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OFFICE OF THE MUNICIPAL MANAGER

ANNEXURE B: UNSOLICITED BID PROJECT SPECIFIC REQUIREMENTS

TO INTERESTED PARTIES

UNSOLICITED BID: PROJECT SPECIFIC REQUIREMENTS

IMPORTANT NOTICE: THE PROJECT SPECIFIC REQUIREMENTS MUST BE READ WITH THE SUPPORTING ADVERT/NOTICE. IF A POTENTIAL BIDDER IS SATISFIED THAT IT IS ABLE TO SUBMIT AN EQUAL OR BETTER ALTERNATIVE OFFER AS PER SCMR 37(3)(c), ALL SPECIFICATIONS, REQUIREMENTS, RISK ABSORBTION AND TIMELINES AS PER THIS DOCUMENT MUST BE MET AND EVIDENCE THEREOF MUST BE PROVIDED.

RENEWABLE ENERGY AND POWER STORAGE RISK MITIGATION PROJECT FOR RENEWABLE ENERGY POWER AND CONCOMITANT POWER STORAGE PLANTS FOR INTEGRATION INTO THE DISTRIBUTION NETWORK OF THE MUNICIPALITY IN ORDER TO MITIGATE THE RISKS AND EFFECT OF LOAD SHEDDING BY ESKOM, ASSIST ESKOM WITH PEAK PERIOD CO-GENERATION, ADDRESS CARBON TAX MATTERS AND PROVIDE ENERGY AND WATER SECURITY TO THE MUNICIPALITY

A. BACKGROUND

1. In its endeavours to find mechanisms for Energy and Water Security for the Municipality and through experience over the years with the insight of many consultants who are leaders in their field, the Kannaland Local Municipality has learned that power generation is a technology that is

conceptually simple, but practically very challenging to execute. It is understandable that individuals would form strong opinions on the proposed solutions, having gained an understanding of the simplified concepts, yet without insight into the complexities of the various technologies available, as well as the challenges of connecting such technologies to an electricity distribution grid with the objective to deliver electricity at 240V, 50Hz 24x7x365, such opinions would appear to fall short of the reality.

2. The Kannaland Local Municipality determined that the most prominent argument to date has centred around the "cost of power" for the various technologies, with claims of unfair support of some and oppression of others, for whatever the reasons. This Tender document, which includes the Tender Specifications, and the opportunity that it affords to the successful Contractor, will provide the basis for the Contractor to prepare a proposal for (Renewable) Energy and Water Security for the Kannaland Local Municipality that will quantify the cost of power (and water) on a basis that allows for comparison, both for the cost of generation and storage on the one hand and the cost to the grid of connecting to the various modes of generating power currently employed in South Africa on the other hand.

3. The Municipality has determined that power projects, as the basis of Energy Security and the precursors of Water Security for the area, are notoriously complex and as a result we have not been in a position to source convenient examples of successful power projects using diverse technologies built on the same standard and executable basis with the same financial parameters. We have also not been able to design power and water systems for the District that make one-on-one comparisons feasible. It has become clear that the vast number of variables that equally contribute to the cost and sensitivity of the financial success of power projects as the basis of Energy Security, make such comparison both difficult and costly, leaving most of our questions and challenges unanswered.

4. As a result of the above challenges experienced and highlighted during the past years and the various investigations that the Kannaland Local Municipality has carried out in order to attempt to source solutions that would result in Energy and Water Security for the area, it has been determined that attempting to find out whether the private sector can provide the sought after solutions would be the prudent step for the Municipality to take in the light of the current challenges to Energy and Water Security in the District.

5. In consequence, this document sets the general requirements and specifications for the immediately available and ready to deploy design, funding mechanism, establishment, operation

and maintenance of integrated Renewable Energy and Power Storage Plant(s), which also allow for the integration of Water Security systems and installations, to be determined by the Contractor in terms of the size and number of Plants and water systems required in order to ensure full Energy Security and concomitant Water Security for the Kannaland Local Municipality, as well as the concomitant load management software, telecommunications and secure power and water collections platform therefore, to be designed, funded, implemented and managed by the Contractor in all aspects, in a joint suitable relationship with the Kannaland Local Municipality, by means of integration into the relevant Distribution Networks at the various towns of Ladismith, Zoar and Calitzdorp, on a turnkey Build Own Operate and Transfer ("BOOT") basis, as well as similar small-scale off-grid nano Plants and water systems that will allow for the reticulation, electrification and provision of telecommunications, water and sanitation to informal settlement dwellings in the Municipality in a suitable manner.

6. The referenced Plants and water systems, in their entirety and as further described specifically below, shall be designed, installed, operated and maintained by the successful Contractor at its own costs for the period of 25 years and thereafter proceed to be transferred to the Municipality (for reflection on its balance sheet) where the Plants and water systems are located at the various identified and relevant site/s in the area.

B. ENERGY ACQUISITION, DISTRIBUTION, CO-GENERATION, SHAVING, SHIFTING AND MANAGING

(i) Energy Acquisition

7. The successful Contractor shall be required to have a detailed understanding of the relationship between the Municipalities and ESKOM, including detail related to the interconnect agreements, Power Purchase Agreements, Peak Demand Management, Penalties, and Tariffs. The Contractor shall also be required to present the ability to advise on proposed amendments to manage the cost of energy acquisition in the Municipality. In addition, the Contractor must be in a position to demonstrably present its understanding of the current cost structures in order to advise on the impact of proposed changes to the cost of power acquisition.

(ii) Energy Distribution

8. The Contractor must present an in-depth understanding of the current challenges of distribution of power, including illegal connections, unmetered legal connections, inaccurate metering, Debtors

Management, vandalism, and distribution equipment protection. The Contractor must exhibit the ability to deploy advanced SCADA systems for the implementation throughout the distribution network to enhances its operation, protect the equipment, and calculate its condition. It shall be of paramount importance for the Contractor to exhibit the ability to protect, enhance, and maintain, the most valuable asset of the Municipalities in question – their distribution networks.

9. The Contractor must have a detailed understanding of the distribution network and the software required to effectively install management and communications systems to effect the above.

(iii) Distribution devices

10. Since it is deemed to be the most suitable, reliable, cost effective and expeditious format of ensuring Power Security payment capability, the Contractor shall, at its own cost, be required to replace and / or re-calibrate all the existing electricity (and water) meters in the Municipal area as part of the Plants (and water systems) design and operation in such a manner that the electricity (and water) meters can effect metering, allow for pre-paid collections, effect load management, act as a conduit for telecommunications and collections in terms of suitable software by means of interaction with a router and in general utilise technology/ies which allow for the safe and secure operation, in a Virtual Private Network which shall be proven to have a negligible risk of integrity breach, of all aspects listed above.

11. In this regard the Contractor shall be required to safely and securely effect the collections of the pre-paid electricity (and water) income, with proven software packages, as part of the operation of the Plants (and water systems), in conjunction with the Municipality, and with oversight of the Treasury. Only mature and proven technologies, products and product suppliers which are capable of carrying out the functions listed above shall qualify for use by the Contractor.

12. In this regard the Contractor will be required to provide guarantees by the relevant product/s supplier, a credible International insurer / re-insurer for the full Capex of the electricity (and water) meter and router communications aspects of the Plants (and water systems) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant electricity (and water) meter and communications router collection and load management aspects of the Plants (and water systems), in conjunction with the Municipality, for the full 25 year period.

13. The Municipality has determined that many of the current prepaid and post-paid electricity (and water) meters do not meet the requirements of the Municipality. The Contractor therefore needs to

demonstrate the ability to deploy distribution devices, for both electricity and water, capable of, but not limited to, the following features:

a) Insuring Payments by clients;
b) Combating illegal connections;
c) Combatting device circumvention;
d) Combatting payment animosity with value added services;
e) Time of Use Tariff implementation;
f) Using the distribution network to further national Government goals such as Public connection to the internet, cheaper and more effective methods of communication and access to free educational content;
g) Real time energy audits;
h) Protection of distribution infrastructure;
i) Demand Side management;
j) Micro Load Shedding;
k) Load management i.e load shedding without discontinuing critical network service.

14. Since it is deemed to be the most suitable, mature, reliable, cost effective and expeditious format of telecommunications in terms of installation time and technological capacity, only technologies in the field of Wimax will be considered for the telecommunications aspects of the sought Plants (and water systems), to be provided by suppliers who have proven national installed systems in operation and where the Contractor shall carry the costs and be in a position to provide guarantees by the relevant product supplier, a credible International insurer / re-insurer for the full Capex of the Wimax telecommunications aspects of the Plants (and water systems) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant telecommunications aspects of the Plants for the full 25 year period.

(iv) Demand side management

15. The successful Contractor shall be required to exhibit in its proposal the capability and ability to effect demand side management within the distribution network of the Municipality. A specific, substantiated, load management platform shall be required to be designed, developed and instituted along with the supporting actuarial models which shall indicate definitively how the Plants will integrate with the network, the substation/s, all the electricity meters, the storage and

generation aspects of the Plants and the current network, ESKOM, any other relevant facilities and the National transmission grid.

(v) Collection, Payment Systems, Settlement Systems

16. The successful Contractor shall be required to exhibit in its proposal the capability and ability to effect pre-paid collection activities, which shall be covered in terms of all aspects thereof in an insurable manner, in a safe and secure environment and with suitable software which has been proven in the field and which interfaces with all reliable and suitable payment mechanisms by power and water users in the Municipal area in both the formal and informal settlement areas.

17. In addition, the Contractor must be in a position to provide guarantees by the relevant product software supplier for such collection activities, a credible International insurer / re-insurer for the full Capex of the collection aspects of the Plants and water systems and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant collection aspects of the Plants and water systems for the full 25 year period.

(vi) Dealing with the animosity of non-payment

18. Since the Municipality has determined that the risk of illegal connections in the Muncipality, disconnection of electricity (and water) meters by power (and water) users and the acceptance of power provided in the informal settlement areas is significantly lowered when the electricity meter is provided with the capacity to provide WIFI, receive educational and other entertainment related content, it shall be required that the Contractor provide such services at its own costs as part of the operation of the Plants and the management of the electricity (and water) meters and the routers which shall allow for the load management and pre-paid electricity collections.

19. In this regard the Contractor shall be required to provide, as part of the Plants, at its own costs, the provision of suitable content, through suitable delivery mechanisms, which is deemed fit and proper, with at minimum the full CAPS curriculum and other entertainment content which shall serve to render the electricity meters indispensable to the home dwellers and power users, to all the power users in dwellings in the formal settlement areas throughout the Municipality, as well as a plan to provide this same service to home dwellers in the informal settlements in the Municipal area.

20. In this regard the Contractor will be required to provide guarantees by the relevant product supplier and service provider, a credible International insurer / re-insurer for the full Capex of the educational and entertainment content provision aspects of the Plants and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant educational and content provision aspects of the Plants, in conjunction with the Municipality, for the full 25 period.

(vii) Energy Shifting & Battery Storage

21. Since it is deemed to be the most suitable, mature, reliable, cost effective and expeditious format of energy storage in terms of installation time, only technologies in the field of Lithium Ion battery storage will be considered for the storage aspects of the sought Plants, where the Contractor shall carry the costs and the equipment and technology shall be provided by suppliers who have proven global installed capacity and operation in excess of 10GW of storage capacity and where the Contractor is in a position to provide guarantees by the relevant product supplier, a credible International insurer / re-insurer for the full Capex of the battery storage aspects of the Plants and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant storage aspects of the Plants for the full 25 year period.

22. Further with regard to the energy storage aspects of the proposed Energy Security to be provided by the Plants that the Contractor shall install, the following general characteristics shall be required to be exhibited:

    (i) Energy cost savings of up to 60% of total cost of acquisition;

    (ii) Energy shifting capability for tariff profit;

    (iii) Ensuring off-peak energy storage and peak injection of the full required capacity in terms of MWh in the morning peak timeslot for each relevant Local Municipality where the Plants are located;

    (iv) Large capacity energy storage to be able to deal with at least two peak periods twice a day for full discharge of the full required capacity in terms of MWh for each relevant Local Municipality where the Plants are located;

    (v) Interconnect peak demand management;

    (vi) Energy shaving by means of peak tariff determination;

    (vii) Equipment protection by means of substation overload protection;

    (viii) Large scale distribution device capacity integration and management;

(ix) Power Factor correction capability;

(x) Phase balancing capability;

(xi) Voltage and Frequency quality control capability.

23. It is re-iterated that the primary objective of the storage aspects of the proposed solutions – taking the interests of the Municipality into consideration - is the protection of the distribution network. It is also in the interest of the Municipality that the Contractor maximises localised renewable energy production whilst minimising peak energy consumption from the grid – this implies maximising utilisation of stored energy.

24. In this regard we have determined that the capacity allocated to ESKOM through the storage installation can be traded as a peak production capacity, typically using a "capacity charge" plus "generation charge" cost structure, which is not as dependant on actual generation produced. The capacity allocated to ESKOM is therefore for the benefit of the whole grid, not just the local Municipal area where the storage capacity resides. In this regard we have ascertained that practically all energy management technologies available are focussed on demand-side management, whilst none make provision for the control of generation from the utility grid side, which the suitable Contractor shall be required to demonstrate.

25. The successful Contractor, as part of the storage (and generation) aspects of the Plants, will be required to show the working of the control system required for the Plants in the Municipal area. Balancing overall capacity on the national grid is required and there are several complexities related to line stability caused by the envisaged highly localised generation of the Plants and long non-symmetrical transmission routes. The proposal for the Plants will need to exhibit how they will resolve these issues by means of a so-called "Virtual Power Plant" software platform capability, which will house the software management systems and dashboard management actions of the of the Plants and the overall Energy Security solution proposed by the Contractor.

26. In this regard the Contractor must be in a position to provide guarantees by the relevant software supplier for the Virtual Power Station software platform, a credible International insurer / re-insurer for the full Capex of the software Virtual Power Station management aspects of the Plants and cover by the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant software management aspects of the Plants for the full 25 year period.

27. We have taken note that the National Energy Regulator (NERSA) has ranked the following important objectives for the power market in South Africa:
    1. Reliable provision of service;
    2. Quality of supply and service, in accordance with appropriate standards;
    3. Customer satisfaction with the participants in the industry;
    4. Resolution of complaints and disputes.

28. It is therefore envisaged that the introduction of the successful Consultant's Plants in the Kannaland Local Municipality will:
    1. Present a significant capacity increase in the distribution networks of at least 30%;
    2. Provide Energy Reliability to the Municipality as we envisage that the ability to centrally have access to the Plants energy storage capabilities will allow the Muncipality, and concomitantly ESKOM, to fully control the load. We also envisage that the reliability will increase significantly for shorter interruptions as well and due to the enhancement of the distribution capacity and the quality of supply, will impact positively to the reliability of the delivery.
    3. Radically reduce the occurrence of transgressions of the peak demand agreement between the Municipality and ESKOM currently amounting to a notable percentage of energy costs.
    4. Dramatically reduce the real nett tariff paid by the Municipality by reducing the volume of energy purchased in peak by up to 80%.

C. CO-GENERATION BY MEANS OF PHOTO VOLTAIC POWER AND OTHER SUITABLE TECHNOLOGIES

(i) Photo Voltaic Power

29. Since it is deemed to be the most suitable, mature, reliable, cost effective and expeditious format of renewable energy in terms of installation time, only technologies in the field of solar power will be considered for the power generation aspects of the sought Plants and water systems, the costs for which shall be carried by the Contractor, to be established at suitable sites where the required Environmental Impact Assessments have already been concluded and Records of Decision issued, (whether on the Contractor's own property or the relevant Local Municipality's property) to be established at the suitable site(s) to be identified by the successful Contractor, and furthermore to be provided by suppliers who have proven global installed capacity and operation in excess of

10GW of generation capacity and where the Contractor is in a position to provide guarantees by the relevant product supplier/s, a credible international insurer / re-insurer for the full Capex of the solar energy generation Capex of the Plants and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant renewable energy generation aspects of the Plants for the full 25 year period.

30. Further with regard to the renewable energy generation aspects of the proposed Energy Security to be provided by the Plants that the Contractor shall install, the following general characteristics shall be required to be exhibited:
    i. Installed capacity in modules of between 4 and 25MW_p;
    ii. Energy production at a tariff of a maximum of R0.73 kWh;
    iii. Suitable energy production to inject into the full evening peak time slot requirement for the Municipality;
    iv. Significant tariff profit capability.

(ii) Other Power Technologies

31. The Contractor will be required to exhibit the capability and ability, as part of the proposal, to further design, implement and manage, at its own costs, further suitable power generation technologies in the field of gas fired generation power stations, in order to augment the generation capacity of ESKOM during peak periods, as well as to supply power to the storage facilities of the Plants in the Municipality during off-peak night hours, at suitable tariffs, as well as the ability to inject, wheel and manage the load of such generation technologies, by means of the Virtual Power Station software platform capability mentioned above, in conjunction with the Plants in the Municipal area.

32. It is specifically required that the Contractor be in a position to develop the referenced gas fired generation capacity either in the Garden Route District, under the auspices and in conjunction with the relevant Local Municipality/s and/or the District Municipality, or at sites outside of the District or the borders of South Africa, with the requisite licenses for the generation plant, gas supply, import permits for gas and/or energy, proposed wheeling capability and mechanisms and all other aspects required to effect such power generation and sales.

33. In this regard, the Municipality intends to enter into a suitable Power Purchase Agreement for such suitable augmented gas fired power generation facilities and as a result the Contractor must be in a

position to provide a suitable draft Power Purchase Agreement and other related arrangements as part of the Proposal.

34. In this regard the Contractor must be in a position to provide guarantees for the introduction and installation of the relevant gas fired power generation facility/s, wherever, it/they may be located, a credible International insurer / re-insurer for the full Capex of the relevant gas fired generation facility aspects of the Plants, as well as cover by the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant gas fired generation facility/s aspects of the Plants for the full 25 year period.

35. In addition, the Contractor must be in a position to exhibit the capability of carrying out such activities in the field of gas fired power generation within the same timeframe as the period for development, design and introduction of the various Plants in the Municipal area.

(iii) Refurbishment of Defunct Power Stations in the District

36. It shall be required for the successful Contractor to indicate in the overall proposal for the Plants, that it has the capability and ability to identify any defunct power station/s, if applicable, design a suitable repurposing and funding model therefore, and present a specific and general business model therefore which will allow for the re-introduction thereof into the grid by means of integration with the Plants.

37. In this regard, the Municipality intends to enter into a suitable Power Purchase and/or other Agreement/s for such suitable repurposed power generation facilities, depending on whether they are owned by the Municipality and/or third party/s with whom the successful Contractor may be required to contract, in conjunction with the Municipality, and as a result the Contractor must be in a position to provide a suitable draft Power Purchase and/or other Agreement and other related arrangements as part of the Proposal.

38. In this regard the Contractor must be in a position to provide guarantees for the re-introduction of the relevant repurposed power generation facility/s, wherever, it/they may be located, a credible International insurer / re-insurer for the full Capex of the relevant repurposed generation facility aspects of the Plants, as well as cover by the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant repurposed generation facility/s aspects of the Plants for the full 25 year period.

39. In addition, the Contractor must be in a position to exhibit the capability of carrying out such activities in the field of repurposed power station generation within the same timeframe as the period for development, design and introduction of the various Plants in the Municipal area.

D. OFF-GRID (NANO) POWER PLANTS

(i) Purpose

40. The purpose of the required off-grid nano power aspects of the project that the Contractor will be required to include in the Plants and water systems as part of the proposal, is to provide Energy and Water Security to the indigent and other dwellers in the informal settlements of the Municipality.

(ii) Indigent Supply Nano Grids

41. Complimentary to the Plants and water systems in the Municipal area that will address Power and Water Security, the Contractor will be required to design, develop, fund and install suitable DC powered nano-grid installations in informal settlement areas which shall have the capability to provide, at minimum, power, water, sanitation and telecommunications services to the residents.

42. The specific services or products which the Contractor shall be required to indicate that these nano grid Plants shall be capable to provide to the informal settlements in a cohesive manner, shall be at least, but not limited to, the following:

    1) housing services,
    2) electrification services,
    3) telecommunications services,
    4) education services,
    5) entertainment services,
    6) information technology services,
    7) co-operative finance services,
    8) co-operative funding services,
    9) pre-paid energy services and concomitant products,
    10) pre-paid data services,
    11) water provision and sanitation systems and services,
    12) VOIP telephony services,
    13) fractional software services,
    14) internet and/or server access services,
    15) co-operative banking services,

16) co-operative and Members insurance services and products,
17) member value optimisation and exit strategies services and systems,
18) financial metric analysis systems and services,
19) cashflow and forecast management services,
20) securitisation and bond issues programs,
21) real-time funds-tracking services,
22) land value capturing and real rights management services,
23) engineering procurement and construction (EPC) and building contract management services,
24) tender adjudication services,
25) facility and plant operational advisory services,
26) purchasing procedure systems services,
27) inventory and costing advice services,
28) competition analysis services and products,
29) research and development services,
30) business information management (BIM) services (with webmaster assistance),
31) risk profiling services,
32) environmental implications and carbon credit management services and products, virtual or shared office services and products,
33) co-working systems and procedures services,
34) shared virtual and physical meeting rooms services,
35) travel assistance services,
36) legal services (including patent protection services),
37) accounting services,
38) dispute settlement and arbitration services,
39) spaza finance package services,
40) education funding package services,
41) financial savings products and services, grant funding facilitation services,
42) internet web master services.

43. The result of the proposed nano grid installations by the Contractor shall be required to be that - at minimum - electricity and telecommunications connectivity shall be delivered for urban township dwellers who do not have access to these services, as well as rural and peri-urban informal settlement areas that exist beyond the national grid.

44. Since the nano grid installations envisage, as part of the Plants that the Contractor will install and manage, the provision of DC power as a safe and cost-effective manner of providing Energy Security in these areas, the Contractor shall in addition be required to facilitate and manage the retail of the appropriate appliances for this environment, such as deep-freezes, fridges, fans, and other communications devices, including Voice over Internet Protocol [VOIP] devices, provide potable water and sanitation options by means of suitable delivery mechanisms, as well as to provide integrated thermal solutions (such as , for instance, but not limited to, gas cooking) and suitable communications technology that will in addition allow for the management and collections of the income for the proposed services over the water, gas and electricity meters in a safe, secure and cost effective manner. The outcome to achieve in this regard is, through innovation, the creation of local jobs through the electrification, connectivity and lighting of informal dwellings with the concomitant access to other essential human requirements.

45. In addition to the ability to provide electrification, telecommunications, thermal options and potable water, the Contractor shall be required to indicate its ability and capability to facilitate and/or provide access to NHBRC approved, cost effective alternative housing structures to transform shacks into proper dwellings in those instances where the occupants are in a position to pay for these services.

46. The Contractor, in showing its capability to provide the nano grid services described above, shall be required to indicate in its proposal the specific funding methodology and management structure of the Plants and water systems in the informal settlement areas, such as, for instance, but not limited to, suitable Co-operative structure(s) or similar community structures.

47. Since one of the objectives of the nano grid electrification process which is required to be provided as part of the Plants and water systems that the successful Contractor will install in the Municipal area, is to provide access to educational and other content, in order to allow access by these community members to the benefits thereof, in a cost effective manner, the Contractor will be required to source, curate, provide and manage suitable educational content to these communities, with at minimum the CAPS curriculum being made available as Video on Demand (VOD), wherever the nano grids are installed, which shall be inclusive of, inter alia, an Internet Protocol (IP) router and a base computer executing an operating system (such as Linux and Android), interfacing with broadband devices enabling communication via Wimax and route data packets to an internal WIFI communication protocol for the various dwellings.

48. In this regard the Contractor must be in a position to provide guarantees and underwriting for the introduction and installation of the relevant nano grids, wherever they may be located in the Municipal area, a credible International insurer / re-insurer for the full Capex of the relevant nano grid facilities as well as for the payment capability of the informal settlement dwellers, as well as for the operation and maintenance of the relevant nano grids for a minimum period of 10 years.

(iii) Virtual Power Station Software platform

49. Since the sought Plants cannot operate in isolation in any Local Municipality but require integration into the distribution network/s, as well as further integration into the transmission network as they operate in various towns in the District and the Country, the Contractor shall be required to provide, at its own cost, a suitable so-called "Virtual Power Station" software platform for all aspects of the grid, the generation and storage facilities, the electricity meters and in general any element of the Plants (and water systems). In this regard the Contractor shall be required to present suitable actuarial models and other suitable representations with regard to the operation of the referenced Virtual Power Station software platform.

50. The equipment, software and technology so proposed to be utilised by the Contractor shall be provided by suppliers who have proven global capacity to effect all aspects of the required Virtual Power Station software platform and the Contractor must be in a position to provide guarantees by the relevant product supplier, a credible International insurer / re-insurer for the full Capex of the Virtual Power Station software platform aspects of the Plants and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant Virtual Power Station software platform aspects of the Plants for the full 25 year period.

E. WATER ACQUISITION, DISTRIBUTION AND MANAGEMENT

51. The Municipality takes note that the National Water and Sanitation Master Plan calls South Africa "to action" to avoid a projected water shortage of 17% by 2030. South Africa is a semi-arid country with limited surface and ground water resources. The average rainfall is 450 mm/a, which is well below the world average of 860mm/a. Utilizable water is only 275 cubic meters per capita per year and climate change is aggravating this further. Poor infrastructure maintenance, high water losses, deteriorating water quality and a lack of investment has led to Government's Call-for-Action.

52. Understanding the above process within the Municipality is of critical importance for the development of a Water Security strategy and concomitant water services delivery plan, which the Municipality requires the successful Contractor to provide and be in a position to implement and fund as part of the operation and management of the Plants.

(i) Water Resources

53. Surface and groundwater resources are scarce and often removed from the communities and industries that need the water. Water availability is also highly variable subject to climate (rainfall and evaporation), land use changes, pollution and competing water demands up-stream and down-stream of river and aquifer abstraction points. Water must thus be collected and stored by building dams and drilling boreholes. Abstraction must be managed using operating rules to ensure that water is available during climate and demand variations.

(ii) Bulk Water Supply

54. This involves water treatment works, pump stations, bulk pipelines and in some cases also canals to bring the water from water sources to the towns. Some of this may involve bulk service providers such as water boards and irrigation boards.

(iii) Internal Water Distribution

55. Water is stored in distribution reservoirs from where it is reticulated to individual households, businesses, industries and a variety of social, commercial and industrial users. Water storage is typically limited to 48 hours and thus implies that bulk water supply interruptions and reticulation maintenance cannot exceed this period for reliable services.

(iv) Wastewater Collection

56. Sewage and wastewater is collected from households via gravity-feed sewers and sewer pump stations (if required) to outfall sewers which take the wastewater to treatment works.

(v) Wastewater Treatment and Disposal

57. After treating the wastewater to specified water quality standards, the effluent is released back into rivers considering the assimilative capacity of the receiving water body and the water quality requirements of down-stream users. Irrigated disposal, evaporation ponds and sludge disposal trenches may also be required to dispose of non-compliant effluent quality.

58. The water sector is currently experiencing several constraints which are negatively impacting on the reliability and sustainability of water services. This includes an economic recession, accumulating debt, financial mismanagement, ageing infrastructure, high water losses, drought and unhappy customers. The Municipality therefore urgently needs a "turn-around" to financially viable, reliable and sustainable water service delivery. We believe that it requires skilled strategic intervention actions in a logical process, starting with a status quo assessment (evaluating Municipal data and conducting on-site verification with mobile devices), addressing the enabling actions and functionality hot-spots before progressing to forward planning, detailed infrastructure condition assessments, Water Security interventions and new infrastructure development that will integrate with the Plants that the successful Contractor will propose to install.

59. As part of the proposal for Water Security, and in a detailed manner with supporting strategies and capabilities, the Contractor shall be required to address the following 5 required interventions:

(1) Resource

60. Maintain water security by managing existing water resources, protecting the source (ecology and land use), maintain acceptable water quality and developing new water resources when needed. Water resources can by improved through water harvesting, increased storage and reduced storage losses. This can be done at a Municipal level by reducing evaporation losses from dams using, for instance, floating panels, instituting improved dam operating rules for optimal use of existing storage capacity, and by increasing storage of dams (where possible). This can be further augmented at household and housing complex levels by installing rainwater harvesting tanks.

(2) Reduce

61. Reduce water losses by conducting leak-detection and leak-repair programs in the Municipal reticulation network and in households (e.g. leaking taps and toilets). Addressing water wastage through customer awareness and compliance to Municipal bylaws. Reduce water use by installing or subsidizing water-saving devices in households (e.g. low-flush toilets, "drop-a-bloc", low-flow showers, etc) and instituting water demand rules (e.g. no garden watering during day hours, promoting indigent water-saving plants, covering swimming pools, etc.).

(3) Re-use

62. Water demand can further be reduced by promoting re-use of water at household, housing-complex or town levels. Rainwater harvesting combined with greywater harvesting from showers and baths

can effectively be used for garden irrigation, thereby reducing the freshwater import/use of households by up to 50%. This can also be implemented at housing complexes by collecting the greywater from all houses into a central greywater tank, applying basic filtering and treatment before reusing the water for irrigation of gardens. At a town-level, this implies using stormwater stored in urban ponds and acceptable final effluent from wastewater works for irrigation of parks, sport fields, communal gardens and other recreation facilities.

(4) Recycle

63. Water can also be cleaned at advanced wastewater treatment works (e.g. desalination through reverse-osmosis) to "renewed" drinking water quality standards and recycled back to the water resource / water input of the Municipality. Similar package plants can be constructed at housing-complexes where water is extremely scarce, albeit at a higher water cost. This demands high-level technology and good management to ensure that water quality remains fully compliant to drinking water quality standards.

(5) Revenue

64. Interested Contractors should note that water services can only be sustained if funds are available to pay for the above capital investments and related operation, maintenance, upgrade and renewal needs. Revenue collection includes smart metering of water, fair tariffs, effective billing and revenue collection. The Contractor would therefore be required to exhibit a suitable suite of equipment and expertise available, along with the funds, to install and instil the above-mentioned elements as part of a focused revenue enhancement plan for the Municipality.

65. Since the proposed Plants shall be required to be designed to provide Energy Security for the Municipality, it shall therefore in addition be required from the successful Contractor to present, as part of the proposal, a comprehensive plan for concomitant Water Security based on the above principles which shall operate in conjunction with the proposed Plants. In this regard the Water Security proposal shall include the design, funding, implementation and management of the water Security systems and mechanisms.

66. The equipment, software and technology so proposed to be utilised by the Contractor for the Water Security aspects of the Plants and water systems shall be provided by suppliers who have proven national capacity to effect all aspects of the required Water Security systems and installations and the Contractor must be in a position to provide guarantees by the relevant product supplier/s, a credible International insurer / re-insurer for the full Capex of the Water Security systems and

installations aspects of the Plants and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant Water Security aspects of the Plants and water systems for the full 25 year period.

F. SPATIAL PLANNING, E-LODGEMENT, ELECTRONIC REPORTING, ASSET MANAGEMENT, CONTROL, SETTLEMENT, EFFECTIVE TAX COLLECTIONS AND INFORMATION MANAGEMENT

67. In conjunction with the Plants and water systems that the successful Contractor will be required to implement and manage, the Municipality in addition requires the proposal to include a detailed plan to support the planning and management process of the Plants and water systems, integrated with all the other relevant Municipal systems, by means of an Integrated Spatial Information & Management System, with associated land use zoning and operational dashboards to allow for effective management by the Contractor, in conjunction with the Municipality, and in addition to support good governance by the Municipality.

68. The required web-based spatial information system, which the Contractor will be required to exhibit as part of the proposal in term of design, funding and management, shall be provided by reputable national supplier/s who have a proven track record in the field, must offer compatible data linking between the separate energy generating aspects of the Plants and the storage aspects, as well as all other components of the proposed Plants and water systems, a centralized control room, external parties and stakeholders such as Eskom or other Independent Power Producers, whilst also offering a spatial interface to residential, industrial and commercial users in the District being served with water, electric power, broadband and associated services through a suitable metering system and user-friendly, web-based customer interface.

69. The proposal in this regard must address planning and management elements which may in full or in part be required for the successful project Plants and water systems implementation and post-construction operations based on functional needs and legislative requirements which may have to be refined, expanded or reduced during final scoping and inception of the project Plants and water systems.

70. The spatial planning aspects of the required systems shall include the capability to integrate the Plants and water systems into the Municipal SDF, update the developments plans of the Municipality, deal with land use zoning aspects for the Plants and water systems and include an

integrated Land Use Management and e-lodgement system. The intention is for professionally registered town planners, information system specialists and development engineers to undertake the identified tasks highlighted by the Contractor in the proposal in a cost-effective and professional manner.

71. The Contractor will be required to address the following aspects in terms of the Plants and water systems proposed for the Municipal area:
    (i) Amendment of the existing Spatial Development Framework (SDF) to accommodate the proposed land uses (and ancillary uses);
    (ii) Development of a Transportation and Infrastructure Services Plan(s) to accommodate and support the proposed developments (high impact development);
    (iii) Review and or Develop a Sustainable Human Settlements Plan to plan and accommodate new housing needs that would be created through the respective projects that could improve the overall housing situation of the Municipality.
    (iv) Carry out a detailed land use survey to obtain current land uses which must include the capturing of existing metering systems that must be is linked to the electricity and water meters and required electronic management system. This will allow for sustainable monitoring and evaluation of electricity, water and telecommunications services in the Municipality; and
    (v) To provide a suitable electronic lodgement and land use management system to the Municipality to facilitate, manage and monitor all land use applications. This requirement, termed "E-Lodgement", must be a fully integrated SPLUMA compliant platform designed to improve land use management, economic development and external investment into the Municipality. The Contractor shall be required to exhibit proof of the successful implementation of such systems in South Africa.

72. The equipment, software and technology so proposed to be utilised by the Contractor for the Spatial Planning and related aspects of the Plants and water systems must be in a position to provide guarantees by the relevant product supplier/s, a credible International insurer / re-insurer for the full Capex thereof and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant Spatial Planning and related aspects of the Plants and water systems for the full 25 year period.

G. SECURING MUNICIPAL INCOME STREAM AND REVENUE ENHANCEMENT.

73. Since it is prudent to ensure that the Municipality is best suited to cope with the envisioned benefits of the sought Plants and water systems by means of the appropriate software package/s that are focused on Revenue Enhancement and capable of allowing for the integration and management of the sought Plants and water systems, it shall be required that the Contractor utilise and integrate into its software platform for the operation of the Plants and water systems in the Municipal area, a Treasury approved supplier and software package for the enhancement of the revenues that will be implemented by the Contractor, which shall be at the discretion and cost of the Contractor.

74. In this regard the Contractor will be required to provide guarantees by the relevant product supplier, a credible International insurer / re-insurer for the full Capex of the Revenue Enhancement software aspects of the Plants and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank (in terms of full cover for, at minimum, Expropriation) for the operation and maintenance of the relevant Revenue Enhancement Software aspects of the Plants, in conjunction with the Municipality, for the full 25 year period.

H. INSURANCE AND RE-INSURANCE

75. The recent downgrade of the South African Government credit rating has adversely affected the credit rating of the Municipalities which at best can reach the rating by the State by default. The Municipality realises that this poses several challenges to the successful Contractor in the execution of the project Plants as required by this Tender.

76. The Municipality realises that the practical result of the downgrading of the Government credit rating is that the proposal by the Contractor for the design, sourcing, funding, installation and management of the Plants and water systems on a Build Own Operate and Transfer process will need to be executed by the Contractor without any guarantees from the Central Government or from the Municipality. In this regard it is clearly stated that the Contractor will be required to rely on the contractual obligations with the Municipality alone. It is, however, a requirement for the successful Contractor to provide proof of its capability to guarantee all of its obligations with regard to the Plants and water systems for a period in excess of the period of where a debt remains unpaid with regard to the equipment of the Plants and water systems.

77. The Contractor will in addition be required to supply proof of guarantees ensuring the ability to supply the equipment, the technology, the implementation process, the long term maintenance

thereof, and in general the successful execution of the proposed project Plants and water systems over the proposed project period. These financial guarantees that the Contractor will be expected to provide will need to ensure due and full performance on each level of the project to install the various Plants and water systems.

I. FUNDING

78. The Contractor must demonstrate the ability to fund the total project in terms of the Capex (Capital Expenditure) and Opex (Operating Expenditure) of the various Plants and water systems. The Contractor must in addition be in a position to demonstrate its ability to ensure business continuity for the full period of the contract/s and also to supply suitable performance guarantees toward the Municipality in order to underwrite its ability to service the long-term Power Purchase Agreements entered into with either the Municipality or other third parties. In this regard, the Contractor will also be required to demonstrate that the portion of the profit share of the enhanced Municipal income due to the project intervention in terms of the Plants and water systems installed and managed will be shared equally between the Contractor and the Municipality.

J. GENERAL

79. At minimum, the technical and timeline aspects applicable to the design, construction, establishment and maintenance of the Plants and water systems shall be managed in terms of General Conditions of Contract for Construction Works (Third Edition) 2015 (GCC), prepared by the South African Institution of Civil Engineering (SAICE) shall apply to this contract.

80. Service level and / or Power / Water Purchase Agreement/s between the Municipality and the successful Contractor will be entered into to manage the long term running of the Plants and water systems.

81. It is not envisaged that the registration of the Plants with NERSA by the Municipality will be part of this process as the Plants will be operated by the Municipality under its Constitutional right to do so, in conjunction with the Contractor, in a suitable manner. However, should it be deemed suitable or required in the circumstances, the Municipality shall provide all assistance required to the Contractor to affect such registration with Nersa or any other body or organisation.

82. The Plants and water systems design and specifications, the expected performance requirements of the Plants, quality management and minimum codes and standards of operation, shall be required to be detailed and presented by the Contractor in the proposal.

83. It is the responsibility of the Contractor to deliver a turnkey project, at its own costs, complete with all the legal required certification, to the Municipality, including all environmental and other approvals required to operate.

84. The installations to be provided by the Contractor must comply with this Tender Specification. Workmanship must be of the best available quality nationally and internationally and be carried out in accordance with the Occupational Health and Safety (Act 85 of 1993) and Environmental Conservation Act, 2003 (Act No.50 of 2003).

85. This document describes the general nature of the work and specific details are not provided so as to allow the scope to the Contractor to do so – thereby indicating its capability to effect the design, funding, implementation and management of the Plants and water systems. The responsibility lies with the Contractor to provide all equipment and materials in order to furnish a complete functional turnkey installation for all the required Plants and water systems.

86. The Contractor shall be responsible to establish the proposed Plants and water systems with the applicable statutory processes and approvals, applicable to the specific type of Plant/s and water systems, in collaboration with the Municipality.

K. OBJECTIVES

87. The main objectives for the project in implementing the Plants are as follows:

1. To achieve Energy and Water Security for the Municipality;
2. To procure alternative energy from privately operated Plants, the costs for which shall be carried by the Plant owners, which will in turn allow for the introduction of systems and installations that will promote Water Security;
3. To implement suitable Plants into the various networks as described above , as well as the water systems and installations and other concomitant components, in order to achieve the referenced Energy and Water Security for the Kannaland Local Municipality.
4. To establish grid tied renewable energy generation and storage Plants at suitable sites in the Municipal area or the District, as well as suitable water systems, chosen by the Contractor, to be owned and operated by the Contractor to the satisfaction of the Municipality, for a minimum of 25 years, providing power and access to water resources at specific cost effective tariffs to be agreed to, after which the Kannaland Local Municipality requires that the ownership of the Plants and water systems be transferred to it, with the further understanding that the Contractor shall be required to be in a position to offer further services for the operation of the Plants and

water systems after such transfer, at fees and rates to be agreed to in the final agreement/s entered into between the Contractor and the Municipality.

L. MANNER OF CONTRACT

88. It shall be required that as part of the proposal, the Contractor shall propose and suitably motivate the manner of contracting with the Kannaland Local Municipality. In this regard the following options are available, but not exclusive:
    (i) Power and/or Water Purchase Agreement/s;
    (ii) Multi-party agreement/s;
    (iii) PPP Agreement/s;
    (iv) Transversal Agreement/s

89. The specific terms and requirements of the relevant agreement/s will be negotiated with the successful Contractor.

M. CONTRACTOR BUSINESS MODEL

90. The Contractor shall be required to deliver a suitable Business Model for the operation of each Plant and water system and all the Plants and water systems together as part of the proposal for Energy and Water Security in the Municipal area.

N. CONTRACTOR CAPABILITY

91. The Contractor shall be required to deliver proof of capability and ability in terms of similar projects successfully completed for the proposed installations and business systems and procedures for the operation of each Plant and water system and all the Plants and water systems together as part of the proposal for Energy and Water Security in the Municipal area.

O. CONTRACTOR FEASIBILITY STUDY

92. The Contractor shall be required to deliver, as and when required, a suitable desktop Feasibility Study for the operation of each Plant and water system and all the Plants and water systems together as part of the proposal for Energy and Water Security in the Municipal area, which Feasibility Study must be suitable for delivery to the Treasury and various Governmental Departments to take note of, as well as to the relevant funding agencies for the concomitant approval of funding for the projects by the Contractors financiers.

P. CONTRACTOR TIMELINE FOR DELIVERY OF THE PROPOSAL AND THE PLANTS CONTAINED IN ITS PROPOSAL

93. The Municipality is aware that the scope of the Tender herby advertised is wide, but also expresses herewith the requirement for immediately available technologies and funding by tenderers due to the urgent requirement for the products and services envisaged in the light of the energy and water crises being experienced in the Country and the Municipality, as well as the state of emergency in the Country occasioned by the Covid-19 pandemic and its repercussions.

94. In order to achieve these goals, the Tender objective is to select a proposal from willing and able bidding Contractors and to suitably contract with the successful Contractor expeditiously in order to implement the project/s with alacrity.

95. No Tender briefing will be held as the contents of this Tender Document and its specifications are fully comprehensive. Interested bidders, however, are welcome to contact the Municipality's representative in order to request any clarifications that may be required.

96. Tenderers are required to respond to this Tender with their written proposal by 12h00 on **09 July** 2020 by means of two copies of the Tender document in Hard Copy and an electronic version on a suitable memory stick, to be delivered to the Tender representative at the address indicated in the Tender Advertisement.

97. Contractors who respond to this Tender are required to be in a position to proceed to deploy with due diligence activities and specific Feasibility Studies for the Plants and water systems immediately upon acceptance of their tender by the Municipality, and in addition be in a position to provide proof of the funding capability for the whole proposal delivered, the project Plants and water systems, as well as the preferred method of contracting for the project Plants and water systems, including providing suitable draft agreement/s therefore.

98. The proposal provided by the successful Contractor shall be required to include and justify, by means of suitable Project Plants and Water Systems Delivery Models, the completion of the design, funding, implementation and commissioning of the proposed project Plants and water systems within a period of at minimum 12 months from appointment of the Contractor.

Q. TENDER CONDITIONS

99. General and Special Conditions of Contract

The General Conditions of Contract (GCC) as well as Special Conditions of Contract (SCC) forming part of this set of tender documents will be applicable to this tender in addition to the conditions of tender. Where the GCC and SCC are in conflict with one another, the stipulations of the SCC will prevail.

100. Acceptance or Rejection of a Tender

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

101. Validity Period

Bids shall remain valid for 120-days after the tender closure date.

102. Registration on Accredited Supplier Database

It is expected of all prospective service providers who are not yet registered on the CSD to register without delay. The Municipality reserves the right not to award tenders to prospective suppliers who are not registered on the CSD.

103. Functionality Criteria

Tender will be evaluated according to the ability, capability and feasibility of offering.

104. Completion of Tender Documents

105. The original tender document must be completed fully in black pen ink and signed by the authorised signatory to validate the tender. All the pages must be initialled by the authorised signatory and returned. Failure to do so may result in the disqualification of the tender.

Compulsory Documentation

106. Income Tax Clearance Certificate

A valid original Income Tax Clearance Certificate and/or SARS unique PIN must accompany the bid documents unless the bidder is registered on the Accredited Supplier Database of the Municipality and the Municipality has a valid original Income Tax Clearance Certificate for the bidder on record. The onus is on the bidder to ensure that the Municipality has an original Income Tax Clearance Certificate on record and obtain written confirmation from the Supply Chain Management Unit of the Municipality. The letter of confirmation must be included in the tender documents. If the South African Revenue Services (SARS) cannot provide a valid original Income Tax Clearance Certificate, the bidder must submit a letter from SARS on an original

SARS letterhead that their tax matters are in order. Bids not supported by a valid original Income Tax Clearance Certificate, either as an attachment to the bid documents or on record in the case of suppliers registered on the Supplier Database of the Municipality, will be disqualified.

107. Construction Industry Development Board (CIDB)

When applicable, a certified copy of the bidder's registration and grading certificate with the CIDB must be included with the tender. Failure to do so will result in the disqualification of the tender.

108. Municipal Rates, Taxes and Charges

A certified copy of the bidder's municipal account for the month preceding the tender closure date must accompany the tender documents.

Any bidder which is or whose directors are in arrears with their municipal rates and taxes or municipal charges due to any Municipality or any of its entities for more than three months will be disqualified.

109. Authorised Signatory

A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorising the representative to submit this bid on the bidder's behalf must be attached to the Bid Document on submission of same. A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorised to sign it for and on behalf of the bidder.

110. Samples

Samples, if requested, are to be provided to the Municipality with the tender document.

111. Quantities of Specific Items

If tenders are called for a specific number of items, Council reserves the right to change the number of such items to be higher or lower. The successful bidder will then be given an opportunity to evaluate the new scenario and inform the Municipality if it is acceptable. If the successful bidder does not accept the new scenario, it will be offered to the second-placed bidder. The process will be continued to the Municipality's satisfaction.

112. Submission of Tender

The tender must be placed in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the tender number, title as well as closing date and time and be placed in the **tender box at the Kannaland Municipal Office at 32 Church Street, Ladismith, Western Cape, 6655, or by email to wilmie@kannaland.gov.za by no later than 12h00 on 09 July 2020.**

Faxed, e-mailed and late tenders will not be accepted. Tenders may be delivered by hand, by courier, or posted at the bidder's risk and must be received by the deadline specified above, irrespective of how they are sent or delivered.

113. Expenses Incurred in Preparation of Tender

The Municipality shall not be liable for any expenses incurred in the preparation and submission of the tender.

114. Contact with Municipality after Tender Closure Date

Bidders shall not contact the Kannaland Municipality on any matter relating to their bid from the time of the opening of the bid to the time the contract is awarded. If a bidder wishes to bring additional information to the notice of the Kannaland Municipality, it should do so in writing to the Kannaland Municipality. Any effort by the firm to influence the Kannaland Municipality in the bid evaluation, bid comparison or contract award decisions may result in the rejection of the bid.

115. Opening, Recording and Publications of Tenders Received

Tenders will be opened on the closing date immediately after the closing time specified in the tender documents. If requested by any bidder present, the names of the bidders, and if practical, the total amount of each bid and of any alternative bids will be read out aloud. Details of tenders received in time will be published on the Municipality's website as well as recorded in a register which is open to public inspection.

116. Evaluation of Tenders

Tenders will be evaluated in terms of their responsiveness to the tender specifications and requirements as well as such additional criteria as set out in this set of tender documents.

117. Procurement Policy

Bids will be awarded in accordance with the Preferential Procurement Policy Framework Act, No 5 of 2000, the Preferential Procurement Regulations, 2017 as well as the Municipality's Supply Chain Management Policy.

118. Contract

An additional Agreement which, together with the signed tender document, will constitute the full agreement between the Municipality and the successful bidder. Upon acceptance of the preferred proposal by the Kannaland Municipality, the Service Provider agrees and undertakes to be bound by the terms of the proposal submitted.

119. Language of Contract

The contract documents will be compiled in English and the English versions of all referred documents will be taken as applicable.

120. Extension of Contract

The contract with the successful bidder may be extended should additional funds become available.

121. Stamp and Other Duties

The successful bidder will be liable for all duties and costs on legal documents resulting in the establishment of a contract and for the surety and retentions.

122. Wrong Information Furnished

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may have, recover from the contractor all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

123. FORMS TO COMPLETE AND SUBMIT WITH TENDER OFFER

The bidder must contact the relevant person at the Municipality to obtain the following documents for completion and attachment to the offer:

	DOCUMENT	CONFIRMATION YES/NO	REF IN PROPOSAL
1.	COMPLETED AND SIGNED BID DOCUMENT, INCLUSIVE OF:		
2.	MBD1: BID FOR REQUIREMENTS OF KANNALAND LOCAL MUNICIPALITY		
3.	MBD4: DECLARATION OF INTEREST		
4.	MBD8: DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES		
5.	MBD9: CERTIFICATE OF INDEPENDENT BID DETERMINATION		
6.	DECLARATION OF BIDDER'S PAST EXPERIENCE		
7.	MBD2: TAX CLEARANCE CERTIFICATE REQUIREMENTS		
8.	MBD6.1: PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS OF 2017		
9.	MUNICIPAL RATES AND TAXES		
10.	AUTHORISED SIGNATORY		
11.	IDENTITY DOCUMENTS OF ALL THOSE WITH EQUITY OWNERSHIP IN THE ORGANISATION. IN THE CASE OF A COMPANY PLEASE INCLUDE ONLY THOSE ID DOCUMENTS OF THE DIRECTORS WITH EQUITY OWNERSHIP (AS PER SECTION 3.1 OF PREFERENCE POINTS CLAIM FORM)		
12.	COMPANY REGISTRATION FORMS		
13.	PROOF OF CSD (CENTRAL SUPPLIER DATABASE) REGISTRATION		
14.	BANK REGISTRATION FORM		
15.	SERVICE PROVIDER'S OWN CONDITIONS TO TENDER (IF APPLICABLE)		
16.	RECORD OF ADDENDA (IF APPLICABLE)		