national treasury

Department:
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REPUBLIC OF SOUTH AFRICA

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Ref: RT15-2021

CONTRACT CIRCULAR FOR RT15-2021 TRANSVERSAL CONTRACT FOR THE SUPPLY AND DELIVERY OF MOBILE COMMUNICATION SERVICES TO THE STATE FOR THE PERIOD 1 APRIL 2021 TO 31 MARCH 2026

1. PURPOSE

The purpose of this Contract Circular is to inform Organs of State about the Transversal Contract RT15-2021 for the Supply and Delivery of Mobile Communication Services to the State for the period 1 April 2021 to 31 March 2026. The transversal contract is facilitated by the National Treasury for the utilization by all Organs of State.

This Contract Circular is subject to the General Conditions of Contract (attached as **Annexure 1**) issued in accordance with chapter 16A of the Treasury Regulations published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract (attached as **Annexure 2**) are supplementary to the General Conditions of Contract. However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the former will prevail.

1.1. The Contract Circular and its Annexures are updated as and when required and therefore Organs of State should always refer to the latest available documents from the National Treasury's website which can be accessed at: http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx

1.2 Any additional information on the transversal contract is published on the National Treasury's website as amendments. The amendments are accessed on the far-right side of the transversal contract webpage.

Published Amendments

Amendment 1	:	Participation on RT15-2021
Amendment 2	:	Applicability of Service Provider Contact Form
Amendment 3	:	Benefits of Participating on a Transversal Contract
Amendment 4	:	Request for Quotations and Proposals
Amendment 5	:	Managing of Uncapped Data
Amendment 6	:	Available Mobile Devices & Procurement of Local Devices
Amendment 7	:	Procurement of Value-Added-Services
Amendment 8	:	Subscription Spend Limit
Amendment 10	:	Mobile Device is a Tool of Trade
Amendment 11	:	Loyalty Programmes

Upcoming Amendments

Amendment 12	:	Signing of Participation Agreements
Amendment 13	:	Participation Agreement versus Subscriptions
Amendment 14	:	POPI[1] Act Restrictions on mobile user information

1.3 The **Contract Circular Annexures** for additional information are listed as follows:

Annexure 1	:	General Conditions of Contract
Annexure 2	:	Special Conditions of Contract
Annexure 3	:	Participation Letter
Annexure 4	:	Procurement Guideline
Annexure 5	:	List of Products and Services
Annexure 6a	:	All Products and Services Cell C
Annexure 6b	:	All Products and Services MTN
Annexure 6c	:	All Products and Services Telkom
Annexure 6d	:	All Products and Services Vodacom
Annexure 6e	:	Mobile Packages Videos
Annexure 7a	:	Contract Pricing Cell C
Annexure 7b	:	Contract Pricing MTN

[1] POPI is Protection of Personal Information Act

Annexure 7c :	Contract Pricing Telkom
Annexure 7d :	Contract Pricing Vodacom
Annexure 8a :	Master Transversal Agreement
Annexure 8b:	Participation Agreement
Annexure 9 :	Participation Feedback Report
Annexure 10 :	Implementation Presentation
Annexure 11 :	Master Implementation Presentation

2. SCOPE OF MOBILE COMMUNICATION SERVICES

2.1 The State has acquired the supply and delivery of mobile communication services with the provision of **UNCAPPED DATA WITHOUT APPLYING FAIR USAGE POLICY** on all mobile packages available. There are three (3) main categories of this transversal contract listed as follows:

#	Categories
1A	Mobile Services[2] with a Mobile Device
1B	Mobile Services without a Mobile Device, i.e., SIM only
1C	Mobile Devices without a SIM card, i.e., Device only
2	Value Added Services
3	Accessories

2.2 There are eight (8) types of Mobile packages available. All the mobile packages have uncapped Data without applying fair usage policy. All the mobile packages have considered the following elements:

2.2.1 The Service Providers considered that this commodity is part of cost containment measures within State and their cost competitive.

2.2.2 On ALL mobile offerings, the Service Providers are providing uncapped data without applying fair usage policy which is managed at a Participant level.

2.2.3 All the mobile offerings have UNLIMITED supplementary voice minutes and SMS's which are called closed user groups. These supplementary mobile services allow the further reduction of costs as those voice minutes and SMSs are zero rated, meaning they are free for all Participants on the transversal contract.

2.2.4 There is a variety of mobile offerings from all the Service Providers.

2.2.5 The mobile offerings are CUSTOMISABLE to suite the different mobile communication services needs of Participants.

2.2.6 The aim of the mobile offerings allows for pay for USAGE only.

[2] Mobile Services refers to Uncapped Data, SMS's, and Voice Minutes

2.2.7 The mobile offerings demonstrate advantages and limitations to afford a Participant an opportunity to select an optimal mobile solution or mobile solutions.

2.2.8 Cell C Limited **(Cell C)** has 2 types of mobile packages.

- Epic Plans
- Pinnacle Plans

2.2.9 MTN (Pty) Ltd **(MTN)** has 2 types of mobile packages.

- Enterprise Sharing / Enterprise Plans
- Business All-Day

2.2.10 Telkom SA SOC Ltd **(Telkom)** has 2 types of mobile packages.

- Naledi Gold
- Naledi Platinum

2.2.11 Vodacom (Pty) Ltd **(Vodacom)** has 2 types of mobile packages.

- Always Connected Work Plus
- Always Connected Anytime

3. PREFERRED LOCAL MOBILE DEVICES

The National Treasury together with the Department of Trade, Industry and Competition and The Competition Commission through this transversal contract supports the Proudly South African campaign and the objectives of the Industrial Policy Action Plan, especially those aimed at promoting the procurement of domestically produced goods and services. The campaign's purpose is to work to combat the triple challenges of poverty, inequality and above all, unemployment by encouraging local investment and consumption of local products.

As part of continuation in advancing some of the key socio-economic challenges such as job creation that face South Africans, the procurement of local mobile devices is a **PREFERENCE** on this transversal contract by all Organs of State. Participants are reminded that on this transversal contract, National Treasury supports the procurement of mobile devices as a tool of trade which means the focus should be on the **FUNCTIONALITY** of the mobile device and not on the **BRAND**.

All Organs of State are expected to **PROCURE A CERTAIN PERCENTAGE OF LOCAL MOBILE DEVICES ON THIS TRANSVERSAL CONTRACT PER EVERY ORDER** as outlined on Amendment 10as a contribution to the South African Economy effective 01 November 2021. The percentage will be accumulated every six (6) months.

The procurement of local mobile devices will assist build capacity and capability on the companies offering local mobile devices.

4. DURATION AND AWARD OF TRANSVERSAL CONTRACT

4.1 The transversal contract is for a period of sixty (60) months commencing on 01 April 2021 to 31 March 2026.

4.2 The transversal contract has been awarded to multiple Service Providers (4) for all the categories effective from 01 April 2021 to 31 March 2026. The list of Service Providers and contact details are on the last page of this Contract Circular.

4.3 The mobile communication services can be procured at any time within the transversal contract period (1 April 2021 to 31 March 2026) when an Organ of State is participating on the transversal contract.

4.4 The subscription periods range from 6 months to 48 months from the participation of an Organ of State. More details on the selection of the subscription periods are detail on the Procurement Guideline (**Annexure 4**)

4.5 The procurement at one time may be to one (1) or more Service Providers based on the mobile needs of a participant.

4.6 During the last year of the transversal contract (1 April 2025 to 31 March 2026) only subscriptions of a minimum of 6 months and a maximum of 12months must be procured. No subscription of other periods must be procured to minimise the subscriptions that will run beyond the expiry of the transversal contract on the 31st of March 2026.

5. IMPLEMENTATION OF THE TRANSVERSAL CONTRACT

The process to effect procurement from the transversal contract is summarised with the outlined steps. The Procurement Guideline (**Annexure 4**) which is published on the National Treasury's website details the procurement from the transversal contract.

5.1 Step 1

There is no automatic participation from RT15-2016 to RT15-2021 as each transversal contract has its own terms and conditions.

All Organs of State who wishes to utilise or procure from the transversal contract must complete and sign a post participation letter (**Annexure 3**) which can be downloaded from the national treasury's website and submit it to Patiswa.mgcodo@treasury.gov.za.

5.2 Step 2

National Treasury will acknowledge the participation letter **via email**. No written post-award consent letters will be issued to participants as the post-award participation letter is customised to consent participation on completion and signing.

5.3 Step 3

National Treasury will inform all appointed Service Providers each time there is a new participant on the transversal contract. The list of participants **will not be published** on the website as the appointed Service Providers will be informed as and when there are new participants on the transversal contract.

5.4 Step 4

Participants will contact **ALL** appointed Service Providers using **Annexure 0** Service Providers Contact Form so they can unpack their mobile packages for the Participant to make an informed decision.

Service Providers have a **2-DAY RESPONSE TIME** from being contacted by Participants. Should a Service Provider not respond within the response time, a Participant may continue with the Service Provider or Service Providers that would have responded.

The purpose of the Service Providers unpacking their mobile packages is for Participant to understand the mobile packages for informed decision making and

optimal procurement of mobile communication services as there are unique and different. RT15-2016 and RT15-2021 do not have the same mobile packages.

5.5 Step 5

Participants will select **ANY OR ALL** the Service Provider(s) based on its mobile communication service's needs.

5.6 Step 6

Participants to inform Service Providers that are not selected via email to close the engagement process above. This step will also eliminate Service Providers pursuing Participants to understand the final selection.

5.7 Step 7

5.7.1 Service Provider will analyse the mobile environment to propose an optimal mobile communication services package or packages.

5.7.2 Service Providers can **ONLY** offer awarded mobile packages. A Participant **SHOULD NOT** accept mobile packages that are **NOT AWARDED** on the transversal contract, as that procurement will be irregular expenditure. The Auditor-General of South Africa will perform contract management audits in this regard. The awarded mobile packages are listed on Annexure 6a to 6d.

5.7.3 Service Provider will discuss the management of the uncapped data without applying fair usage policy (discuss and agree on the contents to be blocked and not blocked, i.e., blacklist, whitelist and/or grey list)

5.8 Step 8

Service Provider will create required account or accounts.

5.9 Step 9

Participants will issue a purchase order(s) for the required products and/or services. The engagement model on the first and second procurement preference of mobile devices is detailed on the Procurement Guideline (**Annexure 4**). The Contract Pricing Schedules (**Annexure 7a to Annexure 7d**) prices on this transversal contract are the only prices that can be charged by appointed Service Providers except for products and/or services where rates of exchange are applicable.

5.10 Step 10

Participants to update their Cellphone or Mobile Policies.

5.11 Step 11

Participants to sign a Participation Agreement with the selected Service Provider or Service Providers. The start date of the Participation Agreement is the date of the first activated procurement from the transversal contract.

5.12 Step 12

Service Provider to manage the created account or accounts.

5.13 Step 13

Participants to report on the performance of Service Providers and the fulfilment of their mobile communication services needs using **Annexure 10** feedback report every 6 months. The reporting periods are outlined on the procurement guideline, **Annexure 4**.

The reports to be submitted to transversal.contracting2@treasury.gov.za for Nancy Ravele's attention.

5.14 Step 14

Participants to pay appointed Service Providers within the prescribed period of thirty (30) days.

All enquiries to be addressed for the attention of Nancy Ravele at transversal.contracting2@treasury.gov.za and 012 406 9072 / 064 755 4850.

6. PARTICIPANTS SHOULD NOT PERFORM THE FOLLOWING ACTIVITIES

6.1 Create a tender/bid from the transversal contract but only implement it as prescribed on this Contract Circular.

6.2 Impose **any terms and conditions** whether advancing any Act or Regulations on any transaction/procurement from the transversal contract as National Treasury has considered compliance to Supply Chain Management prescripts when facilitating the transversal contract.

6.3 Request appointed Service Providers to submit proposals in a tender/bid box at a certain date but only via email.

6.4 Request for quotations from Service Providers as the prices are on Annexure 5 Pricing Schedule, except as guided on **amendment 4**.

6.5 Conduct compulsory briefing session(s) that are aimed at disqualifying appointed Service Providers under the transversal contract. Participants can engage and

discuss their mobile communication services needs/requirements with the appointed Service Providers as may be necessitated by the circumstances.

6.6 Request any of the following documents from the appointed Service Providers as the transversal contract has considered all these documents and governance during the procurement process:

6.6.1 Standard Bidding Documents (SBDs).

6.6.2 B-BBEE Certificate; and /or

6.6.3 Or any documentation relating to a procurement process.

6.7 The above documents will be issued on request by participating Organs of State from National Treasury.

7. MANAGEMENT OF SPECIFIC CONDITIONS OF TRANSVERSAL CONTRACT FOR PARTICIPANTS

7.1 There are certain conditions that have been agreed to between National Treasury and Service Providers to aid the management of the mobile accounts. These conditions will reflect on the Master Transversal Agreement.

7.2 These conditions include the blocking of content services, passing of warranties, transfer of contracts (in-contract and out of contract), account reviews, service level agreement penalties, accessories supplied by SMMEs, procurement preference of local manufactured mobile devices, youth skills development, upliftment of rural areas, and account management support by SMMEs.

8. PROCUREMENT OF OUT-OF-SCOPE PRODUCTS AND/OR SERVICES

8.1 The scope of the transversal contract is revealed on Section 2 above. Any procurement of products and /or services that are out of scope of this transversal contract can be procured by **participating** Organs of State through SITA or using their own procurement policies as guided on **amendment 7**.

8.2 There is no approval required by a **participating** Organ of State from National Treasury (Office of the Chief Procurement Officer, Transversal Contracting or Governance, Monitoring and Compliance) to procure out of scope products and/or services.

8.3 If a product and/or service is not available on a transversal contract, meaning **it is not part** of the transversal contract, a **participating** Organ of State do not need any

approval to procure outside the transversal contract, but it should follow its own procurement process according to its own procurement policy.

9. REQUEST FOR PROCUREMENT DEVIATIONS

9.1 Treasury Regulations 16.A6.5 states that the accounting officer or accounting authority may opt to participate in transversal term contracts 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 SERVICE DURING THE TENURE** of the transversal term contract.

9.2 As a participant on RT15-2021 from 1 April 2021 to 31 March 2026, an Organ of State cannot procure any of the available products and/or services on any of the categories outside the transversal contract.

9.3 There is no request for deviation to either Transversal Contracting or Governance, Monitoring and Compliance by any **participating** Organ of State as the transversal contract has all the network Service Providers with various mobile packages that all have uncapped data without applying fair usage policy.

9.4 Any additional procurement from the transversal contract by a participant does not need a deviation as a participant can procure any available products and/or services at any time during the validity of the transversal contract which is 01 April 2021 to 31 March 2026.

9.5 A participant will always obtain its internal approval from procuring from the transversal contract. Any additional budget required by a participant to procure from the transversal contract is managed internally within a participant and does not constitute a deviation request to Governance, Monitoring and Compliance.

9.6 Where an estimated budget indicated on the original participation letter changes, the participant must revise the participation letter and resubmit to National Treasury. The resubmission of the revised participation letter is for correct documentation by both parties and not a new participation letter. The revised participation letter is not a deviation and does not need approval from Governance, Monitoring and Compliance but an internally approval by the participating Organ of State.

9.7 Participants should not treat participating on a transversal contract (piggybacking) as concluding their own contracts. A participant is merely using by means of procuring from a concluded transversal contract which has considered the required compliance of facilitating a transversal contract.

10. AUDITING AND DOCUMENT MANAGEMENT ON A TRANSVERSAL CONTRACT

10.1 As the transversal contract is facilitated by the National Treasury, compliance audit takes place at National Treasury and not at a participant's level.

10.2 A transversal contract is meant to eliminate the duplication of efforts in procuring within the State and makes it easy for participants to access available products and/or services by following the guidance provided on this Contract Circular.

10.3 A participant needs to keep the following list of documents for its records:

10.3.1 Participation letter,

10.3.2 Participation agreement,

10.3.3 All approved proposals with its service levels for all procurement from the transversal contract.

11. APPOINTED SERVICE PROVIDERS' DETAILS

#	Service Provider's Name	Categories	CSD Number	Contact Details
1	Cell C Limited	1, 2 & 3	MAAA0153821	Danielle Grootboom RT15@cellc.co.za Mobile: +27 (0)84 777 1909
2	MTN (Pty) Ltd	1, 2 & 3	MAAA0034729	Nic Chauke Nic.Chauke@mtn.com Mobile: +27 83 214 4405 Yumnah Thomas Yumnah.Thomas@mtn.com Mobile: +27 (0) 83 212 6468 Mimi Attias mimi.attias@mtn.com Mobile: +27 (0) 81 844 1315
3	Telkom SA SOC Ltd	1, 2 & 3	MAAA1005141	Lefa Musa musala@telkom.co.za RT15Participants@telkom.co.za Mobile: +27 (0) 81 564 4347
4	Vodacom (Pty) Ltd	1, 2 & 3	MAAA0006299	Dinah Kheswa Dinah.Kheswa@vodacom.co.za Phone: +27 (0) 87 289 2307 Mobile: +27 (0) 82 375 6319

MOTHUSHI MOIFO
ACTING CHIEF DIRECTOR: TRANSVERSAL CONTRACTING
OFFICE OF THE CHIEF PROCUREMENT OFFICER
DATE: 27/07/22

End

Original Contract Circular	**:**	**23 March 2021**
1st Revision	**:**	**25 March 2021**
2nd Revision	**:**	**26 March 2021**
3rd Revision	**:**	**31 March 2021**
4th Revision	**:**	**01 April 2021**
5th Revision	**:**	**12 April 2021**
6th Revision	**:**	**10 May 2021**
7TH Revision	**:**	**12 May 2021**
8th Revision	**:**	**26 May 2021**
9th Revision	**:**	**07 June 2021**
10TH Revision	**:**	**10 June 2021**
11th Revision	**:**	**01 July 2021**
12th Revision	**:**	**08 July 2021**
13th Revision	**:**	**01 August 2021**
14th Revision	**:**	**10 August 2021**
15th Revision	**:**	**23 August 2021**
16th Revision	**:**	**01 November 2021**
17th Revision	**:**	**03 February 2022**
18th Revision	**:**	**17 March 2022**
19th Revision	**:**	**14 April 2022**
20th Revision	**:**	**27 July 2022**