SPECIAL CONDITIONS OF CONTRACT

RT48-2021

APPOINTMENT OF SERVICE PROVIDER/S FOR MANAGEMENT AND DISTRIBUTION OF PERSONAL PROTECTIVE EQUIPMENT AND OTHER CONSUMABLES FOR THE STATE FOR THE PERIOD

1 JULY 2021 TO 30 JUNE 2024

NON-COMPULSORY BRIEFING SESSION:

VIRTUAL MEETING: 26 MAY 2021 @ 11:00-13:00

CLOSING DATE AND TIME OF BID

9 JUNE 2021 AT 11H00

BID VALIDITY PERIOD: 120 DAYS

National Treasury

Transversal Contracting

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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BQRC	Bid Quality Review Committee
B-BBEE	Broad -Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CSD	Central Supplier Database
EME	Exempted Micro Enterprise
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
CFST	Cross Functional Sourcing Team
GPH	Gauteng Provincial Health
PPE	Personal Protective Equipment
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations, 2017
QSE	Qualifying Small Enterprise
RSA	Republic of South Africa
SLA	Service Level Agreement
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TIC	Tender Information Centre
VAT	Value Added Tax

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Table 1: Returnable Standard Bid Document and Mandatory Document Checklist

#	Document Name	Published	To be returned by bidder?
Standard Bidding Documents : Non-submission may result in disqualification			
1	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes
2	SBD 4 Declaration of Interest	Yes	Yes
3	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes
4	SBD 9 Certificate of Independent Bid Determination	Yes	Yes
5	TCBD 1 Authorisation Declaration	Yes	Yes
6	TCBD 1.1 List of goods or services offered	Yes	Yes
7	TCBD 1.2 Authorisation Letter Template	Yes	Yes
8	TCBD 6 – Response Field Explanation **(Read only)**	Yes	No
9	CSD Report	No	Yes
10	Shareholding portfolio by proof of registration of the company with CIPRO/CIPC	No	Yes
11	Company Profile	No	Yes
12	General Conditions of Contract	Yes	Yes
13	Special Conditions of Contract	Yes	Yes
Mandatory Document: Non-submission will result in disqualification			
14	Original and valid B-BBEE status level verification certificate OR a certified copy thereof OR valid and originally certified sworn affidavit or valid and originally certified CIPC certificate	No	Yes
15	Warehousing – Utility bill or lease agrement	No	Yes
16	Forklift Registration licence or lease agreement	No	Yes
17	Software licence for Inventory/warehouse management system	No	Yes
18	Valid Warehousing and Goods In transit Insurance/Quotation	No	Yes
19	Valid Public Liability Insurance or Quotation	No	Yes
20	SBD 6.1 Preference Points Claim Form	Yes	Yes
21	Pricing Schedule (Annexure 1)	Yes	Yes

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1. INTRODUCTION

This bid is for Appointment of service provider/s for Management and Distribution of personal protective equipment and other consumables for the State for the period of thirty-six (36) months commencing on 1 July 2021 to 30 June 2024.

This bid document is divided as follows:

1.1	Section A	:	Conditions of bid
1.1.1	Part 1	:	Evaluation criteria
1.1.2	Part 2	:	Bid requirements
1.2	Section B	:	Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

2.2 This contract is subject to all applicable industry related legislation, particularly the legislation stated below. Contravention of any provision of the below mentioned legislation as well as the following legislation may result in disqualification of this bid or termination of Contract in the event that the contravention occurs after the contract award: -

i. National Road Traffic Act,1996 (No. 93 of 1996);

ii. National Road Traffic Regulations,2000;

iii. Administrative Adjudication of Road Traffic Offences (AARTO) Act No 46 of 1998;

iv. Basic Conditions of Employment Act 75 of 1997;

v. Compensation for Occupational Injuries and Diseases Act (130 of 1993);

vi. Occupational Health and Safety Act 85 of 1993

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2.3 **Tax Compliance Requirements**

2.3.1 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.

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

2.3.3 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.

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

2.4 **Standard Bidding Documents**

2.4.1 SBD 1: Invitation to bid**;**

2.4.2 SBD 4: Declaration of Interest;

2.4.3 SBD 6.1: Preference Points Claim Form;

2.4.4 SBD 8: Declaration of Bidder's Past SCM Practises;

2.4.5 SBD 9: Certificate of Independent Bid Determination;

2.4.6 All standard bidding documents must be completed in full, signed and submitted at the closing date and time of the bid.

3. BID INFORMATION SESSION

3.1 The briefing session presentation will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.

3.2 Briefing session presentation attached as Annexure 3.

3.3 A non-compulsory information session will be held virtually

Date: 26 May 2021

Venue: Virtual Meeting (Online – MS Teams) Link: Click here to join the meeting

Time: 11:00 am to 13:00pm

3.4 Briefing presentation will be made available on the following link:

http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx

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

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3.6 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to Phumzile.Mtsweni@treasury.gov.za before the briefing session. The closing date for receipt of all enquiries is **3 June 2021**. All enquiries beyond this closing date will not be considered.

4. SCOPE OF SERVICES

A bid that does not address the scope of services will be disqualified and considered non-responsive.

4.1 The appointed contractor must be capable to perform key deliverables in execution of the contract by ensuring that relevant systems are in place.

4.2 The end user require a 10 000 m² of storage, inventory system, handling and distribution.

4.3 Receive and manage PPE'S and other consumables from service providers and donors through appropriate warehousing and inventory/material management system.

4.4 To pick and pack PPE and other consumables in accordance with service instruction received from the institutions.

4.5 Distribution of PPE's and other consumables to the correct institution addresses in a proper condition and correct quantities.

4.5.1 Prepare necessary documentation for delivery of PPE and other consumables to relevant institutions. Delivery seal number and proof of delivery documentations must be submitted together with invoices as proof that goods were received by the correct institution in good condition and correct quantities.

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SECTION A

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in four (4) phases as per the table below:

Table 2: Evaluation criteria

Phase I	Phase II	Phase III	Phase IV
Pre -Qualifying Criteria	**Compliance with mandatory and other standard bidding requirements**	**Functionality**	**Price and B-BBEE**
Regulation 4(1)(a) Level 1 to 4	Standard bidding documents must complete and signed.	Bids evaluated in terms of functionality	Bids evaluated in terms of the 80/20 preference system

5.1 **Phase I: Pre- Qualifying Criteria for Preferential Procurement**

5.1.1 **B-BBEE status Level Contributor (Level 1- 4)**

Bidders must be a minimum B-BBEE status level contributor from level 1(one) to 4 (four) as per Regulation 4(1)(a) of Preferential Procurement Regulations, 2017.

5.1.2 **In order to proceed to Phase II**, bidders are required to submit proof of B-BBEE status level of contributor from level 1 to 4 at the closing date and time of the bid.

5.1.3 Proof includes original and valid B-BBEE status level verification certificates OR certified copies thereof OR original and valid sworn affidavit signed by the EME representative and attested by Commissioner of oaths.

5.1.4 CIPC certificate must be valid and originally certified.

5.1.5 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate.

5.1.6 Public entities and tertiary institutions must also submit their B-BBEE certificates.

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5.1.7 A tender that fails to meet the prequalifying criteria above is an unacceptable tender and will be disqualified.

5.2 **Phase II: Mandatory Documents Requirements**

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

5.2.1 **Warehousing and related Infrastructure**

5.2.1.1 Bidder must submit proof warehousing space of a minimum of 5000 m² in gauteng at closing date and time of bid. Bidders must submit supporting documentation confirming ownership, lease etc. for the minimum of 5000m² warehouse that will be utilised for the duration of the contract period. Bidder must submit a utility bill or lease agreement.

5.2.1.2 The dedicated warehouse space must be equipped with the necessary warehouse management system and handling equipment.Bidder must have a minimum of 2 forkflift and must submit a copy of a lease agreement or registration certicate.

5.2.1.3 Bidder must provide a copy of software licence for the inventory /warehouse management system.

5.2.2 **Warehouse and Goods in Transit Insurance**

5.2.2.1 Bidders are required to submit proof of warehouse and goods in transit insurance or a quotation with a policy number from an insurer.

5.2.2.2 The provision of this document/s is critical to ascertain if the goods will be covered in case of damages/breakage and/or loss of goods.

5.2.3 **Public Liability Insurance**

5.2.3.1 Bidders are required to submit proof of public liability insurance or a quotation with a policy number from an insurer.

5.2.3.2 The provision of this document is important in case of any third (3rd) party injuries or damages.

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5.2.4 **Authorisation Declaration**

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

5.2.4.2 Anybidders who is sourcing from a Third Party must complete TCBD 1.1 and TCBD 1.2 in full for all relevant goods and/or services. The The letter of undertaking from the Third Party must include but not limited to the following:

(i) List of item(s) number and item description.

(ii) Letter must be on the Third Party letter head, dated and originally signed.

(iii) Have the contact's name, physical and postal address, telephone, and email details and the capacity which a person is signing the letter.

(iv) All the information on the letter must be in English.

5.2.4.3 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 this bid document.

5.2.4.4 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 (3rd) party will be binding on the State.

5.2.4.5 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.

5.2.4.6 It remains the sole responsibility of the main bidder to ensure that any subcontract/s or third (3rd) party involvement complies with the requirements of this bid as this may invalidate your bid.

5.3 **Phase III: Functionality**

5.4

During this phase bidder's response will be evaluated for functionality based on achieving a minimum total score of 66,67% for the functionality requirements.

5.4.1 Bidder must submit supporting documents for all functional requirements as indicated hereunder.

5.4.2 The bids will be evaluated based on the submissions and information submitted.

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5.4.3 The value for each criterion will be determined by multiplying the value scored by the weighting assigned that criterion. These points will be added up and a percentage of the maximum possible score for each criterion will be determined.

Table 3: Maximum score for each functionality criteria

Criteria	Weight
Fleet Capacity	20
Warehousing Management System Experience	20
Warehousing Experience	20
Warehousing Staff Complement	20
Security	20
Total	**100**

5.4.4 Bidders must achieve a minimum of 66,67% in order to qualify and proceed to Phase IV.

5.4.5 Failure to meet the threshold of 66,67% would result your bid deemed non-responsive and disqualified.

5.4.6 Bidders will be evaluated on the basis of the responses and supporting documentation supplied by the bidders as follows:

Table 4: Summary of Functionality Criteria

Criteria	Measure	Score
Fleet Capacity	Bidders must submit a fleet register accompanied by confirmation letter confirming fleet owned/Existing Lease Agreement by the main bidder and/ or subcontractor.	
	Bidder with 0 - 4 2 Tons to 10 Tons Closed Trucks owned fleet or lease agreement	0
	Bidder with five (5) or more 2 Tons to 10 Tons Closed Trucks owned fleet or lease agreement	1
	Bidder with ten (10) or more 2 Tons to 10 Tons Closed Trucks owned fleet or lease agreement	2
	Bidder with fifteen15) or more 2 Tons to 10 Tons Closed Trucks owned fleet or lease agreement	3
Warehousing Management	Bidders must submit documentation / screenshot in order to prove that the system does have the functionality.	

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Criteria	Measure	Score
System Experience	Web Portal or Self-Service Interface Bidder submitted a document /screenshot of the web portal self-service interface **= 1 point** Bidder did not submit a document /screenshot of the web portal self-service interface **= 0 points**	Bidders who scored 0 **= 0 points**
	Does the company have a real time information of orders, transactions and delivery time for end users to be able to view the status of their orders? Bidder submitted a document /screenshot that proves that the system is able to provide real time information **= 5 point** Bidder did not submit a document /screenshot that proves that system is able to provide real time information **= 0 point**	
	Inventory Management System : Is the system able to record received goods, per line item per supplier, indicate dispatched and stock on hand? Bidder submitted documents /screenshots that received goods per line item per supplier including dispatched and stock on hand per item per supplier **= 2 point** Bidder did not submit documents /screenshots that received goods per line item per supplier including dispatched and stock on hand per item per supplier **= 0 point**	Bidders who scored between 1 and 5 **= 1 points**
	Do you have a calibrated scale to measure pallet weight? Bidder submitted a copy of a valid calibration certificate **= 1 point** Bidder did not submit a copy of the valid calibration certificate **= 0 points**	Bidders who scored between 6 and 10 **= 2 points**
	Is your system able to bill accurately per account with clear indication of costs(weight) Bidder submitted a document /screenshot that indicates costs, weight per account **= 3 point** Bidder did not submit a document /screenshot that indicates costs, weight per account = **0 point**	Bidders who scored between 11 and 15 **= 3 points**
	Is the system able to generate reports(e.g. missed orders, returned orders , on time deliveries) Bidder submitted sample reports of missed orders ,returns order and on time deliveries **= 3 point** Bidder did not submit sample reports of missed orders ,returns order and on time deliveries **= 0 point**	
Warehousing Experience	Bidders must submit a signed reference letter/s with contactable reference and proven track record for more than five (5) in the letterhead of the company where the warehousing management and distribution was provided indicating the duration of the contract/service, the description of the service provided, value of the contract.	
	Bidders with 0 to 3 years' experience in warehouse management and distribution	0
	Bidders with + 3 to 5 years of experience in warehouse management and distribution	1
	Bidders with +5 to 8 years of experience in warehouse management and distribution	2
	Bidders with +8 years and more experience in warehouse management and distribution	3
Warehousing Staff Complement	Bidder must submit curriculum vitae detailing experience of a Warehouse Manager and key staff (Loader & Receiving Clerks)	

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Criteria	Measure	Score
	Bidder submitted curriculum vitae of a warehouse manager and key staff with 0 to 1 experience	0
	Bidder submitted curriculum vitae of a warehouse manager and key staff with + 1 to 3 years' experience	1
	Bidder submitted curriculum vitae of a warehouse manager and key staff with +3 to 5 years' experience	2
	Bidder submitted curriculum vitae of a warehouse manager and key staff with + 5 years or more experience	3
Security	Bidder must submit documentation as proof that the warehouse is fitting with CCTV camera, sprinklers and access controlled	
	Bidder did not submit documents as proof that the warehouse is fitted with CCTV camera, sprinklers and access controlled	0
	Bidder submitted documents as proof that the warehouse is fitted with CCTV camera but does not have sprinklers and is not access controlled	1
	Bidder submitted documents as proof that the warehouse is fitted with CCTV camera and access controlled but does not have sprinklers	2
	Bidder submitted documents as proof that the warehouse is fitted with CCTV camera, sprinklers and access controlled	3
Functionality Threshold is 66,67%		

5.4.7 Bidders that have achieved the minimum qualifying score of 66,67**%** for functionality will be evaluated further for Price and B-BBEE as stipulated in paragraph 5.5 below.

5.5 **Phase IV: Price and B-BBEE (80/20 Criteria)**

5.5.1 **Response Field**

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

5.5.2 **Applicable Taxes**

All bid prices must be inclusive of all applicable taxes.

Failure to comply with this condition will invalidate the bid.

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5.5.3 **Value Added Tax**

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

Failure to comply with this condition may invalidate the bid.

5.5.4 **Pricing Structure**

5.5.4.1 Prices submitted for this bid must be filled in on the pricing schedule included with the bid in the field provided.

5.5.4.2 All services must be included in the monthly fee, which includes VAT.

The pricing schedule (Annexure 1) must be sent in an excel format on a USB drive, not as a scanned PDF.

5.5.4.3 The bid will be invalidated and disqualified if the pricing schedule is not submitted at the closing date and time of the bid.

5.5.4.4 Pricing schedule must be printed, signed and submitted with the bid at the closing date and time of the bid.

5.5.5 **Preferential Point System**

5.5.5.1 In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 80/20 preference point system in terms of which points are awarded to bidders on the basis of:

i. The bid price (Maximum of 80 points)

ii. B-BBEE status level of contributor (maximum 20 points)

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

$$Ps = 80\left(1-\frac{Pt-P\min}{P\min}\right)$$

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

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5.5.5.3 A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

Table 4: Preference Point System

B-BBEE Status Level of Contributor	Number of Points for the 80/20 system
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

5.5.5.4 Bidders are required to complete the preference claim form SBD 6.1, and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.

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

5.5.5.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by an accredited verification agency or an original sworn affidavit will be considered for preference points.

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

5.5.5.8 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

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

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

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

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

5.5.5.13 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points in line with Regulation 11 of the Preferential Procurement Regulation (PPR).

5.6 **Recommendation and appointment of bidders**

5.6.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on phase I, phase II, phase III and Phase IV, the Contract Manager will compile a memo which will be presented to the Bid Adjudication Committee for award and approval.

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

6. PART 2: ADDITIONAL BID REQUIREMENT

6.1 **Introduction**

All bidders must comply with the requirements below as well as submit all required documents referred below. Unless the requirements specifically provide for mandatory compliance, the National Treasury reserves the right to disqualify a bid that does not comply with any of the requirements in clause 6.

6.2 **Company Profile**

The bidder must submit a company profile which includes, but is not limited, to the following: -

i. Business Structure
ii. Business Functions
iii. Details of the bidder's directors/owners (Full name and surname and ID or passport number)

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

7. TERMS AND CONDITIONS

7.1 Third Party Agreements and Subcontractor Agreements

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

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

7.1.3 User department will not make a payment to or consult with a third party.

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

7.2 Supplier Due Diligence

7.2.1 The State reserves the right to conduct supplier due diligence 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.

7.2.2 It is the responsibility of the main bidder to conduct due diligence on the sub-contractor.

7.3 Counter Conditions

7.3.1 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.

7.4 Fronting

7.4.1 The NT supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the NT does not support any form of fronting.

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7.4.2 The NT, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the DTI, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NT may invalidate the bid / contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

7.5 **Right of Award**

The State reserves its following rights;

7.5.1 To award the bid in part or in full;

7.5.2 Not to make any award in this bid;

7.5.3 Award the bid to more than one (1) bidder for the same item;

7.5.4 Request further technical information from any bidder after the closing date;

7.5.5 Verify information and documentation of the service provider;

7.5.6 Not to accept any of the bids submitted;

7.5.7 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

7.5.8 In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

7.6 **Multiple Award**

7.6.1 The State reserves the right to issue multiple awards, to ensure availability of service. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

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

7.6.3 The following shall be taken into consideration when contemplating a multiple award:

7.6.3.1 Capacity to meet the expected demand according to the end-user requirements;

7.6.3.2 Mitigation of risk if the item is unavailable.

8. NEGOTIATION

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

9. SUBMISSION OF BIDS

9.1 Bidders must respond to the bid as follows:

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

9.1.2 Bidders are requested to initial each page of the bid document on the bottom right hand corner; and

9.1.3 Submit any bid queries via email to Phumzile.Mtsweni@treasury.gov.za

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

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

i. One (1) original hard copy clearly marked as “original”;

ii. One (1) memory stick or USB with all the documents on the original hard copy and a soft copy of the pricing schedule to the National Treasury (NT)): TIC by the closing date and time of the bid.

iii. Bidders must ensure that the USB is properly secured

9.4 Non-compliance with 9.1 and 9.3 above may invalidate the bidder’s response.

9.5 All soft copy documents submitted must be an exact copy of the hard copy documents. Any discrepancies between the soft copy and the hard copy, the hard copy will take precedence.

9.6 After completing the pricing schedule on excel, the bidder must print, sign and submitted together with the other bid documents which will serve as the card copy of the bid.

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

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

9.9 The bid will accessible on the below listed links:
http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx

9.10 **Late Bids**

Bids received after the closing date and time, at the TIC and according to 10 above will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.

10. COMMUNICATION AND CONFIDENTIALITY

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 contract, or to extend the validity period of the bid, if necessary.

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

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

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

11. CONTACT DETAILS

11.1 **General**

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

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

11.2 **Bid Enquiries**

All enquiries should be in writing to Phumzile.Mtsweni@treasury.gov.zaThe closing date for receipt of all enquiries is **3 June 2021**. All enquiries beyond the closing date will not be considered.

SECTION B:

CONDITIONS OF CONTRACT

12. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT

12.1 The Master Transversal Agreement (MTA) between National Treasury and the preferred bidder(s) collectively referred to as the Parties shall come into effect after the preferred bidder(s) has been issued with an unconditional letter of acceptance to their bid.

12.2 It is a requirement that the preferred bidder (s) and the end user State institutions sign a Participation Agreement (PA) within thirty (30) days upon receipt of order.

12.3 The preferred bidder (s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. In the event that the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT48-2021 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT48-2021 transversal contract.

12.4 The following will form part of the Contract documents between the Parties in as far this RT48-2021 is concerned:

12.4.1 Bid Documents;
12.4.2 Letter of Appointment;
12.4.3 Award Documents;
12.4.4 Master Transversal Agreement and;
12.4.5 Participation Agreement.

12.5 In the event that there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to their service delivery:

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12.5.1 Special Condition of Contract;

12.5.2 Participating Agreement;

12.5.3 Master Transversal Agreement and;

12.5.4 Bid documents.

12.6 Regarding all other matters

12.6.1 Master Transversal Agreement

12.6.2 Participation Agreement;

12.6.3 Service Level Agreement and;

12.6.4 Bid Documents.

13. PARTICIPATING STATE INSTITUTIONS

13.1.1 Gauteng Department of Health

14. POST AWARD PARTICIPATION

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

14.2 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 electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.

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

15. CONTRACT PRICE ADJUSTMENT

15.1 **Formula**

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15.1.1 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.

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

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

Table 5: Contract Price Adjustment Formula

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

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

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15.2 **Formula component definitions**

15.2.1 **Adjustable amount**

The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is 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.

15.2.2 **Fixed portion**

The fixed portion represents those costs which will not change over the adjustment period and DOES NOT represents 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.

15.2.3 **Cost components and proportions**

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

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

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

Table 6: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 - Warehousing	
D2 – Transport	
D2 – Labour	
D3 – Packaging/ housing and other utilities	
D5- Insurance	
TOTAL (Cost components must add up to 100%)	**100 %**

15.2.4 **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:

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Table 7: Applicable Indices

Cost component	Index Publication	Index Reference
D1- Warehousing	STATS SA CPI PO141 Table E	All items : CPI Headlines
D2 –Transport	STATS SA CPI PO141 Table E	Transport : Other running costs
D3 - Labour	STATS SA CPI PO141 Table E OR Labour Agreement	All items OR Labour agreement to be provided
D4 – Packaging/ Housing and other utilities	STATS SA P0142.1 (PPI) Table 8	Rubber and Plastic Products
D5 – Insurance	STATS SA CPI PO141 Table E	Miscellaneous Goods and Services- Insurance

15.2.5 **Base Index Date**

The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is **May 2021.**

15.2.6 **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).

15.2.7 **Price Adjustment Periods**

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

The application must be sent to National Treasury one (1) months before the effective date of the new adjusted price.

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Table 8: Contract Price Adjustment Periods

Adjustment	CPA application to reach National Treasury at the following dates	End Index Date	Dates until which adjusted prices will be effective	Dates from which adjusted price will become effective
1st Adjustment	1 June 2022	May 2022	30 June 2022	1 July 2022
2nd Adjustment	1 June 2023	May 2023	30 June 2023	1 July 2023

15.2.8 **General**

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

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

15.2.8.3 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.

15.2.8.4 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.

15.2.8.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

16. WAREHOUSING

The warehouse must comply South African National Standard 10400.

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16.1 **Maintenance Controls**

16.1.1 Preventative maintenance program should be in place to assure that the building, equipment and transportation systems do not pose quality risk on goods stored by the institutions.

16.1.2 The premises must be always being kept clean.

16.2 **Pest Controls**

16.2.1 The facility must be fumigated to ensure that there is no infestation.

16.3 **Good Warehouse Practice**

16.3.1 Pallets shall be stored in an area that that is free of moisture, dirt, litter, birds, insects or rodent contamination.

16.3.2 Fire prevention system and sprinklers should be active all the times.

16.3.3 The warehouse and the grounds must kept clean all the time.

16.4 **Offloading and Storage**

16.4.1 Truck staging area should be provided ensure safety of goods, trucks and truck drivers.

16.4.2 All storage areas should be clearly marked.

16.4.3 Good must be stored in an organised manner at all times.

16.4.4 Flammable, combustible, toxic and other hazardous goods should be stores in designated areas that are appropriate for the different hazards that they pose.

17. DELIVERY AND SERVICE REQUEST

17.1 **Packaging Material**

17.1.1 Suitable packaging material must be used, which will ensure that goods delivered are in the exact state as when it was originally packed.

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17.1.2 All deliveries made against this contract are to be packed in suitable and acceptable packaging.

17.1.3 Goods must be packaged according to the institution's instruction.

17.2 **Service Request**

17.2.1 Suppliers should note that each institution is responsible for generating service request as well as the payment(s) thereof.

17.2.2 Suppliers should note that the service request will be placed as and when required during the contract period and delivery points will be specified by the relevant purchasing institution(s).

17.2.3 The instructions appearing on the service request form regarding the supply, dispatch, delivery and submission of invoices must be strictly adhered to and under no circumstances should the Supplier deviate from the service request issued by the purchasing institutions.

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

17.3 **Delivery Adherence**

17.3.1 Delivery of goods must be made in accordance with the instructions appearing on the service request forms issued by the institutions.

17.3.2 Delivery vehicles must be sealed at all times during transit.

17.3.3 Transit and storage conditions applicable to the relevant products must be adhered to at all times.

17.3.4 All deliveries or dispatches must be accompanied by a delivery note stating the seal number and service request number against which the delivery has been affected.

17.3.5 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.

17.3.6 Suppliers are required to deliver the goods at the required institutions, off-load the goods from the trucks at the designated area as indicated on the service request form.

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18. PAYMENT OF SERVICES PROVIDERS

18.1 Payment to the Service Providers by the user department will take place once an invoice is received from the Service Provider.

18.2 The invoice must contain the following information:

i. Price applicable according to service line item

ii. Actual weight or volumetric weight of parcel

iii. Complete breakdown of costs including insurance

iv. Total cost as owed by the institution

v. Service Request Number and delivery seal number

19. INSURANCE

Responsibility for loss or damage:

19.1 The contractor must ensure that it has and continually maintains adequate all risk insurance cover for the duration of the contract period in order to defray any costs that might be incurred due to damage or theft of goods/consignment.

19.2 The contractor must insure the goods to the value specified by the end user at a percentage premium allowed for in the pricing schedule.

19.3 The successful bidder is required to submit proof of insurance if requested to do so by the Institution.

19.4 The successful bidder will be responsible to administrate all claims on behalf of the Institution should claims derive.

19.5 If the goods or consignment in transit have been damaged or lost due to theft the contractor must inform the institution within 2 (two) to 5 (five) days of the occurrence of the damage or lost due to theft.

19.6 Within 30 (thirty) days, from the date of the occurrence of the damage or lost due to theft, the institution must inform the claim for loss or theft referred to above in writing to the contractor.

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20. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

20.1 Contract Administration

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

20.1.2 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.

20.2 Contract Performance Management

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

20.2.2 The details of how end-user State institutions should do contract performance management will be provided post award.

20.2.3 End-user State institutions are required to report to National Treasury on quarterly orders including values of the orders to ascertain if the transportation of cargo and furniture removal needs are being fulfilled by the transversal contract.

20.3 Post Award Monitoring and Reporting

20.3.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contracting issues.

20.3.2 Reporting and bidder(s) meetings will be on a quarterly basis and will be scheduled post award.

All successful bidders are required to submit historical value and volume reports via e-mail at the end of each quarterly to: Phumzile.Mtsweni@treasury.gov.za

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21. TERMINATION

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

21.1.1 the service provider decides to transfer the contract or cede the contract;

21.1.2 the service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;

21.1.3 the service provider enters into settlement arrangements with their creditors;

21.1.4 the service provider commits an act of insolvency;

21.1.5 in the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes;

21.1.6 the service provider failure to perform its obligation amounts to a fundamental non-performance;

21.2 The State reserves its right to terminate the Contract in the event that there is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.

21.3 Either Party may terminate this Contract for breach in the event that the other party fails to comply with any of its obligations in terms of this Contract, and having failed to remedy such breach within three (3) months calendar day's written notice to remedy such non-compliance.

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