SPECIAL CONDITIONS OF CONTRACT

BID NUMBER RT42-2021

SUPPLY AND DELIVERY OF BANDAGES AND DRESSINGS TO THE STATE FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2025

CLOSING DATE AND TIME OF BID: 26 AUGUST @ 11h00

BID VALIDITY PERIOD: 180 DAYS

NATIONAL TREASURY

TRANSVERSAL CONTRACTING

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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
CD	Compact Disc
CE	Conformité Européenne
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPD	Continuing Professional Development
CPI	Consumer Price Index
CSD	Central Supplier Database
DVD	Digital Versatile Disc
EME	Exempt Micro Enterprises
FDA	Food and Drug Administration
GDP	Gross Domestic Product
IE	Electromagnetic Interference
ISO	International Organization for Standardization
NDoH	National Department of Health
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
SA	South Africa
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SANS	South African National Standards
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TCO	Total Cost of Ownership
TIC	Tender Information Centre
VAT	Value Added Tax

DEFINITIONS

Consumable	A commodity that is intended to be used up relatively quickly because its end-of-life is reached after a single use
Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s)
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the Participants
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses
Mandatory	A mandatory document in terms of the bid is a document that is required, obligatory, or compulsory. Non-submission means no further evaluation of the bidder
Recall	An item recall is the process of retrieving defective and/or potentially unsafe goods from participants while providing those participants with compensation. Recalls often occur as a result of safety concerns over a manufacturing defect that may harm its user

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RETURNABABLE DOCUMENTS

Table 1: Returnable Bid Document Checklist

#	Document Name	Included in the published bid document?	To be returned by bidder
LEGISLATIVE REQUIREMENTS DOCUMENTS			
1	SBD 1: Invitation to Bid	Yes	Yes
2	Letter of Authority (As per SBD1)	No	Yes
3	Central Supplier Database Report (CSD report)	No	Yes
4	SBD 2 – Tax Clearance Certificates Requirements	Yes	No, NT will use CSD for verification
4	SBD 4 Declaration of Interest	Yes	Yes
6	SBD 5 The National Industrial Participation Programme	Yes	Yes
7	SBD 6.1 Preference Points Claim Form	Yes	Yes
8	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes
9	SBD 9 Certificate of Independent Bid Determination	Yes	Yes
PHASE I: PRE-QUALIFICATION REQUIREMENTS			
10	Original or certified copy of B-BBEE certificate or Sworn Affidavit (originally signed by both bidder and commissioner)	No	Yes
PHASE II: MANDATORY REQUIREMENTS			
11	SAHPRA Licence: Medical Devices Regulations (Company)	No	Yes
12	Annexure B - Pricing Schedule	Yes	Yes (only items offered)
PHASE III: LOCAL PRODUCTION AND CONTENT REQUIREMENTS			
13	SBD 6.2 and its Annexures	No	Yes
PHASE IV: TECHNICAL REQUIREMENTS			
14	Annexure A Technical Specification	Yes	Yes
	Quality Assurance Standards	No	Yes
	British Pharmacopoeia Declaration (if applicable)	No	Yes
15	TCBD 1 Authorisation Declaration	Yes	Yes
16	TCBD 1.1 (List of goods or services offered)	Yes	Yes
17	TCBD 1.2 Letter of undertaking from manufacturer	Yes	Yes
18	Test Report from SANAS Institution	No	Yes
OTHER DOCUMENTS			
19	Company Profile and CIPC registration certificate	No	Yes

#	Document Name	Included in the published bid document?	To be returned by bidder
20	Special Conditions of Contract	Yes	Yes
21	General Condition of Contract	Yes	Yes
22	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No
23	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No

#NB 1: All the prospective bidders are required to return these documents as per above sequence.

#NB 2: The above table for returnable documents is a guide only on how and which documents must be submitted.

#NB 3: It is the responsibility of the bidder to ensure that they read each paragraph in the Special Conditions of Contract and Bid to determine all documents required and templates must be completed and submitted accordingly.

1. INTRODUCTION

This bid is for the supply and delivery of bandages and dressings the state for the period 1 April 2022 to 31 March 2025

This bid document is divided as follows:

1.1	Section A	:	Conditions of bid
1.1.1	Part 1	:	Evaluation criteria consisting of 4 phases.
1.1.2	Part 2	:	Other bid requirements
1.2	Section B	:	Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 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) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

2.2 This bid is subject to all applicable industry related legislation, particularly the legislation stated below:

- Medicines and Related Substances Amendment Act, No 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and it's Regulations and Guidelines;
- Patents Act, 1978 (Act 57 of 1978) and the Trademarks Act, 1993 (Act 194 of 1993)

2.3 **Standard Bidding Documents**

The following standard bidding documents must be submitted with the bid at the closing date and time of bid.

- SBD 1 – Invitation to bid
- SBD 4 – Declaration of interest
- SBD 5 – The National Industrial Participation Programme
- SBD 6.1 – Preference Points Claimed (BBBEE)
- SBD 6.2 – Declaration Certificate for Local Production and Content
- SBD 8 – Declaration of Past SCM Practices
- SBD 9– Certificate of Independent Bid Determination

2.4 **Tax Compliance Requirement**

2.4.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

2.4.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.

2.4.3 It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.

2.4.4 Bidders are required to be registered on the Central Supplier Database (CSD) and NT shall verify the bidder's tax compliance status through the CSD or through SARS.

2.4.5 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS.

3. BID INFORMATION SESSION

3.1 A Virtual non-compulsory information session will be scheduled as follows:

Date : 6 August 2021
Time : 11h00 -12h30
Venue: Virtual Meeting (Microsoft teams)

3.2 A link to the briefing session will be published on National Treasury's website and bidders can be able to access the meeting. http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx.

3.3 The briefing session is not compulsory but will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.

3.4 The state reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

3.5 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to transversal.contracting3@treasury.gov.za before the briefing session. The closing date for receipt of all enquiries is **24 August 2021**. All enquiries beyond this date will not be considered.

4. SPECIFICATIONS AND SCOPE OF WORK

4.1 Bidders must be able to supply the bandages and dressings to the state for the period 1 April 2022 to 31 March 2025 as per the attached Annexure A -Technical Specification. The categories for the items on the bid are laid out as follows:

Table 2 - Item Category

#	CATEGORY NAME	NO OF SUB -CATEGORY
1	Dressings	239
2	Bandages	47
3	Cotton wool and tampon	8
4	Swabs	24
5	Gauzes	12
6	Pad eye / surgical pad	7
7	Drapes	62
8	Tapes	11
9	Brain patties	7
10	Sponge	5
11	Plaster	3
12	Skin closure strip	2
13	Support intravenous	5
14	Padding	9
15	Skin traction kit	2
16	Support scrotal	2
17	Soft silicon wound	6
18	Silicon adhesive and non-adhesive	12
19	Casting	3
20	Wipes and Adhesive removal liquid	3
TOTAL NUMBER OF ITEMS		**470**

SECTION A

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in five (5) phases as per the table below:

Table 3: Evaluation Criteria

PHASE I	PHASE II	PHASE III	PHASE IV	PHASE V
Pre -Qualifying Criteria	**Compliance with mandatory and other standard bidding documents**	**Local Content (applicable to only locally manufactured products)**	**Technical Evaluation**	**Price and B-BBEE**
Regulation 4(1) (a) Level 1-8	Compliance with mandatory and other bid requirements	Compliance with local content	Compliance with technical specifications and requirements	Bids evaluated in terms of the 90/10 preference system

5.1 PHASE I: PRE- QUALIFYING CRITERIA FOR PREFERENTIAL PROCUREMENT

5.1.1 It is a condition of this bid that only one or more of the following bidders may respond to this bid:

a) A bidder having a B-BBEE status level contributor 1 to 8. 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 or sworn affidavit at the closing date and time of the bid in order to prove compliance.

5.1.2 Bidders are required to submit proof of B-BBEE status level of contributor. Proof includes original and valid B-BBEE status level verification certificates or certified copies thereof or a sworn affidavit signed by the EME representative and attested by Commissioner of oaths.

5.1.3 A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate. Bidders who submit individual BBBEE certificates or Sworn affidavit will be disqualified.

5.1.4 Public entities and tertiary institutions must also submit their B-BBEE certificate

5.1.5 Non-compliance with the requirement for pre-qualification will invalidate the bid.

5.2 PHASE II EVALUATION: MANDATORY BID REQUIREMENTS

Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory criteria will be disqualified.

5.2.1 South African Health Products Regulatory Authority (SAHPRA): Medical Devices and In Vitro Diagnostic Regulation Licence

5.2.1.1 Bidders must submit a Manufacturers, distributors and or wholesalers' licence as per the Medical Devices and In Vitro Diagnostic Regulations as referred to in Section 22C(1)(b) of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must submit a licence for the manufacturing, importing, exporting, distribution and or wholesaling of medical devices and IVDs, as issued by the South African Regulatory Authority at the closing date and time of bid.

5.2.1.2 Upon such time that medical devices and In Vitro Diagnostic products are called up for registration, via publication in the Government Gazette, bidders, who have been licensed as medical device establishments will be required to comply to the requirement by submitting licence/registration certificate of the said medical device and IVDs products.

5.2.2 Pricing Structure and Schedule

5.2.2.1 The pricing schedule (see Annexure B) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. All pricing offered must be on a national level.

5.2.2.2 Bidders are required to complete a mandatory Pricing Schedule Annexure B as a response on how much the items offered will be charged. No submission of the Pricing Schedule will invalidate the bid response.

5.2.2.3 Due diligence on market related pricing reasonability will be conducted. The State Reserve the right to disqualify bid offers in which there is no reasonable doubt that the bid offered is under quoted. In this case, the bidder will be required to submit supporting documentations.

5.2.2.4 Conditional discounts offered will not be taken into consideration during evaluation.

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

5.2.2.6 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD and their tax compliance status will be verified through the CSD or through SARS.

5.3 PHASE III EVALUATION: LOCAL PRODUCTION AND CONTENT REQUIREMENTS

5.3.1 A provision is made to consider only locally produced products offered as per the Regulation 8 of the Preferential Procurement Regulations, 2017 pertaining to the Preferential Procurement Policy Framework Act, Act no 5 of 2000 which provides for the designation of sectors in line with national development and industrial policies for local production.

5.3.2 To give effect to the above requirement the Textiles, Clothing, Leather and Footwear sector has been designated for local production and content with a minimum threshold of 100%.

5.3.3 Only bid offers that meet the minimum threshold for local production and content will be considered under this evaluation criteria. Items offered which do not meet the minimum threshold will be disqualified.

5.3.4 This evaluation criteria is only applicable to the items listed on the detailed Technical Specification **Annexure A.** The items must comply with the minimum threshold of the local content.

5.3.5 The Declaration Certificate for Local Production and Content (SBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, signed, and submitted with the bidding documents at the closing date and time of the bid. The rates of exchange used by the bidder in paragraph of the Declaration Certificate will be verified for accuracy against the requirements of paragraph above.

5.3.6 If the material or input to be used for a specific item is not available locally, bidders should obtain written authorisation from the Department of Trade & Industry (the dtic) should there be a need to import such material or input.

5.3.7 A copy of the Exemption letter must be submitted together with the bid document at the closing date and time of the bid. For further information, bidders may contact the Unit within the DTI:

- Mr Jaywant Ikhede at Tel 012 394 5166 or email: JIrkhede@thedtic.gov.za
- Me P Khumalo at Tel: 012 394 1394 or e-mail khumalop@thedti.gov.za

5.3.8 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.

5.3.9 The technical specification and the Guidance on the calculation of local content together with the Local Content Declaration Templates namely [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all bidders on the dti's website http://www.dti.gov.za/industrial_development/ip.jsp at no cost.

5.3.10 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula:

LC = (1 – X/Y) * 100

Where:

X is the imported content in Rand

Y is the bid price in Rand excluding value added tax (VAT)

5.3.11 Prices referred to in the determination of X must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid.

5.3.12 The DTI has a right, as and when necessary, to request for auditors" certificates confirming the authenticity of the declarations made in respect of local content.

5.3.13 Items which have been declared that are produced locally (primary or secondary) and do not meet the minimum threshold of the local content will be disqualified and will not be evaluated further.

5.3.14 Suppliers must not sub-contract in such a manner that the local production and content of the overall value of the items concerned is reduced to below the stipulated minimum threshold.

5.3.15 Where, after the award of this bid, suppliers experience challenges in meeting the stipulated minimum threshold for local content, the DTI must be informed accordingly to verify and in consultation with the National Treasury provide directives in this regard.

5.4 PHASE IV EVALUATION: TECHNICAL REQUIREMENTS

Bid which have complied with Phase I, Phase II and Phase III of the evaluation will be evaluated on Phase IV evaluation

5.4.1 Standards/Specifications

5.4.1.1 Items must comply with specification as stated in the bid document of each item. The specification as per the pricing schedule is a summary description and the attached **Annexure A** is the detailed technical Specification of all the items.

5.4.1.2 A deviation of at least 10% in terms of sizes for all items indicated on the technical specification Annexure A will be considered.

5.4.1.3 The state will consider products which has a reasonable deviation to the specification subject to the deviation not causing any harm clinically to the target patient population that the product is aimed at and that the functional output of the item specification is achieved. This will therefore be decided upon based on the clinical judgement and expertise of the Bid Evaluation Committee.

5.4.2 Quality Assurance Requirements

5.4.2.1 Bidders must submit at the closing date and time of bid, valid quality assurance certificates ISO 13485 to confirm compliance. The holder of the certificates must be the original manufacturer of the finished product. Failure to submit these documents will invalidate your bid.

5.4.2.2 Where specific specifications and/ or standards, e.g. SABS, SANS, EU, ADA, CKS, BP, BPC, USP, USNE, EP, ISO or DIN, are applicable on materials and supplies, the quality of products shall not be less than the requirements of the latest edition of such specifications and/or standards.

5.4.3 Sterility

5.4.3.1 Where items are indicated on the specification that they are sterile, the Sterilization processes used for medical devices shall comply with the requirements of the relevant item standards.

5.4.3.2 All sterilized products shall be individually packed or in unit packages sterilizable by the method(s) stated by the manufacturer.

5.4.4 British Pharmacopoeia (BP) Products

Where a BP standard is specified on an item, the bidder must provide a certificate of the specified standard to indicate that the product has been tested against and complies with any of the suitable standards. Details of the manufacturer must also be provided. The holder of the certificates must be the original manufacturer of the finished product. Failure to submit these documents will invalidate your bid.

5.4.5 **Authorisation Declaration**

5.4.5.1 All bidders must complete the "Authorisation Declaration" (TCBD 1 and TCBD 1.1) in full for all relevant goods or services they are offering, sign it and submit it together with the bid response at the closing date and time of the bid invitation.

5.4.5.2 Any bidder who is not an original manufacturer of the items offered, must submit at the closing date and time of bid, a valid Third-Party Undertaking (see template provided as TCBD 1.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:

- List of items indicating, item description and brand/model name and or number.
- Letter must be on the manufacturer's or third party's letter head, dated and signed.
- Have contact person's name, physical address, telephone, and email details.
- All information on the letter must be in English.

5.4.5.3 The letter of undertaking must be from an original manufacturer OR from an authorised importer/distributor. In a case where the letter of undertaking is from an authorized importer/distributor, a letter from the original manufacturer confirming that the importer/distributor is authorised by the original manufacturer must be submitted at the closing date and time of bid.

5.4.5.4 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and its Annexures 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 and or disqualify the bid.

5.4.5.5 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.

5.4.5.6 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.

5.4.6 **Test Reports from SANAS Accredited Institutions**

5.4.6.1 All bidders are required to submit a test report issued by a SANAS accredited institutions for all items with relevant standards. The test reports must not be older than twenty-four (18) months at the closing date of the bid.

5.4.6.2 The procedures for sampling frame guidelines and testing for product compliance may differ and should be obtained from the relevant testing institution prior to submission of samples. The cost of compliance testing will be for the account of the prospective bidder.

5.4.6.3 In the event that a test report cannot be obtained from the testing institution prior to the closing date and time of the bid, the bidder must submit proof issued by the SANAS accredited institution that the sample had been submitted for testing on or before the closing date and time of the bid.

5.4.6.4 Where a bidder has submitted a letter from a SANAS accredited institution, bidders are required to submit the test report as soon as it is issued by the relevant institution. It is the responsibility of the bidder to ensure that the test reports are submitted to National Treasury as soon as the test report is issued.

5.4.6.5 In an event where a bidder has submitted a letter from SABS confirming that samples have submitted for testing, bidders are giving a consent to National Treasury to engage with SABS to verify that bidders have submitted the samples for testing and National Treasury may request such test reports directly from SABS.

5.4.6.6 Bids not supported by test reports will be disregarded in respect of the item (s) for which test reports are not submitted during evaluation including bidders who failed to submit the test report immediately after it has been issued by the testing institution.

5.4.6.7 Bidders must enquire at South African Bureau of Standards office's countrywide for the relevant standards specifications for SANS, SABS, ISO AND CKS. Obtaining any standards/specifications will be the responsibility and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales at: Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Contact person: Ms Wilheminah Moshobane, Tel: 012 428 6057/6694 E-mail: wilheminah.moshobanei@sabs.co.za; Website: www.sabs.co.za and follow the "Search/Buy Standards" link

5.4.7 **Samples submission for Visual Screening Evaluation**

5.4.7.1 All items must comply with technical specification as provided in this bid as stated in the technical specification detail of each item. Failure to comply will invalidate the items concerned.

5.4.7.2 Bidders are required to submit samples for visual screening evaluation for all items offered to verify compliance with technical specifications. Failure to submit the samples as required will invalidate the bid for the items which samples are not submitted.

5.4.7.3 **Sample Submission –**

- National Treasury will send a schedule indicating a date, time, place, and venue to short listed bidders to submit samples for the evaluation. Bidders' attention is drawn to the fact that a schedule for sample submission may be forwarded to bidders at a short notice of at least two weeks prior to the date of sample submission. The request to submit samples may be immediately after the closing date and therefore bidders are required to be ready to submit the samples from the closing date of the bid.
- It is a responsibility of the bidder to ensure that correct contact details are provided in the bid document and to ensure that samples are submitted on time, at the correct venue.

- Where different sizes of the same item are called for against different item numbers, samples of each size must be submitted.
- All samples submitted must be a true representation of the product which will be supplied during the contract period. Must be in the in the original pack and comply to labelling requirements.
- All samples must be in original packaging for sample evaluation. Samples that are not in original packaging will not be disqualified.
- The quantity of samples required for each item is indicated on the **Annexure A Technical Specification.**

5.4.7.4 **Marking of samples to be submitted for Visual Screen Evaluation**

- Samples must be clearly marked on the outside with the bid number, bid item number, and the bidder's name. This detail must appear on a label attached to each individual box.
- Failure to comply with this condition may invalidate the bid against the relevant item.

5.4.7.5 **Collection of all samples –**

- If practical for samples to be collected, bidders will be informed of the date, time, and place where samples may be collected. If samples have not been collected by the bidder after National Treasury have issued a request to bidders to collect the samples, the samples will be disposed of at the discretion of National Treasury.

5.5 PHASE V: PRICE AND B-BBEE (90/10 CRITERIA)

5.5.1 Response Field

Bidders are required to submit responsive bids by completing all the prices per line items they are bidding for, mandatory response fields and item questionnaires on the provided pricing schedule for the individual items. In this regard bidders' attention is drawn to the response field and price structure explanations and examples supplied in the document (TCBD-Response Field)

5.5.2 Applicable Taxes

All bid prices must be inclusive of all applicable taxes. Failure to comply with this condition will invalidate the bid.

5.5.3 Value Added Tax

All bid prices must be inclusive of fifteen percent (15%) Value Added Tax. Failure to comply with this condition may invalidate the bid.

5.5.4 Pricing Structure

5.5.4.1 The Pricing Schedule (see Annexure B attached) must be submitted in two forms, as hardcopy which must be included in the bid document and in an excel spreadsheet saved in a USB/memory stick at the closing date and time of bid. Both the hard copy and the excel version must be the same (replica).

5.5.4.2 In a case where the is a legal dispute, the hardcopy version of the pricing schedule will be the legal document.

5.5.4.3 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof.

5.5.4.4 Price structures that do not comply with the requirements of the above paragraph may invalidate the bid.

5.5.5 Preferential Point System

5.5.5.1 In terms of Regulation 7 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 based on:

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

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

$$Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

5.5.5.3 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:

Table 4: Preference Point System

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

5.5.5.4 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 or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.

5.5.5.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

5.5.5.6 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 an accredited verification agency or a sworn affidavit will be considered for preference points.

5.5.5.7 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.

5.5.5.8 The points scored will be rounded off to the nearest two (2) decimals.

5.5.5.9 In the event that two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for B-BBEE.

5.5.5.10 However, when functionality is part of the evaluation process and two (2) or more bidders have scored equal points including equal preference points for B-BBEE, the awarded will be to the bidder scoring the highest for functionality.

5.5.5.11 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.

5.5.5.12 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

5.5.6 **PREFERENCE FOR LOCAL PRODUCED PRODUCTS**

5.5.6.1 For the items which are not part of the designation sector, the State reserves the right to consider and give preferences to locally produced products offered as per Preferential Procurement Policy Framework revised regulation, Paragraph 8.4 (a). Bidders are required to indicate on the pricing schedule the products manufacturers details.

5.5.6.2 In order to give preference to local produced products, the definition of a locally produced product will be limited to at least conversion process (substantiated value add) being in the Republic of South Africa. Substantial supporting documents may be required at any point in time prior and post award of the contract. Due diligence, which include site visits, may be conducted in this regard. The follows aspect must be complied to:

- The site/s of manufacture and/or assembling of the product offered is in South Africa.
- Demonstrated capacity to service the required volumes is confirmed.
- Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
- The product offered meet the minimum requirement as per technical specification requirements.

5.5.6.3 Bidders are therefore required to submit SBD 6.2 and its annexure for this purpose for items applicable to this clause. Items which are claimed to be manufactured locally and the SBD 6.2 and its annexures is not submitted will not be considered as locally being manufactured. Exemption letter from the DTIC for the material which are being imported is therefore not required for items falling in this clause.

5.5.7 **ITEMS GROUPED AS A SERIES**

5.6 Where applicable, items which are grouped in a series as per item technical specifications will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the series group.

5.7 Bidders are required to offer prices for all units of measure specified in the series, and for all items within a group series.

5.7.1 **MULTIPLE AWARD**

5.8 The State reserves the right to award the same line item to more than one bidder to address product availability, compatibility and to provide to for various ranges in equipment's. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

5.9 The maximum number of equipment's/bidders to be awarded will be at the discretion of the evaluation committee to address the requirements above.

5.10 The same brand will therefore not be awarded to more than one bidder of the same line item.

6. RECOMMENDATION AND APPOINTMENT OF BIDDERS

6.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on the evaluation criteria stipulated above.

6.2 The award of the Contract is subject to meeting all the requirements of the bid.

1. PART 2: ADDITIONAL BID REQUIREMENT

1.1 Introduction

All bidders must comply with the requirements below as well as submit all required documents referred below. Unless the requirements specifically provide for mandatory compliance, the National Treasury reserves the right to disqualify a bid that does not comply with any of the requirements in clause 5.

2. COMPANY PROFILE

2.1 Bidders are requested to submit company profile which includes, but is not limited, to the following: -

- Business structure and strategies; and
- Details of the bidder's directors/owners (Full name and surname and ID or passport number)
- Years of company existence and experience relevant to this bid.

2.2 The company profile must further include a shareholding portfolio with valid proof of registration of the company with CIPC. If by law registration with CIPC is not required, proof of ownership/shareholding must be provided.

3. TERMS AND CONDITIONS

3.1 Third Party Agreements and Subcontractor Agreements

3.1.1 No Agreement between the bidder and any third party will be binding to the State.

3.1.2 The bidder must declare as required in terms if SBD 6.1 its intention to subcontract voluntarily and the percentage of subcontracting thereof and must provide full description of subcontractor.

4. SUPPLIER DUE DILIGENCE

The State reserves the right to conduct supplier due diligence during bid evaluation, prior to final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof and the contract may be terminated.

5. 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.

6. FRONTING

6.1 The NT 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 NT does not support any form of fronting.

6.2 The NT, 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 this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the DTI, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NT may invalidate the bid / contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

7. RIGHT OF AWARD

The State reserves its following rights:

- To award the bid in part or in full.
- Not to make any award in this bid.
- Award the bid to more than one (1) bidder for the same item.
- Request further technical information from any bidder after the closing date.
- Verify information and documentation of the service provider.
- Not to accept any of the bids submitted.
- To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award; and
- In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

8. NEGOTIATION

The State reserves the right to negotiate with the preferred bidders in line with the legislative requirements.

9. SUBMISSION OF BIDS

9.1 Bidders must respond to the bid as follows:

9.2 Submit hard copies at the National Treasury, 240 Madiba Street, Tender Information Centre (TIC), Deposit the bid in the tender box.

9.3 Bidders are requested to initial each page of the bid document on the bottom right- hand corner.

9.4 The hard copy of the bid response will serve as the legal bid document.

9.5 Bidders must submit the bid to TIC in the following format:

i. One (1) original hard copy

ii. One (1) memory stick or USB with all the documents on the original hard copy and an excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.

9.5.1 All documents on the USB submitted must be an exact copy of the hard copy documents. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.

9.5.2 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.

9.5.3 **#NB:** Bid document are required to be submitted in the order as indicated on Table 1 – Returnable Documents Check list

10. LATE BIDS

Bids received after the closing date and time, at the TIC will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.

11. COMMUNICATION AND CONFIDENTIALITY

11.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

11.2 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NT (other than minor clerical matters), the bidder must promptly notify the NT in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the NT an opportunity to consider what corrective action is necessary (if any).

11.3 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NT will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.

11.4 All communication between the bidder and the National Treasury Transversal Contracting office must be done in writing.

12. CONTACT DETAILS

12.1 General

National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001

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

12.2 Bid Enquiries

All enquiries should be in writing to transversal.contracting3@treasury.gov.za. The closing date for receipt of all enquiries is **24 August 2021 at 16h00**. All enquiries beyond the closing date will not be considered.

SECTION B:

CONDITIONS OF CONTRACT

13. CONCLUSION OF CONTRACT

13.1 The Contract between National Treasury and the preferred bidder/s (Service Provider) collectively referred to as the Parties shall come into effect after the service provider has been issued with an unconditional letter of acceptance to their bid.

13.2 The Service Provider (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties in as far this RT42-2021 is concerned:

i. Bid Documents;
ii. Letter of Appointment;
iii. Award Documents;
iv. Acknowledgement letter

13.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent. For purpose of Section B, the term “service provider “shall refer to the preferred bidder appointed in terms of RT42-2021 contract.

14. PARTICIPATING STATE INSTITUTIONS/DEPARTMENTS

14.1 **National Department:** Department of Defence and Department of Correctional Services.

14.2 **Provincial Departments of Health**: Eastern Cape, Free State, Gauteng, Kwa-Zulu Natal , Limpopo, Mpumalanga, North West

15. POST AWARD PARTICIPATION

15.1 In terms of Treasury Regulation 16A6.5 the Accounting Authority may opt to participate in transversal contract facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract facilitated by the relevant treasury, the accounting officer or accounting authority may not solicit bids for the same or similar product or services during the tenure of the transversal term contract.

15.2 The participating letter will be customised to allow participation on completion and signing thereof as the transversal contract is arranged by means of a competitive bidding process by NT, subject to an electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.

15.3 Bidder(s) will be notified of new participants and the list of participants will be published on the website together with any model changes, price adjustments and any other transversal contract information for the benefit of bidder(s) and participants.

16. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

16.1 **Contract Administration**

16.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on Transversal.Contracting3@treasury.gov.za.

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

16.2 **Supplier Performance Management**

16.2.1 Supplier performance management will be the responsibility of the NDoH and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.

16.2.2 Supplier performance rating Form will be instituted, and every contractor must complete it to ensure good performance.

16.2.3 End-user State institutions are required to report to National Treasury on where contractor's performance is not satisfactory.

16.2.4 Successful suppliers will have their performance scored. National Treasury will provide a template which will be used to measure overall performance in terms of the contract. Services providers who score the unacceptable performance rating may not be awarded future contract of the same bid and may have the contract terminated prior to the end of contract period.

16.2.5 Service Providers Performance is based on the roles stipulated on the scope of work and as well as the service level agreement.

16.3 **Procurement Guideline**

16.3.1 The procurement guideline will also guide on the operational functioning of the Suppliers to ensure the successful Suppliers obtain an equal opportunity for procurement by the participating State institutions.

17. SECURITY AND CONFIDENTIALITY INFORMATION

17.1 All successful contractors may be subject to a State Security Agency (SSA) clearance process which will be facilitated by National Treasury.

17.2 The State may enforce section 23 (termination for default) of General Condition of Contract in a case where the contractor's clearance has a negative outcome.

17.3 The Supplier will regard all information which he/she obtains or is entrusted with concerning the participating department or its members whilst executing the contract, as confidential, secret or top secret.

17.4 The Supplier, his/her employees, sub-contractors, or agents may not make any such information obtained or entrusted with to any other person or to the media.

18. CONTRACT PRICE ADJUSTMENT

18.1 **Formula**

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

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

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

Table 5: Contract Price Adjustment Formula

$$Pa = (1-V)Pt\left(D1\frac{R1t}{R1o} + D2\frac{R2t}{R2o} + D3\frac{R3t}{R3o} + \ldots\ldots + Dn\frac{Rnt}{Rno}\right) + VPt$$		
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

18.2 **Formula component definitions**

18.2.1 **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.

18.2.2 **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 periods.

18.2.3 **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.

Table 6 - Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Imported Raw Material / Finished product	
D2 - Local Raw Material / Finished product (if applicable)	
D3 – Labour	
D4 – Transport	
D5 – Overheads	
D6 – Other	
TOTAL (Cost components must add up to 100%)	**100**

18.2.4 **Applicable indices/references**

18.2.5

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:

Table 7: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice.[1]	Documentary evidence to accompany claim and ROE
D2 - Local Finished product (if applicable):	Specify (STATS SA Index)	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour agreement[2]	Table E - All Items (CPI Headline) OR Labour agreement to be provided/ Regulated Pricing Adjustment
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

18.2.6 **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 **July 2021**

18.2.7 **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).

18.2.8 **Price adjustment periods**

Price adjustment shall be applied on an annual basis at the anniversary of the transversal contract from closing date of bid date.

[1] *In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.*
[2] *In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.*

Table 8: Price Adjustment Period

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates *from* which adjusted prices will become effective
1st Adjustment	**3 March 2023**	**January 2023**	**1 April 2023**
2nd Adjustment	**8 March 2024**	**January 2024**	**1 April 2024**

18.2.9 **Rates of exchange (RoE) – Base and average rates**

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

18.2.9.1 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 in below paragraph and the average RoE rate over the period under review indicated in below paragraph.

18.2.9.2 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 for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph below for the later invoice.

18.2.9.3 The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph above and at the predetermined dates indicated in paragraph above.

18.2.9.4 Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item (s) to South Africa currency is indicated in the table below.

Table 9: CPA Rate of Exchange

Currency Name	Rates of exchange: 1 February 2021 to 26 July 2021
US Dollar	**R 14,4389**

18.2.9.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 February 2021 to 26 July 2021** using the Reserve Bank published rates for the specific currency. Visit 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.

18.2.9.6 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:

Table 10: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1st Adjustment	1 September 2022 to 28 February 2023
2nd Adjustment	1 September 2023 to 28 February 2024

18.2.10 **General**

18.2.10.1 Unless prior approval has been obtained from National Treasury, Transversal Contracting, no adjustment in contract prices will be made.

18.2.10.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.

18.2.10.3 CPA application 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.

18.2.10.4 In the event where the supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the supplier to resolve the differences.

18.2.10.5 Bidders are referred to the paragraph regarding counter conditions.

18.2.10.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.

18.2.10.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

19. DELIVERY AND QUANTITIES

19.1 **Delivery Basis**

19.1.1 Firm lead times for delivery must be quoted for the duration of the contract period. Lead times for delivery of all products on transversal contract shall not exceed eight (3) weeks. Delivery period exceeding the prescribed maximum eight (3) weeks may be cancelled without notice.

19.1.2 Lead times for delivery of all items offered on transversal contract shall not exceed three (3) weeks/ 21 days

19.2 **Quantities**

19.2.1 No quantities are reflected in this bid as orders will be placed on the basis of an 'as and when required" and no guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period.

19.2.2 Orders will be placed by participating State institutions and they will also be responsible for the payment to Suppliers for the products delivered and/or services rendered.

20. PLACEMENT OF ORDERS AND PAYMENTS

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

21. CONTINUITY OF SUPPLY

21.1 The contractor must maintain sufficient stock to meet demand throughout the duration of the contract and inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:

- Industrial action,
- Manufacturing pipeline
- Any other supply challenges.

21.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the Department of Health reserves the right to purchase outside of the contract in order to meet its requirements if:

- The contracted supplier fails to perform in terms of the contract.
- The item(s) are urgently required and not immediately available; in the case of an emergency.

22. SHELF LIFE

22.1 All products must have a shelf-life of at least 18 months' years on manufacturing and all products must have a remaining shelf life of at least 12 months upon delivery.

22.2 Participating Departments may, without prejudice, decline to accept product with a shelf-life of less than 12 months years.

22.3 Contractors may make written applications to the purchasing institution to deliver goods with a shorter shelf-life, provided such applications are accompanied by an undertaking that unused short- dated stock shall be unconditionally replaced before or after expiry.

22.4 Any delivery of short, dated supplies without prior written approval must be collected by the respective suppliers at their own cost.

22.5 Any participating institution may, without prejudice, decline written applications to deliver short, dated stock.

23. PACKAGING AND LABELLING

23.1 Packaging

23.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.

23.1.2 Packaging must be suitable for further dispatch, storage and stacking according to Good Wholesaling Practice and Good Distribution Practice.

23.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.

23.1.4 The packing must be uniform for the duration of the contract period. All products must be packed in acceptable containers, specifically developed for the product.

23.1.5 The number of units in the unit pack, shelf pack and shipper pack must be completed in the Bid Response Document.

23.1.6 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.

23.1.7 Where the contents of the shipper pack represents a standard supply quantity of an item, the following must be adhered to:

- Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering
- The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.

23.1.8 Where the contents of a shipper pack represents a non-standard supply quantity, the following must be adhered to:

- Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering.
- The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.
- The outer packaging must be clearly marked as a "Part Box".

23.1.9 Suppliers must ensure that products delivered are received in good order at the point of delivery.

23.2 **Labelling**

23.2.1 All containers, packing and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.

23.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes packaging in at least English language:

- Proprietary name (if applicable)
- Name of the product
- A Product code as relevant
- The trade name or trademark of the manufacturer
- Size of the product
- Quantity of the contents
- Name of manufacturer
- Date of manufacture
- Name and address of importer/distributor (if not manufacturer)
- Expiry date
- Batch/lot number. Products must have the same batch/lot number on the outer box as on the inner box.
- The word “sterile” and the method of sterilization

23.3 **Peel Apart Packs**

23.3.1 The material and design of a peel-apart (unit) pack shall be such as to ensure:

- Easy opening with the fingers.
- Maintenance of sterility of the contents under dry, clean, and adequately ventilated storage conditions.
- Minimum risk of contamination of the contents during opening and removal from the package
- Adequate protection of the contents during normal handling, transportation, and storage.
- That once opened, the package cannot be easily re-sealed, and it shall be obvious that the unit package has been opened; and
- That a peel-apart pack shall tear cleanly without the formation of loose fluff or loose fibres.

23.3.2 Both the content and the immediate package shall be sterile and shall comply with the requirements of the "Sterility tests" given in the latest version of the USP (United States Pharmacopeia)

23.4 **Bulk Packing**

23.4.1 The pallet system in bulk is preferred with the following criteria:

- Maximum pallet size 1,2m x 1m
- Maximum mass a 1000kg/pallet

- Pallet material used must be of such good quality as to withstand normal mechanized handling.
- Maximum single packed pallet total height 80 cm.
- Maximum single stacking height 4m.
- Side delivery from transport is used. Special reference is made to the containerization principle.

23.5 **Barcodes**

23.5.1 It is mandatory that all products supplied must include a barcode (number plus symbology). All shipper, shelf and unit packs must be marked with the appropriate number and symbology. The European Article Numbering Code 13 (EAN 13) has been accepted as standard.

23.5.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the following information:

- Brand name
- Batch number
- Expiry date

24. PRODUCT ADHERANCE / BRAND CHANGE

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

24.2 In the event that the model/brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The contractor is required to submit supporting documents from the manufacturer substantiating the changes

24.3 It must be noted that the new model/ brand will be required to undergo the evaluation process prior to receiving approval of the model change issued by National Treasury. The new model must adhere to the technical specification for the item.

24.4 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.

24.5 Contractors are not allowed to deliver a new equipment models/brand other than the model/brand awarded to them prior to an approval of model/brand change from National Treasury.

24.6 National Treasury reserve the right not to approve any model change applications.

25. MERGERS, TAKE OVERS AND CHANGES IN SUPPLIER DETAILS

25.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the Department of Health in writing 90 days prior to such event of relevant details.

25.2 National Treasury reserves the right to agree to the transfer of contractual obligations to the new supplier under the prevailing conditions of contract or to cancel the contract

25.3 A contracted supplier must inform the National Treasury within 7 days of any changes of address, name, contact or banking details.

26. POST AWARD PRODUCT COMPLIANCE PROCEDURES

Successful bidders must ensure that the product confirms to the specification and its relevant quality standards throughout the contract period. Where the is a justified concern regarding the quality of the product, the State reserve the right to request the bidder (at own cost) to submit product for testing to confirm compliancy to the relevant item specification and requirements at the SANAS accredited institution.

The State reserve the right to conduct any sample or site inspection directly or through a third party appointed by the state.

27. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

27.1 **Contract Administration**

27.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on Transversal.Contracting3@treasury.gov.za.

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

27.2 **Supplier Performance Management**

27.2.1 Supplier performance management will be the responsibility of the End-Users and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.

27.2.2 Supplier performance rating Form will be instituted, and every contractor must complete it to ensure good performance.

27.2.3 End-user State institutions are required to report to National Treasury on where contractor's performance is not satisfactory.

27.2.4 Successful suppliers will have their performance scored. National Treasury will provide a template which will be used to measure overall performance in terms of the contract. Services providers who score the unacceptable performance rating may not be awarded future contract of the same bid.

28. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

28.1 Awarded bidders must ensure continuous compliance with all statutory requirements which may affect their complying status on Central Supplier Database managed by National Treasury.

28.2 All contracted suppliers must ensure registration on all participating institutions/department's supplier databases within 30 days of accepting the award and submit proof thereof to the National Treasury.

28.3 Failure to meet this requirement will result in inability to process orders and payments for goods.

29. MONITORING

29.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Provincial Health Departments, and National Department of Health or by a service provider appointed to determine continuous compliance to the product and terms of contract. The National Department of Health, in collaboration with the other Participating Authorities, will monitor the performance of contracted suppliers and maintain a scorecard for compliance to the terms of this contract as follows:

- Compliance to delivery lead times;
- Percentage of orders supplied in full first time;
- Compliance with reporting requirements according to reporting schedule.
- Attendance of compulsory quarterly: The National Treasury may hold quarterly meetings with suppliers to review the next quarter's demand, as well as supplier performance.

29.2 The state may conduct random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).

29.3 National Treasury will conduct meetings with the participating State institutions and Suppliers to discuss transversal contracting issues.

29.4 The National Treasury may request Participating Authorities to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.

29.5 Any change in the status in supply performance during the contract period must be reported within seven (7) days of receipt of such information to National Treasury.

29.6 Reporting and Supplier(s) meetings will be on a six-monthly basis and will be scheduled post award.

29.7 All successful Suppliers are required to submit historical value and volume reports via e-mail on a quarterly basis to: transversal.contracting3@treasury.gov.za

29.8 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

30. TERMINATION

30.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –

- The service provider decides to transfer the contract or cede the contract;
- The service provider does not honour contractual obligations including submission of information;
- The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;
- The service provider enters into settlement arrangements with their creditors;
- The service provider commits an act of insolvency;
- In the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.
- There is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.
- Overall poor performance rating during the contract period

31. POST AWARD MONITORING AND REPORTING

31.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contract issues related to RT42-2021.

31.2 All successful bidders are required to submit historical value and volume reports via e-mail on a quarterly basis to: Ntombi.Sidinile@treasury.gov.za

THE END