



TENDER NO.: SC 1641/2015

**LEASE OF PORTION OF ERF 1 HAWSTON (±4HA IN EXTENT) FOR INTENSIVE
HORTICULTURAL PURPOSES**

PROCUREMENT DOCUMENT

NAME OF TENDERER:	
Total Bid Price (Exclusive of VAT) (refer to page 36):	

SEPTEMBER 2015

PREPARED AND ISSUED BY:

Directorate: Finance:
Supply Chain Management Unit
Overstrand Municipality
PO Box 20, Hermanus, 7200

**CONTACT FOR ENQUIRIES
REGARDING SPECIFICATIONS:**

Anja Kotzé
Manager: Property Administration
Tel. Number: **028 316 3724**

KLEINMOND Private Bag X3 Kleinmond; 7195 Tel: 028 271 8100 Fax: 028 271 4678	HERMANUS PO Box 20 Hermanus; 7200 Tel: 028 313 8000 Fax: 028 313 8048	STANFORD PO Box 84 Stanford; 7210 Tel: 028 341 0640 Fax: 028 341 0445	GANSBAAI PO Box 26 Gansbaai; 7220 Tel: 028 384 0111 Fax: 028 384 0241
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TENDER DETAILS						
TENDER NUMBER:	SC1641/2015					
TENDER TITLE:	LEASE OF PORTION OF ERF 1 HAWSTON (±4HA IN EXTENT) FOR INTENSIVE HORTICULTURAL PURPOSES					
CLOSING DATE:	2015/10/02		CLOSING TIME:	12H00		
SITE MEETING:	DATE:	N/A	TIME:	N/A	COMPULSORY:	N/A
SITE MEETING ADDRESS:	N/A					
CIDB GRADING REQUIRED:	NO	LEVEL AND CATEGORY:	N/A			
BID BOX NO:	2	SITUATED AT: Overstrand Municipal Building, Magnolia Avenue, Hermanus. The bid box is generally open 24 hours a day, 7 days a week.				
OFFER TO BE VALID FOR:	90	DAYS FROM THE CLOSING DATE OF BID.				

TENDERER DETAILS (Please indicate postal address for all correspondence relevant to this specific tender)			
NAME OF TENDERER:			
NAME OF CONTACT PERSON:			
PHYSICAL ADDRESS:		POSTAL ADDRESS:	
TELEPHONE #:		FAX NO.:	
E-MAIL ADDRESS:			

TENDER AMOUNT (EXCLUDING VAT) :	
DATE:	
SIGNATURE OF TENDERER:	
CAPACITY UNDER WHICH THIS BID IS SIGNED:	

PLEASE NOTE:

1. Tenders that are deposited in the incorrect box will not be considered.
2. Tender box deposit slot is 28cm x 2.5cm.
3. Mailed, telegraphic or faxed tenders will not be accepted.
4. If the bid is late, it will not be accepted for consideration.
5. Bids may only be submitted on the Bid Documentation provided by the Municipality.

ENQUIRIES MAY BE DIRECTED TO:

	ENQUIRIES REGARDING BID PROCEDURES	TECHNICAL ENQUIRIES
CONTACT PERSON:	BLAKE D'OLIVEIRA	ANJA KOTZÉ
TEL. #	028 313 5016	028 316 3724

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**PART A – ADMINISTRATIVE REQUIREMENTS IN
TERMS OF THE SUPPLY CHAIN MANAGEMENT POLICY**

1. CHECKLIST

PLEASE ENSURE THAT THE FOLLOWING FORMS HAVE BEEN DULY COMPLETED AND SIGNED AND THAT ALL DOCUMENTS AS REQUESTED, ARE ATTACHED TO THE TENDER DOCUMENT:

Certificate of Clarification Meeting Attendance Is the form duly completed and signed by both tenderer and agent of the Overstrand Municipality?	Yes	No	
Authority to Sign a Bid Is the form duly completed and is a certified copy of the resolution attached?	Yes	No	
Tax Clearance Certificate Is an ORIGINAL and VALID Tax Clearance Certificate attached?	Yes	No	
MBD 4 (Declaration of Interest) Is the form duly completed and signed?	Yes	No	
MBD 8 (Declaration of Past Supply Chain Practices) Is the form duly completed and signed?	Yes	No	
MBD 9 (Certificate of Independent Bid Determination) Is the form duly completed and signed?	Yes	No	
MBD 15 (Certificate of Payment of Municipal Accounts) Is the form duly completed and signed? Are the Identity numbers, residential addresses and municipal account numbers of ALL members, partners, directors, etc. provided on the form as requested?	Yes	No	
Specifications Is the form duly completed and signed?	Yes	No	
Form of Offer Is the form duly completed and signed?	Yes	No	

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

2. TENDER NOTICE & INVITATION TO TENDER**TENDER NO. SC 1641/2015****LEASE OF PORTION OF ERF 1 HAWSTON (±4HA IN EXTENT) FOR INTENSIVE HORTICULTURAL PURPOSES**

Tenders are hereby invited for the **Lease of Portion of Erf 1 Hawston (±4ha in Extent) for intensive Horticultural Purposes.**

Tender documents, in English, are obtainable from **Friday, 11 September 2015**, at the offices of the Supply Chain Management Unit, Overstrand Municipality, Magnolia Avenue, Hermanus; from Ms. Rita Neethling Tel. 028 313 8064 between 08h30 and 15h30 upon payment of a tender participation fee of **R158-00** per set. Alternatively the document may be downloaded free of charge from the website: www.overstrand.gov.za .

Sealed tenders, with: "**Tender No. SC 1641/2015: Lease of Portion of Erf 1, Hawston (±4ha in Extent) for intensive Horticultural Purposes.**" clearly endorsed on the envelope, must be deposited in **Tender Box No. 2** at the offices of the Overstrand Municipality, Magnolia Avenue, Hermanus. Bids may only be submitted on the bid documentation issued by Overstrand Municipality.

The closing date and time of the tender is on **02 October 2015 at 12h00** and tenders will be opened in public immediately thereafter in the Supply Chain Management Committee Room, Hermanus Administration.

Tenders must be valid for **90 days** after the closing date.

The Overstrand Municipality does not bind itself to accept the highest or any tender and reserves the right to accept any or none of the tenders submitted, as it may deem expedient. Tenders are subject to the Supply Chain Management Policy and the Administration of Immovable Property Policy of the Overstrand Municipality.

Please refer enquiries to **Anja Kotze** at telephone number: **028 316 3724**.



3. AUTHORITY TO SIGN A BID

1. SOLE PROPRIETOR (SINGLE OWNER BUSINESS) AND NATURAL PERSON

1.1. I, _____, the undersigned, hereby confirm that I am the sole owner of the business trading as _____.

OR

1.2. I, _____, the undersigned, hereby confirm that I am submitting this tender in my capacity as natural person.

SIGNATURE:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

2. COMPANIES AND CLOSE CORPORATIONS

2.1. If a Bidder is a **COMPANY**, a certified copy of the resolution by the board of directors, duly signed, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company **must be submitted with this bid**, that is, before the closing time and date of the bid

2.2. In the case of a **CLOSE CORPORATION (CC)** submitting a bid, a **resolution by its members**, authorizing a member or other official of the corporation to sign the documents on their behalf, **shall be included with the bid**.

PARTICULARS OF RESOLUTION BY BOARD OF DIRECTORS OF THE COMPANY/MEMBERS OF THE CC

Date Resolution was taken	
Resolution signed by (name and surname)	
Capacity	
Name and surname of delegated Authorised Signatory	
Capacity	
Specimen Signature	

Full name and surname of ALL Director(s) / Member (s)			
1.		2.	
3.		4.	
5.		6.	
7.		8.	
9.		10.	
Is a CERTIFIED COPY of the resolution attached?		YES	NO

SIGNED ON BEHALF OF COMPANY / CC:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	



3. PARTNERSHIP/TRUST

We, the undersigned partners in the business trading as _____ hereby authorize Mr/Ms _____ to sign this bid as well as any contract resulting from the bid and any other documents and correspondence in connection with this bid and /or contract for and on behalf of the abovementioned partnership.

The following particulars in respect of every partner must be furnished and signed by every partner:

Full name of partner		Signature	
SIGNED ON BEHALF OF PARTNERSHIP:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

4. CONSORTIUM

We, the undersigned consortium partners, hereby authorize _____ (Name of entity) to act as lead consortium partner and further authorize Mr./Ms. _____ To sign this offer as well as any contract resulting from this tender and any other documents and correspondence in connection with this tender and / or contract for and on behalf of the consortium.

The following particulars in respect of each consortium member must be provided and signed by each member:

Full Name of Consortium Member	Role of Consortium Member	% Participation	Signature
SIGNED ON BEHALF OF PARTNERSHIP:		DATE:	
PRINT NAME:			
WITNESS 1:		WITNESS 2:	

4. GENERAL CONDITIONS OF TENDER

1. Sealed tenders, with the “**Tender Number and Title**” clearly endorsed on the envelope, must be deposited in the **tender box indicated** at the offices of the Overstrand Municipality, Magnolia Avenue, Hermanus.
2. The tender must be lodged by the Tenderer in the tender box in the Main Cash Hall, Hermanus Municipal Offices, Magnolia Avenue, Hermanus
3. **PLEASE NOTE:**
 - 3.1. Tenders that are deposited in the incorrect box will not be considered.
 - 3.2. Tender box deposit slot is 28cm x 2.5cm.
 - 3.3. Mailed, telegraphic or faxed tenders will not be accepted.
 - 3.4. Documents may only be completed in black ink.
 - 3.5. The use of correction fluid/tape is not allowed.
 - 3.6. In the event of a mistake having been made, it shall be crossed out in ink and be accompanied by an initial at each and every alteration.
 - 3.7. Alterations or deletions not signed by the Tenderer may render the tender invalid.
 - 3.8. All bids must be submitted in writing on the official forms supplied (not to be re-typed)
 - 3.9. All prices shall be quoted in South African currency and be **EXCLUSIVE of VAT**.
4. Any Tender received after the appointed time for the closing of Tenders shall not be considered but shall be filed unopened with the other Tenders received or may be returned to the Tenderer at his request.
5. Tenders may not be telefaxed to the Municipality and therefore any tenders received by fax will **not** be considered.
6. A separate Tender box is provided for the reception of Tenders and no Tender will be considered which, subsequent to the closing hour for Tenders, may be found in another box.
7. Tenders shall be opened in public at the Hermanus Municipal Offices as soon as possible after the closing time for the receipt of tenders.
8. The Municipality shall have the right to summarily disqualify any Tenderer who, either at the date of submission of this tender or at the date of its award, is indebted to the Municipality in respect of any rental, levies, rates and/or service charges; ALTERNATIVELY;
 - 8.1. That an agreement be signed whereby the Tenderer agrees that a percentage or fixed amount at the discretion of the Municipality, be deducted from payments due to him for this tender, until the debt is paid in full.
 - 8.2. The tenderer shall declare **all** the Municipal account numbers in the Overstrand Area for which the enterprise or the proprietors or directors in their personal capacity is/ are responsible or co-responsible.
9. This bid will be evaluated and adjudicated according to the following criteria:
 - 9.1. Relevant specifications
 - 9.2. Financial means and expertise
 - 9.3. Capability to perform in terms of the contract
10. The following terms shall be interpreted as indicated:
 - 10.1. “*Closing time*” means the date and hour specified in the bidding documents for the receipt of bids.
 - 10.2. “*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.

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- 10.3. “Day” means calendar day.
- 10.4. “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.
- 10.5. “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
- 10.6. Unless otherwise indicated in the bidding documents, the Municipality shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 10.7. Invitations to bid are usually published in locally distributed news media and on the municipality’s website.

5. MBD 2 – 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 TCC 0001 form, "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
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 the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be accepted.
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" form are available from any SARS branch office nationally or on the website www.sars.gov.za
6. Applications for the Tax Clearance Certificates may also be made via e-Filing. In order to use this provision, taxpayers will need to register with SARS as e-Filers through the website www.sars.gov.za



6. MBD 4 – DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid:

3.1.	Full Name of bidder or his or her representative													
3.2.	Identity Number													
3.3.	Position occupied in the Company (director, shareholder ² etc.)													
3.4.	Company Registration Number													
3.5.	Tax Reference Number													
3.6.	VAT Registration Number													
3.7.	Are you presently in the service of the state?	YES		NO										
3.7.1.	If so, furnish particulars:													
3.8.	Have you been in the service of the state for the past twelve months?	YES		NO										
3.8.1.	If so, furnish particulars:													

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

1. a member of –
 - i. any municipal council;
 - ii. any provincial legislature; or
 - iii. the National Assembly or the National Council of Provinces;
2. a member of the board of directors of any municipal entity;
3. an official of any municipality or municipal entity;
4. an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
5. a member of the accounting authority of any national or provincial public entity; or
6. an employee of Parliament or a provincial legislature.

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



3.9.	Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?	YES		NO	
3.9.1.	If so, furnish particulars:				
3.10.	Are you aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?	YES		NO	
3.10.1.	If so, furnish particulars:				
3.11.	Are any of the company's directors, managers, principal shareholders or stakeholders in the service of the state?	YES		NO	
3.11.1.	If so, furnish particulars:				
3.12.	Is any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in the service of the state?	YES		NO	
3.12.1.	If so, furnish particulars:				
3.13.	Do you or any of the directors, trustees, managers, principal shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract?	YES		NO	
3.13.1.	If so, furnish particulars:				



3.14. Please provide the following information on ALL directors/shareholders/trustees/members below:			
Full Name and Surname	Identity Number	Personal Income Tax Number	Provide State ³ Employee Number

NB:
a) PLEASE ATTACH CERTIFIED COPY(IES) OF ID DOCUMENT(S)
b) PLEASE PROVIDE PERSONAL INCOME TAX NUMBERS FOR ALL DIRECTORS / SHAREHOLDERS / TRUSTEES / MEMBERS, ETC.

4. DECLARATION

I, the undersigned (name) _____, certify that the information furnished in paragraph 3 above is correct.

I accept that the state may act against me should this declaration prove to be false.

SIGNATURE		DATE	
NAME OF SIGNATORY			
POSITION			
NAME OF COMPANY			

³ MSCM Regulations: "in the service of the state" means to be –

1. a member of –
 2. any municipal council;
 3. any provincial legislature; or
 4. the National Assembly or the National Council of Provinces;
5. a member of the board of directors of any municipal entity;
6. an official of any municipality or municipal entity;
7. an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
8. a member of the accounting authority of any national or provincial public entity; or
9. an employee of Parliament or a provincial legislature.



7. MBD 8 – DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Municipal Bidding Document must form part of all bids invited.
2. It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
3. The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - 3.1. abused the municipality’s / municipal entity’s supply chain management system or committed any improper conduct in relation to such system;
 - 3.2. been convicted for fraud or corruption during the past five years;
 - 3.3. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - 3.4. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
4. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

4.1	Is the bidder or any of its directors listed on the National Treasury’s database as a company or person prohibited from doing business with the public sector? <i>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the audi alteram partem rule was applied).</i>	Yes	No
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <i>(To access this Register enter the National Treasury’s website, www.treasury.gov.za, click on the icon “Register for Tender Defaulters” or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).</i>	Yes	No
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes	No
4.3.1	If so, furnish particulars:		



4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes	No
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes	No
4.5.1	If so, furnish particulars:		

5. CERTIFICATION

I, the undersigned (full name), _____, certify that the information furnished on this declaration form true and correct.

I accept that, in addition to cancellation of a contract, action may be taken against me should this declaration prove to be false.

SIGNATURE:		NAME (PRINT):	
CAPACITY:		DATE:	
NAME OF FIRM:			



8. MBD 9 – CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids invited.
2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).⁴ Collusive bidding is a *per se* prohibition meaning that it cannot be justified under any grounds.
3. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - 3.1. take all reasonable steps to prevent such abuse;
 - 3.2. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - 3.3. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

CERTIFICATE OF INDEPENDENT BID DETERMINATION:

In response to the invitation for the bid made by:

OVERSTRAND MUNICIPALITY

I, the undersigned, in submitting the accompanying bid, hereby make the following statements that I certify to be true and complete in every respect:

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:
 - 5.1. has been requested to submit a bid in response to this bid invitation;

⁴ 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.



- 5.2. could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
- 5.3. 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 consortium⁵ 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:
 - 7.1. prices;
 - 7.2. geographical area where product or service will be rendered (market allocation)
 - 7.3. methods, factors or formulas used to calculate prices;
 - 7.4. the intention or decision to submit or not to submit, a bid;
 - 7.5. the submission of a bid which does not meet the specifications and conditions of the bid; or
 - 7.6. 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		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

⁵ 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.



9. MBD 15 – CERTIFICATE FOR PAYMENT OF MUNICIPAL SERVICES

DECLARATION IN TERMS OF CLAUSE 112(1) OF THE MUNICIPAL FINANCE MANAGEMENT ACT (NO.56 OF 2003) - (To be signed in the presence of a Commissioner of Oaths)

I, _____, _____ (full name and ID no.), hereby acknowledge that according to SCM Regulation 38(1)(d)(i), the Municipality may reject the tender of the tenderer if any municipal rates and taxes or municipal service charges owed by the Tenderer or any of its directors/members/partners to the Overstrand Municipality, or to any other municipality or municipal entity, are in arrears for more than 3 (three) months.

I declare that I am duly authorised to act on behalf of _____ (name of the firm) and hereby declare, that to the best of my personal knowledge, neither the firm nor any director/member/partner of said firm is in arrears on any of its municipal accounts with any municipality in the Republic of South Africa, for a period longer than 3 (three) months.

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

PHYSICAL BUSINESS ADDRESS(ES) OF THE TENDERER	MUNICIPAL ACCOUNT NUMBER

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

Director / Shareholder / partner	Physical address of the Business	Municipal Account number(s)	Physical residential address of the Director / shareholder / partner	Municipal Account number(s)

NB: Please attach certified copy(ies) of ID document(s)
 If the entity or any of its Directors/Shareholders/Partners, etc. rents/leases premises, a copy of the rental/lease agreement must be submitted with this tender.

Signature	Position	Date

<p style="text-align: center;">COMMISSIONER OF OATHS</p> <p>Signed and sworn to before me at _____, on this _____ day of _____ 20__</p> <p>by the Deponent, who has acknowledged that he/she knows and understands the contents of this Affidavit, it is true and correct to the best of his/her knowledge and that he/she has no objection to taking the prescribed oath, and that the prescribed oath will be binding on his/her conscience.</p> <p>COMMISSIONER OF OATHS:-</p> <p>Position: _____</p> <p>Address: _____</p> <p>Tel: _____</p>	<p style="text-align: center;">Apply official stamp of authority on this page:</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------



PART B – SPECIFICATIONS AND FORM OF OFFER

10. SPECIFICATIONS

SCOPE OF TENDER

1. INTRODUCTION

- 1.1. The Overstrand Municipality has decided to call for tenders for the lease of a portion of Erf 1 Hawston (± 4 hectares) for intensive horticultural purposes for a period of 9 (NINE) years and 11 (ELEVEN) months. The proposal for the lease of the property is in line with government policy to maximise under utilised public property.
- 1.2. The document is self-explanatory and interested parties are encouraged to read through it carefully, so as to familiarise themselves with both the overall intent of Council, as well as with the procedures for the award.
- 1.3. The tender is subject to the conditions as set out in the tender documents and to the most recent Supply Chain Management Policy and the Administration of Immovable Property Policy of the Overstrand Municipality, as amended, approved and adopted by Council.

2. THE TENDER PROCESS

The process to be followed in this proposal shall be as follow:

- 2.1. The submission of a tender price as well as information regarding the source of funds and the financial offer made must be clearly set out in the bidder's submission as per the requirements set out in **Paragraph 7 – Submission Requirements and Evaluation**, of this document.
- 2.2. The submissions will be evaluated and adjudicated by a duly constituted evaluation and adjudication committee.
- 2.3. Overstrand Municipality does not bind itself to accept the highest or any tender and reserves the right to accept any or none of the tenders submitted, as it may deem expedient. Furthermore the Municipality reserves the right to award to any bidder of the Municipality's choice to ensure a fair and equitable distribution of the Municipality's property.
- 2.4. The Municipality may wish to interview prospective organisations or individuals prior to awarding the tender to any bidder.
- 2.5. The decision of the Municipality will be final.
- 2.6. A Lease Agreement similar to the one attached per Annexure **B** to the tender documentation will be entered into with the successful bidder as soon as possible after the tender has been awarded. Should the successful bidder fail or neglect to conclude the Lease Agreement with the Municipality within the time period specified by the Municipality in writing, the terms and conditions of this tender and the policies referred to and this agreement shall be binding on both parties and enforceable by them.
- 2.7. A lease deposit is payable on date of signature of the lease agreement.
- 2.8. The lease of the property to the successful bidder will proceed after the tender has been awarded and the approval of the Executive Mayor is obtained.

3. THE ROLE OF THE PROPERTY WITHIN THE NATURE OF ITS LOCALITY

- 3.1. The property is located directly south of the existing Hawston Sewerage Works and north of the Hawston Secondary School and next to Church Street (See the Locality Map attached per Annexure **A**). The subject property is overgrown with alien vegetation.

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- 3.2. The site may only be used for intensive horticultural purposes and are restricted to the cultivation of crops.

The term “intensive horticulture” means the cultivation of plants and indigenous flora on an intensive scale, where plants are cultivated under a roof or on open land, or in greenhouses, and includes the sale of self-produced plants from the land.

4. PROPERTY DESCRIPTION AND ZONING RIGHTS

- 4.1. Erf no. and size of portion: Portion of Erf 1 Hawston, ±4 hectares in extent.
- 4.2. Zoning status: The current zoning of the property is **Authority Zone** with an approved consent use on the subject ±4 hectares for intensive horticultural purposes.
- 4.3. The surrounding land uses vary and include Institutional, Municipal and Residential Zone.

5. DEVELOPMENT PARAMETERS

- 5.1. Utilisation of the property
The property may only be used for intensive horticultural purposes.
- 5.2. Accesses and Road provision
Access to and egress from the property must be indicated on a site development plan for approval by the Senior Manager: Engineering Department, Overstrand Municipality.
- 5.3. Height Restrictions
The height of any buildings or structures must be in compliance with the relevant Scheme regulations as promulgated.
- 5.4. Not allowed
Any use other than the existing land use rights (including the consent use) will not be allowed.
- 5.5. Allowed Uses
The property may only be used as indicated in paragraph 3.2 above.
- 5.6. Parking
Parking must be in accordance with the requirements of the applicable zoning scheme regulations, as promulgated. No on-street parking will be allowed.
- 5.7. Coverage
The coverage must be in accordance with the requirements of the applicable zoning scheme regulations, as promulgated. A site development plan must be submitted showing all new proposed buildings (i.e. ablution facilities) or structures with at least a 2m building line being applied to surrounding properties and a 4m building line to the street.

6. INFRASTRUCTURE

- 6.1. The only existing electricity connection will be made available for the development. Should additional capacity be required, an investigation must be conducted with regard to the capacity required and available at the successful bidder's cost.
- 6.2. The only existing water and sewerage connections will be made available for the development. Should larger capacity in any of these services be required, the upgrading thereof will be for the successful bidder's account.

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- 6.3. Effluent water will be made available from the sewerage works for irrigation purposes. The successful bidder will be responsible for the costs involved for necessary link of this service to the property and subsequent levies applicable. The Municipality can however not guarantee that the quality and quantity of effluent water will at all times be available and cannot be held liable for any loss due to the interruption of this service.
- 6.4. The successful bidder will be responsible for payment at the normal rates, taxes and tariffs for any municipal services provided to the property.
- 6.5. The successful bidder shall be responsible for all costs relating to the connections for water, sewerage and electricity supply to the property and any other services, if needed.

7. SUBMISSION REQUIREMENTS AND EVALUATION

- 7.1. Submissions are invited from all parties with the **financial means** and **experience** to submit a proposal for the lease of the property.
- 7.2. **The bidders are required to submit a tender deposit of two thousand rand (R2,000.00) on submission of the tender.** This amount must be in the form of a bank guaranteed payment (only guarantee by a registered financial institution) or cheque in favour of the Overstrand Municipality and valid for 90 days from the date of the closure of the tender or by means of a direct payment. Failure to comply with this requirement will lead to the disqualification of the bidder. This guarantee/cheque will be returned to the unsuccessful bidders after the awarding process has been completed. The tender deposit will be forfeited by a bidder should he cancel/withdraw his tender at any time after the closing date of the tender.
- 7.3. Tender offers will only be accepted if the bidder submits proof of payment of the tender deposit.
- 7.4. Interested bidders are requested to submit financial statements or any other suitable proof in support of financial stability. i.e. letter of good standing from the bank, bank statements, to carry out a project of this scale.

8. LEASE "VOETSTOOTS" AND SUBJECT TO CONDITIONS:

The property is leased as it stands, "voetstoots", and the Municipality shall not be responsible for any defects in the property either patent or latent. The property is moreover leased subject to all conditions and servitudes mentioned or referred to in the current and/or prior title deeds of the property and to all such other conditions and servitudes which may exist in regard thereto. The Municipality shall not be required to point out the boundary beacons of the property and shall not be liable for any deficiency in the extent of the property which may be revealed on any survey or re-survey, and shall not benefit by any excess.

9. SPECIFIC CONDITIONS

- 9.1 The successful bidder must submit a site development plan showing all the new proposed buildings or structures with at least a 2m building line being applied to surrounding properties and a 4m building line to the street before any work can commence.
- 9.2 The successful bidder could be expected to submit building plans to the Building Department for any horticultural tunnels, and the provision of ablution facilities after signature of the lease agreement but before any works is commenced with.
- 9.3 The Municipality reserves the right to rescind the approval for the consent use of the subject property for intensive horticultural purposes without payment of compensation should any justified objection be received to the manner in which the intensive horticulture is conducted or should the operation of the intensive horticulture be found to be detrimental to the peacefulness and amenity of the surrounding area.

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9.4 The successful bidder will be obliged, at its own costs, to enclose and keep enclosed the whole of the subject with suitable fences to the approval of the Municipality.

10. GENERAL CONSIDERATIONS

In order to support the bidder's bid, it is recommended that the bidder submit a business plan indicating the following:

- (a) The type of horticultural farming (project) envisaged on the property.
- (b) The purpose of the project (i.e. own purpose, community purpose, business, etc).
- (c) Financial model for the project and subsequent costs.
- (d) The financial backing/resources to be utilised by the bidder for the project.
- (e) Development program of the project;
- (f) Experience in similar projects (i.e. curriculum vitae, etc).

11. ACCEPTANCE

The tender shall remain irrevocably open for acceptance by the Municipality for a period of 90 days calculated from the date of the closing of tenders.

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ANNEXURE A – LOCALITY MAP



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ANNEXURE B - DRAFT LEASE AGREEMENT

LEASE AGREEMENT

PORTION OF ERF 1 HAWSTON (± 4 HECTARE IN EXTENT)

entered into between

OVERSTRAND MUNICIPALITY

herein represented by _____
 in his capacity as _____

(hereinafter called the **LESSOR**)

and

OF XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

(hereinafter called the **LESSEE**)

WHEREAS the LESSOR called for tenders for the leasing of Municipal Property, being a portion Erf 1 Hawston (±4 hectares in extent) (hereinafter referred to as "the land") as shown on the locality plan attached hereto marked Annexure "A" for the purpose of intensive horticultural purposes.

AND WHEREAS the Bid Adjudication Committee resolved on xxxxxxxx that the tender be awarded to the **LESSEE**.

NOW THEREFORE THE PARTIES AGREE that the LESSOR, pursuant to the authority conferred upon it by the Administration of Immovable Property Policy of the Overstrand Municipality, as amended from time to time, hereby agrees to lease to the LESSEE and the LESSEE hereby agrees to hire from the LESSOR the land, subject to the following terms and conditions:

1. LEASE PERIOD

- 1.1. Notwithstanding the date of signature hereof, this lease shall endure for a period of 9 (NINE) years and 11 (ELEVEN) months which commences on xxxxxxx 2015 and expires on xxxxxxxxxxxx.
- 1.2. After the expiry period referred to in clause 1.1 above the LESSEE shall have no legitimate expectation that a further lease period may be agreed to by the LESSOR.

2. RENTAL

- 2.1. The LESSEE shall pay to the LESSOR rental in the amount of Rxxxxxxxxx (xxxxxxxxxxxxxxxxxxxx) per month (VAT excluded), in respect of the land, such rental to escalate every year on the 1st of July by xxxxxxxxxxxxxxxxxxxx payable monthly in advance at the municipal cashiers, Overstrand Municipality, Hermanus.
- 2.2. The LESSEE shall complete a service agreement form at the Overstrand Municipal Office for the creation of a Municipal Account (for the levying of the lease amount, rates and taxes, municipal services and other costs in terms of this agreement) in the name of the LESSEE as described in this agreement and provide the Property Administration Department with such account number within 3 (THREE) business days from signing of this agreement.

3. DEPOSIT

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- 3.1. On signature of this lease, the LESSEE shall pay the LESSOR a deposit in the amount of Rxxxxxxx (xxxxxxxxxxxx), which is an amount equal to xxxxxx month of the rental without the VAT component.
- 3.2. The LESSOR may apply the above amount, in whole or part, in meeting any payment due by the LESSEE to the LESSOR at any time during the lease period or after the termination of the lease.
- 3.3. Whenever during the lease period the deposit is so applied in whole or part, the LESSEE shall on demand reinstate the deposit to its original amount.
- 3.4. The deposit payable in terms of clause 3.1 above shall annually escalate at the rate equal to which the monthly rent is escalated in terms of clause 2.1 above. Such increase in the deposit shall be payable by the LESSEE to the LESSOR on demand.
- 3.5. As soon as all the obligations of the LESSEE to the LESSOR have been discharged following the termination of this lease, the LESSOR shall refund to the LESSEE, free of interest, so much of the deposit as has not been applied in terms of the above provisions.

4. SUBJECTION OF LEASE

- 4.1. This lease shall be subject in all respects to the provisions of the Administration of Immovable Property Policy of the Overstrand Municipality, as amended from time to time, with regard to the Management and Administration of Immovable Property adopted by the Council of the Municipality.
- 4.2. This lease shall be subject to all servitudes and conditions, if any, binding on the Council in respect of the land hereby leased.

5. UTILISATION

- 5.1. The said land, together with the existing buildings and other structures thereon as well as such buildings and other structures as may be erected in accordance with the provisions of this agreement, shall be used exclusively for the purpose of intensive horticulture.
- 5.2. Access to the land by the LESSEE or persons using the same with its authority shall be had by means only of such roads or approaches or at such other points as may be agreed in writing between the LESSOR and the LESSEE and in accordance with the approved site development plan.

6 DUTIES OF THE LESSEE

- 6.1. The LESSEE shall not erect or cause or permit to be erected any buildings and/or structures on the land without the prior written consent of the LESSOR given under the hand of the Municipal Manager, nor shall the LESSEE effect any improvements or additions to any building and/or structures presently erected or to be erected on the land in terms of this lease, nor make any substantial variations or alterations on the land without the prior written consent of the LESSOR given under the hand of the Municipal Manager and after the mentioned approval, until such time as the plans therefore has been approved by the Manager: Building Control of the Overstrand Municipality.
- 6.2. The LESSEE shall not at any time, or under any circumstances, have any claim against the LESSOR for improvements effected to the leased land or the building.
- 6.3. The LESSEE shall not assign its rights under this agreement or sublet in whole or in part, except with the prior written consent of the LESSOR, given under the hand of the delegated authority of the LESSOR.
- 6.4. The LESSEE shall be responsible at all times for the maintenance of good order, behaviour and government on the land and within any buildings and/or structures thereon and shall not allow the same to be frequented by persons of ill repute or bad character.
- 6.5. The LESSEE shall allow any person to reside overnight on the land.

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- 6.6 The LESSEE undertakes for the currency of this lease to pay to the LESSOR the monthly insurance premium in respect of the buildings and/or structures presently erected or to be erected in accordance with this agreement on the land which they are utilising. The buildings and/or structures will be insured against damage or loss by the LESSOR in terms of this lease.
- 6.7 The LESSEE shall during the currency of this lease be responsible for all insurance against loss by theft, loss or damage of movable goods within the land by, rain, wind, hail, lightning, fire, riots, strikes, activities of states enemies or any cause and also against loss of income.
- 6.8 The LESSEE shall, during the term of this lease agreement, insure against public liability in respect of any incident arising out of the exercise of any of its rights under this lease or in respect of its use on the land authorised by this agreement. The LESSEE shall indemnify the LESSOR against any claim arising from any such event, except to the extent that such claim has arisen as a result of the LESSOR'S wilful default.
- 6.9 The LESSEE in his use of the land, shall
 - 6.9.1 conform with all laws and statutory, municipal and other by-laws and regulations relating to lessees or occupiers of the land;
 - 6.9.2 not knowingly nor negligently cause nor allow to be caused any blockage or failure in any sewerage pipes, water pipes, drains and other supply equipment and installations serving the land, and
 - 6.9.3 not do, nor permit to be done, any act, matter or thing which may render the LESSOR'S insurance of the land and/or the property against risk of loss or damage attributable to any of the causes insured against from time to time, either void or voidable, or which may increase the rate of premiums payable by the LESSOR in respect of the land with regard to such insurance.
- 6.10 The LESSEE and/or his employees and/or tenants shall not do anything in or on the land or permit or cause anything to be done which, in the opinion of the LESSOR, constitutes a nuisance or may cause inconvenience in any way whatsoever, to or in any way affect the peace and comfort of other persons.
- 10.1 The LESSEE must, at its own costs, enclose and keep enclosed the whole of the land with suitable fences to the approval of the LESSOR.

7. MAINTENANCE

- 7.1 No trees growing on the land shall be cut down or interfered with without the prior written consent of the LESSOR, given under the hand of the Municipal Manager.
- 7.2 The LESSEE shall not remove or cause or permit to be removed from the land any soil, clay, gravel, sand or other matter upon or below the surface of the land without the prior written consent of the LESSOR, given under the hand of the Municipal Manager.
- 7.3 The LESSEE shall ensure that the land are kept and maintained at all times in a clean and tidy condition and free from all rubbish, litter or other accumulation of dirt to the satisfaction of the LESSOR.
- 7.4 The LESSEE shall at all times keep and maintain the inside and outside of the land, as well as any buildings and/or structures to be erected on the land, in good and effective order and condition, and without limiting the LESSEE'S obligations thereto, all locks, keys, inside water pipes, window panes and water and electrical fixtures, fittings and appliances and hot water cylinders, in good and substantial repair and upon termination of the tenancy shall deliver the same in such good and substantial repair. The LESSEE shall during the tenancy, at his own cost and expense, provide its own electric bulbs and fluorescent tubes for use in the leased land.

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- 7.5 Without restricting the generality of the provisions under this clause, the LESSEE undertakes to exercise all reasonably possible care in respect of carpeting/wooden floors (laminated or ordinary) and/or tiling in the land (if any) and agrees to be responsible for all cost incurred in remedying any stains, burns or other forms of damage caused thereto during the lease including the cost of replacing any such portion thereof as may be necessitated by any such stains, burns or other forms of damage.
- 7.6 Should any structure, garden, fence, etc or portion thereof on the land be damaged due to any act or negligence of the LESSEE or person who acquired occupancy through him/ her, he shall be held liable for the payment of the total cost of any such repair work.
- 7.7 Any damage caused to the land as a result of any dismantling or removal of equipment or as a result of the LESSEE'S failure to maintain the land in such good order and condition, shall be made good by the LESSEE at the LESSEE'S own cost and expenses within 30 (THIRTY) days after written notice have been sent to the LESSEE.
- 7.8 The LESSOR may at all convenient times through its officers and servants enter upon the land or any buildings or structures erected thereon and inspect the same, and may make an inventory of all defects or matters calling for repair found thereon or therein for which the LESSEE is responsible as herein provided and within 10 (TEN) business days of the receipt of a notice in writing from the Municipal Manager calling upon it so to do, the LESSEE shall make good any defects or matters requiring repair as aforesaid and if the LESSEE shall fail to do so the LESSOR may enter upon the land, buildings and structures aforesaid and remedy such defects or make and effect the repairs aforesaid and recover the cost from the LESSEE.
- 7.9 The LESSOR reserves the right of free access, without notice, to the land hereby leased for as many of its officers and servants as may be necessary for the purpose of inspection, maintenance, renewal, cleansing, repairs and reconstruction of, or in connection with, existing foul sewers, rising mains, storm water drains, water mains, electric cables, or any works appurtenant thereto, or in regard to any such or other municipal services which the LESSOR may in future lay in or across the land, the LESSOR reserving to itself the right to establish such services without notice. The LESSEE shall not build over, alter, or in any manner disturb such services except under the express permission in writing of the Director of Infrastructure and Planning or his authorised representative in respect of the service concerned, and upon due compliance with any specified precautionary measures.
- 7.10 Should work involving maintenance, clearing, construction, reconstruction or repairs become necessary at any time the LESSOR shall, in performing such work cause as little inconvenience as possible to the LESSEE, regard being had to the nature of the work performed, and the LESSOR shall reinstate as nearly as reasonably possible in its original condition the surface of any ground disturbed, provided that the LESSOR shall not be liable for any damage whatsoever which may be sustained by the LESSEE or any other person or body of persons as a result of the performance by the LESSOR of the work aforesaid.
- 7.11 The LESSEE may not and will not allow for any changes to be made to the electrical installation of the land without the prior written consent of the LESSOR, given under the hand of the Municipal Manager. In the event of the LESSOR giving his consent, any changes must still be effected strictly in accordance with the regulations of the local authorities, as well as the suppliers of electricity.
- 7.12 The LESSEE shall comply in all aspects to the requirements of the LESSOR as may be conveyed to him/it from time to time with reference to any relevant sub-lease of a stall on the land.

8. RISK OF CONTENTS

- 8.1 All goods, property and effects of whatsoever nature owned by the LESSEE or any other person which at any time might be in/on/at the said land shall be there at the sole risk of the LESSEE and the LESSOR shall not be liable to make good any loss or damage to such goods from any cause whatsoever.

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9. SETTLEMENT OF DISPUTES

- 9.1 If any dispute or difference of any kind whatsoever arises between the LESSOR and the LESSEE in connection with or arising out of this agreement, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 9.2 If, after 30 (THIRTY) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the LESSOR or the LESSEE 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.
- 9.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 9.4 Notwithstanding any reference to mediation and/or court proceedings herein,
 - 9.4.1 the parties shall continue to perform their respective obligations under the agreement unless they otherwise agree; and
 - 9.4.2 the LESSEE shall pay the LESSOR any monies due according to the prescripts of this agreement.

10. BREACH

- 10.1 The LESSEE hereby covenants with the LESSOR that the LESSEE will pay the rent as herein before-mentioned and agrees also faithfully to observe and fulfil each and all the conditions of this lease.
- 10.2 In the event of:
 - 10.2.1 the rental not being paid within 30 (THIRTY) days from the date when the same becomes due and payable; or
 - 10.2.2 the said land, fence, buildings, and structures aforesaid not being kept and maintained in an efficient state of repair and in good structural condition; or
 - 10.2.3 any or all of the conditions of this lease not being duly observed and fulfilled in accordance with the true intent and meaning thereof, and after the LESSEE has been given 30 (THIRTY) days notice by registered mail, e-mail or fax or by hand,

the LESSOR shall be entitled to cancel and terminate this lease and to re-enter upon and resume possession of the land, fence, buildings and structures aforesaid and any other improvements effected thereto or thereon without prejudice to the right of recovery of any rent due, and to recover from the LESSEE such amount in respect of loss or damage as the LESSOR may have sustained or expenses which may be entailed upon the LESSOR by reason of the failure of the LESSEE to observe and fulfil the conditions of this lease. In such event the LESSEE shall not have the right to remove any building and/or structures which may have been erected from its own funds on the land in terms of the lease.
- 10.3 In the event of this agreement for any reason being cancelled, the LESSEE shall immediately vacate the land if it is in occupation and the LESSOR shall not be liable for any compensation for any improvements made to the land by the LESSEE or by any other person.
- 10.4 The LESSEE undertakes to pay all attorney- and own client costs plus VAT, collection commission and tracing costs plus VAT which the LESSOR may incur in collecting any amount owing in terms of this agreement by the LESSEE and which is not paid on the due date thereof, including interest on such amount at the maximum rate allowed from the date such amount becomes due, until receipt of final payment.
- 10.5 Where the LESSOR selects to cancel the agreement in terms of paragraph 10.2 above, the LESSOR may decide to impose a restriction penalty on the LESSEE by prohibiting such LESSEE from doing business with the public sector for a period not exceeding 10 (TEN) years.

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- 10.6 If a LESSOR intends imposing a restriction on a LESSEE or any person associated with the LESSEE, the LESSEE will be allowed a time period of not more than 14 (FOURTEEN) days to provide reasons why envisaged restriction should not be imposed. Should the LESSEE fail to respond within the stipulated 14 (FOURTEEN) days the LESSOR may regard the LESSEE as having no objection and proceed with the restriction.
- 10.7 Any restriction imposed on any person by the LESSOR will, at the discretion of the LESSOR, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the purchase actively associated.
- 10.8 If a restriction is imposed, the LESSOR must, within 5 (FIVE) working days of such imposition, furnish the National Treasury, with the following information:
 - 10.8.1 the name and address of the LESSEE and / or person restricted by the LESSOR;
 - 10.8.2 the date of commencement of the restriction
 - 10.8.3 the period of restriction; and
 - 10.8.4 the reasons for the restriction.

These details will be loaded in National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 10.9 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than 5 (FIVE) years and not more than 10 (TEN) years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.
- 10.10 The LESSEE agrees to the jurisdiction of the Magistrate's Court for the recovery of any amount due in terms hereof or any other matter/dispute which might arise from this agreement. This provision shall however not be construed so as to oust the jurisdiction of the High Court and the LESSOR shall at all times be entitled to approach any Court of competent jurisdiction.

11. TERMINATION AND CANCELLATION

- 11.1 In the event of the following occurring:
 - 11.1.1 The LESSEE dissolving or ceasing to exist;
 - 11.1.2 The LESSEE not use the land as described above at any time within the period of this lease;
 - 11.1.3 The LESSEE or where the LESSEE is a partnership, in the case of any of the partners:
 - (a) being sequestered, whether provisionally or finally or where any application is made to Court in such respect, or
 - (b) making an application for the surrender of his estate, or
 - (c) entering into or purporting to enter into any composition or arrangement of whatsoever nature for the benefit of one or more of his/its creditors, or
 - (d) not satisfying any judgment against him/them within 10 (TEN) days of the date of such judgement being granted or failing to make an Appeal or Review proceedings against the judgment within the 10 (TEN) day period aforesaid;
- OR

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11.1.4 The LESSEE being an company or close corporation is:

- (a) being liquidated, whether provisionally or finally, or where any application is made to Court in such respect, or
- (b) being wound-up;
- (c) entering into or purporting to enter into any composition or arrangement of whatsoever nature for the benefit of one or more of his/its creditors,
- (d) not satisfying any judgment against him/them within 10 (TEN) days of the date of such judgement being granted or failing to make an Appeal or Review proceedings against the judgment within the 10 (TEN) day period aforesaid;

then in any or more of such events, the LESSOR shall be entitled to terminate this lease immediately, without payment of any compensation whatsoever to the LESSEE and without prejudice to any of the LESSOR's other rights against the LESSEE including the right to claim damages from the LESSEE. In this event or at the expiration of this lease, the land shall revert to and vest in the LESSOR. The LESSEE shall be permitted to remove any structures, non-permanent in nature, which may have been erected by it from its own funds on the land in terms of this lease within a period of 48 (FOURTY EIGHT) hours of such termination or expiration on condition that any damage to the land in the removal thereof will be compensated by the LESSEE. Any structures not so removed shall vest in the LESSOR free of compensation. The LESSEE shall also be permitted to remove any material, furniture or equipment belonging to him/her/it from the land within 48 (FOURTY EIGHT) hours of such termination or expiration of this lease. Any material, furniture or equipment not so removed shall vest in the LESSOR free of compensation.

11.2 The LESSEE shall at the expiration of this lease restore and deliver up to the LESSOR the said land in a condition satisfactory to the LESSOR. The LESSEE shall compensate the LESSOR for any damages caused to the land for whatever reason.

11.3 Notwithstanding anything in this agreement contained, whether in the instance of the Council needing the land leased or any portion thereof for own use, the LESSOR may resume possession of the whole or any portion of the land at any time on giving 3 (THREE) months written notice to that effect and may cancel or amend the lease accordingly.

12. GENERAL

12.1 The LESSEE undertakes that it will be responsible for payment at the normal rates, taxes and tariffs for any municipal services provided to the land hereby leased, whether at the request of the LESSEE or not.

12.2 The LESSEE shall at all times well and sufficiently indemnify the LESSOR and keep the LESSOR indemnified against all liability howsoever caused or arising that may be the direct or indirect result of the use of the land in question, and against all actions, suits, proceedings, claims, demands, costs and expenses whatsoever which may be taken or made against the LESSOR or incurred or become payable by the LESSOR at the suit of any person.

12.3 Neither the LESSEE nor any other person shall acquire or hold any licence for the sale of intoxicating liquor upon the land or in or from any buildings or structures thereon without the prior written consent of the LESSOR, given under the hand of the Municipal Manager.

12.4 No agreement at variance with the terms and conditions of this agreement shall be binding on the parties unless contained in writing by the parties hereto and any indulgence which the LESSOR in accepting any payments after due date on in accepting a lesser sum than the amount due, shall not in any way prejudice his rights or be construed as a waiver of same by the LESSOR.

12.5 The parties hereto acknowledge that this agreement constitutes the entire contract between them and that no other conditions, stipulations, warranties or representations whatsoever have been made by or on behalf of either party other than such as are included herein.

12.6 The LESSEE will not carry on such business in a manner which creates a nuisance, is a threat or danger to the public health and safety, or damages or defaces any Municipal property.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			



- 12.7 The grant of the lease hereby constituted, shall under no circumstances be deemed to confer any real right or servitude of any kind in favour of the LESSEE. Upon a demand made by the LESSOR, in terms of this lease, for quiet possession of the land, the LESSEE shall be bound to give such possession without any right to compensation, whether for useful, necessary expenses or other improvements.
- 12.8 It shall at no time be considered that the LESSEE has by virtue of this Agreement of Lease acquired any right or lawful claim to a grant of the land.

13. DOMICILIUM CITANDI ET EXECUTANDI

- 13.1 The LESSEE and the LESSOR hereby appoints and choose their respective addresses as set out in Schedule 1 of this agreement for all purposes of and connected with this lease to be their domicilium citandi et executandi, at which addresses all notices and legal process in relation to this agreement or any action arising therefrom may be delivered and/ or served.
- 13.2 Either party shall be entitled from time to time, by written notice to the other, to change its address as set out in Schedule 1 of this agreement; the LESSEE specifically to the LESSOR via its Property Administration Department, to vary its domicilium address to any other address within the Republic of South Africa, which is not a post office box.
- 13.3 All notices, communications or processes in terms of this agreement shall be in writing.
- 13.4 Any notice, communication or any process addressed by one of the parties to the other, shall be deemed to have been sufficiently served and/ or delivered upon the LESSEE:-
 - 13.4.1 By registered mail on the 5th (FIFTH) business day after posting;
 - 13.4.2 By fax or electronic mail on the 1st (FIRST) business day after the date of transmission thereof;
 - 13.4.3 By hand during normal business hours at the time of delivery.
- 13.5 The above clauses will not be so construed as to oust the service procedures, specifically those of personal service as depicted in any applicable legislation of the Republic of South Africa.

14. REPRESENTATION ON AUTHORITY OF PARTIES

- 14.1 The signatories (whether it may be one person or more than one person) of the LESSEE confirm by signing this agreement, that:
 - 14.1.1 In terms of the entity’s constitution, trust deed, memorandum of incorporation, members’ agreement or any similar document, whichever case may be applicable, the entity may conclude and enter into this agreement.
 - 14.1.2 The necessary procedures and responsibilities were followed and conformed to in respect of the authorisation to conclude and enter into this agreement and that the signatories of this agreement are mandated thereto in terms of a resolution by such entity.
 - 14.1.3 The signatories represent and warrant that he /she / they are duly authorised thereto and has the legal capacity to sign and enter into this agreement.
 - 14.1.4 The signatories confirm that the signing of and entering into the agreement and the performance of the obligations in terms of this agreement have been duly authorised and that the agreement is a valid and legal agreement binding on the LESSEE and enforceable in accordance with its terms and conditions.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			



14.2 In the event that the signatories should no longer be involved with the business of the LESSEE, the onus will rest upon that particular signatory to inform the LESSOR, through its Property Administration Department, in writing, within 1 (ONE) month that they have resigned and have denounced all rights and obligations as previously held. It should also be conveyed in writing who their successor will be. Such successor will also be held bound in terms of the terms and conditions of this agreement as if he/she signed this agreement originally, but only to the extent that actual liability will arise from date of notification to the LESSOR. Should no such notice be given to the LESSOR, the signatories will remain bound in terms of the terms and conditions of this agreement.

15. ADVERTISING

15.1 The LESSEE or its prospective tenants shall not, without prior written consent of the LESSOR, erect, affix, paint or otherwise display, or cause or allow to be erected, affixed, painted or otherwise displayed on the land, specifically any wall or fence, building and/or structure which is or which may hereafter be erected on the land, or any portion thereof, any sign, signboard, screen or other device for the purpose of any advertising of any nature, including the trade name of the LESSEE any franchise or other marketing operation with which he is associated, as well as any products sold by the LESSEE.

15.2 The LESSEE must however at all times actively market the Stalls to ensure full occupancy thereof and subsequently market the Market Square stalls as a viable business.

16. DESTRUCTION OR DAMAGE

16.1 Should the land at any time or times during the currency of this lease be damaged or destroyed by fire, riots, force majeure or any other cause whatsoever so as to render them wholly untenable, then the LESSEE shall be entitled to cancel this lease by notice to the LESSOR given in writing within 60 (SIXTY) days after the date of destruction of the land. If no such notice is given then this lease shall not be terminated and the LESSEE shall be liable for payment of rent.

17. HOLDING OVER

17.1 In the event of the LESSOR cancelling this lease and the LESSEE disputing its right to cancel and remaining in occupation of the land the LESSEE shall, pending the determination of such dispute by litigation or otherwise, continue to pay to the LESSOR an amount equivalent to the monthly rental and or other sums payable hereunder on the date or dates upon which such sum would have been due but for the cancellation, and the LESSOR shall be entitled to accept and recover such payments. The acceptance thereof shall be without prejudice to and shall not in any way whatsoever effect the LESSOR'S cancellation then in dispute. Should the dispute be determined in favour of the LESSOR, the payments made and received in terms of this clause shall be deemed to be amounts paid by the LESSEE on account of damages suffered by the LESSOR by reason of the cancellation of the lease and/or the unlawful holding over by the LESSEE.

18. SECURITY OF THE LAND

18.1 The LESSEE shall ensure that the land are properly secured and protected after the close of business and shall assure him/itself that no person whatsoever is left on the land at the time of closing. The LESSEE shall be held liable for any damage or loss that may occur from such neglect.

19. INFRASTRUCTURE

19.1 The only existing electricity connection will be made available for the project. Should additional capacity be required, an investigation must be conducted with regard to the capacity required and available at the LESSEE'S cost.

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- 19.2 The only existing water and sewerage connections will be made available for the project. Should larger capacity in any of these services be required, the upgrading thereof will be for the LESSEE’S account.
- 19.3 Effluent water will be made available from the sewerage works for irrigation purposes. The LESSEE will be responsible for the costs involved for necessary link of this service to the land and subsequent levies applicable. The LESSOR can however not guarantee that the quality and quantity of effluent water will at all times be available and cannot be held liable for any loss due to the interruption of this service.
- 19.4 The LESSEE will be responsible for all costs relating to the connections for water, sewerage and electricity supply to the property and any other services, if needed.

20. SPECIAL CONDITIONS

- 20.1 The LESSEE could be expected to submit building plans to the Building Department for any horticultural tunnels, and the provision of ablution facilities after signature of the lease agreement but before any works is commenced with.
- 20.2 The LESSOR reserves the right to rescind the approval for the consent use of the subject property for intensive horticultural purposes without payment of compensation should any justified objection be received to the manner in which the intensive horticulture is conducted or should the operation of the intensive horticulture be found to be detrimental to the peacefulness and amenity of the surrounding area.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

11. FORM OF OFFER AND ACCEPTANCE

1. OFFER

The Municipality, identified in the Acceptance signature block, has solicited offers to enter into a contract in respect of the following property: **A PORTION OF ERF 1 HAWSTON (±4 HECTARES IN EXTENT) FOR INTENSIVE HORTICULTURAL PURPOSES**

The bidder, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules and confirms that the tender is subject to the conditions as set out in this tender documentation and the terms of the most recent Supply Chain Management Policy and the Administration of Immovable Property Policy of the Overstrand Municipality as approved and adopted by Council, and by submitting this offer has accepted the conditions of tender, the draft lease agreement and the conditions as set out in the aforesaid policies.

By the representative of the bidder, deemed to be duly authorized, signing this part of this form of offer and acceptance, the bidder offers to perform all of the obligations and liabilities as described in the tender document and addenda thereto, including compliance with all its terms and conditions according to their true intent and meaning.

THE OFFERED TOTAL OF THE RENTAL <u>EXCLUSIVE OF VAT</u> IS:					
Tendered Monthly Lease Amount for a Portion of Erf 1 Hawston (±4 hectares in extent)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center; vertical-align: middle;">R</td> <td style="border: 1px solid black; height: 40px;"></td> </tr> <tr> <td style="text-align: center; vertical-align: middle;"><i>(In words)</i></td> <td style="border: 1px solid black; height: 40px;"></td> </tr> </table>	R		<i>(In words)</i>	
R					
<i>(In words)</i>					

This offer may be accepted by the Municipality by signing the Acceptance part of this Form of Offer and Acceptance and returning one signed copy of this document to the bidder.

Signature(s)		
Name(s)		
Capacity		
For the tenderer:		
Name of witness:	<i>(Insert name and address of organisation)</i>	Date
Signature of witness:		



2. ACCEPTANCE

By signing this part of this Form of Offer and Acceptance, the Municipality identified below, accepts the bidder's offer. Acceptance of the bidder's offer shall form an agreement between the Municipality and the bidder upon the terms and conditions contained in this agreement, the tender data and specifications, the tender documentation and in the Lease Agreement to be concluded that is the subject of this agreement, a draft of which is attached hereto per Annexure **B**.

The bidder shall pay an amount equal to the monthly lease amount tendered as a deposit on date of signature of the lease agreement. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this Agreement comes into effect and is binding between the parties on the date of dispatch of one fully completed copy of this document to the bidder, signed by the authorized official of the Overstrand Municipality.

Signature(s):		
Name(s):		
Capacity:		
For the Owner:	Overstrand Municipality, Magnolia Avenue, Hermanus	
Name of witness:		Date:
Signature of witness:		

12. DECLARATION BY TENDERER

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

I / We agree that the laws of the Republic of South Africa shall be applicable to the contract resulting from the acceptance of *my / our tender and that I / we elect *domicillium citandi et executandi* (physical address at which legal proceedings may be instituted) in the Republic at:

I / We accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving in me / us under this agreement as the principal liable for the due fulfillment of this contract.

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

I / We furthermore confirm that my / our offer remains binding upon me / us and open for acceptance by the Purchases / Employer during the validity period indicated and calculated from the closing date of the bid.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			
WITNESS 1		WITNESS 2	



**PART C – MOST IMPORTANT ASPECTS OF THE
ADMINISTRATION OF IMMOVABLE PROPERTY
POLICY OF THE OVERSTRAND MUNICIPALITY**

13. MOST IMPORTANT ASPECTS OF THE ADMINISTRATION OF IMMOVABLE PROPERTY POLICY OF THE OVERSTRAND MUNICIPALITY

LEASING OF MUNICIPAL IMMOVABLE PROPERTY

17. Taking into consideration the nature and duration of the lease to be entered into, the leasing of immovable property may be affected by means of either:
 - 17.1 a competitive process, which may include a closed or public tender or proposal call in circumstance listed in paragraph 18 below; or
 - 17.2 a direct lease.
18. A competitive process must at all times be followed in circumstances where:
 - 18.1 the lease is for a long term with an income value in excess of R10 million;
 - 18.2 the lease is for a formal business premises with a market related rental;
 - 18.3 more than one party, in discretion of the municipality, is interested in the lease of the subject property; and/or
 - 18.4 by discretion of the municipality, a competitive process will best serve the interests of the community.
20. Long term lease of municipal immovable property with an income value less than R10 million
 - 20.1 The Municipality may grant a long term lease of municipal immovable property with a value less than R10 million only after:
 - (a) the accounting officer has approved the lease in principle;
 - (b) in the case of a direct lease, the proposed lease was advertised in terms of paragraph 10.1 and 10.2 above to invite the local community and other interested parties to submit comments or representations; and
 - (b) the municipal council has approved that the right may be granted.

CONDITIONS OF LEASE

36. All costs pertaining to a transaction, e.g. survey, advertisements, valuation, relocation or provision of services where necessary, shall be borne by the Lessee. The Municipality may, however, waive its right to claim all or any portion of the costs. Where necessary a deposit to cover the costs may be required.
37. An agreement for the lease of municipal immovable property shall be in writing, stipulating the terms and conditions of the contract or agreement, which shall include provisions providing for:
 - (a) the termination of the contract or agreement in the case of non- or underperformance;
 - (b) dispute resolution mechanisms to settle disputes between the parties;
 - (c) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years;
 - (d) any other matters that may be prescribed, and
 - (e) escalation in terms of paragraph 40 of this policy.
38. No immovable property shall be sub-let and no lease may be ceded or assigned without the prior written approval of the Municipality.
40. Rental, except where it is decided otherwise by the Municipality shall escalate annually by a percentage fixed in accordance with the prevailing consumer price index (all items).
41. The lessee shall, as a rule, be liable for the payment of rates, taxes and service charges in respect of the leased property. In the case of leases to certain social care users and sports facilities at rentals lower than market value the Municipality may consider granting a rebate on rates in accordance with the rates policy of the Municipality.
43. The lessee shall indemnify the Municipality against any possible claims arising from the lease or use of the immovable property.
45. Save with prior written approval of the Municipality the property may only be used for the purpose for which it was let.
46. The Municipality shall at all reasonable times be entitled to enter and inspect the immovable property.
47. Subject to paragraph 46 above, immovable property let by the Municipality shall be inspected at least once a year by the Municipality to ensure compliance with the terms and conditions of the agreement of sale or lease.
48. The lessee shall be responsible for maintaining the leased property including all improvements thereon to the satisfaction of the Municipality.
49. Improvements provided by the Lessee and which the Council wishes to retain, shall revert, free of charge, to the Municipality once the lease period has terminated and/or in the event the agreement, due to breach of conditions, has been cancelled. Alternatively, agreement may be reached to the effect that the Lessee may remove any improvements erected from its own funds within three months of termination of the lease agreement, failing which such improvements shall revert to the Municipality free of charge without damage and if provided for in the agreement. The Lessee shall be liable for the cost involved in the removal of such improvements not required by the Municipality.
50. The Municipality reserves the right, where necessary, to resume immovable property let, or portion thereof, and to cancel an existing lease in its entirety where such immovable property is required for operational purpose or in the interest of the community or for any reason necessitating the cancellation thereof.