national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

RT15-2021

ANNEXURE 4

PROCUREMENT GUIDELINE

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ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
CSD	Central Supplier Database
MTA	Master Transversal Agreement
PA	Participation Agreement
SARS	South African Revenue Service
SBD	Standard Bidding Document
SIM	Subscriber Identification Module
SMS	Short Message Service
VAS	Value-Added Services

1. PRODUCTS AND SERVICES OFFERED ON RT15-2021

The transversal contract consists of three (3) categories of products and services. For the details of the products and services refer to **List of Products and Services Annexure 6a to 6e** (**Videos are also available**) of the Contract Circular.

1.1 **Category 1A** is for Mobile Services[1] (SIM Card) with a Mobile Device and has four (4) Service Providers. Category 1A to be bundled with Category 1C which is for Mobile Devices Only.

The mobile services available on this category are:

- Uncapped Data without applying fair usage policy.
- Voice Minutes
- Closed User Group Minutes
- Short Messaging Service (SMS)
- Closed User Group SMS

1.2 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:

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

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

1.2.3 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.

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

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

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

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

[1] Mobile Services is uncapped data without applying fair usage policy, SMS's, and Voice Minutes

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

- Epic Plans
- Pinnacle Plans

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

- Enterprise Sharing / Enterprise Plans
- Business All-Day

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

- Naledi Gold
- Naledi Platinum

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

- Always Connected Work Plus
- Always Connected Anytime

1.3 **Category 1B** is for Mobile Services (SIM Card only) without a Mobile Device and has four (4) Service Providers.

- SIM Card Only

1.4 The same eight (8) types of Mobile packages available on Category 1A applies to Category 1B excluding the Mobile Device.

1.5 **Category 1C** is for Mobile Devices only without Mobile Services and has four (4) Service Providers. The Mobile Devices can either be amortised from a minimum subscription period of 6 to a maximum subscription of 48 months or the Mobile Device can be an outright purchase.

1.6 **Category 2** is for Value-Added Services and has four (4) Service Providers. In addition to Category 1, Participants can procure Value-Added Services (VAS) as and when required informed by their mobile communication service's needs.

1.7 **Category 3** is for Accessories and has four (4) Service Providers[2].

[2] Service Provider means Supplier in cases of products and not services.

2. PROCUREMENT PROCESS FROM THE TRANSVERSAL CONTRACT

Note! A transversal contract aims to eliminate the duplication of efforts and simplify the procurement process for the Participant. The SCM prescripts were considered during the facilitation of the transversal contract and therefore Participants should not treat or manage the procurement from a transversal contract as embarking on a procurement process to conclude their own contracts. **THE IMPLEMENTATION SHOULD ONLY BE AS PER THE STEPS OUTLINED BELOW.**

Communication with Service Providers is initiated on step 4 below and thereafter however else is required between the Participant and the Service Providers. Any clarity sought by the Participant from a Service Provider during the procurement is allowed as and when required.

2.1 Step 1: Participation Letter

2.1.1 A participation letter should be completed by all Organs of State who wishes to utilise the transversal contract. There is no automatic participation for Organs of State who were participants on previous RT15-2016 as RT15-2021 is a new transversal contract with its own terms and conditions.

2.1.2 To access any of the above-mentioned products and services of the transversal contract, a post award participation letter (**Annexure 3** of the Contract Circular) must be completed and submitted to patiswa.mgcodo@treasury.gov.za

2.2 Step 2: Acknowledgement of Participation Letter

2.2.1 National Treasury will acknowledge receipt of the participation letter via email (**no written post award consent letter will be issued to Organs of State as the participation letter is customised to agree and consent to participation on completion and signatures**).

2.2.2 Should there be changes within the transversal contract period to any of the information on the submitted participation letter such as the budget or contact details, the Participant must update/revise the participation letter and submit it to patiswa.mgcodo@treasury.gov.za. The revised participation letter does not constitute a new participation process, but it is for correct record keeping.

2.2.3 One (1) participation letter for the transversal contract period from participation allows a Participant access to all the products and services of the transversal contract. Therefore, there is no need to indicate which products and/or services the Participant wishes to procure as procurement will be based on the Participant's mobile communication service's needs.

2.3 Step 3: Inform Service Providers

2.3.1 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.

2.4 Step 4: Approach ALL Service Providers

2.4.1 Participants will contact **ALL** appointed Service Providers using **Annexure 0 Service Provider's Contact Form** to allow the Service Providers to unpack their mobile packages for the Participant to make an informed decision and optimally procure mobile communication services.

2.4.2 RT15-2016 AND RT15-2021 DO NOT HAVE THE SAME MOBILE PACKAGE OFFERINGS AND PARTICIPANTS ARE REQUESTED NOT TO MAKE SUCH AN ASSUMPTION.

2.4.3 Upon acknowledgement of a participation letter by National Treasury, all Participants must complete Annexure 0 to initiate contacting ALL the service providers at **ONCE**.

2.4.4 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.

2.4.5 Annexure 0 allows a Participant to agree on a meeting date with the Service Providers to unpack their mobile offerings (packages) as they are all unique and considered the same elements as listed on Section 1.2.

2.4.6 Annexure 0 is **ONLY** applicable to the 2 following Categories:

2.4.6.1 When a Participant procures Category 1A which is for mobile services **with** a mobile device.

2.4.6.2 When a Participant procures Category 1B which is for mobile services **without** a mobile device (SIM only).

2.4.6.3 Summary of all elements of the mobile packages can be seen on Contract Pricing **Annexure 7a to 7d**.

2.4.7 Annexure 0 is **NOT** applicable to the following Categories because they need not be unpacked. Upon acknowledgment of a participation letter by National Treasury, the Participant may approach **ANY** Service Provider or Service Providers for the procurement of the following categories:

2.4.7.1 When a Participant procures Category 1C which are mobile devices **without** mobile services (mobile devices only).

2.4.7.2 When a Participant procures Category 2 which are Value-Added-Services (VAS). Dependent on the nature of the VAS, the Service Providers will provide more information to the Participant on that particular VAS.

2.4.7.3 When a Participant procures Category 3 which are Accessories.

2.5 Step 5: Selection of Service Provider(s) and Mobile Package(s)

2.5.1 Participants may select **ANY NUMBER** (either 1, 2, 3 or ALL 4) of Service Provider(s) based on its mobile communication service's needs.

2.5.2 Participants may select **ANY OF THE MOBILE PACKAGES** available based on fulfilling its mobile communication service's needs.

2.5.3 Participants can procure any products and services available from the transversal contract from any Service Provider anytime whilst the transversal contract is valid.

2.6 Step 6: Inform Unsuccessful Service Providers

Participants are 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.

2.7 Step 7: Analysis of mobile environment and issuing of proposal

2.7.1 The selected Service Provider(s) will analyse the mobile environment to propose an optimal mobile communication services package or packages. **The Service Providers can only propose optimal mobile packages based on their offers as awarded on RT15-2021.**

2.7.2 The Service Provider(s) 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).

2.7.3 Participants **SHOULD NOT** issue formal Request for Quotations or Proposals to Service Providers but first discuss their mobile communication services needs in according to the relevant Category either via email or telephone or any other suitable mode of communication with the Service Providers. A Participant is not embarking on its own procurement process but at an operational level procuring from a concluded transversal contract.

2.7.4 On conclusion of the discussion(s), the Service Provider will issue the Participant either a Proposal (if its services/solution[3] required) or Quotation (if it is a product required)

[3] Solution is a combination of a product(s) and service(s).

2.7.5 The format for Service Provider's proposal(s) should **ONLY** address the following:

- ✓ Response to the selected mobile package(s) with any of the selected value-added-services and/or accessories including implementation/roll-out project plan informed by the analysis.
- ✓ No ancillary or supplementary products and/or services that are out of scope of RT15-2021 should be offered to a Participant irrespective of the rationale as that will constitute irregular expenditure.

2.7.6 Participants **SHOULD NOT:**

- ✓ Create a tender/bid from the transversal contract but only implement it as prescribed.
- ✓ Request Service Providers to submit proposals in a tender/bid box but only via email; and
- ✓ Conduct compulsory briefing session that is aimed at disqualifying Service Providers under the transversal contract but have needs/requirements discussions with the Service Providers as may be necessitated by the circumstances.

2.7.7 State institutions **SHOULD NOT** request any of the following documents from the Service Providers during the issuance of the proposal as the transversal contract has considered all these documents and governance during the procurement process:

- ✓ Standard Bidding Documents (SBDs).
- ✓ Subcontracting related documents.
- ✓ Central Supplier Database (CSD) report or tax pin from South African Revenue Services (SARS).
- ✓ B-BBEE Certificate; and /or
- ✓ Or any documentation relating to a procurement process.

2.7.8 The above documents will be issued on request by Participants from National Treasury.

2.7.9 The Service Providers should be given a certain suitable and reasonable period by the Participants to submit their proposal. It should not necessarily be the prescribed advertising period as this is an operational process within a transversal contract.

2.8 Step 8: Mobile Account Creation

2.8.1 Upon acceptance of the proposal by Participant, Participant will issue a purchase order(s) for the required products and/or services. The Pricing Schedule (**Annexure 6**) 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.

2.8.2 The selected Service Provider(s) will create the required account(s).

2.8.3 The Service Provider will inform the Participant on the requirements for account creation.

2.9 Step 9: Procurement of Mobile Devices

2.9.1 The procurement of local manufactured Mobile Devices is a preference on this transversal contract. The engagement model of this preference will be communicated with the Service Providers.

2.9.2 The Service Provider will report to National Treasury and National Treasury will report to the Department of Trade, Industry and Competition. The reporting requirement will be a mechanism to manage and illustrate the procurement preference of local manufactured Mobile Devices.

2.9.3 For all Mobile Devices, the procurement thereof will always be at the prevailing prices.

2.9.4 There is no Mobile Devices catalogue and price list that will be published on the National Treasury's website because of the changing frequency of the Mobile Devices in the market. Participants will always obtain the monthly Mobile Devices catalogue and price list from the Service Providers.

2.10 Step 10: Revision of Cellphone / Mobile Policies

2.10.1 Participants are to update their Cellphone or Mobile Policies according to their operations.

2.11 Step 11: Signing of Participation Agreement

2.11.1 Participants are to sign a Participation Agreement **(Annexure 9)** with the selected Service Provider(s) which is linked to the Master Transversal Agreement.

2.11.2 The start date of the Participation Agreement is the date of the first activated procurement from the transversal contract. The end date of the Participation Agreement is the end date of the transversal contract, which is 31 March 2026.

2.11.3 The Participation Agreement and the Subscription period of any procurement from the transversal contract are not the same thing.

2.11.4 The Participation Agreement is completed and signed once by the Participant and the Service Provider(s). Its duration is indicated on 2.10.2 above.

2.11.5 Any procurement of a subscription of any product or service which will be issued to the Participant by a form of a proposal or quotation will always be attached as an annexure to the Participation Agreement. The duration of a subscription will either be a minimum of 6months to a maximum of 48months.

2.12 Step 12: Account Administration

2.12.1 The Service Provider will manage the created account(s) as per the agreement on this transversal contract.

2.13 Step 13: Participant's Feedback Report

2.13.1 Participants are required to report bi-annual on the performance of Service Providers and the fulfilment of their mobile communication services needs using **Annexure 10** feedback report.

2.13.2 The reports to be submitted to transversal.contracting2@treasury.gov.za for Nancy Ravele's attention. Each Participant will commence reporting on the next reporting period based on its participation start date on the transversal contract.

2.13.3 The reporting periods are as follows:

#	Reporting Period	Submission of Report
1	1 April 2021 to 30 September 2021	7 October 2021
2	1 October 2021 to 31 March 2022	7 April 2022
3	1 April 2022 to 30 September 2022	7 October 2022
4	1 October 2022 to 31 March 2023	7 April 2023
5	1 April 2023 to 30 September 2023	7 October 2023
6	1 October 2023 to 31 March 2024	7 April 2024
7	1 April 2024 to 30 September 2024	7 October 2024
8	1 October 2024 to 31 March 2025	7 April 2025
9	1 April 2025 to 30 September 2025	7 October 2025
10	1 October 2025 to 31 March 2026	7 April 2026

2.14 Step 14: Payment of Service Providers

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

3. TRANSVERSAL CONTRACT DURATION AND SUBSCRIPTION PERIODS

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

3.2 Procurement from the transversal contract takes place at any time when a Participant has a need whilst the transversal contract is valid. The last purchase order from this transversal contract can be issued by the 31st of March 2026 even if the implementation will be post the expiry of the transversal contract.

3.3 During the **FIRST YEAR** of the transversal contract (01 April 2021 to 31 March 2022), any subscription from the minimum of **6 months to a maximum of 48 months** can be procured.

3.4 During the **SECOND YEAR** of the transversal contract (01 April 2022 to 31 March 2023), any subscription from the minimum of **6 months to a maximum of 48 months** can be procured.

3.5 During the **THIRD YEAR** of the transversal contract (01 April 2023 to 31 March 2024), any subscription from the minimum of **6 months to a maximum of 36 months** can be procured.

3.6 During the **FOURTH YEAR** of the transversal contract (01 April 2024 to 31 March 2025), any subscription from the minimum of **6 months to a maximum of 24 months** can be procured.

3.7 During the **FIFTH AND FINAL YEAR** of the transversal contract (01 April 2025 to 31 March 2026), any subscription from the minimum of **6 months to a maximum of 12 months** can be procured.

4. SUBSCRIPTION PERIODS FROM MORE THAN ONE SERVICE PROVIDER

4.1 A Participant can procure from any number of Service Providers at any time during the tenure of the transversal contract.

4.2 A Participant is bound for the tenure of the selected subscription period(s).

4.3 A Participant cannot cancel a subscription at any time as that will constitute wasteful expenditure as the cancellation will be at a cost.

ORIGINAL DATE OF ISSUE	**:**	**23 MARCH 2021**
1st REVISION	**:**	**25 MARCH 2021**
2nd REVISION	**:**	**26 MARCH 2021**
3rd REVISION	**:**	**31 MARCH 2021**
4th REVISION	**:**	**12 APRIL 2021**
5th REVISION	**:**	**01 JULY 2021**
6th REVISION	**:**	**23 AUGUST 2021**

END