTE:** attach full summary of CSD report*

**ATTACH PROOF TO THIS PAGE**

**SIGNED ON BEHALF OF TENDERER:** .....

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## **E. RATES AND MUNICIPAL SERVICES CLEARANCE CERTIFICATE**

In terms of Clause 38 of the Supply Chain Management Policy the uMlalazi Municipality reserves the right to reject any tender if any municipal rates and tariffs or municipal service charges owed by that tenderer or any of its directors to the municipality or to any other municipality or municipal entity are in arrears for more than 3 (three) months.

Tenderers are required to submit proof of payment of municipal rates and tariffs for the municipality in which the business is situated/ located.

This serves to confirm that my **company's municipal rates and taxes are paid up to date and the following is attached:**

1. An copy of the most recent municipal statement not older than 3 months, indicating the status of payment of all municipal accounts and taxes, electricity, water, refuse, rates and levies, from the Municipality in which jurisdiction it's business is situated or;
2. In the case where the tenderer does not own property/is a tenant for the purpose of its business establishment, the tenderer to provide copy of lease agreement and a recent statement from its landlord certifying that all the tenants payments in respect of all municipal accounts and taxes i.e. electricity, water, refuse, rates and levies are paid up to date or;
3. In a case where the Service Provider cannot supply any of the above. The person would have to obtain a Rate Clearance Certificate from the Municipality that the person resides in. Service Provider would need a certified copy of the ID of all Directors and a certified copy of the company's CK Tendering, to obtain a certificate ; or
4. Tenders who are **not** registered with any municipality for the payment of rates and services due to their location may submit proof of residence / business address certified by a Municipal Councillor, but only if the residence is the same address as the business address; and

**Attach proof to this page in terms of the above**

**SIGNED ON BEHALF OF TENDERER:** .....

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

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

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

### 1. GENERAL CONDITIONS

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

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

### 1.2 To be completed by the organ of state

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

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

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

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

### 1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

|                                                  | POINTS     |
|--------------------------------------------------|------------|
| PRICE                                            | 80         |
| SPECIFIC GOALS                                   | 20         |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b> |

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).

## FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### POINTS AWARDED FOR PRICE

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

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

80/20 or 90/10

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

Where

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

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

##### POINTS AWARDED FOR PRICE

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

80/20 or 90/10

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

Where

|      |   |                                                       |
|------|---|-------------------------------------------------------|
| Ps   | = | Points scored for price of tender under consideration |
| Pt   | = | Price of tender under consideration                   |
| Pmax | = | Price of highest acceptable tender                    |

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

The specific goals will be applied in in terms of section 2(1)(a)(i) of the municipal supply chain policy to advance targeted groups as follows:

- Youth
- Women
- People living with disabilities
- Local businesses & SMME's

| 5.2.1 SUMMARY TABLE FOR CALCULATION OF PRERERENTIAL POINTS FOR SPECIFIC GOALS |                                              |             |                 |                 |
|-------------------------------------------------------------------------------|----------------------------------------------|-------------|-----------------|-----------------|
|                                                                               |                                              |             | <R50<br>Million | >R50<br>Million |
| NO.                                                                           | Categories                                   | Weight      | 80 20           | 90 10           |
| 1                                                                             | Ownership Goals                              | 50%         | 10              | 5               |
| 2                                                                             | Empowerment Goals                            | 20%         | 4               | 2               |
| 3                                                                             | Reconstruction & Development Programme Goals | 20%         | 4               | 2               |
| 4                                                                             | Other Goals (Specify)                        | 10%         | 2               | 1               |
|                                                                               |                                              | <b>100%</b> | <b>20</b>       | <b>10</b>       |

### 5.2.2 SPECIFIC GOAL NO.1-OWNERSHIP CATEGORY

| #         | Specific Goal(s)                                                                      | Weight | 80 20 PP | 90 10 PP | Verification                                                             |
|-----------|---------------------------------------------------------------------------------------|--------|----------|----------|--------------------------------------------------------------------------|
|           | <b>Ownership Categories :</b>                                                         |        |          |          |                                                                          |
| <b>1</b>  | <b>EME and QSE</b>                                                                    |        |          |          |                                                                          |
|           | 1. an EME or QSE which is at least 100% owned by black people;                        | 100%   | 10       | 5        | Sworn Affidavit - QSE/EME General                                        |
|           | 2. an EME or QSE which is at least 51% owned by black people;                         | 60%    | 6        | 3        | Sworn Affidavit - QSE/EME General                                        |
|           | 3. an EME or QSE which is at 25% - 50% owned by black people;                         | 20%    | 2        | 1        | Sworn Affidavit - QSE/EME General                                        |
|           |                                                                                       |        |          |          |                                                                          |
| <b>2</b>  | <b>Broad Based Black Economic Empowerment :</b>                                       |        |          |          |                                                                          |
|           | BBBEE Level 1                                                                         | 100%   | 10       | 5        | BBBEE Certificate                                                        |
|           | BBBEE Level 2                                                                         | 60%    | 6        | 3        | BBBEE Certificate                                                        |
|           | BBBEE Level 3 & Below                                                                 | 20%    | 2        | 1        | BBBEE Certificate                                                        |
|           |                                                                                       |        |          |          |                                                                          |
| <b>3</b>  | <b>Ownership %</b>                                                                    |        |          |          |                                                                          |
| <b>a)</b> | <b>Women Ownership(*Must be South African)</b>                                        |        |          |          |                                                                          |
|           | ownership - 100% : Black ( Youth , Women , Disabled People ,Military Veterans)        | 100%   | 10       | 5        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | ownership - > 51% : Black ( Youth , Women , Disabled People ,Military Veterans)       | 80%    | 8        | 4        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | ownership - 25% - 50% : Black ( Youth , Women , Disabled People ,Military Veterans)   | 40%    | 4        | 2        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | ownership - 100% : White ( Youth , Women , Disabled People ,Military Veterans)        | 20%    | 2        | 1        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
| <b>b)</b> | <b>Men Ownership(*Must be South African)</b>                                          |        |          |          |                                                                          |
|           | Men ownership - 100% : Black ( Youth , Men , Disabled People ,Military Veterans)      | 80%    | 8        | 4        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | Men ownership - > 51% : Black ( Youth , Men , Disabled People ,Military Veterans)     | 40%    | 4        | 2        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | Men ownership - 25% - 50% : Black ( Youth , Men , Disabled People ,Military Veterans) | 20%    | 2        | 1        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           |                                                                                       |        |          |          |                                                                          |
| <b>4</b>  | <b>Youth Development : (Below 35 Years )</b>                                          |        |          |          |                                                                          |
|           | Youth ownership - 100% : Black                                                        | 100%   | 10       | 5        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | Youth ownership - > 51% : Black                                                       | 80%    | 8        | 4        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | Youth ownership - 25% - 50% : Black                                                   | 40%    | 4        | 2        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|           | Youth ownership - 100% : White                                                        | 20%    | 2        | 1        | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |

### 5.2.3 SPECIFIC GOAL NO.2 –EMPOWERMENT CATEGORY

| #        | Specific Goal(s)                                               | Weight | 80 20 | 90 10 | Verification                      |
|----------|----------------------------------------------------------------|--------|-------|-------|-----------------------------------|
|          | <b>Sub-Contracting :</b>                                       |        |       |       |                                   |
| <b>1</b> | <b>EME and QSE</b>                                             |        |       |       |                                   |
|          | 1. an EME or QSE which is at least 100% owned by black people; | 100%   | 4     | 2     | Sworn Affidavit - QSE/EME General |
|          | 2. an EME or QSE which is at least 51% owned by black people;  | 50%    | 2     | 1     | Sworn Affidavit - QSE/EME General |

|          |                                                                                                                                    |      |   |     |                                                                          |
|----------|------------------------------------------------------------------------------------------------------------------------------------|------|---|-----|--------------------------------------------------------------------------|
|          | 3. an EME or QSE which is at 25% - 50% owned by black people;                                                                      | 25%  | 1 | 0,5 | Sworn Affidavit - QSE/EME General                                        |
| <b>2</b> | <b>Local Economic Development Sub-Contracting (10%-30%) and 40 % where it is technically possible and subject to pre-approval.</b> |      |   |     |                                                                          |
|          | 1. Enterprise 100% owned by Youth                                                                                                  | 100% | 4 | 2   | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|          | 1. Enterprise 100% owned by Disabled People                                                                                        | 100% | 4 | 2   | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|          | 1. Enterprise 100% owned by Women                                                                                                  | 100% | 4 | 2   | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|          | 2. Enterprise owned by Black People with CIDB Grading 4 or Less                                                                    | 100% | 4 | 2   | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|          | 3. Enterprise 100% owned by Military Veteran                                                                                       | 100% | 4 | 2   | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|          | 3. Enterprise owned by Black Men with at least 51%                                                                                 | 50%  | 2 | 1   | ID Copies : Directors  Co. Registration   CSD   Shareholders Certificate |
|          |                                                                                                                                    |      |   |     |                                                                          |

#### 5.2.4 SPECIFIC GOAL NO 3- RDP CATEGORY

| #         | Specific Goal(s)                                                                                                      | Weight | 80 20 PP | 90 10 PP | Verification                                                                                    |
|-----------|-----------------------------------------------------------------------------------------------------------------------|--------|----------|----------|-------------------------------------------------------------------------------------------------|
|           | <b>Reconstruction and Development :</b>                                                                               |        |          |          |                                                                                                 |
| <b>1</b>  | <b>Promotion of Local Business(s)</b>                                                                                 |        |          |          |                                                                                                 |
|           | 1. Enterprise Located within the uMlalazi Local Municipality                                                          | 100%   | 4        | 2        | Utilities : Directors or Co.  Affidavit   Existing Lease Agreement /councilor or Induna letters |
|           | 2. Enterprise Located within the King Cetshwayo District Municipality                                                 | 50%    | 2        | 1        | Utilities : Directors or Co.  Affidavit   Existing Lease Agreement                              |
|           | 2. Enterprise Located within the Province                                                                             | 25%    | 1        | 0,5      | Utilities : Directors or Co.  Affidavit   Existing Lease Agreement                              |
|           |                                                                                                                       |        |          |          |                                                                                                 |
| <b>2</b>  | <b>SMME Development (EME and QSE)</b>                                                                                 |        |          |          |                                                                                                 |
|           | 1. an EME or QSE which is at least 100% owned by black people;                                                        | 100%   | 4        | 2        | Sworn Affidavit - QSE/EME General                                                               |
|           | 2. an EME or QSE which is at least 51% owned by black people;                                                         | 50%    | 2        | 1        | Sworn Affidavit - QSE/EME General                                                               |
|           | 3. an EME or QSE which is at 25% - 50% owned by black people;                                                         | 25%    | 1        | 0,5      | Sworn Affidavit - QSE/EME General                                                               |
| <b>3.</b> | <b>Job Creation and Community upliftment</b>                                                                          |        |          |          |                                                                                                 |
|           | 1.Community upliftment project (e.g. housing , schools ,infra donations etc.) equal to at least 0.5% of project Value | 100%   | 4        | 2        | Bidder to propose                                                                               |
| <b>4</b>  | 2. Creation of Jobs /Labour intensive activities                                                                      | 100%   | 4        | 2        | Bidder to propose                                                                               |

#### SPECIFIC GOAL NO 4 – OTHER GOALS

| #        | Specific Goal(s)                                                                                                                                               | Weight | 80 20 PP | 90 10 PP | Verification                            |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------|----------|-----------------------------------------|
|          | <b>Other Categories :</b>                                                                                                                                      |        |          |          |                                         |
| <b>1</b> | <b>Combination of any other goals</b>                                                                                                                          |        |          |          |                                         |
|          | User departments may combine any specific goals under categories 1,2 and 3 above in a manner that will help evaluate and apply preference points to the tender | 100%   | 2        | 1        | --Relevant Verification Documentation-- |

**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) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                     | N/A                                                                               |                                                                                   | N/A                                                                       |                                                                           |
| <b>Ownership Goals: # 2</b> <ul style="list-style-type: none"> <li>Broad Based Black Economic Empowerment :</li> <li>BBBEE Level 1</li> <li>BBBEE Level 2</li> <li>BBBEE Level 3 &amp; Below</li> </ul>                                                                                                                                             |                                                                                   | 10                                                                                |                                                                           |                                                                           |
| <b>Reconstruction &amp; Development Programme (RDP) Goals: Promotion of Local Business # 1</b> <ul style="list-style-type: none"> <li>Enterprise Located within uMlalazi Municipality =4</li> <li>Enterprise Located within District Municipality =2</li> <li>Enterprise Located within the Province =1</li> </ul>                                  |                                                                                   | 4                                                                                 |                                                                           |                                                                           |
| <b>Reconstruction &amp; Development Programme (RDP) Goals: SMME Development (EME and QSE) #2</b> <ul style="list-style-type: none"> <li>an EME or QSE which is at least 100% owned by black people</li> <li>an EME or QSE which is at least 51% owned by black people</li> <li>an EME or QSE which is at 25% - 50% owned by black people</li> </ul> |                                                                                   | 4                                                                                 |                                                                           |                                                                           |
| <b>Other Goals: Combination of other goals: #1</b> <ul style="list-style-type: none"> <li>an EME or QSE that is 100% owned by : Black ( Youth , Women , Disabled People ,Military Veterans), residing within uMlalazi Municipality</li> </ul>                                                                                                       |                                                                                   | 2                                                                                 |                                                                           |                                                                           |
| <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                        |                                                                                   | 20                                                                                |                                                                           |                                                                           |

#### 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 Service Provider 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:**.....

.....

**G. VERIFICATION OF PREFERENTIAL PROCUREMENT POINTS FOR SPECIFIC GOALS**

**ATTACH**

Documents required for verification of specific goals indicated on **table 1** of the preferential procurement points for specific goals (form MBD 6.1)

**SIGNED ON BEHALF OF TENDERER:** .....

## H. DECLARATION OF INTEREST

### MBD 4

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
  - the bidder is employed by the state; and/or
  - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
  - 2.1 Full Name of bidder or his or her representative:  
.....
  - 2.2 Identity Number:  
.....
  - 2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):  
.....  
....
  - 2.4 Company Registration Number:  
.....  
...
  - 2.5 Tax Reference Number:  
.....
  - 2.6 VAT Registration Number:  
.....
  - 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

<sup>1</sup>“State” means –

- (a) 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);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Municipality of provinces; or
- (e) Parliament.

<sup>2</sup>“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state?

**YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

.....

Name of state institution at which you or the person connected to the bidder is employed :

.....

Position occupied in the state institution:

.....

Any other particulars:

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

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?

**YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document?

**YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....  
.....

.....  
...

2.8 Did you or your spouse, or any of the company’s directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?

**YES / NO**

2.8.1 If so, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?

**YES / NO**

2.9.1 If so, furnish particulars:

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

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

**YES/NO**

2.10.1. If so, furnish particulars:

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

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

**YES/NO**

2.11.1. If so, furnish particulars:

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

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

| Full Name | Identity Number | Personal Tax<br>Reference<br>Number | State Employee<br>Number / Persal<br>Number |
|-----------|-----------------|-------------------------------------|---------------------------------------------|
|           |                 |                                     |                                             |
|           |                 |                                     |                                             |
|           |                 |                                     |                                             |
|           |                 |                                     |                                             |

#### 4 DECLARATION

I, THE UNDERSIGNED (NAME).....  
CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.3.1 ABOVE IS  
CORRECT, AND THAT THE SIGNATORY TO THIS DOCUMENT IS DULY AUTHORISED.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF  
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS  
DECLARATION PROVE TO BE FALSE.

.....  
Signature Date

.....  
Position Name of bidder

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

**MBD 8**

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions 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 disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

| Item  | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Yes                             | No                             |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| 4.1   | Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector?<br><br>(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).                                                                                                                     | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                 |                                |
| 4.2   | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?<br><br>To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , 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. | Yes<br><input type="checkbox"/> | No<br><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 outside of the Republic of South Africa) for fraud or corruption during the past five years?                                                                                                                                                                                                                                                                                             | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.3.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                 |                                |
| 4.4   | Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                                                                                                                                                                                                                                                                                                              | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                 |                                |

**CERTIFICATION**

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

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION  
FORM IS 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**

## J. CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

**uMlalazi Municipality**

---

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of \_\_\_\_\_ that:

---

(Name of Bidder)

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

allocation)

- (c) methods, factors or formulas used to calculate prices;
- (d) the intention or decision to submit or not to submit, a bid;
- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
- (f) bidding with the intention not to win the bid.

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

.....  
Signature

.....  
Date

.....  
Position Name of Bidder

#### References

---

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and tenders.

<sup>2</sup> **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.

<sup>3</sup> **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.

---

## K. CERTIFICATE OF AUTHORITY SIGN DOCUMENTS

---

The Municipal Manager  
uMlalazi Municipality  
P O Box 37  
ESHOWE  
3815

### **AFFIDAVIT**

I \_\_\_\_\_ the undersigned hereby declare that by  
resolution dated \_\_\_\_\_ I am authorized to sign these documents  
on behalf of \_\_\_\_\_

**SIGNED AT                                      THIS                                      DAY OF                                      2025**

\_\_\_\_\_  
**WITNESS**

\_\_\_\_\_  
**TENDERER**

**L. AUDITED ANNUAL FINANCIAL STATEMENTS STATEMENTS**

(Attach AFS TO THIS PAGE)

**SIGNED ON BEHALF OF TENDERER:** .....

**M. DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)**

**For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:**

1 Are you by law required to prepare annual financial statements for auditing? YES/NO

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

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

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days? YES/NO

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

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

3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? YES / NO

3.1 If yes, furnish particulars

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

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? \*YES / NO

4.1 If yes, furnish particulars

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

CERTIFICATION

I, THE UNDERSIGNED (NAME)

.....

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.

Name of Bidder: .....

Position: .....

Date: .....

Signature: .....

**N. ACCREDITATION CERTIFICATE AS A SYSTEM VENDOR/SUPPLIER or  
PARTNERSHIP AGREEMENT**

**ATTACH PROOF TO THIS PAGE**

**SIGNED ON BEHALF OF TENDERER:** .....

**O. RECORD OF ADDENDA TO TENDER DOCUMENTS**

I / We confirm that the following communications received from the Employer or his representative before the date of submission of this tender offer, amending the tender documents, have been considered in this tender offer.

| <b>No.</b> | <b>Date</b> | <b>Title or Details</b> |
|------------|-------------|-------------------------|
| 1          |             |                         |
| 2          |             |                         |
| 3          |             |                         |
| 4          |             |                         |
| 5          |             |                         |

**Compulsory Note:**

1. Addendum issued by Municipality comes part of this bid and it is compulsory to every bidder to submit it with the bid.
2. If the bidder did not receive addendum through the email address provided in the briefing attendance register on the date agreed, it is the responsibility of the bidder to send an email in the email address provided in this document to request the said addendum.

NAME: ..... POSITION: .....

SIGNATURE: ..... DATE: .....  
(of person authorised to sign on behalf of the Tenderer)

**P. AMENDMENTS OR QUALIFICATIONS BY TENDERER**

| <b>PAGE</b> | <b>DESCRIPTION</b> |
|-------------|--------------------|
|             |                    |

If the tenderer does not wish to make any amendments to the tender documents nor any qualifications to his/her tender, the above space shall be crossed out and the words "NIL" written above the line.

**NB:** An amendment must leave the original document substantially intact.

**SIGNED ON BEHALF OF TENDERER:** .....

## 7. FUNCTIONALITY

**Note:** The bidder must score a minimum of **80 points (80%)** in order to be considered for further evaluation, however the service provider who scores zero points on methodology will not be considered for further evaluation as integration with the financial system forms an integral part of the system functionality

| FUNCTIONALITY COMPONENT            | GUIDELINES FOR CRITERIA APPLICATION                                                                                                                                                             | VERIFICATION METHOD                                                                                                                                                                                                     | POINTS | MAX POINT |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-----------|
| <b>Experience of the bidder</b>    | Five (5+) or more completed and current contracts related to Supply and commissioning of Human Resources and payroll system in the past 5 years, Minimum of 12 Months contracts.                | The bidder must attach appointment letters from organizations (on the letterhead) to which you have provided the services and bidder's previous performance assessment by independent reference ( 8.1 of this document) | 25     | 25        |
|                                    | Three to four (3-4) completed and current contracts related to Supply and commissioning of Human Resources and payroll system in the past 5 years, Minimum of 12 Months contracts.              |                                                                                                                                                                                                                         | 15     |           |
|                                    | One to two (1-2) completed and current contracts related to Supply and commissioning of Human Resources and payroll system in the past 5 years, Minimum of 12 Months contracts.                 |                                                                                                                                                                                                                         | 5      |           |
| <b>Local Government Experience</b> | Bidder must have successfully implemented Human Resources and Payroll System within Local Government and provided support for at least 3 (or more) Municipalities within the last three 3 years | The bidder must attach appointment letters from organizations (on the letterhead) to which you have provided the services and bidder's previous performance assessment by independent reference (8.1 of this document)  | 15     | 15        |
|                                    | Bidder must have successfully implemented Human Resources and Payroll System within Local Government and provided support for at                                                                |                                                                                                                                                                                                                         | 10     |           |

|                               |                                                                                                                                                                                       |                                                                                                                                                                                                                                             |    |    |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|
|                               | least 2 Municipalities within the last three 3 years                                                                                                                                  |                                                                                                                                                                                                                                             |    |    |
|                               | Bidder must have successfully implemented Human Resources and Payroll System within Local Government and provided support for at least 1 Municipalities within the last three 3 years |                                                                                                                                                                                                                                             | 5  |    |
| <b>Audit Outcomes</b>         | Clean Audit = 10 Points                                                                                                                                                               | Please supply proof in the form of confirmation letters from Municipalities accompanied by the Auditor General reports. Such will be verified extensively as information on Municipalities which obtained clean audits is Public Knowledge. | 10 | 10 |
|                               | Unqualified Audit Outcome with matters = 5 Points                                                                                                                                     |                                                                                                                                                                                                                                             | 5  |    |
| <b>Accreditation</b>          | Service provider team member must be a Certified mSCOA trainer approved by National Treasury Accreditation Certificate from Treasury                                                  | Attach CV and accreditation certificate from National Treasury (Certificate must be certified and certification must not be older than 6 Months                                                                                             | 20 | 20 |
| <b>Support</b>                | Service Provider must have certified Implementers and Trainers                                                                                                                        | Attach at least two CVs of the implementers and trainers as well as qualifications of each (implementers and trainers certification to be included).                                                                                        | 10 | 10 |
| <b>Locality</b>               | Within King Cetshwayo District or uMlalazi Municipality area                                                                                                                          | Attach proof of physical address of operating office                                                                                                                                                                                        | 10 | 10 |
|                               | Within the Province of KwaZulu-Natal                                                                                                                                                  |                                                                                                                                                                                                                                             | 5  |    |
|                               | Other                                                                                                                                                                                 |                                                                                                                                                                                                                                             | 3  |    |
| <b>IT Security Management</b> | Quality Management System Certified by ISO/ SABS                                                                                                                                      | Attach ISO 9001 Certificate                                                                                                                                                                                                                 | 5  | 10 |
|                               |                                                                                                                                                                                       | Attach ISO 27001 Certificate                                                                                                                                                                                                                | 5  |    |

|              |                                                                                                                                                                                                                                                                                                                                                       |  |  |            |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|------------|
|              | <p>ISO (International Organization for Standardization)</p> <p>The SABS Product Certification Scheme aims at providing third party guarantee of quality, safety and reliability of products to the consumer. The presence of the SABS Certification Mark known as the SABS Mark on a product is an assurance of conformity to the specifications.</p> |  |  |            |
| <b>TOTAL</b> |                                                                                                                                                                                                                                                                                                                                                       |  |  | <b>100</b> |

## 7.1 EXPERIENCE OF THE BIDDER AS PER PROJECTS SUBMITTED

**Assessment of bidder's previous performance by independent reference: Tender No: KZN UML 06/25/26**

This must be sent by bidder to the reference listed in the experience of tenderer schedule. All assessment forms must be submitted together with projects appointment letters on company letterhead of previous employer.

|                                          |  |
|------------------------------------------|--|
| <b>Name of Bidder</b>                    |  |
| <b>Completed Contract / Project Name</b> |  |
| <b>Contract No</b>                       |  |
| <b>Commencement Date</b>                 |  |
| <b>Contract Duration</b>                 |  |
| <b>Contract Completion Date</b>          |  |

| Your assessment of the Contractor's performance in the following areas: Please tick one of the blocks on the right hand side 1 = very poor, 2 = Poor, 3= Fair, 4 = Good, 5= Excellent | Performance Rating |   |   |   |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---|---|---|---|
|                                                                                                                                                                                       | 1                  | 2 | 3 | 4 | 5 |
| Quality of office administration                                                                                                                                                      |                    |   |   |   |   |
| Competence nominated project leader                                                                                                                                                   |                    |   |   |   |   |
| Co-operation during contract                                                                                                                                                          |                    |   |   |   |   |
| Response Time on emergency or urgent cases                                                                                                                                            |                    |   |   |   |   |
| Quality of system implementers and trainers                                                                                                                                           |                    |   |   |   |   |
| Quality of documentation                                                                                                                                                              |                    |   |   |   |   |
| Quality of software and system used                                                                                                                                                   |                    |   |   |   |   |
| Adequacy of professional support                                                                                                                                                      |                    |   |   |   |   |
| Stakeholder Engagement                                                                                                                                                                |                    |   |   |   |   |
| <b>OVERALL RATING</b>                                                                                                                                                                 |                    |   |   |   |   |
| Any other remarks considered necessary to assist in evaluation of the contract<br>.....<br>.....                                                                                      |                    |   |   |   |   |
| <b>Name of person completing this assessment form</b>                                                                                                                                 |                    |   |   |   |   |
| <b>Representing Firm</b>                                                                                                                                                              |                    |   |   |   |   |
| <b>Telephone Number</b>                                                                                                                                                               |                    |   |   |   |   |
| <b>Email Address</b>                                                                                                                                                                  |                    |   |   |   |   |
| <b>Date of Assessment</b>                                                                                                                                                             |                    |   |   |   |   |

I hereby declare that information completed above is true and correct and I understanding that I will be held responsible for any misrepresentation.

**Client Signature:**.....

Note: the evaluation schedule/project will not be considered if provided details are not traceable. **Bidders to make extra copies, or request additional copies via email provided.**

Official Company Stamp of  
company giving reference:

**SIGNED OF TENDERER:** .....

## **7.2 FUNCTIONALITY ATTACHMENTS**

**SIGNED ON BEHALF OF TENDERER:** .....

### **7.2.1 EXPERIENCE OF BIDDER**

Attach appointment letters from organizations (on the letterhead) to which you have provided the services and bidder's previous performance assessment by independent reference

**SIGNED ON BEHALF OF TENDERER:** .....

**7.2.2 LOCAL GOVERNMENT EXPERIENCE**

The bidder must attach appointment letters from organizations (on the letterhead) to which you have provided the services and bidder's previous performance assessment by independent reference

Attach as per functionality above

**SIGNED ON BEHALF OF TENDERER:** .....

### 7.2.3 AUDIT OUTCOMES

Please supply proof in the form of confirmation letters from Municipalities accompanied by the Auditor General reports. Such will be verified extensively as information on Municipalities which obtained clean audits is Public Knowledge.

Attach as per functionality above

**SIGNED ON BEHALF OF TENDERER:** .....

#### **7.2.4 ACCREDITATION**

Attach CV and accreditation certificate from National Treasury (Certificate must be certified and certification must not be older than 6 Months

Attach as per functionality above

**SIGNED ON BEHALF OF TENDERER:** .....

### **7.2.5 SUPPORT**

Attach at least two CV of the implementers and trainers as well as qualifications of each trainer

Attach as per functionality above

**SIGNED ON BEHALF OF TENDERER:** .....

### **7.2.6 LOCALITY**

Attach proof of physical address for operating offices

Attach as per functionality above

**SIGNED ON BEHALF OF TENDERER:** .....

## **7.2.7 IT SECURITY MANAGEMENT**

**Attach ISO 9001 Certificate**

**AND**

**ISO Certificate 27001**

Attach as per functionality above

**SIGNED ON BEHALF OF TENDERER: .....**

## 8. DRAFT SERVICE LEVEL AGREEMENT



**uMLALAZI MUNICIPALITY**

**AMAHHOVISI KAMASIPALA: MUNICIPAL OFFICES  
MUNISIPALE KANTORE**

Hutchinson Street, (cnr of Hutchinson and Osborne), Eshowe, Kwazulu-Natal, 3815

**Tel:** +27 (35) 473 3474 | **Fax:** +27 (35) 474 4733

**Website:** [www.umlalazi.gov.za](http://www.umlalazi.gov.za)

# Service Level Agreement

Made and entered into by and between

**THE uMLALAZI MUNICIPALITY**

(Hereinafter referred to as “the Council”)

And

**xxx COMPANY NAME xxx**

(Hereinafter referred to as “the Service Provider”)

# CONTRACT

Contract, agreement made and entered into by and between the uMlalazi Municipality, herein represented by:-  
Municipal Manager

Mr. NN Shandu

(Duly authorized hereto, herein after referred to as “the Council”)

And

\*\*\*\*\* (PTY) LTD

Registration Number [\*\*\*\*\*]

(herein after referred to as “the Service Provider/ Contractor”)

duly incorporated in accordance with the laws of South Africa, with limited liability, herein represented by [\*\*\*\*\*] [ID No: \*\*\*\*\*], in his / her capacity as a director thereof, he/ she being duly authorized hereto)

Whereas the Municipality awarded the contract for:-

## SUPPLY AND COMMISSIONING OF HUMAN RESOURCES AND PAYROLL SYSTEM FOR THE PERIOD OF 36 MONTHS TENDER NUMBERXX

And whereas the parties hereto are desirous of reducing the terms and conditions of agreement between them to writing.

Now therefore the parties hereto agree as follows:-

### 1. PERIOD OF AGREEMENT

#### 1.1. Contract Commencement Date

The appointment of the Service Provider is for the period of **thirty six (36)** months commencing from **xxx Date xxx**.

#### 1.2. Contract Expiry Date

Unless terminated under one of the other clauses, the contract shall expire on **xxx Date xxx**

### 2.2. SCOPE OF WORK AND SPECIFICATIONS

Estimated number of employees 1300

|                                  |
|----------------------------------|
| Payroll Management modules       |
| Payroll management functionality |

|                                                            |
|------------------------------------------------------------|
|                                                            |
| Leave Management functionality                             |
| General Ledger Integration functionality                   |
| Budget management functionality                            |
| Job Costing functionality                                  |
| mSCOA                                                      |
| System Intelligence Connector                              |
| <b>Human Resources Management Modules:</b>                 |
| Job Management                                             |
| Personnel Management                                       |
| Performance Management                                     |
| Equity                                                     |
| Skills                                                     |
| Skills Map                                                 |
| People Self Service including Job Requisition & Mobile App |

### 2.2.1 **Payroll Management: Salaries and Benefits**

- a. This module must at bear minimum be: multi-legislative and multi-frequency, i.e. on the single database various legislations must be catered for, e.g. labour laws and tax laws must be built onto the system, must also be able to cater for multiple pay circles, e.g. weekly, fortnightly, monthly companies can be paid from a single database.
- b. This module must have the ability to handle different salary structures, i.e. package, salary plus benefits etc.
- c. Allow linking of salary scales to employees in order to automate notch increases in a specific month
- d. Must have unlimited payroll definitions to allow capturing of salary details
- e. Must be aligned to municipality's remuneration approach as per conditions of service
- f. Must display salary information
- g. Must facilitate salary package breakdown
- h. Must give full history of salary changes
- i. Must adequately manage employee benefits
- j. Accommodate handling of ad-hoc claims, such as S&Ts, acting allowance, travel claims etc.
- k. Must be able to manage third party payments, such as SARS, Unions, garnishees etc.
- l. Must allow for ad-hoc payroll run as and when required
- m. Must allow dummy payroll run

- n. Must allow different payment methods
- o. Must have the functionality for payslips and IRP5 to be e-mailed, print or save
- p. All payroll related data must interface with general ledger
- q. Overtime management must seamlessly integrate with payroll and general ledger

### **2.2.2 Leave Management**

- a. Leave management module must allow configuration of leave function to meet the municipality's policies and procedures. Rules must be built-in in order to monitor leave as specified in the policy or legislation, e.g. taking of leave on Monday and Friday as well as before or after public holiday.
- b. Each leave type must be clearly defined using designated colours which the municipality will provide to the successful bidder.
- c. Leave management module must allow for automatic calculation of leave commute and this data must interface with payroll module seamlessly.
- d. Leave reports must be available to management effortlessly, and various methods must also be made available e.g. e-mail, online, and or self-service
- e. Leave entitlement must be created as per the conditions of service for each employee
- f. History of leave taken and leave balances must be available for each leave type
- g. Leave management module must be able to generate leave accrual and liability at the end of 30 June and this data must seamlessly integrate with the general ledger.□
- h. Ability to automatically forfeit leave days in line with legislation.
- i. Send reminders to employees of leave days that are about to be forfeited, hence this requires accurate alignment with the SALGBC: Conditions of Service and collective agreements.
- j. The ability to remind employees and supervisors of leave applications made which were authorized prior to employees going on leave through email / sms
- k. The system must alert employee via email / sms that leave has been approved and that employee can proceed on leave
- l. Ability to alert Human Resources Section as well as supervisor and / or Admin Officers through email on possible abuse of sick leave (this must align to the eight-week period rule)
- m. The leave system must align with the SALGBC Conditions of Service
- n. Costing of loss time due to **Away Without Official Leave**

### **2.2.3 General ledger and Budgeting**

- a. The budget module must be able to host the municipal approved organogram
- b. This module must seamlessly integrate with payroll, leave management and general ledger

- c. The budgeting module must allow for pro-rata budgeting in respect of positions vacated during a financial year
- d. The budgeting module to allow for pro-rata budgeting in respect of positions to be filled during the year other than at the beginning of the financial year
- e. The budgeting module must allow for manual additions of positions that are not on the organogram, e.g. financial interns and other interns' positions
- f. The budgeting module must be linked to each cost centre in terms of the mSCOA chart
- g. The budgeting module must host the entire mSCOA chart, and must be able to effortlessly update the chart as and when required.
- h. The budgeting module must integrate with the main financial system in the manner that is just and equitable (Data related risk must be taken into account)

#### **2.2.4 mSCOA**

- a. The system must host the mSCOA chart

#### **2.2.5 Reporting Requirements**

The system must provide:

- Variance reports on payroll transactions as well as any other finance related data like budgets (per Division/ Department/Section/ cost centre etc.)
- The facility to generate organisation structure charts.
- Statutory reports (payroll, skills development etc.)
- The viewing of HR related data in a graphical format
- Standard graphs: age analysis, years of service, head count and salary by grade.
- Extraction of data in a quick format.
- User-friendly reporting tool, drag-and-drop facility
- Various quick reports that can be saved for use at a later stage
- The ability to create drill downs, what-ifs and graphics
- The ability to generate simple as well as complex reports at the click of a button.
- Creation of own reports and include with the standard report menus Payroll administrator can create several standard reports (leave trends, EE etc.) in order to share and view interactive reports and dashboards securely over the Internet. Such reports must be scheduled to be delivered on specific times and to specific recipients as per the report requirement specification document or standard HR practice. (this list is not exhaustive)

#### **2.2.6 Personnel Management , Employment Equity, and Learning and Skills Development**

##### **The system must**

- a. Manage employees and record employee transactions- keep historic information of each employee on file for future reference.
- b. Keep a complete record of each employee including employee transactions and document attachments such as disciplinary actions, discussions conducted, experience gained, items issued, qualifications obtained, training planned and attended and medical history.
- c. Enable the Municipality to manage employment equity goals and targets throughout all HR processes by defining equity positions, monitoring goals and targets against actual staff

movements and appointments, using management reports to manage equity targets, and printing Statutory Equity Reports (EEA2, EEA4 & EEA13) required by the Department of Labour.

- d. Provide steps in generating Workplace Skills Plan (WSP) and track Attended Training Register (ATR).
- e. Have ability to generate skills plans for various workplaces, individual companies or a group of companies.
- f. Be generated per employee or a training schedule must be set up to link multiple employees to a training course using a wizard template to guide the municipality through the process.

#### **2.2.7 Employee Self Service**

##### **The System must**

- a. Have a web-based Employee Self Service that offers a range of easy-to-use, time-saving utilities that empowers municipal employees to manage their own HR processes.
- b. Allow the municipality to free up resources that will allow it to focus on the strategic imperatives of the business instead of mundane administrative issues.
- c. Enable employees that do not have access to a computer to use the mobile application functionality for most of the features (available on IOS and Android) and

At least minimum employees should be able to:

- d. Apply for leave
- e. Manage their claims
- f. Manage their own personal details like bank accounts and next-of-kin information
- g. View current and previous payslips and tax certificates as well as printing selected reports
- h. Complete performance reviews
- i. Apply for training
- j. Upload qualifications

#### **2. ISSUING OF PURCHASE ORDER (Note: if not once off order)**

- (i) The municipality will generate and issue works order based on accepted unit prices as per price scheduled incorporated in the form of offer.
- (ii) Amount of materials to be delivered per financial year will be determined by the municipality from time to time guided by availability of budget and need.
- (iii) The municipality will raise works orders as in when required during period of this contract
- (iv) The works order will indicate material type, quantity and amount of work to be provided at that particular point in time.

#### **3. RESPONSIBILITIES AND OBLIGATIONS OF THE SERVICE PROVIDER (Note: Refer to tender document)**

- 3.1. To provide, perform and complete the services in a proper, efficient and prompt manner and in accordance with the project specifications and contract requirement in terms of this agreement.
- 3.2. To maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender which shall form part of annexures on the contract agreement.
- 3.3. Ensure that Service provider's tax matters are in order for duration of the contract.
- 3.4. Service provider must be in good standing central supplier data base for the duration of the contract.
- 3.5. The service provider to provide achievable response time and be available 24 hours to attend to emergencies
- 3.6. RESPONSE TIME: Respond within 12 hours from time of request.
- 3.7. To adhere to response time frames as specified in the request for quotation document.
- 3.8. To deliver quality service in line with specifications.
- 3.9. Invite responsible Municipal official for inspection and signing of job card on site and prior leaving site.

## **TRANSFER OF SKILLS**

- 3.10. Skills transfer must be provided during execution of the project where it is practically possible.
- 3.11. Successful service provider to submit proposed skills transfer strategy on the project as requirement of this tender.
- 3.12. This schedules shall be read together with skill transfer clause of this contract. The uMlalazi Municipality is striving to capacitate its financial services personnel to enable them to register as professionals with statutory bodies through providing them with practical experience which has been considered as lacking part during skills audit undertaking by municipality.
- 3.13. The service provider must ensure that skills are transferred during execution of the project and Skill transfer shall be offered within the tendered price.

### **3.14. Skills transfer aspects:**

Service Providers to transfer skills to delegates of uMlalazi Local Municipality, but not limited to the following aspects:

- (i) Payroll Processing and Functionality Management
- (ii) Leave Management
- (iii) Payroll Reconciliation
- (iv) Report Customisation
- (v) Job Profile Management
- (vi) Personnel Management
- (vii) Skills Management
- (viii) Equity Management

### **3.15. The following conditions also apply:**

- (i) Failure to transfer skills shall constitute breach of this contract.
- (ii) Skill transfer to take place at Company office submitted at tender stage or at Municipal office where appropriate.

- (iii) Editable version documents will be produced and left with the municipality for future use.
- (iv) Only professional registered person be used to transfer skills.
- (v) Prior arrangements be made municipality nominated personnel to ensure his/her availability.

#### **4. RESPONSIBILITIES AND OBLIGATIONS OF THE MUNICIPALITY**

- (i) Pay the Service Provider in accordance with the service performed;
- (ii) Provide the Service Provider with clear specifications and scope of work to enable the Service provider either to quote or carry out the required services;

#### **5. RESOURCES REQUIRED TO PERFORM SERVICES (Note: if applicable)**

Service Provider must have certified Implementers and Trainers within its team

Preferred mSCOA Trainer Accreditation by Treasury

Certified Product Implementer(s)

Certified Product Trainer(s)

#### **6. PAYMENTS (Note: Refer to tender document)**

- (i) The Contractor shall be paid an amount of R\_\_\_\_\_ inclusive of VAT subject to annual escalation equivalent to CPIX. The price must be unconditional.
- (ii) Payment will be made by the municipality to the Service Provider upon delivery of service, which payment will be made via electronic transfer of funds to the service providers financial institution subject receipt of a valid tax invoice accompanied with relevant supporting documents such as signed job cards, time sheets etc.
- (iii) Valid tax invoice must be submitted on the last day of each month and payment shall be made in 30 days after date of invoice.
- (iv) The Service Provider is obliged to submit the invoice together with a signed job card or municipal time sheet (whichever is applicable) and job card/time sheet must be properly filled and reflect worked hours / quantity of work done, site name etc. Failing which no work shall be certified for payment.
- (v) The Municipality reserves the right to negotiate a reasonable price with successful bidder during execution of work.
- (vi) In the event that the Municipality is not satisfied with the performance of the Service Provider, the Municipality shall give written notice to this effect to the Service Provider providing sufficient detail and a reasonable time frame to enable the Service Provider to rectify such performance.
- (vii) In the event of the entire amount or a portion of the invoice being disputed by the Municipality, only that portion in dispute shall be withheld from payment, until the dispute is resolved. The undisputed portion shall be paid to the Service Provider within the stipulated time frames.
- (viii) The Service Provider shall immediately give notice of any circumstances preventing it from completing its obligations in terms of the contract.

## **7. CONDITIONS OF THIS CONTRACT**

### **7.1. GENERAL REQUIREMENTS\_ (Note: Refer to tender document)**

- 7.1.1. All prices quoted are deemed to be inclusive of Value Added Tax (VAT) if the Service Provider is registered as vat vendor.
- 7.1.2. All prices submitted are subjected to escalation if applicable to this tender otherwise are deemed to be fixed prices, which are only subject to the following statutory changes, namely VAT and any levy related to customs and excise.
- 7.1.3. Vendors not registered for Value Added Tax with SARS will be treated as Non VAT vendors.
- 7.1.4. Service Provider must maintain compliance with Central Suppliers Database, CSD for the duration of contract.
- 7.1.5. Letter of Good standing must be maintain valid for the duration of contract.
- 7.1.6. Job card by Service provider to be filled in on site indicating service and quantity of work done, job card must be approved municipal responsible official immediately once the task is completed.
- 7.1.7. Should the preferred Service provider fail to adhere to the response times as specified, Municipality reserves the right to appoint another service provider out of this contract, notwithstanding applicable termination clause.
- 7.1.8. Suppliers may be required to supply photographic evidence of the service before and after work completed.
- 7.1.9. Due to the urgent nature of service, contractors will be required to attend site meetings at very short notice.

### **7.2. QUALITY OF SERVICE**

- 7.2.1. All materials/goods/Services and equipment shall meet the specific requirements stipulated per each occasion.
- 7.2.2. The company must use qualified and experienced personnel to perform the required services.
- 7.2.3. It is a requirement of this contract that qualified and experienced personnel may perform work. Should it be proven that un-qualified personnel are being utilized to perform the work, the Service Provider's contract may be terminated.

- 7.2.4. Notwithstanding the above, Un-qualified personnel may assist the qualified personnel in the repair process.
- 7.2.5. All personnel working on Municipal Premises will be required to wear suitable PPE at all times.
- 7.2.6. Service provider will not be allowed to use any of uMlalazi Municipality's equipment or tools during the provision of service process.
- 7.2.7. The Service provider will be required to comply with the OHS act and any issued regulations in relation to diseases outbreak /pandemic.
- 7.2.8. The Service provider will be required to use trained support personnel on certain occasion during provision of service.
- 7.2.9. The service provider must have a fully equipped facilities to perform the job. (Equipment and facilities)
- 7.2.10. The service provider to provide achievable response time in hours and be available **24 hours** to attend to emergencies
- 7.2.11. The service provider to ensure all safety standards and protocol is observed during provision of services.

## **8. CONTROL PROCEDURES OFFICE HOURS (07H15 -16H00) (Note: Refer to tender document)**

- 8.1. No work to be performed without an official purchase order or written instruction from Municipality.
- 8.2. All documentation such as Invoices, relating to the services provided must be forwarded at latest within **seven (7) calendar days** to the Financial Services Department Expenditure Section.
- 8.3. If the specifications were clear without any ambiguities, service providers must obtain a written confirmation from the municipality for any additional work to be carried in relation to the original work given.
- 8.4. Job card must be completed on site with all relevant information and be signed by service provider representative and the assigned municipality's technical official (Refer to 6.1.3 above).
- 8.5. No Sundry charges will be paid for, all cost must be included in the Labour price tendered.

## **9. COMPETENCE OF KEY PERSONNEL AND QUALITY**

- 9.1. The Service Provider must ensure that services are performed by the key personnel nominated in the Contract or who have been substituted for one or more of such nominated personnel with the written consent of the Municipality.
- 9.2. If any of the nominated key personnel are not available to perform any of the Services, or unable properly to do so because of physical or mental incapacity or incompetence, the Service Provider must immediately give notice to the municipality and arrange a replacement of that person with a person acceptable to the municipality, at no additional cost to the Municipality.
- 9.3. Appointed bidder will be required to maintain all quality presented during bidding process which has significantly influenced decision making in awarding of this tender, this shall be part of the service level agreement.

## **10. PROJECT MANAGER**

- 10.1. There shall be a Project Manager appointed by the municipality who shall administer the Contract and oversee the work of the Service provider in its performance of the Services.
- 10.2. The Project Manager mentioned above shall be the Senior Manager unless a person is appointed officially to act on his/her behalf.
- 10.3. The Service Provider shall submit nominated project manager to administer this contract.
- 10.4. The Service provider must liaise with, report to and communicate with the Project Manager on all technical matters relating to this Contract.

## **11. BACK UP SERVICE**

In case of break down or any other similar situation that maybe applicable, back up plan shall be provided by the Service Provider within **24 hours** when required, failing which the municipality may apply the penalty Clause 16 of this contract and continuous breakdowns may lead to termination of this contract in terms of **Clause \*\*\***.

## **12. INDEMNITY**

The Service Provider acknowledges hereby in favour of the uMlalazi Council, that this agreement is signed by both parties on the basis that the Service Provider is an independent Service Provider.

The Service Provider accordingly hereby indemnifies the uMlalazi Municipality and it's officials in respect of all personal accidents, damages, loss (inclusive of theft) and any other actions, claims, legal actions of whatever nature, instituted or threatened to be instituted by whomsoever which actions etcetera are a direct result of the Service Provider's or his/her substitutes conduct in terms of this agreement.

## 13. CONTRACT MONITORING AND EVALUATION

### 13.1. Monthly reporting

This Contract will be monitored on a monthly basis and the required performance report is to be submitted monthly with the monthly invoice of the Service Provider. The Municipality reserves the right to introduce or put in place additional performance measures as and when required subject to the agreement of both parties.

### 13.2. Poor Performance

13.2.1. The Municipality may, in the event of unsatisfactory performance or conflict of interest at any time by prior written notice to the Service provider, suspend the carrying out of the Services or any part thereof for **03 (three)** days in order to afford the Service provider the opportunity to rectify the cause for the unsatisfactory performance or conflict of interest. In the event that the Service provider fails to remedy the situations as envisaged herein, then the provisions of the terms below shall apply, until such time as the Municipality may determine.

13.2.2. Subject to the next paragraph, if amount have not been agreed in advance, the Municipality must pay to the Service provider the fees and the amount reasonably incurred by the Service provider in carrying out the Services to the date of suspension. The Municipality shall not be liable to compensate for any loss of profits or any other loss.

## 14. PENALTY (Note: Refer to tender document)

14.1. If within the period(s) specified in the contract, the Municipality shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods/works and/or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The Municipality may also consider applying termination clause of the contract should non-compliance with delivery timeframes constitutes gross breach of this contract.

14.2. Failure to deliver the goods or service within the period(s) specified in the contract is as a result of an event of force majeure, the service provider must report in writing with evidence required and Municipality shall assess the submission on its discretion.

14.3. Notwithstanding the provisions of Clauses **“Penalties”** and **“Termination”**, the Service Provider 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.

## **15. CANCELLATION**

15.1. The municipality reserves the right to cancel this agreement by way of Three (3) Months Written Notice, in cases where:-

15.1.1. Budget becomes unavailable to continue rendering the service.

15.1.2. The municipality review its service delivery strategies and mechanisms.

15.1.3. It became financial strenuous for the municipality to continue rendering the service.

## **16. TERMINATION**

### **16.1. Termination due to Default by Service Provider**

16.1.1. If the Service provider commits a breach of Contract, the Municipality may suspend payment under the Contract and give to the Service provider a written notice to rectify.

16.1.2. A notice to rectify must:

16.1.2.1. State that it is as notice given under this sub-clause of these Conditions;

16.1.2.2. Specify the alleged breach in detail;

16.1.2.3. Specify the date by which the Service provider must respond to this notice which date shall **not be less than 7 (seven) days** after the date of the notice, and, if, by the time specified in the notice to rectify, the Service provider fails to propose steps to remedy the breach that are satisfactory to the Municipality or fails to actually remedy the breach to the satisfaction of the Municipality, the Municipality may, by further written notice, terminate the contract and claim any other remedies that are available to the Municipality in law;

### **16.2. Termination on Notice**

16.2.1. The Municipality may terminate the Contract at any time by giving the Service provider at least 30 (thirty) days prior written notice.

16.2.2. The period of this notice shall run from the date upon which the notice is received by the Service Provider

16.2.3. If the Contract is terminated pursuant to this sub-clause, the Municipality must pay to the Service provider the fees and the expenses reasonably incurred by the Service provider in Carrying out the Consultancy Services to the date of termination together.

16.2.4. The Municipality shall not be liable for payment to the Service provider for any amount in excess of the amount due and payable for the services already provided by the Service provider and, specifically, no compensation for loss of profits or any other loss shall be payable by the Municipality .

### **16.3. Termination on Default by Municipality**

- 16.3.1. Should the Municipality fail to perform its obligations of payment in terms of this agreement, the Service provider may, on written notice, require the Municipality to pay within **sixty (60)** days of the date of the receipt of the notice.
- 16.3.2. Should the Municipality fail to pay in that time, the Service provider may terminate this agreement.

### **16.4. Effect of Termination**

- 16.4.1. In the event that the Service provider is a joint venture or a consortium upon termination of this Contract, the Service provider might at the discretion of the Municipality be held liable jointly and severally for whatever expenses or damages the Municipality should be entitled to claim in law and/or in terms of this agreement.
- 16.4.2. On the date of termination, the rights and obligations of the Parties described in this contract shall cease.
- 16.4.3. The Service provider will be obliged to hand back all the records and Contract Material that it made use of, or was otherwise in possession and control of, throughout the duration of this Contract and vacate site immediately.

## **17. DISPUTE RESOLUTION**

- 17.1. If any dispute or difference of any kind whatsoever arises between the Council and the Service Provider 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
- 17.2. If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Council or the Service Provider 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.
- 17.3. Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

## 18. DOMICILIUM CITANDI ET EXECUTANDI

### 18.1. NOTICES AND DOMICILIA

#### 18.1.1. Addresses and Contact Details

The Parties choose as their respective domicilia citandi et executandi for the purpose of legal proceedings the following physical addresses, and for the purposes of giving or sending any notice provided for or necessary in terms of this agreement, the said domicilia as well as the following contact numbers –

| Contacts Details | The Municipality                                                                                                                                               |                                                                                                                                                        |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Addresses        | uMlalazi Local Municipality                                                                                                                                    |                                                                                                                                                        |
|                  | Corner Osborn and Hutchinson Street                                                                                                                            |                                                                                                                                                        |
|                  | Eshowe, 3815                                                                                                                                                   |                                                                                                                                                        |
| Contact No       | <b>Municipal Manager</b>                                                                                                                                       | <b>Service Owner ( End-User Department)</b>                                                                                                            |
|                  | Tel: 035 473 3300                                                                                                                                              | Tel: 035 473 3362                                                                                                                                      |
| Emails:          | <a href="mailto:MunicipalM@umlalazi.gov.za">MunicipalM@umlalazi.gov.za</a> /<br><a href="mailto:Nhlakaniphos@umlalazi.gov.za">Nhlakaniphos@umlalazi.gov.za</a> | <a href="mailto:NtombikhonaM@umlalazi.gov.za">NtombikhonaM@umlalazi.gov.za</a><br><a href="mailto:AndileS@umlalazi.gov.za">AndileS@umlalazi.gov.za</a> |

| Contacts Details | The Service Provider ( To be completed by hand) |                                |
|------------------|-------------------------------------------------|--------------------------------|
| Addresses        |                                                 |                                |
|                  |                                                 |                                |
|                  |                                                 |                                |
| Contact No       | <b>Head Office</b>                              | <b>Project Manager/ Leader</b> |
|                  | Tel:                                            | Tel:                           |
|                  | Cell:                                           | Cell:                          |
| Emails:          |                                                 |                                |

18.1.2. A party may change its domicilium to other physical address, its e-mail address or any other provided contact details by written notice to other party to that effect. Such change will be effective 7 days after receipt of notice thereof.

18.1.3. All notices to be given in terms of this agreement will be given in writing in English language and be delivered by hand, e-mail or pre-paid postage in a letter addressed to the *domicilium citandi* of the addressee or sent by telefax number of the addressee.

18.2. Any notice so given:-

18.2.1. If hand delivered before 16h00 on a business day, will reputably be presumed to have been received on the day of delivery. Any notice hand delivered after 16h00 on a business day or on a day which is not a business day, will reputably be presumed to have been received on the immediately following business day.

18.2.2. If sent by e-mail, will be reputedly be presumed to have been received 1 day after it has been e-mailed, per-paid postage will reputedly be presumed to have been received within 7 Calendar days.

18.2.3. Any notice written in the English language which is actually received by the party to whom the written notice- is addressed will be deemed to have been properly given and received notwithstanding that such written notice has not been given in accordance with other provisions of this clause.

**THE MUNICIPALITY (UMLALAZI MUNICIPALITY)**

Thus done and signed by \_\_\_\_\_ at \_\_\_\_\_ on this \_\_\_\_\_ day  
of \_\_\_\_\_ 2025, in the presence of the undersigned witnesses:-

**DULY AUTHORISED REPRESENTATIVE**

**SIGNATURE.....**  
**[THE MUNICIPAL MANAGER]**

As witnesses: - **for (UMLALAZI MUNICIPALITY)**

1. NAME..... SIGNATURE.....

2. NAME..... SIGNATURE.....

**THE SERVICE PROVIDER**

Thus done and signed by \_\_\_\_\_ at \_\_\_\_\_ on this \_\_\_\_\_ day  
of \_\_\_\_\_ 2025, in the presence of the undersigned witnesses:-

**DULY AUTHORIZED REPRESENTATIVE**

**SIGNATURE .....**  
**[DULYAUTHORISED MEMBER]**

As witnesses: - **For: [ \_\_\_\_\_ ]**

**COMPANY NAME**

1. NAME..... SIGNATURE .....

2. NAME..... SIGNATURE .....