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**SPECIAL CONDITIONS OF CONTRACT**

**RT233-2023**

**SUPPLY AND DELIVERY OF WHEELCHAIRS, SEATING SYSTEMS,  
POSITIONERS AND COMMDES TO THE STATE FOR THE PERIOD OF  
**SIXTY (60) MONTHS****

**NON-COMPULSORY BRIEFING SESSION TO BE HELD ON THE  
17 JANUARY 2023 ON MICROSOFT TEAMS**

**CLOSING DATE AND TIME OF BID**

**23 JANUARY 2023 AT 11H00**

**BID VALIDITY PERIOD: 180 DAYS**

National Treasury  
Transversal Contracting



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## LIST OF ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
CE	Conformity Europeans
CPA	Contract Price Adjustment
CSD	Central Supplier Database
CPI	Consumer Price Index
DTIC	Department of Trade, Industry and Competition
ISO	International Organization for Standard
IVD	In Vitro Diagnostic
LC	Local Content
NDoH	National Department of Health
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
OEM	Original Equipment Manufacturer
PFMA	Public Finance Management Act 2000
PPR 2017	Preferential Procurement Regulations 2017
RoE	Rate of Exchange
SA	South Africa
SABS	South African Bureau of Standards
SAHPRA	South African Health Product Regulatory Authority
SANAS	South African National Accreditation System
SARB	South African Reserve Bank
SARS	South African Revenue Services
SBD	Standard Bidding Document

**LIST OF ABBREVIATIONS CONTINUED**

SCC	Special Conditions of Contract
STATS SA	Statistics South Africa
TC	Transversal Contracting
TCD	Transversal Contracting Document
TIC	Tender Information Centre
VAT	Value Added Tax
ZAR	Rand

**Table 1: Bid Document Checklist and Returnable**

#	Document Name <sup>1</sup>	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
<b>PHASE 1: ADMINISTRATIVE REQUIREMENTS EVALUATION</b>				
<b>LEGISLATIVE DOCUMENTS</b>				
1	SBD 1 Invitation to Bid	Yes	Yes	
2	Proof of authority must be submitted as per SBD 1 e.g., company resolution for the capacity under which this bid is signed	No	Yes	
3	SBD 4 Bidder's Disclosure	Yes	Yes	
4	SBD 6.1 Preference Points Claim Form	Yes	Yes	
5	SBD 6.2 Declaration Certificate for Local Production and Content	Yes	Yes	
6	Full CSD report	No	Yes	
7	Written confirmation for disclosing tax status by SARS	No	Yes	
<b>PHASE 2: TECHNICAL COMPLIANCE INCLUDING LOCAL PRODUCTION AND CONTENT EVALUATION</b>				
<b>PHASE 2A: TECHNICAL SPECIFICATIONS AND VISUAL SCREENING</b>				
8	SAHPRA License	No	Yes	
9	Detailed Technical Specifications to verify compliance (Annexure 3a)	Yes	Yes	
10	Technical Specifications for additional information (Annexure 3b)	Yes	No	
11	TCD 13 Authorization Declaration	Yes	Yes	
12	TCD 13.1 List of goods or services offered	Yes	Yes	
13	TCD 13.2 Letter of undertaking	Yes	Yes	
14	Quality assurance certificates ISO 9001, ISO 7176 and ISO 13485	No	Yes	
15	Samples for Visual Screening (Refer to section 7.6.3.1)	No	Yes	
16	Test Report(s) (where applicable) or Proof	No	Yes	

<sup>1</sup> Table 1 is provided as guidance to assist bidders with documents that must be returned with the bid. The list is not exhaustive, and it is the responsibility of the bidder to provide all required documents as per the provision of each clause in this bid



#	Document Name <sup>1</sup>	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
	(issued by the testing institution) that the sample/s has been submitted to the testing institution before the closing date.			
17	Original Manufacturer's Technical Specification Sheet (Brochure)	No	Yes	
<b>PART 2B: LOCAL PRODUCTION &amp; CONTENT FOR CATEGORY 3 AND CATEGORY 4</b>				
18	Exchange Rate for Local Production and Content at closing date	No	Yes	
19	Annex C: Local Content Declaration – Summary Schedule	Yes	Yes	
20	Annex D: Imported Content Declaration	Yes	Yes	
21	Annex E: Local Content Declaration – Supporting Schedule to Annex C	Yes	Yes	
22	SBD 6.2 Declaration Certificate for Local Production and Content	Yes	Yes	
23	Exemption letter by DTIC where raw material or input is not available locally (where applicable)	No	Yes	
24	Local Production and Content Exemption Process (Annexure 5)	Yes	No	
<b>PART 2C: DUE DILIGENCE TO VALIDATE LOCAL PRODUCTION &amp; CONTENT FOR CATEGORY 3 AND CATEGORY 4</b>				
25	Annex C: Local Content Declaration – Summary Schedule	Yes	Yes	
<b>PHASE 3: PRICE &amp; B-BBEE EVALUATION</b>				
26	Technical Specification and Pricing Schedule (Annexure 3a)	Yes	Yes	
27	Cost Breakdown (Annexure 4)	Yes	Yes	
28	TCD 14 Historical Exchange Rates (Annexure 8)	Yes	No	
29	Original and valid B-BBEE status level verification certificate or a certified copy thereof or an affidavit	No	Yes	
30	SBD 6.1 Preference Points Claim Form	Yes	Yes	



## SECTION A: INTRODUCTION AND TERMS OF REFERENCE

### 1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the supply and delivery of wheelchairs, seating systems, positioners, and commodes to the State for a period of sixty (60) months.
- 1.2 This bid document is structured as follows:
  - 1.2.1 Section A : Introduction and Terms of Reference
  - 1.2.2 Section B : Conditions of Bid
    - 1.2.2.1 Part 1 : Evaluation Criteria
    - 1.2.2.2 Part 2 : Additional Bid Requirements
  - 1.2.3 Section C : Conditions of Contract

### 2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contracts emanating there from will be subject to 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) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 regulations.
- 2.2 The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 2.3 This bid is subject to all applicable industry related legislation, particularly the legislation stated below:
  - 2.3.1 The Constitution of the Republic of South Africa (Act No 108 of 1996).
  - 2.3.2 The National Rehabilitation Policy.
  - 2.3.3 The Policy Framework and Strategy for Disability and Rehabilitation Services and National Health Insurance Policy.
  - 2.3.4 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.
- 2.4 Legislative Documents
 

Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government as per section 2 of Practice Note No SCM 1 of 2003 regarding bid documentation for supply chain management. It is also a requirement for bidders to submit the other legislative documents as detailed below.

  - 2.4.1 **SBD 1** invitation form to bid.
  - 2.4.2 **SBD 4** bidder's disclosure.
  - 2.4.3 **SBD 6.1** preference points claim form.
  - 2.4.4 **SBD 6.2** local content form
- 2.5 Tax Compliance Requirements
  - 2.5.1 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.

- 2.5.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit a bid.
- 2.5.3 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.
- 2.5.4 Bidders are required to be registered on the Central Supplier Database (CSD) and National Treasury shall verify the bidder's tax compliance status through the CSD or through SARS.
- 2.5.5 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. DURATION OF TRANSVERSAL CONTRACT**

- 3.1 The transversal contract shall be for a period of sixty (60) months.

### **4. BRIEFING SESSION**

- 4.1 A non-compulsory virtual briefing session will be held as follows:

Date : 17 January 2023

Time : 10h00 am

Venue : Microsoft Teams. The link to attend the briefing session is provided as follows: [RT233-2023: Non-Compulsory Briefing Session](#)

- 4.2 The bid information session is not non-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.
- 4.3 The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

### **5. TERMS OF REFERENCE**

#### **5.1 BACKGROUND**

- 5.1.1 There is international evidence that people with disabilities face barriers when accessing primary healthcare services. There is inadequate information about effective interventions that work to improve the lives of people with disabilities, especially in low-income and middle-income countries. Poor rural residents generally experience barriers to accessing primary healthcare, and these problems are further exacerbated for people with disabilities.

#### **5.2 PROBLEM STATEMENT**

- 5.2.1 The transversal contract seeks to address the following shortcomings:

- 5.2.1.1 Persons with disabilities in South Africa (SA) continue to face barriers that prevent them from enjoying full civil, political, economic, social, cultural, and developmental rights. This is largely due to lack of awareness, ignorance, and prejudice in our society. It is also because some legislation fails to protect the rights of people with disabilities.



5.2.1.2 Access to wheelchairs is one of the biggest challenges globally and in South Africa. People with disabilities cannot afford wheelchairs, while those with wheelchairs struggle with supportive infrastructure for accessibility. The SA government tries to provide access of wheelchairs, but it cannot reach all South Africans who need them. The awareness and provision of wheelchairs persists to pose a challenge in the Department of Health in reaching out to needy societies who deserve to get assistive devices. In addition, wheelchairs are also used to transport patients within hospital wards and from the hospital to ambulances.

5.2.1.3 A shortage of assistive devices may be devastating to patients and poor communities who are assisted by the Department of Health to own the wheelchairs. Patients who are prescribed with wheelchairs have an opportunity to regain mobility, perform functions such as daily activities and work responsibilities that will allow them to be independent. If the transversal contract is not in place, it would take away that mobility independence that will cause a burden to the health sector, families, communities at large, and an example would require people with disabilities to be carried from one-point to another by other means besides wheelchairs.

### 5.3 OBJECTIVES

5.3.1 The transversal contract will assist end-users to procure wheelchairs, seating systems, positioners, and commodes with negotiated prices for affordability.

5.3.2 It will reduce the duplicated efforts by end-users to no longer be required to go through the procurement process to obtain these products.

5.3.3 It will enhance better mobility of people living with disabilities for an improved quality of life,

## 6. TECHNICAL SPECIFICATIONS

6.1 The bid for the supply and delivery of wheelchairs, seating systems, positioners, and commodes has one thousand and seventy (1070) items in seven (7) categories as summarized below.

**Table 2: Summary of Technical Specifications Categories and Items**

Category No.	Category Description	Category Numbers
1	Wheelchairs and Commodes	177
2	Wheelchair Cushions and Foam	169
3	Wheelchair Cushion with Covers	253
4	Wheelchair Cushion Covers and Fabric	242
5	Backrest and Seating Systems	194
6	Tray Tables	18
7	Positioners	17
	<b>Total of items</b>	<b>1070</b>



## 6.2 **Category 1: Wheelchairs and Commodes**

6.2.1 **A wheelchair** is one of the most used assistive devices to promote mobility and enhance quality of life for people who have difficulties in walking (e.g., a person with spinal cord injuries resulting in quadriplegia or paraplegia, muscular dystrophy, etc). Wheelchair mobility opens opportunities for wheelchair users to study, work, engage in social activities and access services such as healthcare. In addition to providing mobility, an appropriate wheelchair benefits the physical health and quality of life of the users by helping in reducing common problems such as pressure sores, progression of deformities and improve respiration and digestion.

6.2.2 **Commodes** is a piece of furniture that looks like a chair but has a container in the seat that people who are ill or old can use as toilet. For patients who have limited mobility, the distance from the bed to the toilet can be daunting, and the possibility of having an accident in unfamiliar surroundings may make them feel anxious. Many people are worried about how they will reach the toilet after a surgical procedure, or how they will use a bed pan if they must remain in bed. Hospital staff deal with this concern every day.

## 6.3 **Category 2: Wheelchair Cushions and Foam**

6.3.1 **Wheelchair cushion** is a cushion that is appropriate to manage the user's risk of developing pressure sores. A wheelchair should be evaluated based on the seating and postural support measures, and the results should be available to the users and purchasers. Cushions should be evaluated and rated based on their ability to provide comfort, pressure relief and postural support, and the results should be available to the users and clinics.

6.3.2 **Foam** wheelchair cushions are padded cushions utilizing various types of foam and are used for wheelchairs and other seating surfaces. They provide personal support, comfort, and skin protection, and are available in a wide variety of inexpensive options.

## 6.4 **Category 3: Wheelchair Cushion Covers**

6.4.1 **Wheelchair cushion's** shape and type of material has an impact by the body is positioned and supported.

## 6.5 **Category 4: Wheelchair Cushion Covers and Fabric**

6.5.1 **The material used on wheelchairs** are vinyl and nylon are your two most common fabric choices for wheelchair back upholstery. Nylon to be more breathable. It is synthetic and looks like a woven fabric. It's usually found on lighter chairs or rehabilitation chairs since it is a little more expensive than vinyl. Wheelchair users might treat cushion covers as little more than upscale pillowcases, existing mostly to keep seat cushions.

## 6.6 **Category 5: Backrest and Seating Systems**

6.6.1 **The backrest** provides users the necessary postural support. It needs to be of different heights but usually available in two sizes. Some users require more support from a backrest than others. For some users, a high backrest can reduce their ability to propel themselves effectively. Backrests may be sling or solid types with foam cushioning and upholstery.

6.6.2 **Seating Systems** are designed for children with mild to severe physical inability. Seating systems can help position the child on the floor as well as on the table to participate in day-to-day activities with peers.



6.7 **Category 6: Tray Tables**

6.7.1 **Wheelchair trays** are specially designed platforms or surfaces that attach to wheelchairs, providing a firm table for eating, working, reading and other activities. They can be attached to the arms of both manual and electric wheelchairs or mounted to the centre console of power wheelchairs.

6.8 **Category 7: Positioners**

6.8.1 **Positioning devices:** People with physical impairments often have difficulty maintaining good lying, standing, or sitting positions for functional activities and are at risk of developing deformities due to improper positioning

6.8.2 **Standing Frame** is a positioning device designed to support people who cannot stand on their own. By providing the physical support that a patient needs, a standing frame allows the patient to reap the many benefits of standing without requiring the ongoing assistance of a caregiver. Standing frames are available in different designs, some providing more intense support than others.

6.8.3 **Prone Wedges:** Positioning and therapy wedges help children and adults improve their tolerance to laying down in a prone position or develop increased head control. These soft, durable foam wedges come in a variety of shapes and sizes to suit specific needs. Use them for practicing gross motor activities such as rolling, tumbling, and walking up or downhill. They also provide comfortable positioning for reading and other fine motor activities.



## SECTION B: CONDITIONS OF BID

### 7. PART 1: EVALUATION CRITERIA

#### 7.1 RESPONSIVE BIDS

7.1.1 Bidders are required to submit responsive bids by completing and submitting all mandatory and other requirements as outlined on each phase to be eligible for evaluation on any of the prescribed evaluation phases.

7.2 The details of the evaluation phases are outlined below:

**Table 3: Evaluation Criteria**

Phase 1	Phase 2	Phase 3
Administrative Requirement Evaluation	Technical Compliance with Local Production & Content and Due Diligence Evaluation for Category 3 and Category 4	Price and B-BBEE Evaluation
Compliance with legislative and other bid requirements	Compliance with technical specifications including visual screening, local production and content threshold and due diligence on specific items of Category 3 and Category 4	Bids will be evaluated in terms of the 90/10 preference points system

#### 7.3 PHASE 1: ADMINISTRATIVE REQUIREMENT EVALUATION

During this phase bidders' response will be evaluated based on the legislative and other bid requirements as listed above on Table 1 Bid Document Checklist and Returnable and below.

##### Legislative Documents

7.3.1 **Standard Bidding Document (SBD) 1** is the invitation to bid form.

7.3.2 **Proof of authority** is a company resolution for the capacity under which this bid is signed as per SBD 1.

7.3.3 **SBD 4** is the bidder's disclosure form.

7.3.4 **Written confirmation** for disclosing tax status by the South African Revenue Services (SARS) where 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.

7.3.5 **SBD 6.1** is the Preference Points Claim Form

7.3.6 **SBD 6.2** is the Declaration Certificate for Local Production and Content

7.3.7 **Central Supplier Database** full report that is not summarized. It must be submitted preferably as at the last week prior to closing date and time of bid.



#### 7.4 **PHASE 2: TECHNICAL SPECIFICATIONS COMPLIANCE, LOCAL PRODUCTION AND CONTENT AND DUE DILIGENCE EVALUATION**

This phase has three (3) sub-phases as outlined below.

During this phase bidders' responses will be evaluated based on technical requirements including meeting the local production and content threshold for Category 3 and Category 4 and due diligence to validate the local production for Category 3 and Category 4. Non-compliance to all the evaluation requirements below will result in disqualification of line-item being evaluated.

##### 7.4.1 **Phase 2a: Technical Specifications and Visual Screening**

7.4.1.1 During this phase items will be evaluated against the technical specifications for compliance. Should the items comply to the technical specifications, the items will be further evaluated for visual screening through sample submission.

7.4.1.2 **Technical Specifications and Pricing Schedule (Annexure 3a)** must be submitted to verify compliance. Only bidders who have complied with phase 1 will be evaluated on technical specifications compliance and the technical specifications represent the minimum requirements. Detailed **Technical Specifications (Annexure 3b)** is provided for additional technical specifications and must be read together with Annexure 3a and not be submitted with the bid at the closing date and time of bid.

7.4.2 The second technical requirement for this phase 2a is a submission of a **South African Health Products Regulatory Authority (SAHPRA): Medical Devices And In Vitro Diagnostic Regulation License** to adhere to 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 its Regulations on Medical Devices and In Vitro Diagnostic (IVD) Medical Devices where applicable. Non-compliance with this condition will invalidate the item/s concerned.

7.4.3 The third technical requirement for this phase 2a is an **Authorisation Declaration (TCD 13 to 13.2)** that must be completed and submitted for all relevant goods or services.

7.4.3.1 Any bidder who is sourcing goods or services from a third party must submit a valid Third-Party Undertaking (template provided as TCD 13.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:

- a) List of item(s) number, item description and brand/model name and number,
- b) Letter must be on the original manufacturer's and or third-party undertaking letter head, dated and signed,
- c) Have contact person's name, physical and postal address, telephone, and email details, and
- d) All information on the letter must be in English.

7.4.3.2 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.

7.4.3.3 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions may invalidate the bid for such goods or services offered.

7.4.4 The fourth technical requirement for this phase 2a are Quality Assurance Certificates. Bidders must submit at the closing date and time of bid, valid **Quality Assurance Certificates** which are ISO 9001, ISO 7176, and ISO 13485 to confirm compliance. The holder of the certificate/s must be the bidder, or



the manufacturer of the item submitted. Failure to submit these documents will invalidate the item/s submitted. Where specific technical specification and or standards are applicable on materials and supplies, the quality of items shall not be less than the requirements of the latest edition of such technical specifications and/or standards.

- 7.4.5 The fifth technical requirement for this phase 2a is a **Test Report** from A South African National Accreditation System (SANAS) Accredited Institution. Test Report(s) (where applicable) or **Proof issued by the testing institution** that the sample has been submitted to the testing institution before the closing date and the relevant standards are SANS 621, SANS 778 and SANS 1060.
- 7.4.5.1 Where a standard (SANS) is indicated, a sample must be submitted to a testing institution accredited or recognised by SANAS at the closing date and time of bid. The purpose is to obtain a Test Report for the item/s being offered in the bid.
- 7.4.5.2 Test reports must be submitted with the bid at closing time and date of bid proving that the relevant item(s) complies with the technical specification after inspection and testing of the samples by a SANAS accredited or recognized institution. The test reports must not be older than twenty-four (24) months at the closing date of the bid.
- 7.4.5.3 Bids not supported by test reports at time of evaluation will be disregarded in respect of the item (s) for which test reports are not submitted.
- 7.4.5.4 The procedures for sampling 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.
- 7.4.5.5 All bidders, including current suppliers are required to submit samples at a testing institution.
- 7.4.5.6 In the event that a test report cannot be obtained from the testing institution prior to the conclusion of the transversal contract, the bidder must submit proof issued by the SANAS accredited institution that the sample had been submitted for testing and a one (1) month period will be given for the submission of the test report. Failure to submit the test report/s will invalidate the item/s concerned.
- 7.4.5.7 Bidders must enquire at the following institutions for the relevant standards. A list of institutions is available on the SANAS website <http://www.sanas.co.za/> or <http://www.sanas.co.za/contact.php>
- 7.4.5.8 South African Bureau of Standards:  
SANS, SABS, ISO AND CKS specifications are available from South African Bureau of Standards Office's countrywide. Obtaining of such standards/specifications will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of Standards, please contact Standards Sales at:  
Postal Address: Private Bag X191, Pretoria, 0001; Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Tel:(012) 428 6883, Fax: (012) 428 6928, E-mail: [sales@sabs.co.za](mailto:sales@sabs.co.za). Website: [www.sabs.co.za](http://www.sabs.co.za) and follow the "Search/Buy Standards" link.
- 7.4.5.9 South African National Accreditation System (SANAS):  
The contact details of SANAS are as follows: Postal Address: Private Bag x 23, Sunnyside, Pretoria, 0132; Physical Address: The DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, 0002, Tel: 012-394 3760, Fax: 012-3940526
- 7.4.6 The sixth technical requirement for this phase 2a is a **Sample or Samples** to be submitted for Visual Screening. Samples will be requested from bidders' items that have complied with the technical



- specifications. Specific samples are to be communicated to bidders during evaluation and not to be submitted at closing date and time.
- 7.4.6.1 National Treasury will send a schedule indicating the date, time, and venue to shortlisted bidders to submit samples for visual screening. 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 three (3) weeks or less prior to the date of sample submission.
- 7.4.6.2 Samples must comply with technical specifications as stated in this bid document for each item.
- 7.4.6.3 Non-compliance to the technical specification requirements will invalidate the items which the compliance is not adhered to.
- 7.4.6.4 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.
- 7.4.6.5 Where an item has different sizes, relevant samples will be communicated for submission.
- 7.4.6.6 All bidders, including current suppliers, are required to submit samples for visual screening and bids not supported by samples will invalidate the bid for the item(s) for which samples are not submitted. All samples submitted for visual screening must be a true representation of the product which will be supplied.
- 7.4.7 The seventh technical requirement for this phase 2a is an **Original Manufacturer's Technical Specification Sheet (Brochure)** for all electronic or battery-operated items offered that must be submitted with the samples. The sheet must include all relevant information required to verify the compliance of the bid technical specification requirements. The brochure should not be self-made by the bidder.
- 7.4.8 **Collection of all samples**
- 7.4.8.1 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.
- 7.4.9 **Marking of samples**
- 7.4.9.1 Samples submitted must be clearly marked on the outside with the item number, bidder's name and bid item number. This detail must appear on a label attached to each individual sample.
- 7.4.9.2 All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the transversal contract period.
- 7.4.10 **Phase 2b: Local Production and Content for Category 3 and Category 4**
- 7.4.10.1 This sub-phase 2b is for the local production and content against the minimum thresholds for the above-mentioned categories.
- 7.4.10.2 The local production and content thresholds for the items designated are Clothing, Textiles and Mattress for wheelchair cushions and cushion covers.
- 7.4.10.3 The **Exchange Rate** to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) at 12h00 on the date of advertisement of the bid.
- 7.4.10.4 The rates of exchange quoted by the bidder of the declaration certificate will be verified for accuracy.





- 7.4.10.5 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.
- 7.4.10.6 The guidance on the calculation of local content together with the local content declaration templates (**Annex C – Local Content Declaration : Summary Schedule**), **Annex D (Imported Content Declaration : Supporting Schedule To Annex C) And Annex E (Local Content Declaration : Supporting Schedule To Annex C)** are all accessible to all potential bidders on the Department of Trade, Industry and Competition (DTICs) official website <http://www.thedtic.gov.za/sectors-and-services-2/industrial-development/industrial-procurement/> at no cost;
- 7.4.10.7 The **SBD 6.2 Declaration Certificates for Local Production and Content** together with the **Annex C (Local Content Declaration: Summary Schedule)** must be completed, duly signed and submitted by the bidder at the closing date and time of the bid.
- 7.4.10.8 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:
- $$LC = (1 - x/y) * 100$$
- Where
- X is the imported content in Rand
- Y is the bid price in Rand excluding value added tax (VAT)
- 7.4.10.9 Prices offered in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12h00 on the date of advertisement of the bid.
- 7.4.10.10 The bids will be evaluated in terms of the minimum threshold stipulated in this bid document.
- 7.4.10.11 As the bid is for more than one (1) item, the local content percentages for each item contained in SBD 6.2 must be used.
- 7.4.10.12 The DTIC has a right, as and when necessary, to request for auditors' certificates confirming the authenticity of the declarations made in respect of local content.
- 7.4.10.13 Only items that achieve the minimum stipulated threshold for local production and content may be evaluated further.
- 7.4.10.14 Where, after the award of this bid, suppliers experience challenges in meeting the stipulated minimum threshold for local content, the DTIC must be informed accordingly to verify and in consultation with the National Treasury provide directives in this regard.
- 7.4.10.15 The threshold are as follows:

**Table 4: Designated Items Thresholds**

Designated Item	Minimum Percentage Threshold
Clothing and Textiles: Wheelchair Cushion Covers	100%
Mattress: Wheelchair Cushions	80%



- 7.4.10.16 If the raw material or input to be used for a specific item is not available locally, bidders should obtain written exemption from the DTIC should there be a need to import such raw material or input. Refer to Annexure 5 for exemption process. A copy of the **Exemption Letter** must be submitted together with the bid document at the closing date and time of bid. DTIC can be contacted on email [localcontent@thedtic.gov.za](mailto:localcontent@thedtic.gov.za)
- 7.4.11 **Phase 2c: Due Diligence to validate local production (Phase 2b) of Category 3 and Category 4**
- 7.4.11.1 Due diligence will be conducted by site visits to bidders of Category 3 and Category 4 to validate the local production and content declared on Annex C based on the minimum thresholds. **Annex C** will be used for the validation process.
- 7.4.11.2 As the State reserves the right to conduct due diligence, it will be prior to final award and/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 on Phase 2b local production and content requirements will be verified and any misrepresentation thereof will disqualify the item or items concerned.
- 7.5 **PHASE 3: PRICE AND B-BBEE**
- 7.5.1 During this phase evaluation phase, bidder's responses will be evaluated in terms of regulation 7 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 4 of 2000), on the 90/10 preference point system in terms of which points are awarded to bidders based on:
- 7.5.1.1 The bid price (maximum 90 points)
- 7.5.1.2 B-BBEE status level of contributor (maximum 10 points)
- 7.5.2 **Pricing Schedule and Structure Requirements**
- 7.5.2.1 Prices quoted must be furnished on the basis of "delivered to State facility" country-wide inclusive of VAT.
- 7.5.2.2 **The Technical Specifications and Pricing Schedule (Annexure 3a)** 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. Bidders are required to complete a mandatory Technical Specifications and Pricing Schedule (Annexure 3a) as a response on how much the items offered will be charged. No submission of the Technical Specifications and Pricing Schedule (Annexure 3a) will invalidate the bid response.
- 7.5.2.3 Conditional discounts offered will not be taken into consideration during evaluation.
- 7.5.2.4 Bidders must submit the Technical Specifications and Pricing Schedule as Annexure 3a as a hard copy and an soft electronic replica copy on a memory stick for evaluation purposes. Technical Specifications and Pricing Schedule (Annexure 3a) must be on an XLSX excel sheet format at the Tender information Centre (TIC); corner 240 Thabo Sehume and Madiba Streets, Pretoria. Non-adherence to this request may invalidate the bid.
- 7.5.2.5 Any discrepancies between the soft electronic bid copy and the hard copy may invalidate the bid response for the above-mentioned items in question. All memory sticks should be clearly marked with the bid number and bidder's name.
- 7.5.3 **Applicable Taxes**
- 7.5.3.1 All bid prices must be inclusive of all applicable taxes.



7.5.3.2 Failure to comply with this condition may invalidate the bid.

7.5.3.3 All bid prices must be inclusive of fifteen percent (15%) Value Added Tax.

7.5.3.4 Failure to comply with this condition may invalidate the bid.

#### 7.5.4 **Cost Breakdown**

7.5.4.1 Bidders are requested to submit the **cost breakdown** of the percentage for each item offered. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. Bidders will not be allowed to change the cost breakdown elements (%) of price during the tenure of the transversal contract.

7.5.4.2 Bidders should itemise the percentage of each item into various components which are cost-drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a percentage. The percentage of the cost drivers should be expressed as a percentage of the total cost.

Example:

**Table 5: Example of Cost Breakdown**

Cost Component	Cost-driver	% of Total Cost
D1	Imported raw material	30%
D2	Local raw material	20%
D3	Labour	15%
D4	Transport	30%
D5	Other	5%
<b>Total</b>		<b>100%</b>

#### 7.5.5 **TCD 14 Historical Exchange Rates**

7.5.5.1 In terms of cost price adjustment, bidders should make use of any relevant currency for the items offered using the spot rate date of **25 November 2022** using the Reserve Bank published rates for the specific currency. Bidders are to visit <https://www.resbank.co.za/> to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.

#### 7.5.6 **Broad-Based Black Economic Empowerment Requirements**

7.5.6.1 **An original and valid B-BBEE status level verification certificate or a certified copy or an affidavit** must be submitted by bidders.

7.5.6.2 National Treasury will exercise Regulation 7 of the Preferential Procurement Regulations 2017 pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) for evaluating responsive bids on the 90/10 preference point system.

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



Ps = 90

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

- 7.5.6.3 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 6: 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
Non-compliant contributor	0

- 7.5.6.4 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 an affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.
- 7.5.6.5 Bidders are required to submit responsive bids by completing all pricing and item information on the provided Technical Specifications and Pricing Schedule (Annexure 3a) for the individual items and all required forms. Non-submission of the Technical Specifications and Pricing Schedule (Annexure 3a) will invalidate the bid response
- 7.5.6.6 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 7.5.6.7 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 an affidavit will be considered for preference points.
- 7.5.6.8 Failure on the part of the bidder to claim points for B-BBEE status level of contribution will give the bidder a score of zero (0).
- 7.5.6.9 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.

- 7.5.6.10 The points scored will be rounded off to the nearest two (2) decimals.
- 7.5.6.11 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.
- 7.5.6.12 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 7.5.6.13 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

## **8. PART 2: ADDITIONAL BID REQUIREMENTS**

- 8.1 These additional bid requirements outline the further requirements in addition to evaluation requirements.

### **8.2 RECOMMENDATION AND APPOINTMENT OF BIDDERS**

- 8.2.1 Once the evaluation process is complete there will be a recommendation report by the BEC to the Bid Adjudication Committee (BAC) who has the authority to either support (approve) or not support (not approve) the recommendation/s and appointment/s.
- 8.2.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter for the supply and delivery of wheelchairs, seating systems, positioners and commodes of this bid and unsuccessful bidder(s) will be informed accordingly.

### **8.3 NEGOTIATIONS**

- 8.3.1 The State reserves the right to negotiate with the shortlisted bidders prior or post award. The terms and conditions for negotiations will be communicated to the shortlisted bidders prior to invitation to negotiations. This phase is meant to ensure value for money is achieved through the measure of quality that will assess the monetary cost of the items or services against the quality and or benefits of that item considering subjective factors such as fit for purpose along with the whole life costs that includes disposal and wastage where applicable.

### **8.4 DUE DILIGENCE**

- 8.4.1 The State reserves the right to conduct due diligence on the entire transversal contract 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.
- 8.4.2 The State also reserves the right to conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.

### **8.5 MULTIPLE AWARD**

- 8.5.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements. The maximum number of bidders per item to be awarded will be at the discretion of BEC.



## 8.6 **RIGHT OF AWARD**

8.6.1 The State reserves its following rights:

8.6.1.1 To award the bid in part or in full,

8.6.1.2 Not to make any award in this bid or accept any bids submitted,

8.6.1.3 Request further technical information from any bidder after the closing date,

8.6.1.4 Verify information and documentation of the bidder(s),

8.6.1.5 Not to accept any of the bids submitted,

8.6.1.6 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

8.6.1.7 If an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

## 8.7 **TERMS AND CONDITIONS**

### 8.7.1 **Counter Conditions**

8.7.1.1 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.

8.7.1.2 The National Treasury reserves the right to change or supplement any information or to issue any addendum to this bid before the closing date and time. The National Treasury and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

8.7.1.3 If the National Treasury exercises its right to change or supplement information in terms of the above clause, it may seek amended bid documents from all bidders.

### 8.7.2 **Fronting**

8.7.2.1 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 does not support any form of fronting.

8.7.2.2 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 this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry and Competition, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist.

8.7.2.3 Failure to do so by the bidder within a period of fourteen (14) days from date of notification by National Treasury 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 National Treasury may have against the bidder concerned.

## 8.8 **SUBMISSION OF BIDS**

8.8.1 Bidders must respond to the bid as follows:

8.8.2 Submit hard copy and a soft electronic replica copy on a memory stick (Annexure 3a) Technical Specifications and Pricing Schedule must be on an XLSX excel sheet format at the Tender Information



Centre (TIC); corner 240 Thabo Sehume and Madiba Streets, Pretoria.

- 8.8.3 Bidders are requested to initial each page of the bid document on the bottom right-hand corner; and:
- 8.8.3.1 Submit any bid queries via email to [Demand.Acquisition2@treasury.gov.za](mailto:Demand.Acquisition2@treasury.gov.za).
- 8.8.3.2 One (1) original hard copy clearly marked as "original".
- 8.8.3.3 One (1) duplicate electronic copy, Technical Specification and Pricing Schedule (Annexure 3a) to be in an XLSX excel sheet format) on a memory stick to the National Treasury (NT): TIC by the closing date and time of the bid invitation.
- 8.8.3.4 All memory sticks should be clearly marked with the bid number and bidder's name.
- 8.8.3.5 Non-compliance with submission format above may invalidate the bidder's response.
- 8.8.3.6 Any discrepancies between the electronic bid copy and the hard copy may invalidate the bid response for the above-mentioned items and/or services in question.
- 8.8.3.7 Submit all bid queries via email to [Demand.Acquisition2@treasury.gov.za](mailto:Demand.Acquisition2@treasury.gov.za).
- 8.9 **LATE BIDS**
- 8.9.1 Bids received after the closing date and time at the TIC will NOT be accepted for consideration and where practical, be returned unopened to the bidder.
- 8.10 **COMMUNICATION AND CONFIDENTIALITY**
- 8.10.1 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 transversal contract, or to extend the validity period of the bid, if necessary.
- 8.10.2 Any communication to any State 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.
- 8.10.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current, or complete.
- 8.10.4 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 National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the National Treasury an opportunity to consider what corrective action is necessary (if any).
- 8.10.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 8.10.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the contact details below.
- 8.10.7 No representations made by or on behalf of the National Treasury in relation to this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).



8.10.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to this bid.

8.11 **CONTACT DETAILS**

8.11.1 **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

8.11.2 **Bid Enquiries:** - All enquiries should be in writing to [Demand.Acquisition2@treasury.gov.za](mailto:Demand.Acquisition2@treasury.gov.za). The closing date for receipt of all enquiries is 20 January 2023. All enquiries beyond the closing date will not be considered.

**Transversal Contract and Samples:** Brenda Mashifane  
: National Treasury

8.11.3 **In case the sample submitted to testing institution are to SABS, the contact details are as follows:**

Enquiries : Mr Koketso Malekutu  
Telephone : 012 428 6984  
Email address : [Koketso.malekutu@sabs.co.za](mailto:Koketso.malekutu@sabs.co.za)





## SECTION C: CONDITIONS OF CONTRACT

In this section C awarded bidders are referred to as Suppliers

### 9. DELIVERY, QUANTITIES, ORDERS AND RISK

#### 9.1 DELIVERY BASIS

- 9.1.1 Lead times for delivery of all wheelchairs, seating systems, positioners and commodes on transversal contract shall not exceed eight (8) weeks. Delivery period exceeding the prescribed maximum eight (8) weeks may be cancelled without notice.
- 9.1.2 Lead times for delivery of all accessories, consumables and parts of items on transversal contract shall not exceed one (1) week.

#### 9.2 QUANTITIES

- 9.2.1 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.
- 9.2.2 Orders will be placed by participating State institutions and they will also be responsible for the payment to Suppliers for the wheelchairs, seating systems, positioners and commodes delivered and/or services rendered.

#### 9.3 ORDERS

- 9.3.1 Suppliers should note that each individual purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 9.3.2 Suppliers should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing State institution(s).
- 9.3.3 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 Supplier deviate from the orders issued by the purchasing State institutions.
- 9.3.4 The State is under no obligation to accept any quantity(ies) which is in excess of the ordered quantity(ies).

#### 9.4 DELIVERY ADHERENCE

- 9.4.1 Delivery of items must be made in accordance with the instructions appearing on the official purchase order forms issued by purchasing State institutions.
- 9.4.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.
- 9.4.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.
- 9.4.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.
- 9.4.5 Where applicable, all wheelchairs, seating systems, positioners, and commodes is to be supplied with operating manuals/information brochures in an English language.
- 9.4.6 Suppliers will be required to provide participating State institutions with item for demo/trial for a minimum of two (2) weeks where it's required and necessary before procurement can be finalized.



- 9.4.7 It is required that the Supplier(s) should provide item demonstration training support at no additional cost to all participating State institutions for the duration of the transversal contract period relating to the following:
- 9.4.7.1 The full clinical potential of the wheelchairs, seating systems, positioners, and commodes.
  - 9.4.7.2 Troubleshooting problems and potential solutions.
  - 9.4.7.3 The standard basic setup of the wheelchairs, seating systems, positioners, and commodes.
  - 9.4.7.4 The availability of accessories, consumables and parts for the wheelchairs, seating systems, positioners, and commodes.
- 9.4.8 These demonstrations are not intended to replace the initial training and the on-going training that are required at commissioning but purely to highlight features and benefits of the wheelchairs, seating systems, positioners, and commodes.

## 9.5 **WARRANTY**

- 9.5.1 The warranty must be specific to the appropriate wheelchairs, seating systems, positioners, and commodes.
- 9.5.2 The warranty must cover all items against manufacturing defects, installation, commissioning, materials and workmanship. The Supplier(s) is responsible for manufacturing defects for the duration of the applicable warranty.
- 9.5.3 Should manufacturing defects be detected within a thirty (30) day period, the Supplier(s) shall replace the wheelchair/s, seating system/s, positioner/s, and commode/s with a new one.
- 9.5.4 Supplier(s) are obliged to refund or replace the failed, unsafe and defective wheelchairs, seating systems, positioners, and commodes during the warranty period.
- 9.5.5 The applicable warranty period as per industry standards will be effective from the date of assembling of the product for use.
- 9.5.6 The warranty must include Comprehensive Maintenance (Preventative & Corrective) plan.
- 9.5.7 In a case where wheelchairs, seating systems, positioners, and commodes is removed from a participating State institution for repairs, a loan unit must be provided of the same technical specification or better.

## 10. **ITEM ADHERENCE / SUBSTITUTION**

- 10.2 In the event where a Supplier(s) is awarded a specific brand and model, it is required of that Supplier(s) to continue to supply the awarded item throughout the transversal contract period.
- 10.3 However, the Supplier(s) is still liable for the after-sales support of the delivered item(s).
- 10.4 Should the Supplier(s) fail to fulfil the responsibility as per 10.3 above, the State reserves the right to seek necessary remedies (e.g., request alternative maintenance support etc.)
- 10.5 In the event that the awarded **Model is discontinued**:
- 10.5.1 The Supplier(s) must notify National Treasury and National Department of Health of such an occurrence upon receipt of notification from the OEM detailing the after-sales support of the delivered item(s),
  - 10.5.2 Should the Supplier(s) fail to fulfil the responsibility especially the notification as per 10.5.1 above, the State reserves the right to seek necessary remedies (e.g., request replacement cost of the new item etc.),
  - 10.5.3 The Supplier(s) is required to submit supporting documents from the OEM substantiating the changes and guarantee spare parts for the minimum of three (3) years for review by the BEC,
  - 10.5.4 The Supplier(s) will be expected to present an alternative model of the same brand to the location determined by National Treasury for BEC to evaluate,



- 10.5.5 Model replacement will only take place every six (6) months of the transversal contract period and all requests should be submitted prior to that BEC meeting. Should the model replacement request be submitted post the BEC evaluation meeting, it will be evaluated on the next proceeding meeting.
- 10.6 Furthermore, Supplier(s) must note that the terms and conditions, including price of the new model offered will be the same as the awarded model.
- 10.7 Supplier(s) must not deliver a new model other than the model awarded to them prior to an approval of model change from National Treasury. Failure to adhere to this condition may lead to immediate termination of the Supplier and/or item on transversal contract.

**Table 7: Brand Replacement Periods**

Period	Submission by Supplier(s)	BEC Meeting <sup>2</sup> (for evaluation)
1 June 2023 to 31 Dec 2023	Up until 30 Nov 2023	Dec 2023
1 Jan 2024 to 30 June 2024	Up until 31 May 2024	June 2024
1 July 2024 to 31 Dec 2024	Up until 30 Nov 2024	Dec 2024
1 Jan 2025 to 30 June 2025	Up until 31 May 2025	June 2025
1 July 2025 to 31 Dec 2025	Up until 30 Nov 2025	Dec 2025
1 Jan 2026 to 30 June 2026	Up until 31 May 2026	June 2026
1 July 2026 to 31 Dec 2026	Up until 30 Nov 2026	Dec 2026
1 Jan 2027 to 30 June 2027	Up until 31 May 2027	June 2027
1 July 2027 to 31 Dec 2027	Up until 30 Nov 2027	Dec 2027
1 Jan 2028 to 30 June 2028	Up until 31 May 2028	June 2028

## 11. POST AWARD PARTICIPATION

- 11.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government are all welcome to participate on the transversal contract.
- 11.2 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 National Treasury, subject to an e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.
- 11.3 Supplier(s) will be notified of new participants; however, the list of participants will not be published on the website but will be kept as an internal report Brand changes price adjustments and any other transversal contract information will be published on the website for both the benefit of Supplier(s) and Participants.
- 11.4 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions and public entities listed in schedule 1, 3A and 3C to the PFMA may opt to participate in a transversal term contract facilitated by the relevant treasury.
- 11.5 Public entities listed in schedule 2, 3B and 3D to the PFMA, may participate in transversal term contract

<sup>2</sup> The exact date will be shared with the affected Supplier(s)



facilitated by the relevant treasury through approval from their accounting authorities.

- 11.6 Regulation 32 of the Municipal SCM Regulations provides that a Supply Chain Management policy may allow the accounting officer to procure goods or services for a municipality or municipal entity under a contract secured by another organ of the state.

## 12. TRANSVERSAL CONTRACT PRICE ADJUSTMENT

### 12.1 Section 1 Formula

- 12.1.1 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.
- 12.1.2 Applications for transversal contract price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 12.1.3 The following transversal contract price adjustment formula will be applicable for calculating transversal contract price adjustments (CPA).
- 12.1.4 Transversal contract price adjustments based on Rate of Exchange (RoE) fluctuations will be calculated by National Treasury every six months from the end of the first six months of the transversal contract. The bidders will be notified by National Treasury of the adjusted prices indicating the applied RoE.
- 12.1.5 Since the six-monthly price adjustments are based on exchange rate fluctuations, this could result in either an increase or decrease in price.
- 12.1.6 National Treasury will publish the calculated transversal contract price adjustments on its website for Participants and Suppliers to use. Suppliers will not need to submit any request for price adjustments. National Treasury will process the necessary RoE adjustments and inform Suppliers of the new calculated pricing.
- 12.1.7 The indicative calculator that will be used for transversal contract price adjustment is shown on Table 6

**Table 8: Indicative Transversal Contract Price Adjustment Calculator**

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

## 12.2 Formula component definitions

### 12.2.1 Adjustable amount

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

### 12.2.2 Fixed portion

12.2.2.1 The fixed portion represents the 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 transversal contract period.

### 12.2.3 Cost components and proportions

12.2.3.1 The cost components of the transversal contract price usually constitute the cost of materials (raw material or finished item), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the transversal contract price of each of these cost components. In this bid the following cost components will be used to calculate transversal contract price adjustments.

12.2.3.2 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 elements (%) of bid prices during the tenure of the transversal contract.

**Table 9: Transversal Contract Price Adjustment Cost Components**

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



### 12.3 Applicable indices / references

12.3.1 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 10: Indicative Indices**

Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished item (If applicable)	Supplier / Manufacturer invoice(s) and remittance advice. <sup>3</sup>	Documentary evidence to accompany claim
D2 - Local Raw Material / Finished item (if applicable)	Supplier / Manufacturer invoice(s) <sup>4</sup>	STATS SA Index /Documentary evidence to accompany claim e.g., Invoices
D3 - Labour	STATS SA P0141 (CPI) Table E OR Labour agreement <sup>5</sup>	Table E - All Items or OR Labour agreement to be provided
D4 – Transport	STATS SA P0141 (CPI) Table E	Table E - Transport – Other Running Cost
D5 – Other	Specify	Documentary evidence to accompany claim

### 12.4 Base Index Date

12.4.1 The base index date applicable to the calculator is defined as the date at which the price adjustment starts. In this bid the base index date is November 2022.

### 12.5 End Index Date

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

### 12.6 Transversal Contract Price Adjustment Periods

12.6.1 Transversal Contract Price adjustments shall be applied on a biannual basis. Transversal Contract Price adjustment periods will be as follows:

<sup>3</sup> 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.

<sup>4</sup> Same as footnote 1

<sup>5</sup> In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.

**Table 11: Price Adjustment Periods**

<b>Adjustment</b>	<b>Average exchange rates for the period</b>	<b>Dates from which adjusted prices will become effective</b>
1 <sup>st</sup> Adjustment	1 June 2023 to 30 November 2023	1 December 2023
2 <sup>nd</sup> Adjustment	1 December 2023 to 31 May 2024	1 June 2024
3 <sup>rd</sup> Adjustment	1 June 2024 to 30 November 2024	1 December 2024
4 <sup>th</sup> Adjustment	1 December 2024 to 31 May 2025	1 June 2025
5 <sup>th</sup> Adjustment	1 June 2025 to 30 November 2025	1 December 2025
6 <sup>th</sup> Adjustment	1 December 2025 to 31 May 2026	1 June 2026
7 <sup>th</sup> Adjustment	1 June 2026 to 30 November 2026	1 December 2026
8 <sup>th</sup> Adjustment	1 December 2027 to 31 May 2027	1 June 2027
9 <sup>th</sup> Adjustment	1 June 2023 to 30 November 2023	1 December 2023

#### 12.7 Rates of Exchange – Base and average rates

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

12.7.1.1 The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted considering the base RoE rate refer in below paragraph and the average RoE rate over the period under review indicated in paragraph below.

12.7.1.2 In the event where the RoE adjustment goes hand in hand with a material/item price increase, the material/item 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.

12.7.1.3 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.

12.7.1.4 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:

**Table 12: Contract Price Adjustment ROEs**

Currency	Rates of exchange (Spot rate date 25 November 2022)
US Dollar	17.2940
Pound	20.4951
Euro	17.1609
Yen	8.1939

- 12.7.1.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to use the spot rate date of **25 November 2022** the Reserve Bank published rates for the specific currency. Bidders are to visit <https://www.resbank.co.za/> to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.
- 12.7.1.6 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 above.
- 12.8 **General**
- 12.8.1 Unless prior approval has been obtained from National Treasury, Transversal Contracting, no adjustment in transversal contract prices will be made.
- 12.8.2 Applications for transversal contract price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 12.8.3 Transversal contract price adjustment 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.
- 12.8.4 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
- 12.8.5 Bidders are referred to the paragraph regarding counter conditions.
- 12.8.6 An electronic transversal contract price adjustment calculator will be available on request from Transversal Contracting.
- 12.8.7 The State reserves the right to negotiate a transversal contract price adjustment or not to grant any transversal contract price adjustment.

### **13. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES**

#### **13.1 Contract Administration**

- 13.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to [Demand.Acquisition2@treasury.gov.za](mailto:Demand.Acquisition2@treasury.gov.za)
- 13.1.2 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.

13.2 **Contract Performance Management**

13.2.1 Contract performance management will be the responsibility of Participants and where Supplier performance disputes cannot be resolved between the Supplier and the Participant, National Treasury: Transversal Contracting must be informed for corrective action.

13.2.2 The reporting template for Participants to effect contract performance management will be provided post award.

13.3 **Post Award Reporting**

13.3.1 Suppliers will be expected to report on the implementation of the transversal contract on a quarterly basis.

13.3.2 A reporting template will be provided post-award of the transversal contract that will be submitted to [TCcontracts1@treasury.gov.za](mailto:TCcontracts1@treasury.gov.za).

13.3.3 National Treasury may conduct implementation meetings with either the Participants and/or Suppliers to discuss any transversal contracting implementation matters.