



uMfolozi Municipality

BID NOTICE

PROVISION OF FUNDING AND FINANCIAL SERVICE

Notice is hereby given in terms of chapter 11 of the Municipal Finance Management Act 2003 (Act No.56 of 2003). Proposals are hereby invited from all accredited financial institutions for the provision of funding to Council in the amount of **R 25 000 000.00 (Twenty Five Million Rand)** in total for the completion of the Thusong Centre and finance of the Motor Grader in the 2016/17 financial year.

All proposals must include a fixed and variable interest rate, with repayments as follows:

- R5 000 000.00 (Five Million Rand) 5 years. Repayments NACM
- R20 000 000.00 (Twenty Million Rand) 10 years. Repayment NACSA

DEFINITIONS AND INTERPRETATION: "JIBAR RATE" Johannesburg Inter-bank Agreed (Average) Rate. This is calculated and published daily by SAFEX on their Reuters page. "JIBAR" represents a benchmark for short-term interest rates for the various period (1 month, 2 months, 3 months, 6 months and 12 months for South African rand interest).

ALL INCLUSIVE INTEREST RATE: This will be the rate which includes all relevant swap rate plus the Bank's margin. Within the margin all costs associated with commitment fees, handling fees, statutory and all other internal transfer costs must be included.

Proposals must comply with the following criteria:

Interest Rate - (NACS) Nominal Annual Compounded semi-annually.

(a) Variable rate - NACS

Linked to 6 months JIBAR rate - Clear indication of Bank's margin above JIBAR rate.

Actual rates will be determined on the draw down date and will be revised every 06 months on instalment repayment date.

(b) Fixed rate - NACM & NACSA

Bidders are to tender on an all-inclusive rate with hold for a maximum of 180 days within which period the contract will be concluded.

The rate used must be clearly disclosed as at the 15th of September 2016.

(c) Estimated draw-down and repayments

Tender awarded :Sept/Oct 2016

Draw-down (R5.m) :Oct/Nov 2016

Draw-down (R20.m) :Oct/Nov 2016

Repayments

R5 million :Nov/Dec 2016

R20 million :31st December and 30th June 2026

(d) Conditions

The main proposal should be without additional conditions such as: Security requirements • Technical assistance grants for qualifying projects • Disbursements only against inspected projects • Additional finance costs

A decision on which of the two payment terms to be adopted will be made when tabled before Council.

Additional information pertaining to the request for proposal can be obtained from the Chief Financial Officer Mr JV Nkosi on (035) 580-1421 during office hours or email him on nkosij@mbonambi.co.za

CLOSING DATE: Tenders are to be submitted in a sealed envelope, clearly marked with the relevant tender description and tender number, and must be placed in the tender box at the Municipal Offices, 25 Bredelia Street, Kwa-Mbonambi, on or before **12h00 on the 19th of September 2016**. The terms of reference are available on request.

Late proposals received by way of facsimile or e-mail, will under no circumstances be considered.

ENQUIRIES: Enquiries can be directed to the Chief Financial Officer, Mr JV Nkosi during office hours on the number (035) 580-1421.

Mr KE GAMEDE
MUNICIPAL MANAGER