SPECIAL CONDITIONS OF CONTRACT

BID NUMBER: RT12-2019

SUPPLY, DELIVERY AND OFFLOADING AGRICULTURAL REMEDIES TO THE STATE
1 OCTOBER 2019 TO 30 SEPTEMBER 2022

CLOSING DATE AND TIME OF BID: 19 JUNE 2019 @ 11H00

BID VALIDITY PERIOD: 120 DAYS

NATIONAL TREASURY

TRANSVERSAL CONTRACTING

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ABBREVIATIONS

BAC	: Bid Adjudication Committee
B-BBEE	: Broad-Based Black Economic Empowerment
CPA	: Contract Price Adjustment
ISO	: International Organisation for Standardisation
OCPO	: Office of the Chief Procurement Officer
QC	: Quality Control
ROE	: Rate of Exchange
SABS	: South African Bureau of Standards
SANAS	: South African National Accreditation System
SBD	: Standard Bidding Document
STATS SA	: Statistics South Africa
TCBD	: Transversal Contract Bidding Document
VAT	: Value- Added Tax
WHO	: World Health Organisation
PPI	: Producer Price Index
CPI	: Consumer Price Index

BID DOCUMENT CHECK LIST

The table below indicates the documents that are included in the published bid document as well as the documents that must be returned and or submitted by the bidder with the bid at the closing date and time.

The bidder can use this checklist to ensure that all required documents are duly filled in, signed and returned.

NO.	DOCUMENT NAME	Included in the published bid document?	To be returned by bidder?
1	SBD 1 Invitation to bid	Y	Y
2	Central Supplier Database Report		Y
3	SBD 4 Declaration of interest	Y	Y
4	SBD 6 (1): Preference Points Claimed (BBBEE)	Y	Y
5	Certified BBBEE Certificate or sworn affidavit		Y
6	SBD 5: National Industrial Participation Programme (NIPP)	Y	Y
7	SBD 8: Declaration of Past SCM Practices	Y	Y
8	SBD 9: Certificate of Independent Bid Determination	Y	Y
9	TCBD 1: Authorisation Declaration Form and Authorisation Letter from the third party	Y	Y
10	Special Conditions of Contract	Y	Y
11	General Conditions of Contract	Y	Y
12	Electronic and Hard Copy Pricing Schedule	Y	Y
13	Cost components as part of pricing document		Y
14	Registration Certificate(s)		Y
15	Sub-Contracting document (*if applicable*)		Y
16	Manufacturing Capacity (*if applicable)*		Y
17	Composition Labels		Y

NO.	DOCUMENT NAME	Included in the published bid document?	To be returned by bidder?
18	TCBD 5 – ISS Terms and Conditions	Y	N
19	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Y	N
20	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Y	N
21	TCBD 4 – Procedure for electronic bidding (To be read for information purposes only)	Y	N
22	TCBD 2 – SARB data download instructions (To be read for information purposes only)	Y	N
23	Local Economic Development document		Y

SECTION A

1. LEGISLATIVE AND REGULATORY FRAMEWORK

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

2. BID INFORMATION/BRIEFING SESSION

2.1. A non-compulsory information session will be held at:

Venue: National Treasury, 240 Madiba Street, Pretoria, 0001, Room 901, 1st Floor

Date: 27 May 2019

Time: 11:30 to 12:30

2.2. For proper facilitation and coordination, Bidders are required to book a seat by email to transversal.contracting1@treasury.gov.za on or before 24 May 2019 @ 15:00.

3. EVALUATION CRITERIA

The evaluation process will be conducted in phases as follows:

Phase 1	Phase 2	Phase 3	Phase 4
Pre-qualification Criteria	**Mandatory and other bid requirements**	**Technical Compliance (Sample Evaluation)**	**Price and B-BBEE**
Compliance with pre-qualification criteria	Compliance with mandatory and other bid requirements. SBD forms must be completed and signed.	Compliance to technical requirements	Bids evaluated in terms of the 90/10 preference system

3.1. PHASE 1: PREQUALIFICATION CRITERIA

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

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

3.1.1.2. A bidder subcontracting a minimum of 30% to an EME or QSE which is at least 51% owned by black people.

i) Bidders are required to provide the details of sub-contractor(s) in line with SBD 6.1 which include the activities/business to be provided by the subcontractor(s). Furthermore, to indicate the measure of how the 30% of sub-contracting is calculated to substantiate the option of subcontracting a minimum of 30%.

ii) The State reserves the right to accept or reject the detailed measure referred to in paragraph 3.1.1 (b) (i) above.

iii) In a case where the state reject the detailed measure referred to in paragraph 3.1.1 (b) (i) above, non-compliant contributors in terms of B-BBEE status level will automatically be regarded as an unacceptable bid,

iv) In the event that a bidder is successful, additional documents will be required for submission prior to award. E.g. Bidders are required to submit a formal signed memorandum of understanding, subcontracting agreements, B-BBEE certificates, CSD numbers, etc,

3.1.2. All sub-contracted suppliers must be registered on the Central Supplier Database.

3.1.3. Failure to meet the pre-qualification criteria will invalidate the bid submitted.

3.1.4. The state reserves the right to accept a bid from a bidder who does not meet the pre-qualification criteria, this will only take place in instances where security of supply is negatively affected and the bidder in question is the only viable option. This provision will only apply on a line item level.

3.1.5. Once a bid has complied with the pre-qualification criteria, it would further be evaluated on **PHASE 2: Mandatory requirements and other bid conditions.**

3.2. PHASE 2: MANDATORY AND OTHER BID REQUIREMENTS

3.2.1. Bidders' must submit all requirements 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 and other requirements may be disqualified**.**

3.2.2. RETURNABLE DOCUMENTS AND MANDATORY REQUIREMENTS

Name of the document that must be submitted	Non-submission and incomplete returnable documents may result in disqualification?
Invitation to Bid – SBD 1	**YES** – complete and sign the supplied form
Pricing Schedule	**YES** – complete the price schedule electronically and submit a hard copy with the bid at the closing date and time.
Declaration of Interest – SBD 4	**YES** – complete and sign the supplied form.
National Industrial Participation Programme- SBD 5	**YES** – complete and sign the supplied form
Preference Point Claim Form – SBD 6.1	**YES** – Generally non-submission will lead to a zero score for B-BBEE, however, due to pre-qualification criteria it is a requirement that this document is provided to prove the B-BBEE status level contributor.
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	**YES** – complete and sign the supplied form
Certificate of Independent Bid Determination – SBD 9	**YES** – complete and sign the supplied form
TCBD 1 – Authorisation Declaration	**YES** – Bidders sourcing products from a third party must submit the authorisation declaration form and the letter of authorisation from the third party.
Name of the document that must be submitted	**Non-submission of mandatory documents will result in immediate disqualification?**
Valid Product Registration Certificate/ Product Registration Renewal issued in terms of Act 36 of 1947/Act 101 of 1965	**YES –** Please submit the valid registration certificate on each line item
Composition labels for all the items tendered for	**YES –** Please submit the composition label on each line item

3.2.3. TAX COMPLIANCE REQUIREMENTS

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

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

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

3.2.3.4. Bidders are required to be registered on the Central Supplier Database and the state shall verify the bidder's tax compliance status through the Central Supplier Database.

3.2.3.5. Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database

3.2.3.6. The state will not award a bid to any bidder whose tax matters are not in order

3.2.4. Once a bid has complied with all mandatory and other bid requirements, it will further be evaluated on **PHASE 3: Technical compliance**

3.3. PHASE 3: TECHNICAL COMPLIANCE

This phase entails the evaluation of bids for technical compliance with reference to line item requirements.

3.3.1. The following documentation must be submitted with the bid document

3.3.1.1. Veterinary remedies offered must be registered in terms of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947), as amended, and all further regulations issued in terms of the said act, or Medicines and Related Substances Act (Act 101 of 1965). Bidders must submit a valid certificate of registration: agricultural remedies, or an approved application of renewal of agricultural remedies issued by the Department of Agriculture on or before the closing date and time of bid.

3.3.1.2. The bidder must submit the composition or labels for all item's offered at the closing date and time of bid

3.3.1.3. Successful bidders must ensure that valid product registration renewals are available for scrutiny throughout the contract period, for item/s awarded to them. Failure to do so will result in the cancellation of the contract for such item/s awarded.

3.3.1.4. Products containing organophosphate active ingredients as ectoparasiticides must not be used in provinces and regions where red-billed and yellow-billed oxpeckers occur as these products pose a critical threat to the oxpeckers. The Provinces and Regions include:

Limpopo Province

Mpumalanga: Lowveld

KwaZulu-Natal: Lowveld, Maputoland and Makhatini Flats

Eastern Cape: Queenstown, Border, Grahamstown and Port Elizabeth Regions

Gauteng: Northern Regions

Northern Cape: Kimberley and Kalahari Regions

North West Province

3.3.1.5. All packing and labelling must comply with the requirements of the Act (Act 36 of 1947)

3.3.1.6. Non-compliance with the abovementioned conditions will invalidate the bid for such item/s offered.

3.3.2. AUTHORISATION DECLARATION

3.3.2.1. Any bidder who is sourcing goods or services from a third party must complete the "Authorisation Declaration" (TCBD 1) in full for all relevant items/goods or services, sign it and submit it together with the bid documents at the closing date and time of the bid.

3.3.2.2. 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.

3.3.2.3. The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.

3.3.2.4. An authorisation declaration with conditional arrangements will not be accepted. Bidders must ensure that all arrangements are agreed to before submitting a bid.

3.3.2.5. Failure to submit a duly completed and signed Authorisation Declaration form, third party's authorisation declaration letter, with the required annexure(s) and registration certificates on the third

party's name, in accordance with the above provisions will invalidate the bid for such goods or services offered.

3.4. PHASE 4: PREFERENCE POINT SYSTEM AND PRICE

3.4.1. Preference points system

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

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

b) 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

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

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

d) 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 (***sworn affidavit must be in original form and not a copy***) at the closing date and time of the bid in order to claim the B-BBEE status level point. Failure to submit the valid original or certified copy will result in zero score/non-compliant contributor.

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

f) Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act no. 69 of 1984)) or an accredited verification agency or a sworn affidavit will be considered for preference points.

g) Failure on the part of the bidder to comply with the paragraphs above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).

h) 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.

i) The points scored will be rounded off to the nearest 2 decimals.

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

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

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

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

3.4.2. APPLICABLE TAXES

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

3.4.3. VALUE ADDED TAX (VAT)

All bid prices must be inclusive of 15% VAT. Failure to comply with this condition will invalidate the bid.

3.4.4. PRICING STRUCTURE AND SCHEDULE

3.4.4.1. Pricing Structure

a) One price per district in each province is required per item and prices quoted must be furnished on the basis of supply and delivery including Value Added Tax. This is also applicable to same item that are used by more than one end user department irrespective of brand.

b) The below table must be used as a guideline to provide pricing per province. The contract is structured per province and therefore bidders must use the guide in the table below to determine costing per district and convert such costing to a provincial price. The table must not be used as a pricing schedule and it will not be evaluated.

Province	District
Eastern Cape	Alfred Nzo District Municipality
	Sarah Baartman District Municipality
	Amathole District Municipality
	Buffalo City Metropolitan Municipality
	Chris Hani District Municipality
	OR Tambo District Municipality
	Joe Gqabi District Municipality
	Nelson Mandela Bay Metropolitan Municipality
Free State	Fezile Dabi
	Thabo Mofutsanyana
	Lejweleputswa
	Mangaung
	Xhariep
Gauteng	City of Tshwane
	Ekurhuleni
	City of Johannesburg
	Sedibeng
	West Rand
KwaZulu-Natal	Amajuba
	Zululand
	Umkhanya-Kude
	Umzinyathi
	King Cetshwayo
	Ukhukela
	Ilembe
	Umgungundlovu
	Ethkwini
	Harry Gwala

Province	District
	Ugu
Limpopo	Vhembe
	Mopani
	Capricorn
	Sekhukhune
	Waterberg
Mpumalanga	Ehlanzeni
	Nkangala
	Gert Sibande
Northern Cape	John Taolo Gaetsewe
	Frances Baard
	ZF Mgcawa
	Namakwa
	Pixley Ka Seme
North West	Bojanal Platinum
	Ngaka Modiri Molema
	Dr Kenneth Kaunda
	Dr Ruth Segomotsi Mompati

c) The pricing schedule will be accessible from the e-procurement system. All prices must be submitted online

d) Prices submitted for this bid will be regarded as firm and subject only to review in terms of the price adjustment clause in paragraph 26

e) Bidders must quote a final delivered price inclusive of all applicable taxes.

f) Price must be specific for the units advertised per item specification.

g) Conditional discounts offered will not be used for evaluation purposes.

3.4.4.2. Pricing Structure

i) Bidders must submit price schedule electronically via the electronic response system to facilitate the speedy evaluation of bid responses. Electronic bids must be submitted on or before the closing date and time of bid on the National Treasury's Transversal contracting supplier portal accessed on the following link: https://ww1.gcommerce.gov.za/NT_PROD/ISS/Portaldefault.aspx

ii) After completing the pricing schedule electronically, the electronic version of the pricing schedule must be printed and submitted together with the remaining bid documents which will serve as the hard copy of the bid.

iii) Bidders are required to inform National Treasury of any problems experienced regarding electronic submission prior to closing date and time of bid.

3.4.4.3. Support on electronic submission of bids and technical assistance

i) Training sessions are provided every Monday from 14h00 to 16h00 at National Treasury, 240 Madiba Street, Pretoria.

ii) Bidders must send an e-mail to transversal.contracting1@treasury.gov.za to book their seats and confirm availability.

iii) The manual with detailed instructions can be downloaded from this link: https://ww1.gcommerce.gov.za/NT_PROD/ISS/SupplierWizard20160818.pdf and follow the "How to complete bids" section.

iv) Bidders who are not registered on Central Procurement Portal for Government must contact SITA at the following details for assistance:

Tel: 0800 611 201

Email: gcommerce@sita.co.za - (Including CSD MAAA and company details)

v) Failure to adhere to the above conditions ay invalidate your bid.

3.4.5. COST COMPONENTS AND PROPORTIONS

a) 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.

b) Bidders are requested to submit the cost breakdown of their 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 by submitting the cost components document issued with the bid. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Cost Component	% Contribution	Indices
Imported Raw Material / Finished product (if applicable		Supplier/Manufacturer invoice(s) and remittance advice.
Local Raw Material / Finished product (if applicable		Stats SA P0142.1 (PPI) Table 8 – Domestic Output

Cost Component	% Contribution	Indices
Labour		Stats SA PO141 (CPI) OR Labour agreement
Transport		Stats SA P0141 (CPI) Table E
Other		
TOTAL(Cost components must add up to 100%)	**100 %**	

c) Percentage weighted contribution – List % weighted contribution for each cost element must add up to 100%. Cost components document must be used in a case where the cost components are the same for all items in the bid

d) Indices – List measurable indices/factors that contribute to cost escalation.

e) All prices are subject to negotiation prior to signing on an anniversary of the contract

4. MANUFACTURING CAPABILITY AND INFORMATION

4.1. Bidders are to disclose if they have manufacturing capability on ***company classification*** on SBD 6.1 and through an annexure provide information regarding their sites and products produced per site.

5. RESPONSIVE BIDS

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

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

6. SUBMISSION OF BIDS

6.1. RETURNABLE DOCUMENTS

6.1.1. All returnable documents (SBDs, Registration Certificate, etc.) must be submitted with the bid at the closing date and time of the bid in a hard copy format.

6.1.2. Besides submitting a price schedule electronically through the electronic response system, bidders must still submit a hard copy of the bid document on or before the closing date and time to National Treasury: Tender Information Centre. The hard copy of the bid response will serve as the legal bid document.

6.1.3. In the event that a hard copy of the bid document and/or the electronic response are not received on or before the closing date and time, the bid will not be accepted.

6.2. FORMAT AND SUBMISSION OF BIDS

6.2.1. In order to simplify the evaluation process, Bidders are required to submit their bids in the following manner: -

SECTION	REQUIRED DOCUMENTS
Section 1	Standard bidding documents, GCC, SCC, CSD report and BBBEE Certificate or sworn affidavit
Section 2	Registration Certificate, Renewal letter and Composition of products, Proof of licensing with the Medicines Control Council
Section 3	Authorisation Declaration and item list
Section 4	Pricing Schedule and Item Questionnaire
Section 5	Any other information (e.g Cost Components, Local economic development submission etc

7. LATE BIDS

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

8. 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.

9. FRONTING

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

9.2. The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents.

9.3. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and

Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the bidder / contractor to prove that fronting does not exist.

9.4. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the National Treasury may have against the bidder / contractor concerned.

10. SUPPLIER DUE DILIGENCE

10.1. The State reserves the right to conduct supplier due diligence prior to award or at any time during the evaluation process. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid

10.2. The State also reserves a right to conduct supplier due diligence during the contract period. Information submitted by the contractor will be verified and any misrepresentation thereof the state reserves a right to institute remedial actions available.

10.3. Due diligence may include preannounced or no-announce site visits.

11. COMMUNICATION

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

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

11.3. All communication between the bidder and the Transversal Contracting Office must be done in writing.

12. CONTACT DETAILS

12.1. GENERAL

Chief Directorate: Transversal Contracting, National Treasury, Private Bag x115, Pretoria, 0001

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

12.2. BID ENQUIRIES

Contract Manager: Mulatedzi Raudzingana

Transversal Contracting, Office of the Chief Procurement Officer, National Treasury

Tel: (012) 395 6704

E-mail: transversal.contracting1@treasury.gov.za

SECTION B

13. CONTRACT PERIOD

The contract period shall be for a period of 36 months commencing on 1 October 2019 to 30 September 2022.

14. PARTICIPATING GOVERNMENT DEPARTMENTS / INSTITUTIONS

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

Government Departments / Institutions
Agriculture, Forestry and Fisheries
Correctional Service
South African Police Service
Water and Sanitation
Mpumalanga Department of Agriculture and Rural Development
Limpopo Department of Agriculture
Northern Cape Department of Agriculture & Land Reform
Gauteng Department of Agriculture and Rural Development

14.2. Post award participation

14.2.1. In terms of Treasury Regulation 16A6.6 the accounting officer or accounting authority may, on behalf of the department, constitutional institution or public entity, participate in any bidding process by any other organ of state, subject to the written approval of such organ of state and the relevant contractors.

15. AWARD CONDITIONS

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

15.1. Multiple Award

15.1.1. The State reserves the right to award the same item to more than two supplier to address product availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

15.1.2. The maximum number of bidders to be awarded will be at the discretion of the Bid Evaluation Committee.

15.1.3. The following will be taken into consideration when awarding through a multiple award:

a) Capacity to meet volume demand as per bid requirements
b) Estimated volume to be supplied

c) Risk to user departments if the item is not available

d) Source of the finished product, raw material and manufacturing site

e) Previous performance of the bidder

16. NEGOTIATIONS

The State reserves the right to negotiate with the bidders prior to award and with the successful bidder(s) post award.

17. NON-COMMITMENT

17.1. The State reserves the right:

17.1.1. Not to award, to award in part or in full.

17.1.2. Not to accept any of the bids submitted.

17.1.3. 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.

17.1.4. To cancel and/or terminate the bid process at any stage, including after the closing date and/or after presentations have been made, and/or after bids have been evaluated and/or after the preferred bidder(s) have been notified of their status as such

17.1.5. To cancel and/or terminate the contract or part thereof, post the awards with consultation with the service provider if is deemed necessary.

17.1.6. To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

17.1.7. To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid.

17.1.8. To award a bid based on which bidder is offering the best value for money, even if such bid is not the lowest price.

17.1.9. In the event that an incorrect award has been made or an error occurred during evaluation and adjudication phase, the State reserves the right to remedy the matter in any manner it may deem fit.

SECTION C

18. ROLES AND RESPONSIBILITIES

18.1. CONTRACT ADMINISTRATION

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

The Chief Director: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001, Attention: Mulatedzi Raudzingana – transversal.contracting1@treasury.gov.za

18.1.2. Contractors must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished to Mulatedzi Raudzingana – email: transversal.contracting1@treasury.gov.za and Tel: 012 395 6704

18.2. SUPPLIER PERFORMANCE MANAGEMENT

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

18.3. PLACEMENT OF ORDERS AND PAYMENTS

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

19. ORDERS AND DELIVERY

19.1. ORDERS

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

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

19.1.3. The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the contractor deviate

from the orders issued by the purchasing institutions.

19.1.4. Purchasing institution may request that a contractor submit a sample to the purchasing institution for approval before mass production related to that order is finalised. The cost of this sample is for the contractor.

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

19.2. DELIVERY

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

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

19.2.3. In respect of items awarded to them, contractors must adhere strictly to the delivery lead times quoted in their bids.

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

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

19.2.6. Transit and storage conditions applicable to the relevant products must be adhered to.

19.3. SPECIFIC CONDITIONS APPLICABLE TO VACCINES

19.3.1. Vaccines are to be shipped in insulated containers each containing sufficient ice packs or dry ice to maintain the cold temperatures.

19.3.2. Each insulated shipping containers must be clearly labelled to indicate that the contents are perishable. The recommended storage temperature range must also be on the outside of each insulated container and must clearly state whether contents should be frozen or not frozen.

19.3.3. Vaccines which may not be frozen must contain both freeze watches (and similar World Health Organisation approved product) and 3M monitors in each insulated container.

19.3.4. All dried vaccines, suitable quantities of the diluent (reconstituting fluid) must be supplied.

19.3.5. Should the cold chain monitors indicate a break in the cold chain to the first delivery point from the supplier, the vaccine must be removed/collected by the supplier at the supplier's cost

20. QUANTITIES AND MINIMUM ORDERS

20.1. QUANTITIES

20.1.1. The quantities reflected in the bid forms are estimated quantities and no guarantee is given or implied as to the actual quantity which will be procured during the contract period.

20.1.2. If quantities substantially increase during the year due to new participation request from user departments, the state reserves the rights to renegotiate the prices.

20.2. MINIMUM ORDER QUANTITY

20.2.1. Bidders are required to indicate the minimum order quantity that is allowable per order. In the event that the end user department requires less than the stipulated minimum order quantity, acceptable resolution should be found between all parties including National Treasury.

20.2.2. Proposed minimum order quantities should facilitate delivery directly to facilities. The state reserves the right to negotiate minimum order quantities where they are deemed unfavourable. Where consensus regarding minimum order quantities cannot be reached the bid may not be awarded

21. CONTINUITY OF SUPPLY

21.1. Contracted suppliers must:

21.1.1. maintain sufficient stock to meet demand throughout the duration of the contract;

21.1.2. inform the National Department of Health at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:

a) industrial action,
b) manufacturing pipeline
c) any other supply challenges.

21.1.3. official communication relating to continuity of supply must be directed to the National Treasury, Transversal Contracting as well as affected user department;

21.1.4. this official communication must include detail of corrective actions taken by contracted supplier to ensure continuity of supply.

22. QUALITY

Where specific specifications and/ or standards 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.

23. PRODUCT ADHERANCE / BRAND CHANGE

23.1. 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.

23.2. In the event that the 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

23.3. It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item. The quality of the product must not be lower than the initial awarded product.

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

23.5. Contractors are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from National Treasury.

24. CONTRACT PRICE ADJUSTMENT

24.1. Formula

24.1.1. 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.

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

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

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

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.

24.2. Formula component definitions

24.2.1. 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.

24.2.2. Fixed portion

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

24.2.3. Cost components and proportions

a) 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.

b) 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. Successful bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

c) In a case where the same cost components are applicable to all items offered please fill out the Cost components document attached with the bid other than that cost components must be indicated on each line item when finalising pricing schedule.

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

24.2.4. Applicable indices / references

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

Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance advice.[1]	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	STATS SA P0142.1 (PPI) Table 1	Basic chemicals, fertilizers and pesticides OR Documentary evidence to accompany claim
D3 - Labour	STATS SA P0141 (CPI), Table E OR Labour agreement[2]	Table E - All Items OR Labour agreement to be provided
D4 – Transport	STATS SA P0141 (CPI) Table E	Table E - Transport – Other Running Cost
D5 – Housing and utilities	STATS SA P0141 (CPI) Table E	Table E – Housing and utilities Headline
D6 – other	Specify	Documentary evidence to accompany application

24.2.5. Base Index Date

The base index date applicable to the formula is defined as the date at which the price adjustment

[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.*

starts. In this bid the base index date is **May 2019.**

24.2.6. End Index Date

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

24.2.7. Price Adjustment Periods

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

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates from which adjusted prices will become effective
1st Adjustment	1 February 2020	December 2019	1 March 2020
2nd Adjustment	1 August 2020	June 2020	1 September 2020
3rd Adjustment	1 February 2021	December 2020	1 March 2021
4th Adjustment	1 August 2021	June 2021	1 September 2021
5th Adjustment	1 February 2022	December 2021	1 March 2022

24.3. Rates of Exchange (RoE) – Base and Average rates

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

24.3.1. The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate (refer paragraph 24.2.5) and the average RoE rate over the period under review indicated in paragraph 24.3.5 below.

24.3.2. In the event where the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate (paragraph 24.2.5) for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph 24.3.4 below for the later invoice.

24.3.3. The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph 24.2.4 above and at the predetermined dates indicated in paragraph 24.3.6 above.

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

Currency	Rates of exchange 6-month average for the period 15 December 2018 to 16 May 2019
US Dollar	13.4576
Pound Sterling	17.7658
Euro	15.7211
Yuan	0.4970

24.3.5. Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **15 December 20 to 16 May 2019** 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.

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

Adjustment	Average exchange rates for the period:
1st Adjustment	September 2019 to February 2020
2nd Adjustment	March 2020 To 30 September 2020
3rd Adjustment	September 2020 to February 2021
4th Adjustment	March 2021 To 30 September 2021
5th Adjustment	September 2021 to February 2022

24.4. General

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

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

24.4.3. CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.

24.4.4. In the event where the supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting's verification, Transversal Contracting will consult with the supplier to resolve the differences. The state reserves the right to negotiate amended contract prices

at any stage prior to the final notification to end users.

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

25. BREACH OF CONTRACT

The State reserves the right to terminate the contract(s) if the contractor does not honour contract(s) obligations including submission of information.

26. PACKAGING

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

26.2. The function of the container is to maintain the quality, safety and stability of its contents. Container(s) should withstand the mechanical hazards of handling and transport, prevent leakage and provide appropriate level of protection from environmental conditions, and Good Distribution Practice.

26.3. Packaging must comply with the requirements set out in section 3.3.1 of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947), or the Medicines and Related Substances Control Act, 1965 (Act 101 of 1965), whichever applicable.

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

26.5. 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.

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

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

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

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

27. LABELLING

27.1. Labels and package must comply with the requirements of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947) or the Medicines and Related Substances

Control Act, 1965 (Act 101 of 1965), whichever applicable.

27.2. The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes:

a) Proprietary name (if applicable)
b) Number of units in pack (e.g. for bulk packs 20 administration sets)
c) Batch number
d) Expiry date
e) Storage conditions
f) Barcode

27.3. Where the contents of the shipper pack requires special attention in terms of storage or handling, e.g. thermo labile, fragile, etc., such instructions must be clearly and visibly indicated on the outer packaging on a brightly coloured background.

27.4. The following information must be clearly and indelibly printed, in letters not less than 10pt in height, on all individual inner packing or on a suitable label which must be securely adhered (permanently attached) onto the inner packing:

a) Product detail e.g. proprietary name, item description, size, etc.
b) A product code where relevant.
c) Batch number.
d) Date of manufacture.
e) Expiry date if applicable.
f) Trade name or trade mark of the manufacturer.
g) Name and address of importer/distributor where applicable.
h) Where applicable, the word “sterile” or “non-sterile” in prominent form as well as the sterilisation method and sterilisation expiry date.
i) Special storage conditions, if applicable.
j) All other information prescribed in the item specification, e.g. latex free, and/or relevant SANS/ISO standard.
k) The label must include a barcode.

27.5. Peel apart packs: Material and design of peel apart packs shall ensure:

27.5.1. Easy opening with fingers, clean tearing without formation of loose paper shreds, fluff or fibres.

27.5.2. The product is tamper proof and non re-sealable.

27.5.3. Minimum risk of contamination of contents during opening and removal from the package.

27.5.4. Maintenance of sterility of the contents under the prescribed storage conditions.

28. SHELF-LIFE

28.1. Veterinary remedies, upon delivery, must have at least 12 months of shelf-life before date of expiry.

28.2. Contracted suppliers may apply in writing to user Departments to supply a product with a shorter shelf life provided that:

28.2.1. applications are accompanied by an undertaking that such short-dated products will be unconditionally replaced or credited before or after expiry; and

28.2.2. applications are approved before execution of orders; and

28.2.3. such products must be collected by the supplier at their own cost; and

28.2.4. failure to collect the products within 30 days after written notification to the supplier will result in the disposal of the product by the user department for the account of the supplier.

28.3. If short-dated products are delivered without the aforementioned undertaking the penalty of 5% of the invoice will apply

28.4. User departments may, without prejudice, decline to accept product with a shelf-life of less than 12 months

29. MERGERS, TAKE OVERS AND CHANGES IN SUPPLIER DETAILS

29.1. Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the National Treasury writing 30 days prior to such event of relevant details.

29.2. The state 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.

29.3. A contracted supplier must inform the National treasury within 14 days of any changes of address, name, contact or banking details.

30. THIRD PARTIES

30.1. User departments will not make a payment to or consult with a third party.

30.2. No third party is entitled to put an account of a user department on hold.

31. POST AWARD REPORTING AND SUPPLIER PERFORMANCE REVIEWS

National Treasury will conduct meetings with the end users and contractors to discuss Transversal Contracting issues.

31.1. Supplier performance

31.1.1. Contracted suppliers must notify the National Treasury of any unforeseeable circumstances that may adversely affect supply against the contract

31.1.2. The National Treasury, in collaboration with the other Participating end-use departments, will monitor the performance of contracted suppliers and maintain a scorecard for compliance to the terms of this contract as follows:

a) Compliance to delivery lead times;

b) Percentage of orders supplied in full first time;

c) Compliance with reporting requirements according to reporting schedule.

d) Attendance of compulsory quarterly meetings:

31.1.3. 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 the National Treasury.

31.2. Historical data

All successful bidders are required to submit historical value and volume reports via e-mail on a six (6) monthly basis to Mulatedzi Raudzingana and email to: transversal.contracting1@treasury.gov.za

Period	Period for which information must be submitted	Dates at which reports must be submitted
1	1 September 2019 – 31 March 2020	15 April 2020
2	1 April 2020 – 30 September 2020	15 October 2020
3	1 October 2020 – 31 March 2021	15 April 2021
4	1 April 2021 – 30 September 2021	15 October 2021
5	1 October 2021 – 31 March 2022	15 April 2022
6	1 April 2022 – 30 September 2022	15 October 2022

END