



TENDER NO.: SC 1374/2013

**LEASE OF A PORTION OF ERF 4771, HERMANUS
KNOWN AS DUTCHIES RESTAURANT FOR
OPERATING A RESTAURANT**

TENDER DOCUMENT

PREPARED AND ISSUED BY:

DIRECTORATE: FINANCE
OVERSTRAND MUNICIPALITY

PO BOX 20
HERMANUS
7200

CONTACT:

NAME: **ALTA MARAIS**
TELEPHONE: **028 313 8102**

Name of Tenderer:	
Contact Person:	
Contact Number:	
Total Bid Price (Exclusive of VAT): <i>(refer to page 32 – Form of offer)</i>	R
Signature:	
Date:	

JULY 2013

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:	SC 1374/2013		
TENDER TITLE:	LEASE OF A PORTION OF ERF 4771, HERMANUS KNOWN AS THE DUTCHIES RESTAURANT FOR OPERATING A RESTAURANT		
CLOSING DATE:	2013/08/02	CLOSING TIME:	12H00
BID BOX NO:	6	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			
NAME OF TENDERER:			
POSTAL ADDRESS:			
TELEPHONE NO:		FAX NO.	
E-MAIL ADDRESS:			

Total Bid Price (Exclusive of VAT): <i>(refer to page 32 – Form of offer)</i>	R
DATE:	
SIGNATURE OF TENDERER:	
CAPACITY UNDER WHICH THIS BID IS SIGNED:	

PLEASE NOTE:
a) Tenders that are deposited in the incorrect box will not be considered.
b) Tender box deposit slot is 28cm x 2.5cm.
c) Mailed, telegraphic or faxed tenders will not be accepted.
d) If the bid is late, it will not be accepted for consideration.
e) 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	ALTA MARAIS
TEL. no	028 313 5016	028 313 8102

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1. TENDER DATA & SPECIFICATIONS
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1.	Tenders are subject to the most recent Supply Chain Management Policy and the Administration of Immovable Property Policy of the Overstrand Municipality as approved and adopted by Council, both of which can be obtained from the official website at www.overstrand.gov.za or from A Marais upon request addressed to amarais@overstrand.gov.za .
2.	The OWNER of the property is the Overstrand Municipality
3.	The owner's representative is: Name: Mrs A Marais Address: Directorate: Infrastructure & Planning Po Box 20 Magnolia Avenue Hermanus, 7200 Tel: 028 313 8102 Fax: 028 313 2093 E-mail: amarais@overstrand.gov.za
4.	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 to all people of the Western Cape Province in particular, and RSA in general.
5.	There are no compulsory clarification or site meetings.
6.	Only bids submitted on the bid documents provided by the Overstrand Municipality will be accepted. Documents must be completed in black ink and correction fluid may not be used.
7.	Parts of each tender offer communicated on paper shall be submitted as an original, plus 1 (one) copy.
8.	The closing time for submission of tender offers is 12h00 on Friday, 02 August 2013 .
9.	Mailed, Telephonic, telegraphic, telex, facsimile or e-mailed tender offers will not be accepted.
10.	The tender offer validity period is 90 days after the date of closing.
11.	The bidder is required to submit with his tender an Original Valid Tax Clearance Certificate issued by the South African Revenue Services in the name of the bidder.
12.	The time and location for opening of the tender offer is: TIME: Immediately after 12h00 on Friday, 2 August 2013 . VENUE: Overstrand Municipality, Administration Building, Magnolia Avenue, Hermanus. Tenders will be opened immediately after the closing time for tenders at 12h00.



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

2. TENDER NOTICE & INVITATION TO TENDER**TENDER NO. SC 1374/2013****LEASE OF A PORTION OF ERF 4771 HERMANUS ($\pm 350\text{m}^2$), KNOWN AS DUTCHIES RESTAURANT, FOR THE PURPOSE OF OPERATING A RESTAURANT**

Tenders are hereby invited for: Lease of a portion of Erf 4771 Hermanus, known as Dutchies Restaurant for Operating a restaurant.

Tender documents, in English, are obtainable from **Friday, 05 July 2013**, at the offices of the Supply Chain Management Unit, Overstrand Municipality, Magnolia Avenue, Hermanus, **Tel. 028 313 8064** from **Ms. Rita Neethling** between 08h30 and 15h30 upon payment of a **tender participation fee of R130.00 per set**. Alternatively the documents can be downloaded free of charge from the website: www.overstrand.gov.za

Sealed tenders, with: **“Tender No. SC 1374/2013: Lease of a portion of Erf 4771 Hermanus, known as Dutchies Restaurant for Operating a restaurant.”** clearly endorsed on the envelope, must be deposited in Tender Box No. 6 at the offices of the Overstrand Municipality, Magnolia Avenue, Hermanus. Bids may only be submitted on the bid documentation provided by the Municipality.

The closing date and time of the tender is 02 August 2013 at 12h00 and will be opened in public immediately thereafter in the SCM 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 tender, as it may deem expedient. Tenders are subject to the Standard Conditions of Tender, the Preferential Procurement Regulations of 2001, the Supply Chain Management Policy and the Administration of Immovable Property Policy of the Overstrand Municipality.

Please refer technical enquiries to Alta Marais at telephone number: 028 313 8102.

3. AUTHORITY TO SIGN A BID

1. COMPANIES

If a Bidder is a company, a certified copy of the resolution by the board of directors, duly signed, authorizing 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. Signatories shall confirm their authority by completing the form below and attaching a copy of the relevant authority duly signed and dated.

AUTHORITY BY BOARD OF DIRECTORS

By resolution passed by the Board of Directors on _____, 20____, Mr/Mrs _____
 _____ (whose signature appears below) has been duly authorized to sign all documents in
 connection with this bid on behalf of _____
 (Name of Company) in his/her capacity as _____

Full name of Director	Residential address	Signature

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

2. SOLE PROPRIETOR (SINGLE OWNER BUSINESS)

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

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

3. PARTNERSHIP

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 con-
 tract for and on behalf of _____(name of firm).

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

Full name of partner	Residential address	Signature

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

4. CLOSE CORPORATION

In the case of a close corporation 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.

By resolution of members at a meeting on _____, 20____ at _____
 _____, Mr/Ms _____, whose
 signature appears below, has been authorized to sign all documents in connection with this bid on behalf of
 (Name of Close Corporation) _____

Full name of member	Residential address	Signature

SIGNED ON BEHALF OF CLOSE CORPORATION:		DATE:	
PRINT NAME:			
IN HIS/HER CAPACITY AS:			
WITNESS 1:		WITNESS 2 :	

4. CERTIFICATE OF AUTHORITY FOR JOINT VENTURES

This returnable schedule is to be completed by JOINT VENTURES

We, the undersigned, are submitting this tender offer in joint venture and hereby authorize Mr./Ms. _____
 _____ authorized signatory of the Company/Close Corporation/Partnership
 (name) _____, acting in the capacity of lead
 partner, to sign all documents in connection with the tender offer and any contract resulting from it on our
 behalf.

1. Name of firm (Lead partner)			
Address			Tel. No.
Signature		Designation	

2. Name of firm			
Address			Tel. No.
Signature		Designation	

3. Name of firm			
Address:			Tel. No.
Signature		Designation	

4. Name of firm			
Address			Tel. No.
Signature		Designation	

NOTE: A copy of the Joint Venture Agreement showing clearly the percentage contribution of each partner to the Joint Venture, shall be appended to this Schedule.

5. MBD 2 – TAX CLEARANCE CERTIFICATE REQUIREMENTS AND APPLICATION FORM

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 –

- (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.	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: Please attach Certified copy(ies) of ID document(s)

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 –

- (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.



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:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
4. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

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
4.7.1	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 bids⁴ 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).⁵ Collusive bidding is a *per se* prohibition meaning that it cannot be justified under any grounds.
3. Municipal Supply Chain Management Regulation 38 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:

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;

⁴ Includes price quotations, advertised competitive bids, limited bids and proposals.

⁵ 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. 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 consortium⁶ 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:
 - f) prices;
 - g) geographical area where product or service will be rendered (market allocation)
 - h) methods, factors or formulas used to calculate prices;
 - i) the intention or decision to submit or not to submit, a bid;
 - j) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - k) 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			

⁶ 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)

Number of sheets appended by the tenderer to this schedule (If nil, enter NIL)	
--	--

Signature	Position	Date

<p 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>Apply official stamp of authority on this page:</p>
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PART B – SPECIFICATIONS AND PRICING SCHEDULE

10. SPECIFICATIONS

SCOPE OF TENDER

1. INTRODUCTION

- 1.1. The Overstrand Municipality has decided to enter into a new agreement for the lease of a portion of Erf 4771, Hermanus known as the Dutchies Restaurant **for a period of 2 years from 1 October 2013 for the purpose of operating a restaurant with an option of renewal for another year** as the lease period of the current lease will expire shortly. The Municipality owns the land.
- 1.2. The objective of this tender is to enable the Bid Adjudication Committee or the Accounting Officer, where applicable, to select the most appropriate submission in terms of both financial ability and concept appropriateness for the site.
- 1.3. 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.
- 1.4. The tender is subject to the conditions as set out in the tender documents and to the most recent Supply Chain Management Policy of 2012 and the Administration of Immovable Property Policy of 2009 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. It should be noted that the Municipality is not obliged to accept any of the tenders submitted.
- 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 to all people of the Western Cape Province in particular, and RSA in general.
- 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 **C** 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 tenderer 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.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

- 2.7. Payment of an amount equal to the monthly lease amount tendered is payable as a deposit within 7 business days of receipt of written notification of acceptance of the offer by the Municipality.
- 2.8. The lease of the property to the successful bidder will proceed after the tender has been awarded.

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

- 3.1. The site is located at Grotto Drive, Grotto Beach, Voëlklip, Hermanus. (See the Locality Map attached per Annexure A)
- 3.2. The site may only be used for the purpose of operating a Restaurant.

4. PROPERTY DESCRIPTION AND ZONING RIGHTS

- 4.1. Erf no. and size: The subject portion of Erf 4771 is $\pm 350\text{m}^2$ in extent. See the Site Plan attached per Annexure B.
- 4.2. Zoning status: The current zoning is Public Open Space with the historical vested land use right for Business to be utilized as a Restaurant.
- 4.3. The surrounding land uses vary and include Residential and Public Place.
- 4.4. The property will be leased as it stands, "voetstoots" and no additional land use rights will be considered at this stage.

5. DEVELOPMENT PARAMETERS

- 5.1. Utilisation of the property
Utilisation of the property should be consistent with the present use of the site. No extension to the existing buildings will be allowed.
- 5.2. Accesses and Road provision
Access to the property will be from Grotto Drive, Grotto Beach, Voëlklip. See the location Map and Site Plan attached per Annexures A and B.
- 5.3. Height Restrictions
The height of buildings is limited to one (1) floor in accordance with the existing building.
- 5.4. Not allowed
Any use other than the existing land use rights will not be allowed.
- 5.5. Allowed Uses
Operating a Restaurant is allowed subject to the successful bidder obtaining the necessary licences.
- 5.6. Parking
In accordance with the existing arrangement, the surrounding public parking may be used by visitors.

6. INFRASTRUCTURE

- 6.1. Water, sewer and electricity connections are available.

SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			

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 five thousand rand (R5,000.00) on submission of the tender.** This amount must be in the form of a bank guaranteed payment (only guarantee by a registered financial institution) in favour of the Overstrand Municipality and valid for 90 days from the date of the closure of the tender. Failure to comply with this requirement will lead to the disqualification of the bidder. This guarantee 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 tenderer submits proof of payment of the tender participation fee and deposit.

8. LEASE "VOETSTOOTS" AND SUBJECT TO CONDITIONS:

The property is leased as it stands, "voetstoets", 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. 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.

10. GENERAL

The successful bidder herewith agrees not to make any objection against future similar land use proposals for the subject site and/or the surrounding Municipal property.

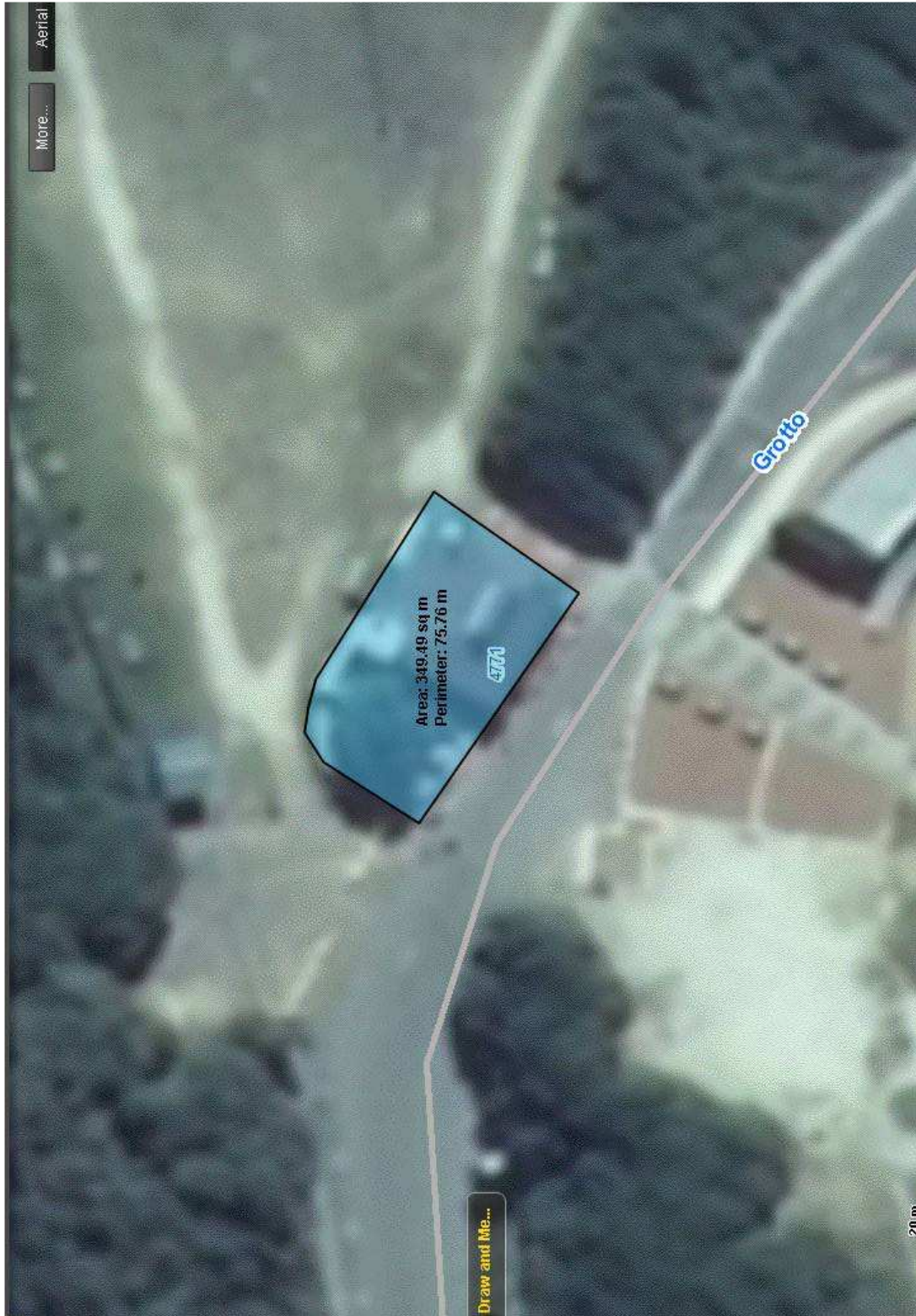
SIGNATURE		NAME (PRINT)	
CAPACITY		DATE	
NAME OF FIRM			



11. ANNEXURE A – LOCALITY MAP



12. ANNEXURE B – SITE MAP



13. ANNEXURE C - DRAFT AGREEMENT OF LEASE

LEASE AGREEMENT**A PORTION OF ERF 4771,
HERMANUS**

entered into between

OVERSTRAND MUNICIPALITY

herein represented by **COENRAAD CORNELIUS GROENEWALD**
 in his capacity as Municipal Manager,
 (hereinafter called the **LESSOR**)

and

 OF _____

(hereinafter called the **LESSEE**)

WHEREAS the **LESSOR** called for tenders for the leasing of Municipal Property, being a portion of Erf 4771 (hereinafter referred to as "the land ") situated in Hermanus and shown on the plan attached hereto marked Annexure A for the purpose of managing a kiosk/restaurant at Grotto Beach Hermanus;

AND WHEREAS the Bid Adjudication Committee resolved on (*date*) that the tender be awarded to the **LESSEE** (*minutes to be attached*).

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, 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 This lease shall be for a period of **2 (TWO) years** and shall commence on **1 October 2013** and terminate on **30 September 2015**.
- 1.2 At the expiration of the lease period referred to in clause 1.1 above, the **LESSEE** shall have an option to renew the lease for a further period of **1 (ONE) year**, provided that the **LESSEE** has given the **LESSOR** notice in writing by prepaid registered post addressed to the **LESSOR's domicilium citandi et executandi** of his desire to renew the lease at least **3 (THREE) months** prior to the expiration of the lease period. In the event of the **LESSEE** failing to give such notice, then this lease shall cease and terminate finally on the expiration date abovementioned.
- 1.3 The **LESSOR** shall in its sole discretion consider the request for renewal period at the written request of the **LESSEE** received in the manner prescribed in 1.2 above.

2. RENTAL

- 2.1 The **LESSEE** shall pay to the **LESSOR** a rental of **R(amount) per month** (VAT excluded), in respect of the land, such rental to escalate annually on the 1st of July commencing on 1 July 2014 by a percentage equal to the prevailing consumer price index (all items) in respect of the land, in terms of paragraph 32 of Municipality's Administration of Immovable Property Policy, payable monthly in advance at the municipal cashiers, Hermanus.
- 2.2 The **LESSEE** shall complete a service agreement form at the Hermanus Municipal Office for the creation of a Municipal Account (for the levying of the lease amount and municipal services) in the name of the **LESSEE** as described in this agreement and provide the Property Administration Department with such account number within 72 hours from signing of this documentation, otherwise this agreement will be null and void.

3. DEPOSIT

- 3.1 On signature of this lease, the **LESSEE** shall pay the **LESSOR** a deposit in the amount of **R (VAT excluded)**, which is an amount equal to **1 (ONE) months** of the current rental.
- 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 with regard to the Management and Administration of Immovable Property adopted by the Council of the municipality and as may be amended from time to time.
- 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 such buildings and other structures as may be erected in accordance with the provisions of this agreement shall be used for the managing of a kiosk/restaurant on Grotto beach.
- 5.2 Access to the land by the **LESSEE** or persons using the same with its authority shall be had by means only from Grotto Drive or Grotto Beach, Hermanus.

6. DUTIES OF THE LESSEE

- 6.1 The **LESSEE** shall not erect or cause or permit to be erected any additional buildings and/or structures on the land without the prior written approval of the **LESSOR**.
- 6.2 The **LESSEE** shall not assign its rights under this agreement nor shall it sublet the land in whole or in part, except with the prior written consent of the **LESSOR**.
- 6.3 The **LESSEE** shall not use or cause or permit to be used any fence, building and/or structure which is or which may hereafter be erected on the land for the display of advertisements of any description whatsoever.
- 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** undertakes for the currency of this lease to pay to the **LESSOR** the monthly insurance premium in respect of the buildings on the subject portion of Erf 4771, Hermanus which they are utilising. The buildings and/or structures will be insured against damage or loss by the **LESSOR** in terms of this lease.
- 6.6 It shall be a primary term of this lease that the leased premises shall be kept open to the public as a business and that the **LESSEE** may not, for any reason whatsoever, refuse admission to the leased premises to any members of the public legitimately wishing to avail themselves of the facilities offered, subject to the provisions of Clause 6.4 above.
- 6.7 The **LESSEE** shall not do or permit to be done on the land any dangerous or noxious activity not normal to the permitted use of the land and shall not do, or permit to be done, or omit to do anything which will vitiate the fire insurance or other insurance's on the land.

7. MAINTENANCE

- 7.1 No indigenous 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 keep and maintain the inside and outside of the premises, 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
- 7.3 The **LESSEE** agrees at all times to keep and maintain the land and all buildings, fences and structures thereon in good and effective order and condition.

- 7.4 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.
- 7.5 Any damage caused to the premises as a result of any dismantling or removal of equipment or as a result of the **LESSEE'S** failure to maintain the premises 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**.
- 7.6 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 fourteen 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**.
- 7.7 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 by giving reasonable 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 of the Overstrand Municipality or his authorised representative in respect of the service concerned, and upon due compliance with any specified precautionary measures.
- 7.8 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.

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 premises 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.

9. BREACH

- 9.1 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.
- 9.2 In the event of:
- 9.2.1 the rental not being paid within 30 (thirty) days from the date when the same becomes due and payable; or
- 9.2.2 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
- 9.2.3 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

the **LESSOR** shall be entitled to cancel and terminate this lease and to re-enter upon and re-sume 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 premises in terms of the lease.

- 9.3 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 payment.
- 9.4 The **LESSEE** agrees to the jurisdiction of the Magistrate's Court for the recovery of any amount due in terms hereof. As this agreement was done and signed within the district of the Magistrate's Court Hermanus, the **LESSEE** specifically agrees to the jurisdiction of the Magistrate's Court Hermanus. This agreement does not exclude the **LESSOR'S** right to institute any action in the High Court if he so chooses.

10. TERMINATION AND CANCELLATION

- 10.1 In the event of the **LESSEE** dissolving or ceasing to exist at any time within the period of this lease or if the property is no longer being utilised as described in this agreement, the lease shall be terminated. 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, without any damage to the land, to remove any buildings and/or structures which may have been erected by it from its own funds on the land in terms of this lease within a period of one month of such termination. Any buildings and/or structures not so removed shall vest in the **LESSOR** free of compensation.
- 10.2 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 property for whatever reason.
- 10.3 Notwithstanding anything in this agreement contained the **LESSOR** may resume possession of the whole or any portion of the land at any time on giving 3 (THREE) months' notice in writing to that effect and may cancel or amend the lease accordingly.

11. GENERAL

- 11.1 The **LESSEE** undertakes that it will be responsible for payment at the normal tariffs for any municipal services provided to the land hereby leased, whether at the request of the **LESSEE** or not.
- 11.2 The **LESSEE** shall not at any time, or under any circumstances, have any claim against the **LESSOR** for improvements effected to the leased premises or the building.
- 11.3 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.
- 11.4 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.

- 11.5 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.
- 11.6 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.
- 11.7 All provisions of this agreement shall remain in effect unless amended in writing and signed by both parties represented herein.
- 11.8 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 or 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. DOMICILIUM CITANDI ET EXECUTANDI

- 12.1 The **LESSEE** hereby appoints the address as set out in schedule 1 of this agreement for all purposes of and connected with this lease to be the *domicilium citandi et executandi* of the **LESSEE**, and any written notice or any process thereat addressed to the **LESSEE**, shall be deemed to have been sufficiently served upon the **LESSEE** by registered mail on the 5th (FIFTH) business day after posting or on the first business day following the notification day per fax or email. Any legal proceedings against the **LESSEE** may at the option of the **LESSOR** be brought and conducted in the court of the Magistrate at Hermanus and assent to any increased jurisdiction required for that purpose is hereby given by the **LESSEE**.
- 12.2 For the purpose of any legal proceedings in relation to this agreement the signatories of the **LESSEE** will be considered in all respects the legal representative of the **LESSEE**, and may be prosecuted and shall be legally bound by any actions instituted against them as its representative, agent, servant or licensee.

13. DESTRUCTION OR DAMAGE

- 13.1 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.

14. HOLDING OVER

- 14.1 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**.



THUS DONE, SIGNED AND AGREED TO AT HERMANUS

on _____.

AS WITNESSES:

1. _____

2. _____

(LESSOR)
OVERSTRAND MUNICIPALITY

THUS DONE, SIGNED AND AGREED TO AT HERMANUS

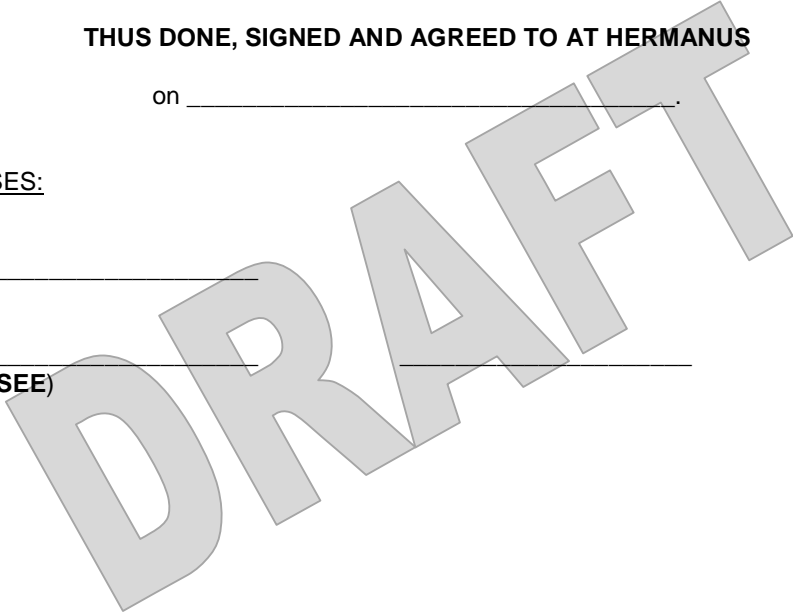
on _____.

AS WITNESSES:

1. _____

2. _____

(LESSEE)



SCHEDULE 1
LESSOR**OVERSTRAND MUNICIPALITY****Address**

Municipal Offices, 8 Magnolia Avenue, Hermanus.
 P.O. Box 20, Hermanus, 7200

Contact Numbers**Tel**

028 313 8000

Fax

028 313 2093

Email**enquiries@overstrand.gov.za****Council Resolution****LESSEE****Address****Telephone number****Cell number****Property Description**

A portion of Erf 4771 (hereinafter referred to as "the land"), situated in Hermanus.

Lease Period

2 years commencing on 1 October 2013 and expiring on 30 September 2015 with an option of renewal for another year.

Lease Amount**Municipal Account no**



14. 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:

LEASE OF A PORTION OF ERF 4771, HERMANUS, KNOWN AS DUTCHIES RESTAURANT, FOR THE PURPOSE OF OPERATING A RESTAURANT.

The tenderer, 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 and the conditions as set out in the aforesaid policies.

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

THE OFFERED TOTAL OF THE PRICES EXCLUSIVE OF VAT IS:	
Tendered Monthly Lease Amount for a portion of Erf 4771, Hermanus.	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 copy of this document, originally signed, to the tenderer before the end of the period of validity stated in the tender data.

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 tenderer's offer. Acceptance of the tenderer's offer shall form an agreement between the Municipality and the tenderer 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 C.

The tenderer shall within 7 business days of receipt of written notification of acceptance of the offer by the Municipality pay an amount equal to the monthly lease amount tendered as a deposit and within two weeks after receiving a completed signed copy of this agreement, including the schedule of deviations (if any), arrange for the delivery of any guarantees, proof of insurance and any other documentation to be provided in terms of the 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 tenderer, originally 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:		



PART C – ADMINISTRATION OF IMMOVABLE PROPERTY POLICY

15. MOST IMPORTANT ASPECTS OF THE ADMINISTRATION OF IMMOVABLE PROPERTY POLICY OF THE OVERSTRAND MUNICIPALITY
“General Principles
4. The Municipality may:

- (1) alienate or let or permit to be built upon, occupied, enclosed or cultivated any immovable property owned by the Municipality;
- (2) grant a servitude, way leave, encroachment or other rights on any land of which the Municipality is the owner
 - (a) subject to this policy document and the provisions of applicable legislation;1.) or unless it is precluded from so doing by law or the conditions under which such property was acquired by the Municipality.
 - (b) unless it is precluded from so doing by law or the conditions under which such property was acquired by the Municipality.

13. In assessing tenders, the Municipality will take cognisance of the total cash value of the packages offered by the tenderers, where such packages are permissible in terms of the conditions of tender. In other words, where the actual amounts tendered are roughly similar, but a particular tenderer, for example, also offers to make improvements to the property, the cash value of such improvements, which proposed improvements may not be deviated from, may also be taken into consideration to determine the highest tender.

Conditions of Lease

27. 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.

28. The Municipality may:

- (1) enter into a contract which will impose financial obligations on the Municipality beyond a financial year, but if the contract will impose financial obligations on the Municipality beyond the three years covered in the annual budget for that financial year, it may only do so in accordance with the provisions of Section 33 of the MFMA, and
- (2) enter into a public-private partnership agreement, but only in accordance with the provisions of Section 120 of the MFMA.

29. An agreement for the lease of municipal fixed property shall be in writing stipulating the terms and conditions of the contract or agreement, which shall include provisions providing for:

- (1) the termination of the contract or agreement in the case of non- or underperformance;
- (2) dispute resolution mechanisms to settle disputes between the parties;
- (3) 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;
- (4) any other matters that may be prescribed, and
- (5) escalation in terms of paragraph 31 of this policy.

30. No immovable property shall be sub-let and no lease may be ceded or assigned without the prior written approval of the Municipality.

31. An owner of immovable property who leases adjoining municipal property may be substituted by his successor in title for the duration of the remainder of the lease term.

-
32. *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).*
 33. *The lessee shall, as a rule, be liable for the payment of rates and service charges in respect of the properties listed in the current valuation role. In the case of leases to certain social care users at rentals lower than market value the Municipality may consider granting a rebate on rates in accordance with the rates policy of the Municipality.*
 34. *The letting of lanes, public open spaces, road reserves and the like shall be subject to the following:*
 - (1) *closing off/securing by the lessee of the leased area to the satisfaction and discretion of the Municipality;*
 - (2) *the lessee shall be responsible for the cost of relocation or installation of services where required and for the securing of servitudes, and*
 - (3) *the closure of the lanes, public open spaces and road in terms of the Ordinance shall be done at the cost of the lessee.*
 35. *The lessee shall indemnify the Municipality against any possible claims arising from the lease or use of the immovable property.*
 36. *Where land is leased for development, a condition shall be included in the lease agreement stipulating that such development shall be completed within two years from date of conclusion of the lease agreement. Likewise a suspensive condition shall be included in the lease agreement to provide for cancellation in the event that the development has not been completed.*
 37. *Save with prior written approval of the Municipality the property may only be used for the purpose for which it was let.*
 38. *The Municipality shall at all reasonable times be entitled to enter and inspect the immovable property.*
 39. *The lessee shall be responsible for maintaining the leased property including all improvements thereon to the satisfaction of the Municipality.*
 40. *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.*
 41. *Lease agreements for a term up to 3 years entered into under this policy may be renewed without applying the provisions of paragraph 7(1) and 7(2) but not exceeding 3 years in total.*
 42. *Immovable property let for short-term periods up to 12 months without the option of renewal need not be advertised in terms of paragraph 7(1) and 7(2) but shall be subject to inter alia the following:*
 - (1) *the lessee shall be responsible for all costs regarding services, ablution facilities, etc. if required;*
 - (2) *the Municipality shall determine the rental;*
 - (3) *the lessee shall undertake in writing to compensate the Municipality for damages caused to the property for whatever reason.*
 - (4) *the lessee shall indemnify the Municipality against any claims.*
-