

Abaqulusi Local Municipality



Returnable Bid Document

**Bid Description: Leasing of
Municipal Plots for Agricultural
Purposes**



Abaqulusi Local Municipality
Invitation to Bid: Leasing of Municipal Plots for Agricultural Purposes

Notice is hereby given in terms of Chapter 4, Section 21 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Chapter 4, Section 34 (1) (b) of the Municipal Assets Transfer Regulations of 2008, that the Abaqulusi Local Municipality hereby invites bids from the Private Sector for the lease of Municipal Plots for Agricultural Purposes.

The intention of the Abaqulusi Municipality is to offer a lease on the following Plots:

Property Description	Property Extent (ha)	Land Use
Plot 4	+ - 164 hectares	Agricultural
Plot 6	+ - 60 hectares	Agricultural
Plot 7	+ - 47 hectares	Agricultural
Plot 10	+ - 55 hectares	Agricultural

The bid document may be downloaded free of charge from: www.etenders.treasury.gov.za. . Bids may only be submitted on the bid documentation issued by Abaqulusi Municipality. Late submitted, unmarked, faxed, falsified or e-mailed offers will not be considered and will be disqualified. Bids must be placed in envelopes, clearly marked "**Leasing of Municipal Plots for Agricultural Purposes**" and deposited in the tender box at Corner of Mark and High Street, Vryheid 3100, not later than 12h00 on Friday, 17 December 2021.

All terms and conditions of the bid can be found on the Bid Document once downloaded as indicated above.

The Abaqulusi Local Municipality does not bind itself to accepting any bid, either wholly or in part or give any reason for such action.

MR MPE MTHEMBU
ACTING MUNICIPAL MANAGER
ABAQULUSI MUNICIPALITY

NOTICE NO: 49/2021

Abaqulusi Local Municipality



Formal Bid Offer

Name of Bidder	
Address of Bidder	
I.D Number of Bidder	
Contact Number	
Bid for (Property Description)	Plot Number _____
Bid Offer Per Month Per Plot incl. VAT (South African Rands)	R _____

Signature of Bidder

Date

Abaqulusi Local Municipality



Terms of Reference:

**Leasing of Municipal Plots
for Agricultural Purposes**

1. Preamble

The Abaqulusi Local Municipality hereby invites bids from the Private Sector interested in leasing a Municipal Plot for Agricultural purposes only. The intention of the municipality is to award a Plot to the successful bidder who has lodged the highest price offer for leasing a Plot on a Monthly Basis, and has complied with all requirements set out in this Terms of Reference and Bid Document.

2. Background and Context

Over the years, the Abaqulusi Local Municipality has received numerous applications from the private sector for the utilisation of Agricultural Plots owned by the municipality. These applications range from small scale agricultural activities to large scale commercial agricultural activities.

In light of the above, the Abaqulusi Local Municipality's Council resolved to offer Municipal Plots for lease in its meeting held on 24 March 2021. This initiative is considered to be a key catalytic project within the municipality as it has the ability to unlock the agricultural potential and drive economic growth within the region.

3. Need for Agricultural Land

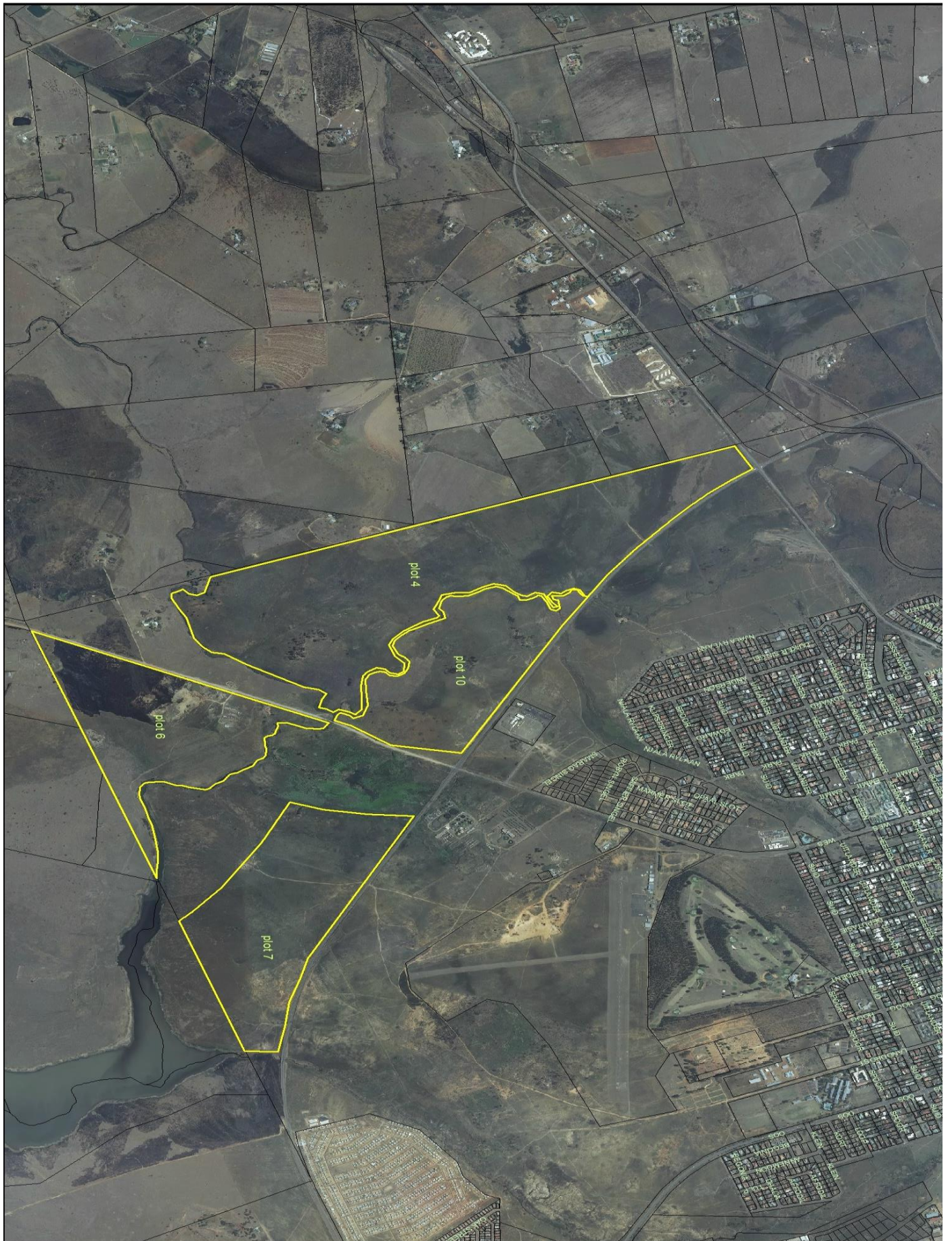
Abaqulusi Local Municipality is no different to other municipalities in the province or country as it also faces huge amounts of pressure in ensuring that access to land is readily available to its citizens. However, the Abaqulusi Local Municipality is home to high potential agricultural land, suitable for both, subsistence farming and commercial farming which has seen the demand for such land increase over the years.

In addition to the above, pressure has also been placed on the municipality as a result of the increased illegal land invasions and occupations that are currently being experienced around the urban areas. These invasions clearly demonstrate its potential to destroy or eradicate land that can be utilised for agricultural purposes but also pose a threat to the sustainability of the municipality and its resources.

4. Plot Details and Locality

For the purpose of this bid, the Abaqulusi Local Municipality has identified 4 Plots that it intends to lease out for Agricultural purposes only. These Plots are indicated in the table and locality map below:

Property Description	Property Extent (ha)	Land Use
Plot 4	+ - 164 hectares	Agricultural
Plot 6	+ - 60 hectares	Agricultural
Plot 7	+ - 47 hectares	Agricultural
Plot 10	+ - 55 hectares	Agricultural



5. Conditions of Lease

1. All Plots will be leased to the bidder with the highest offer to lease on a Monthly basis.
2. All bidders can bid for more than 1 plot.
3. Bids will be accepted from businesses and individuals.
4. The successful bidder will have to enter into a Lease Agreement with the Abaqulusi Local Municipality for the Plot of which he/she lodged a bid for within fourteen (14) days after receiving notice that he/she has been awarded the bid.
5. Rental Fees will be subject to a 10% increase annually.
6. The duration of the lease will be for a period of Five (5) years.
7. The property is to be used strictly for Agricultural purposes and all other uses are prohibited.
8. All ancillary land uses associated with agricultural activities will require approval or written consent from the Abaqulusi Municipality prior to the start of the activity.
9. Agricultural activities that impact on the environment will require approval or written consent from the relevant authorities.
10. The successful bidder will **not be allowed** to conduct the following:
 - a) *Subdivision of the Plot*
 - b) *Sub-leasing the Plot*
 - c) *Any other land use activity that does not conform to Agricultural land use*
 - d) *Erecting Structures or Buildings on the Plot without prior approval or written consent from the Abaqulusi Municipality*
13. All structures or buildings erected on a Plot illegally will result in the immediate termination of the lease.
14. All structures or buildings erected on a Plot with approval or written consent from the municipality can be removed once the duration of the lease has concluded; or if the structure or building cannot be removed, it will then remain in the ownership of the municipality.
15. Entrance and Exit points on all Plots will have to comply with Municipal and Provincial Traffic By-laws.
16. If required, installation of services will be done at the cost of the lessee.
17. The Abaqulusi Municipality as the lessor will be entitled to conduct inspections upon the Plots at any time during the duration of the lease to ensure full compliance with the lease agreement.

Name of Bidder

Signed and Accepted Conditions of Sale

Date

6. Compulsory Returnable Documents

All proposed bids for a specific plot must be accompanied by the following compulsory returnable document:

1. Signed and Completed Formal Bid Offer.
2. Signed and Completed Acceptance of the Conditions of Lease.
3. **Certified** Copy of ID.
4. **Certified** Copy of Proof of Residence.
5. A Comprehensive Motivation Letter or Report clearly indicating the proposed use of a Plot.
6. Signed and Completed Declaration of Interest (MBD 4) and Certificate of Independent Bid Determination (MBD9).

7. Submission Format

- All Bid documents must be placed into the Tender Box outside the Municipality, located at the corner of Mark and High Street, Vryheid, KZN, 3100.
- All Bid documents must be submitted timeously.
- No late submissions will be accepted.
- All Bid documents must be completed in full and all supporting documents must be attached as required.
- No email or faxed submissions will be accepted.
- All costs related to the submission of this tender shall be carried out by the bidder.

8. Legalities and Rules

- The Abaqulusi municipality reserves the right not to award a lease as per the bids received.
- If successful upon a bid to lease a plot, the lessee will have to enter into a lease agreement with the lessor, the Abaqulusi Local Municipality.
- All returnable documents must be signed where applicable.
- All conditions of lease must be strictly adhered to, read and understood by the bidder.
- The Abaqulusi Local Municipality will not be held responsible for any submission delays whatsoever.

9. Validity Period

- All Bids are valid for a period of 90 days after submission closing date.

10. Briefing Session

- There will be no briefing session.

11. Evaluation Criteria

All bids received must comply with the following criteria:

1. All bid documents must be signed and completed in full where applicable.
2. All bidders must submit a **certified copy** of their ID.
3. All bidders must submit a **certified copy** of their Proof of Residence.
4. A Comprehensive Motivation Letter or Report clearly indicating the proposed use of a Plot.
5. All bidders must submit a Signed and Completed Declaration of Interest (MBD 4) and Certificate of Independent Bid Determination (MBD9).
6. The bidder with highest offer to lease will be awarded a lease agreement.

12. Reasons for Disqualification

A bid document will be rejected or disqualified based on the following reasons:

1. Late submission of a bid will not be accepted.
2. A bid document received that is not signed and completed in full.
3. Non-Submission of **Certified copy** of ID.
4. Non-Submission of **Certified copy** of Proof of Address.
5. Non-submission of a Comprehensive Motivation Letter or Report clearly indicating the proposed use of a Plot.
6. A proposed Bidder whose information is found out to be fraudulent, factually untrue or inaccurate.

13. Abaqulusi Municipality's Rights

- The Abaqulusi municipality is entitled to amend any tender conditions, validity period, specifications, or extend the closing date of tenders before the closing date. All tenderers, to whom the tender documents have been issued, will be advised in writing of such amendments in good time.
- The Abaqulusi municipality reserves the right not to award a tender as per the bids received.

14. Enquiries

Enquiries may be directed to the following persons:

Technical Queries

Mr JS Landman

Telephone No. : 034 982 2133 / 082 805 4014

Working Hours: Monday – Thursday 7:30 – 16:30

: Friday – 7:30 – 13:30

Email: slandman@abaqulusi.gov.za

Supply Chain Queries

Ms P Nxumalo

Telephone No. : 034 982 2133 / 073 265 8287

Working Hours: Monday – Thursday 7:30 – 16:30

: Friday – 7:30 – 13:30

Email: pnxumalo@abaqulusi.gov.za

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

3.1 Full Name of bidder or his or her
representative:.....

3.2 Identity Number:
.....

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

3.4 Company Registration Number:
.....

3.5 Tax Reference
Number:.....

3.6 VAT Registration Number:
.....

3.7 The names of all directors / trustees / shareholders members, their individual
identity
numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state?
YES / NO

3.8.1 If yes, furnish particulars.

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

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

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

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

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

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

3.9.1 If yes, furnish particulars.....

.....

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

3.10.1 If yes, furnish particulars.

.....
.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?
YES / NO

3.11.1 If yes, furnish particulars

.....
.....

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

3.12.1 If yes, furnish particulars.

.....
.....

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state? **YES**
/ NO

3.13.1 If yes, furnish particulars.

.....
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract.
YES / NO

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....

Signature

.....

Date

.....

Capacity

.....

Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ 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).² Collusive bidding is a *pe 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:
 - a. take all reasonable steps to prevent such abuse;

 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and

 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

- 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:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

- (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
- 6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
- 7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
- 8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder