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**SPECIAL CONDITIONS OF CONTRACT**

**RT 3 - 2015**

**SUPPLY, DELIVERY, INSTALLATION, COMMISSIONING AND  
MAINTENANCE OF OFFICE EQUIPMENT AND LABOUR SAVING  
DEVICES TO THE STATE  
FOR THE PERIOD 19 NOVEMBER 2015 TO 30 SEPTEMBER 2018**

**NATIONAL TREASURY  
TRANSVERSAL CONTRACTING**



## TABLE OF CONTENTS

ABBREVIATIONS .....	3
SECTION A.....	4
1 LEGISLATIVE AND REGULATORY FRAMEWORK .....	4
2 EVALUATION CRITERIA .....	4
3 RESPONSE FIELDS.....	6
4 AUTHORISATION DECLARATION .....	6
5 TAX CLEARANCE CERTIFICATE.....	7
6 VALUE ADDED TAX.....	7
7 SUBMISSION OF BIDS .....	7
8 LATE BIDS .....	7
9 COUNTER CONDITIONS .....	8
10 FRONTING.....	8
11 SUPPLIER DUE DILIGENCE .....	8
12 COMMUNICATION.....	8
13 CONTACT DETAILS.....	9
SECTION B.....	10
14 CONTRACT PERIOD.....	10
15 PARTICIPATING GOVERNMENT DEPARTMENTS / INSTITUTIONS .....	10
16 AWARD CONDITIONS .....	16
17 INFORMATION / DOCUMENTATION AND REQUIREMENTS SPECIFIC TO THIS BID ....	16
18 PRICING STRUCTURE .....	17
19 CONTRACT PRICE ADJUSTMENTS.....	18
20 PRE-AWARD PRODUCT COMPLIANCE PROCEDURES .....	24
21 DELIVERY AND QUANTITIES .....	24
22 PACKING.....	25
SECTION C.....	26
23 ROLES AND RESPONSIBILITIES .....	26
24 ORDERS AND DELIVERY .....	27
25 PRODUCT ADHERANCE / MODEL CHANGE .....	28
26 MAINTENANCE.....	28
27 GUARANTEES.....	30
28 POST AWARD REPORTING .....	31



## ABBREVIATIONS

BAC	: Bid Adjudication Committee
B-BBEE	: Broad-Based Black Economic Empowerment
CPA	: Contract Price Adjustment
CPI	: Consumer Price Index
ISO	: International Organisation for Standardisation
PPI	: Producer Price Index
ROE	: Rates of Exchange
SABS	: South African Bureau of Standards
SBD	: Standard Bidding Document
STATS SA	: Statistics South Africa
TCBD	: Transversal Contract Bidding Document
VAT	: Value- Added Tax



## **SECTION A**

### **1 LEGISLATIVE AND REGULATORY FRAMEWORK**

This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

### **2 EVALUATION CRITERIA**

#### **2.1 Preference Point System**

2.1.1 In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 90 points)
- B-BBEE status level of contributor (maximum 10 points)

2.1.2 The following formula will be used to calculate the points for price:

$$P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

2.1.3 A maximum of 10 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:



B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

- 2.1.4 Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof at the closing date and time of the bid in order to claim the B-BBEE status level point.
- 2.1.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 2.1.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act no. 69 of 1984)) or an accredited verification agency will be considered for preference points.
- 2.1.7 Failure on the part of the bidder to comply with paragraphs 2.1.4 and 2.1.6 above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 2.1.8 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- 2.1.9 The points scored will be rounded off to the nearest 2 decimals.
- 2.1.10 In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE.



- 2.1.11 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 2.1.12 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

### **3 RESPONSE FIELDS**

- 3.1 Bidders are required to submit responsive bids by completing all the prices, mandatory response fields and item questionnaires on the provided pricing schedule for the individual items. In this regard bidder's attention is drawn to the response field and price structure explanations and examples supplied in the bid document (TCBD 6 – Response Field Explanations).
- 3.2 Non-compliance with this condition may invalidate the bid for the item(s) concerned.

### **4 AUTHORISATION DECLARATION**

- 4.1 Any bidder who is sourcing goods or services from a third party must complete the "Authorisation Declaration" (TCBD 1) in full for all relevant goods or services, sign it and submit it together with the bid documents at the closing date and time of the bid.
- 4.2 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents.
- 4.3 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.
- 4.4 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions will invalidate the bid for such goods or services offered.



## **5 TAX CLEARANCE CERTIFICATE**

- 5.1 An original and valid Tax Clearance Certificate issued by the South African Revenue Services certifying that the taxes of the bidder are in order must be submitted at the closing date and time of bid. Please refer to SBD2 – Tax Clearance Certificate Requirements.
- 5.2 Copies and/or certified copies of the Tax Clearance Certificate will not be acceptable.
- 5.3 Failure to submit the original and valid Tax Clearance Certificate at the closing date and time of bid will result in the invalidation of the bid.

## **6 VALUE ADDED TAX**

- 6.1 All bid prices must be inclusive of 14% Value-Added Tax.
- 6.2 Failure to comply with this condition may invalidate the bid.

## **7 SUBMISSION OF BIDS**

- 7.1 Bidders must submit the bid in hard copy format (paper document) to National Treasury: Tender Information Centre before the closing date and time. The hard copy of the bid response will serve as the legal bid document. The bid must be addressed to the National Treasury: Tender Information Centre.
- 7.2 Each bid should be submitted in a separate, sealed envelope or suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly endorsed.
- 7.3 Bidders are requested to initial each page of the tender document on the top right hand corner.

## **8 LATE BIDS**

Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, be returned unopened to the bidder.



**9 COUNTER CONDITIONS**

Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by bidders may result in the invalidation of such bids.

**10 FRONTING**

10.1 The National Treasury supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the National Treasury condemn any form of fronting.

10.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the National Treasury may have against the bidder / contractor concerned.

**11 SUPPLIER DUE DILIGENCE**

The State reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits.

**12 COMMUNICATION**

12.1 Contract Management may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.



12.2 Any communication to any government official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.

12.3 All communication between the bidder and the Contract Management Office must be done in writing.

### 13 CONTACT DETAILS

#### 13.1 **General**

Chief Directorate: Contract Management, National Treasury, Private Bag x115, Pretoria, 0001

Physical address: 240 Madiba Street, cnr. Thabo Sehume - and Madiba Streets, Pretoria

#### 13.2 **Bid Enquiries**

Contract Manager: Manthepeng Tshinavha/Waseela Ebrahim

Contract Management, National Treasury

Tel: (012) 395 – 6528/ 315 – 5622

Fax: (012) 315 – 5058

E-mail: [Manthepeng.tshinavha@treasury.gov.za](mailto:Manthepeng.tshinavha@treasury.gov.za) / [waseela.ebrahim@treasury.gov.za](mailto:waseela.ebrahim@treasury.gov.za)



## **SECTION B**

### **14 CONTRACT PERIOD**

14.1 The contract period shall be for a period of 36 months commencing on 1 October 2015 to 30 September 2018

#### **14.2 Copiers: rental equipment**

The rental agreement emanating from this contract will be for a period of 36 (thirty six ) consecutive months, for equipment leased at any stage within the contract period, commencing on the day the machine is delivered, installed and commissioned to the end user. The contractor must notify the end-user within 60 days in writing of the expiry of the 36 month rental period/agreement. Upon expiry of the initial 36 month contract, the end-user has an option to extend the rental agreement for an additional period not exceeding 24 months in accordance with the Practice note 5 of 2006 issued by the Accountant General. The rental price of the equipment shall be reduced by seventy-five (75) percent of the original rental price. In the event of the end-user/department wishing to extend the lease agreement, the end user must notify the contractor in writing of the extension of the rental period **thirty days** prior to the expiry of the agreement.

#### **14.3 Shredders: outright purchases**

The shredders shall be outright purchases as and when required by the end-user within the contract period of 36 months.

### **15 PARTICIPATING GOVERNMENT DEPARTMENTS / INSTITUTIONS**

15.1 Government Departments / Institutions who will participate in this contract are:



NATIONAL DEPARTMENT	
1	Agriculture, Forestry And Fisheries
2	Arts And Culture
3	Basic Education
4	Civilian Secretariat For Police
5	Commission For Gender Equality
6	Communications
7	Cooperative Governance and Traditional Affairs
8	Correctional Services
9	Defence
10	Energy
11	Environmental Affairs
12	Health
13	Higher Education
14	Home Affairs
15	Human Settlements
16	Independent Police Investigative Directorate
17	International Relations & Cooperation
18	Justice and Constitutional Development
19	Labour
20	Military Veterans
21	Mineral Resources
22	National School of Government
23	National Treasury
24	Office of the Chief Justice
25	Planning, Monitoring & Evaluation
26	Presidency
27	Public Enterprises
28	Public Service & Administration
29	Public Service Commission
30	Public Works
31	Rural Development & Land Reform
32	Science and Technology
33	Social Development
34	South African Police Service
35	State Security Agency
36	Statistics South Africa
37	Telecommunications and Postal Services



38	Transport
39	Tourism
40	Trade and Industry
41	Water and Sanitation
42	Woman
<b>PROVINCIAL DEPARTMENT</b>	
1	EC Cooperative Governance and Traditional Affairs
2	EC Education
3	EC: Health
4	EC Human Settlements
5	EC Office of the Premier
6	EC Provincial Treasury
7	EC Roads and Public Works
8	EC: Rural Development & Reform
9	EC: Safety and Liaison
10	EC Social Development
11	EC: Sports and Recreation
12	EC Transport
13	Gauteng Provincial Legislature
14	KZN: Agriculture & Rural Development
15	KZN: Arts and Culture
16	KZN: Co-operative Governance and Traditional Affairs
17	KZN: Economic Development, Tourism and Environmental Affairs
18	KZN: Education
19	KZN: Human Settlements
20	KZN Public Works
21	KZN: Provincial Treasury
22	KZN: Social Development
23	KZN: Sport and Recreation
24	Limpopo: Agriculture and Rural Development
25	Limpopo: Co-Operative Human Settlements & Traditional Affairs
26	Limpopo: Economic Development Environment & Tourism
27	Limpopo: Education
28	Limpopo: Health
29	Limpopo: Social Development
30	Limpopo: Sports, Arts & Culture
31	Limpopo: Treasury



32	MPU Agriculture, Rural Development, Land and Environment
33	MPU: Community Safety, Security & Liason
34	MPU Co-operative Governance & Traditional Affairs
35	MPU: Education
36	MPU: Health
37	MPU: Human Settlements
38	MPU: Public Works, Roads and Transport
39	MPU: Provincial Treasury
40	MPU: Office of the Premier
41	MPU: Community Safety, Security & Liaison
42	MPU: Social Development
43	NW: Health
44	NC: Agriculture
45	NC: Cooperative Governance, Human Settlements and Traditional Affairs
46	NC Education
47	NC: Provincial Treasury
48	NC: Social Development
49	NC: Sport, Arts and Culture
50	NW: Culture, Arts and Traditional Affairs
51	NW: Community Safety and Transport Management
52	NW: Economy and Enterprise Development
53	NW: Education and Sports Development
54	NW: Finance
55	NW: Health
56	NW: Local Government and Human Settlements
57	NW: Office of the Premier
58	NW: Public Works and Roads
59	NW: Rural, Environment and Agricultural Development
60	NW: Social Development
61	NW: Tourism
62	WC: Agriculture
63	WC: Community Safety
64	WC: Cultural Affairs and Sport
65	WC: Economic Development & Tourism
66	WC: Environmental Affairs and Development Planning
67	WC Health
68	WC: Human Settlements
69	WC: Local Government
70	WC: Office of the Premier



71	WC: Provincial Treasury
72	WC: Social Development
73	WC: Transport and Public Works
74	WC: Health
<b>OTHER ENTITIES</b>	
1	Cape Town International Convention Centre
2	Centre for Public Service Innovation
3	City Of Tshwane
4	Commission for Conciliation, Mediation and Arbitration
5	Construction Industry Development Board
6	Eastern Cape Parks & Tourism Agency
7	Education, Training and Development Practices SETA
8	Electoral Commission
9	Emalahleni Municipality
10	Financial Services Board
11	Gauteng Gambling Board
12	Government Pensions Administration Agency
13	Independent Communications Authority of South Africa
14	Independent Development Trust
15	Inkomasi-Usuthu Catchment Management Agency
16	Interfront SOC Ltd
17	Kwa-Zulu Natal Gaming and Betting Board
18	Kwa-Zulu Natal: Film And Commission
19	Kwa-Zulu Natal Liquor Authority
20	Kwa-Zulu Natal Provincial Legislature
21	Kwa-Zulu Natal Tourism Authority
22	Limpopo Gambling Board
23	Mine Health and Safety Council
24	Mkhambathini Municipality
25	Mmababa Arts, Culture and Sports Foundation
26	Mpumalanga Economic Growth Agency
27	Municipal Demarcation Board
28	Mpumalanga Gambling Board
29	Municipal Infrastructure Support Agency
30	National Agricultural Marketing Council
31	National Economic Development and Labour Council
32	National Home Builders Registration Council



33	National Regulator for Compulsory Specifications
34	National Research Foundation
35	National Youth Development Agency
36	Newcastle Municipality
37	Office Of Health Standards Compliance
38	Parliament of the Republic of South Africa
39	Public Protector
40	Road Accident Fund
41	Road Traffic Infringement Agency
42	Road Traffic Management Corporation
43	Robben Island Museum
44	Service SETA
45	Small Enterprise Development Agency
46	South Cape TVET College
47	South African Human Rights Commission
48	South African Local Government Association
49	South African Maritime Safety Authority
50	South African National Parks
51	South African Revenue Service
52	South African Social Security Agency
53	State Information Technology Agency
54	Taletso TVET College
55	Technology Innovative Agency
56	Thembelihle Local Municipality
57	Tshwane Economic Development Agency
58	UMALSUI Council for Quality Assurance in General and Further Education and Training
59	uMhlathuze Municipality
60	Unemployment Insurance Fund
61	Western Cape Gambling Board
62	Western Cape Liquor Authority
63	Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO)

15.2 ***Post award participation***

15.2.1 In terms of Treasury Regulation 16A6.6 and Municipal Supply Chain Management Regulation 32, an Accounting Officer/Accounting Authority may, on behalf of the department, constitutional institution, public entity, Municipality or Municipal Entity, request to participate in



transversal term contracts contract arranged by means of a competitive bidding process by National Treasury, subject to written approval by the BAC for Transversal Contracts and relevant contractors.

- 15.2.2 The abovementioned provision for post award participation will only apply during the first 6 months of the contract period. No application after this period will be considered.

## **16 AWARD CONDITIONS**

- 16.1 The State reserves the right to award contracts to more than one contractor for the same item.

### **16.2 *Items Grouped as a Series***

- 16.2.1 All items that are grouped as a series in specification shall be regarded as a group series and be evaluated and awarded accordingly.

- 16.2.2 Bidders are required to offer prices for all units of measure specified in the series.

- 16.2.3 Bidders must take note that the allocation of points will be per category (group award).

- 16.2.4 Non-compliance with the abovementioned special conditions will invalidate the bid for the item/s concerned

## **17 INFORMATION / DOCUMENTATION AND REQUIREMENTS SPECIFIC TO THIS BID**

- 17.1 In order to verify compliance with the minimum specification, an original manufacturer's (OEM) brochure for each item offered, including the detailed technical specification sheet, must be submitted with the bid document. **The brochure must be clearly labelled with the item number of the machine being offered in the bid.**



17.2 In terms of the National Treasury Practice Note 5 of 2009/2010, SITA will conduct a standard certification in respect of the multi-functional devices offered on the RT3-2015 contract. In this regard, bidders must submit their SITA certifications or proof of submission to SITA for each product range offered in the bid, at closing date and time of bid.

Bidders can refer to [www.sita.co.za/prodcert.htm](http://www.sita.co.za/prodcert.htm) for details on the certification process, as well as the required documents and forms. Product Certification contact details are as follows:

**SITA Contact Details:**

Contact person: Paulina Mapane  
Telephone number: (012) 482 2872  
eMail: [tas@sita.co.za](mailto:tas@sita.co.za)

**18 PRICING STRUCTURE**

18.1 Prices quoted must be furnished on the basis of “delivered into store” country-wide.

18.2 Bids must be for the supply ex duty paid stocks held in the Republic of South Africa during the contract period.

18.3 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.

**18.4 *Rental equipment***

18.4.1 Bidders are required to submit a uniform monthly rental price per line item on a national basis.

18.4.2 If a bidder offers more than one model on the same item, the offer must clearly be marked Offer A and Offer B on separate pages on the official pricing schedule.

18.4.3 In the pricing schedule form the following fields must be completed for each item:

- **“The monthly rental rate”** which will include: -
  - Delivery;



- Installation;
- Commissioning cost

- **Copy charge costs per line item on a national basis**

18.4.4 As an example on the pricing schedule form.

- E.g. Monthly rental **R2 500.00/month**
- Copy charge **R0.12c**

18.4.5 In the case where an order is placed on a supplier, the price applicable at the date of order placement is to be invoiced.

18.5 ***Outright Purchases (shredders)***

18.5.1 Bidders are required to bid a uniform price per line item on a national basis.

18.6 ***Sub-Contracting***

18.6.1 Bidders may make use of sub-contractors for delivery, installation and /or maintenance, repairs of equipment on a national basis. The contract will, however, be awarded to the bidder as the primary contractor who will be responsible for the management of the contract. The State will not enter into any separate contracts with such sub-contractors.

**19 CONTRACT PRICE ADJUSTMENTS**

19.1 ***Formula***

19.1.1 Prices submitted for this bid will be regarded as non-firm and subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time.

19.1.2 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.

19.1.3 The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).



$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85). .
D1 – Dn	=	Each factor (or percentage) of the bid price, e.g., material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%).
R1t – Rnt	=	End Index. Index figure obtained from the index at the end of each adjustment period.
R1o–Rno	=	Base Index. Index figure at the time of bidding.
VPt	=	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment.

19.2 **Formula component definitions**

19.2.1 Adjustable amount

The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is 85% of the original bid price. For example, if the bid price is R1000, then only R850 will be subject to adjustment.

19.2.2 Fixed portion

The fixed portion represents those costs which will not change over the adjustment period and DOES NOT represent the profit margin. In this bid the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract period.

19.2.3 Cost components and proportions

The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these



cost components. In this bid the following cost components will be used to calculate contract price adjustments.

Bidders are requested to submit the cost breakdown of the bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Successful bidders that are direct importers of raw material / finished product can apply for RoE adjustment under cost element D1. If the successful bidder is not a direct importer of raw material / finished product, cost component D1 would not be applicable and only local cost components (D2 - Dn) would be applicable.

<b>Cost Component</b>	<b>% Contribution</b>
D1- Imported portion - Finished product	
D2 - Local Raw Material / Finished product (if applicable)	
D3 - Labour	
D4 - Transport	
D5 – Other	
<b>TOTAL (Cost components must add up to 100%)</b>	<b>100 %</b>

19.2.4 Applicable indices / references

The applicable index refers to the relevant market index, which is a true reflection of price movement(s) in the cost over time. In this bid the following indices or reference will be applicable:



Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished product (if applicable)	Rates of exchange	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	STATS SA P0141(CPI) /STATS SA P0142.1 (PPI)	Reference to specific Index and table
D3 - Labour	STATS SA P0141 (CPI) OR Labour agreement <sup>1</sup>	Table E - All Items OR Labour agreement to be provided
D4 – Transport	STATS SA P0141 (CPI)	Table E - Transport – Other Running Cost
D5 – Other	Specify	Documentary evidence to accompany claim

19.2.5 Base Index Date

The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is **May 2015**.

19.2.6 End Index Date

The end index dates are the dates at predetermined points in time during the contract period. In this bid the end indices are defined in the next paragraph (Price Adjustment Periods).

19.2.7 Price Adjustment Periods

Adjustment to contract prices may be applied for at the following dates:

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<sup>1</sup> In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



<b>Adjustment</b>	<b>CPA application to reach the office at the following dates</b>	<b>End Index Date</b>	<b>Dates <i>from</i> which adjusted prices will become effective</b>
1 <sup>st</sup> Adjustment	24 November 2015	October 2015	1 December 2015
2 <sup>nd</sup> Adjustment	24 May 2016	April 2016	1 June 2016
3 <sup>rd</sup> Adjustment	25 October 2016	September 2016	1 November 2016
4 <sup>th</sup> Adjustment	25 April 2017	March 2017	1 June 2017
5 <sup>th</sup> Adjustment	24 October 2017	September 2017	1 November 2017
6 <sup>th</sup> Adjustment	24 April 2018	March 2018	1 June 2018

19.3 ***Rates of Exchange (RoE) – Base and Average rates***

In the event where material and/or finished products are imported the following will apply:

- 19.3.1 The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate (refer paragraph 19.3.4) and the average RoE rate over the period under review indicated in paragraph 19.3.6 below.
- 19.3.2 In the event where the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate (paragraph 19.3.4) for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph 19.3.6 below for the later invoice.
- 19.3.3 The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph 19.2.3 and 19.2.4 above and at the predetermined dates indicated in paragraph 19.2.7 above.
- 19.3.4 Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item(s) to South African currency is indicated in the table below.



<b>Currency</b>	<b>Rates of exchange</b> 6 month average for the period 1 November 2014 to 30 April 2015
US Dollar	11.6351
Pound Sterling	17.7896
Euro	13.4336

19.3.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 November 2014 to 30 April 2015** using the Reserve Bank published rates for the specific currency. Visit [www.reservebank.co.za](http://www.reservebank.co.za) to obtain the relevant rates. Please refer to TCBD 2 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

19.3.6 Contract price adjustments due to rate of exchange variations are based on average exchange rates as published by the Reserve Bank for the periods indicated hereunder:

<b>Adjustment</b>	<b>Average exchange rates for the period:</b>
1 <sup>st</sup> Adjustment	1 May 2015 to 20 November 2015
2 <sup>nd</sup> Adjustment	21 November 2015 to 20 May 2016
3 <sup>rd</sup> Adjustment	21 May 2016 to 20 October 2016
4 <sup>th</sup> Adjustment	21 October 2016 to 20 April 2017
5 <sup>th</sup> Adjustment	21 May 2017 to 20 October 2017
6 <sup>th</sup> Adjustment	21 October 2017 to 20 April 2018

19.4 **General**

19.4.1 Unless prior approval has been obtained from Contract Management, no adjustment in contract prices will be made.

19.4.2 Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.

19.4.3 CPA applications will be applied strictly according to the specified formula and parameters



above as well as the cost breakdown supplied by bidders in their bid documents.

19.4.4 Bidders are referred to **paragraph 9** of the Special Conditions regarding Counter Conditions.

19.4.5 An electronic price adjustment calculator will be available on request from Contract Management.

## **20 PRE-AWARD PRODUCT COMPLIANCE PROCEDURES**

The following pre-award product compliance procedures will apply:

### **20.1 Standards / Specifications**

20.1.1 Items must comply with standards / specifications as stated in the bid document.

20.1.2 All machines must adhere to the National Regulator for Compulsory Specification for Electrical Act 5 of 2008, and all its amendments as published in the Government Gazette No. 38128 of 31 October 2014. (VC 8055).

### **20.2 Quality Assurance**

20.2.1 All products offered must comply with the following:

- ISO 9000 (certification for design, system and component manufacturing, and assembly)
- ISO 14000 (certification for environmental management)
- ISO/IEC 60950 (Electrical safety and EMI certifications)
- CISPR 22 / EN 55022

20.2.2 All multi-functional devices offered must comply with the following:

- ICASA-approved
- EPA Energy Star or equivalent eco design/certification

20.2.3 Non-compliance with this condition may invalidate the bid for the item(s) concerned.

## **21 DELIVERY AND QUANTITIES**



21.1 ***Delivery Basis***

21.1.1 Firm lead times for delivery must be quoted for the duration of the contract period.

21.1.2 Transit and storage conditions applicable to the relevant product must be adhered to.

21.2 ***Quantities***

21.2.1 No quantities are reflected in the bid as orders will be placed on the basis of “as and when required” and no guarantee is given or implied as to the actual quantity which will be procured during the contract period

**22 PACKING**

22.1 ***General***

22.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers, which will be acceptable for further dispatch.

22.1.2 The packing of the goods to be supplied must be uniform for the duration of the contract period, i.e.:

- All containers, packing and cartons must be clearly labelled.
- All products must be packed in acceptable containers, where applicable, specifically developed for the product.



## **SECTION C**

### **23 ROLES AND RESPONSIBILITIES**

#### **23.1 *Contract Administration***

23.1.1 The administration and facilitation of the contract will be the responsibility of National Treasury, Transversal Contracting and all correspondence in this regard must be directed to the following address:

The Chief Directorate: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001

23.1.2 Contractors must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.

#### **23.2 *Agreement***

23.2.1 No other agreements except the Service Level Agreement and the Addenda will be signed with the contractor. The Service Level Agreement must be signed by both parties **within 14 days** after commissioning of the goods. Two copies of the Service Level Agreement must be signed.

#### **23.3 *Supplier Performance Management***

23.3.1 Supplier performance management will be the responsibility of end-user departments and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, National Treasury: Contract Management must be informed for corrective action.

#### **23.4 *Placement of Orders and Payments***

Orders will be placed by participating departments who will be responsible for the payment to contractors for goods delivered and/or services rendered.



## 24 ORDERS AND DELIVERY

### 24.1 **Orders**

24.1.1 Contractors should note that each individual purchasing institution is responsible for generating the order(s) as well as the payment(s) thereof.

24.1.2 Contractors should note that the order(s) will be placed as and when required during the contract period and delivery points will be specified by the relevant purchasing institution(s).

24.1.3 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the contractor deviate from the orders issued by the purchasing institutions.

24.1.4 The State is under no obligation to accept any quantity which is in excess of the ordered quantity.

### 24.2 **Delivery Adherence**

24.2.1 Delivery of goods must be made in accordance with the instructions appearing on the official order forms issued by purchasing institutions.

24.2.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been effected.

24.2.3 Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.

24.2.4 Where applicable, all equipment is to be supplied with Operating Manuals in at least the English Language.

### 24.3 **Risk**

24.3.1 During the period the equipment is in transit or in the possession of the contractor, up to and including the date of acceptance by the end-user, the contractor shall be responsible for all risks of loss or damage to the equipment.



24.4 ***Relocation of Equipment***

24.4.1 The end-user shall not be entitled to move rental equipment but may request the contractor to move it by giving written notice and the end-user accepting the contractor's reasonable quotation.

**25 PRODUCT ADHERANCE / MODEL CHANGE**

25.1 In the event where a bidder offers a specific model against an item and the item is subsequently awarded to the bidder, it is required of the contractor to continue to supply the model awarded throughout the contract period.

25.2 In the event that the model is discontinued, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued.

25.3 In the case where equipment has been discontinued and or replaced with a new model, the contractors are required to submit letters from manufacturer/suppliers stating the changes.

25.4 It must be noted that the new model may be required to undergo the SITA certification process prior to receiving approval of the model change issued by National Treasury.

25.5 Furthermore, contractors are to take note that the price of the new model should not be higher from the current contract price of the original model.

25.6 The new model must adhere to the minimum specification for the item category.

25.7 Contractors are not to deliver new equipment models prior to approval of model changes by the National Treasury.

**26 MAINTENANCE**

26.1 Rental equipment

26.1.1 It is required that sufficient spare parts be held in RSA to ensure that equipment supplied in terms of the contract, are kept in acceptable working condition for three to five years after the installation.



26.1.2 “The “copy charge” will be for full coverage of on-site maintenance on a National basis. The maintenance of all machines shall include: -

- Toners (includes developers);
- All service calls, repairs and replacement of all defective parts;
- All spare parts and consumables including the rollers fuse units, drums excluding staples.

26.1.3 The maintenance period of thirty-six (36) months will be effective from the date of commissioning.

26.1.4 The response time on call-out should be as follows: -

Radius	Response time/Turn-around time
Within 60 km	4 hours
61 - 120 km	8 hours
More than 120 km	24 hours

26.1.5 In a case where a machine is in for repairs for more than five (5) days, the contractor is deemed to provide a loan machine, which is in good condition.

26.1.6 Repair costs due to end-user negligence will be for end-user’s account.

## 26.2 ***Outright Purchases***

26.2.1 Outright purchases will only be applicable to shredders.

26.2.2 After the guarantee period has lapsed the maintenance of the equipment will be solicited on a quotation basis.

26.2.3 The contractor shall repair or replace such items immediately upon receipt of official purchase order.



## 27 **GUARANTEES**

### 27.1 ***Rental Equipment***

27.1.1 The contractor shall fully guarantee and maintain all items on the contract against manufacturing defects for the entire contract period of 36 months.

27.1.2 The contractor will further maintain the equipment within the extension period of 24 months as and when required.

### 27.2 ***Outright Purchases***

27.2.1 The contractor shall fully guarantee all items against manufacturing defects, installation, commissioning, materials and workmanship for a minimum period of 30 days after the delivery of equipment. Should the manufacturing defects be detected within the 30-day period, the supplier shall replace the equipment with the new one. Should the manufacturing defects be detected within six (6) months from date of delivery period, installation and commissioning, the supplier shall service the equipment under guarantee terms and conditions. Contractors are obliged to refund, repair or replace the failed, unsafe and defective goods. The guarantee period shall be effective for a period of 12 months from the date of delivery, installation and commissioning.

27.2.2 Throughout the guarantee period, the contractor must maintain working order of all machines.

27.2.3 Maintenance and servicing inspections must be carried out on a six monthly basis as stated without being requested to do so by the end-user during the guarantee period. The use of other brands of material e.g. ribbons, ink, tapes and paper etc. must in no way affect the guarantee. Should the use of this material affect the guarantee, full particulars must be furnished.

27.2.4 The guarantee shall include regular inspections during the guarantee period and a certificate marked "Under Guarantee" in respect of each inspection shall be furnished. It is a requirement that the contractor keeps record of the offices/premises where the machines are delivered and installed in order to keep such machines in good working order during the guarantee period.



## 28 POST AWARD REPORTING

### 28.1 *Historical Data*

All successful bidders are required to submit historical value and volume reports via e-mail on a six (6) monthly basis to:

#### 28.1.1 Transversal Contracting, National Treasury:

Manthepeng Tshinavha ([manthepeng.tshinavha@treasury.gov.za](mailto:manthepeng.tshinavha@treasury.gov.za))

Waseela Ebrahim ([waseela.ebrahim@treasury.gov.za](mailto:waseela.ebrahim@treasury.gov.za))

Kobie Claassen ([kobie.claassen@treasury.gov.za](mailto:kobie.claassen@treasury.gov.za))

The dates for which the information must be submitted:

Period	Period for information must be submitted	Dates at which reports must be submitted
1	1 October 2015 – 31 March 2016	12 April 2016
2	1 April 2016 – 30 September 2016	18 October 2016
3	1 October 2016 – 31 March 2017	11 April 2017
4	1 April 2017 – 30 September 2017	17 October 2017
5	1 October 2017 – 31 March 2018	10 April 2018
6	1 April 2018 – 30 September 2018	17 September 2018

**END**