



SPECIAL CONDITIONS OF CONTRACT

RT17-2020

**RT17-2020: LEARNER TEACHER SUPPORT MATERIAL (LTSM):
SUPPLY AND DELIVERY OF SCHOOL STATIONERY TO THE STATE
FOR THE PERIOD 1 JUNE 2021 TO 31 MAY 2023**

BRIEFING SESSION: 8 APRIL 2021

CLOSING DATE AND TIME OF BID: 15 APRIL 2021 @ 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
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempted Micro Enterprise
LTSM	Learner Teacher Support Materials
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PPR 2017	Preferential Procurement Regulation 2017
QSE	Qualified Small Enterprise
RSA	Republic of South Africa
SLA	Service Level Agreement
SABS	South African Bureau of Standards
SANAS	South African National Accreditation System
SARS	South African Revenue Service
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SBD	Standard Bidding Document
TCBD	Transversal Contract Bidding Documents
TC	Transversal Contracts
TIC	Tender Information Centre
VAT	Value Added Tax



LIST OF ANNEXURES

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**Table 1: Returnable Bid Document Checklist**

#	Document Name	Included in the published bid document?	To be returned by bidder?
1	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid.
2	SBD 4 Declaration of Interest	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
3	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
4	SBD 9 Certificate of Independent Bid Determination	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
5	TCBD 1 Authorisation Declaration	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
6	TCBD 1 Authorisation Declaration	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
7	TCBD 1.1 List of Goods or services offered	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
8	TCBD 1.2 Authorisation Letter: Third Party	Yes	Yes , Complete in full, sign the supplied form and submit at



			the closing date and time of bid
9	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No
10	CSD full report and not summarized	No	Yes
11	Shareholding portfolio by proof of registration of the company with CIPRO/CIPC	No	Yes
9	Financial Statement/Confirmation letter from an audit	No	Yes
10	Company Profile	No	Yes
11	Fully Signed General Condition of Contract	Yes	Yes
12	Fully Signed Special Conditions of Contract	Yes	Yes
13	Original and valid B-BBEE status level verification certificate or a certified copy thereof or valid and originally signed sworn affidavit	No	Yes
14	SBD 6.1 Preference Points Claim Form	Yes	Yes
15	Pricing Schedule (Annexure 2)	Yes	Yes
16	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No
	Mandatory Document	Non –submission will result in disqualification	
	Original and valid B-BBEE status level verification certificate or certified copies thereof or an original Sworn Affidavit signed by the EME representative and attested by a Commissioner of oaths	Bidders are required to submit proof of B-BBEE Status Level of contributor. Proof includes original and valid B-BBEE Status Level verification certificate or certified copies thereof (The certificate will be identified by a SANAS lo and a unique VBA number). OR EME or QSE is required to submit a sworn affidavit	



		which is signed by the company representative and attested by commissioner of oaths confirming their annual total revenue and level of black ownership. OR EME is required to submit an originally certified B-BBEE certificate issued by CIPC.
	Pricing Schedule – Annexure 2	Fully complete excel pricing schedule electronically and submit a signed hard copy with the bid at the closing date and time. Failure to submit the pricing schedule in a prescribed format will invalidate your bid.



1. INTRODUCTION

This bid is for Supply and delivery of School Stationery to the State for the Period **1 June 2021 to 31 May 2023**.

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.

3. BID INFORMATION SESSION

- 3.1 Briefing presentation is attached as Annexure 3.
- 3.2 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.
- 3.3 A non-compulsory information session will be held virtually
Date: **8 APRIL 2021**
Venue: Virtual Online- Microsoft Teams at **10h00-12h00**
- 3.4 Briefing presentation will be made available on the following links:
<https://etenders.treasury.gov.za/content/advertised-tenders>
<http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx>
- 3.5 Bidders are required to send clarity seeking questions via email to transversal.contracting6@treasury.gov.za or lebogang.mosuwe@treasury.gov.za.
The closing date for receipt of all enquiries is **12 April 2021**. All enquiries beyond this closing date will not be considered.



4. SPECIFICATIONS AND SCOPE OF SERVICES

- 4.1 A bid will be considered responsive if it addresses and scope of services summarised below. A bid that does not address the scope of services will be disqualified and considered non-responsive.
- 4.2 Supply and delivery of school stationery to schools and institutions in different provinces.
- 4.2.1 Ensuring that received items are in accordance with the specifications and purchase orders and or instruction received from respective end user.
- 4.2.2 Prepare packs according to school/region/provincial requirements.
- 4.2.3 Prepare necessary documentation for delivery of stationery to the relevant schools/institutions.
- 4.2.4 Ensure that school stationery is packaged and delivered at the correct schools/institutions, in proper condition, correct quantities, signed for by the correct school/institution representative with proof of receipt and schools stamp.
- 4.2.5 Proof of delivery documentation must be submitted together with invoices as proof that the stationery was/were received by the correct school in good condition and correct quantities.



SECTION A

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in three (3) phases as per the table below:

Table 2: Evaluation criteria

Phase I	Phase II	Phase III
Pre- Qualifying Criteria	Standard bidding requirements	Price and B-BBEE
Regulation 4(1)(a) Level 1 to 4	Compliance with mandatory and other bid documents	Bid s evaluated in terms of the 80/20 preferential 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 Bidders are required to submit proof of B-BBEE status level of contributor. Proof includes original and valid B-BBEE status level verification certificates or certified copies thereof or an original sworn affidavit signed by the EME representative and attested by Commissioner of oaths.
- 5.1.3 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate.
- 5.1.4 Public entities and tertiary institutions must also submit their B-BBEE certificates.
- 5.1.5 A bidder who fails to comply with these requirements will be disqualified and will not be evaluated further for **Phase II**.

5.2 **Phase II: Mandatory and Other Standard Bidding 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.

5.2.1 **Standard Bidding Documents**

The following standard bidding documents must be submitted with the bid at the closing date and time of bid.

- ✓ SBD 1 – Invitation to bid
- ✓ SBD 4 – Declaration of interest
- ✓ SBD 6.1 – Preference Points Claimed (BBBEE)
- ✓ SBD 8 – Declaration of Past SCM Practices
- ✓ SBD 9– Certificate of Independent Bid Determination

5.2.2 **Pricing Structure and schedule**

5.2.2.1 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid as follows:

5.2.2.2 **The pricing schedule (Annexure 2) must not be a scanned PDF but must be submitted in an excel format with a USB.**



- 5.2.2.3 The bidder must ensure that it completes in full the line items they are bidding for, signs and submit the **PRICING SCHEDULE** attached herein referred to as **Annexure 2**, failing which the bid will be deemed non-responsive and shall therefore be disqualified.
- 5.2.2.4 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the format thereof.
- 5.2.2.5 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.
- 5.2.2.6 **Bidders are required to provide pricing on all items, as items will be evaluated as group series. Therefore, it is critical to provide a group comparative value, as per below table (example):**

Item	Amount
2 Quire, A4, Feint and Margin,192 Page	R5.00
Blue Ballpoint pen	R5.00
Book: Drawing, white without inter-leaving page, A4, 48 Page	R11.00
Book: scribbler, ruled feint with margin, 72 Page, A4	R10.50
Group Comparative Value	R31.50

5.2.3 Authorisation Declaration

- 5.2.3.1 Any bidder who is sourcing goods or services from a third (3rd) party 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.
- 5.2.3.2 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in this bid document.
- 5.2.3.3 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 (3rd) party will be binding on the State.



5.2.3.4 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 **Tax Compliance Requirements**

5.2.4.1 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.

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

5.2.4.3 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.

5.2.4.4 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.

5.2.4.5 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD and their tax compliance status will be verified through the CSD or through SARS.

5.2.4.6 A bidder who fails to comply with these requirements will be disqualified and will not be evaluated further for **Phase III**.

5.3 **Phase III: Price and B-BBEE (80/20 Criteria)**

5.3.1 **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)



5.3.2 **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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5.3.3 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.

5.3.4 Pricing Structure

5.3.4.1 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid as follows:

5.3.4.2 **The pricing schedule (Annexure 2) must not be a scanned PDF but must be submitted in an excel format with a USB.**

5.3.4.3 The bidder must ensure that it completes in full the line items they are bidding for, signs and submit the **PRICING SCHEDULE** attached herein referred to as **Annexure 2**, failing which the bid will be deemed non-responsive and shall therefore be disqualified.

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

5.3.4.5 Price structures that do not comply with the requirements of **5.3.4.3** and **5.3.4.4** above may invalidate the bid.

5.3.4.6 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the format thereof.

5.3.5 Preferential Point System

5.3.5.1 In terms of regulation 6 or 7 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)

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

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$



Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{min} = Comparative price of lowest acceptable bid

- 5.3.5.3 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 3: 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

- 5.3.5.4 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.
- 5.3.5.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 5.3.5.6 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.



- 5.3.5.7 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).
- 5.3.5.8 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.
- 5.3.5.9 The points scored will be rounded off to the nearest two (2) decimals.
- 5.3.5.10 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.
- 5.3.5.11 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.
- 5.3.5.12 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 5.3.5.13 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).

5.4 **Recommendation and appointment of a panel of bidders**

- 5.4.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on phase I, phase II, and phase III, the Contract Manager will compile a memo which will be presented to the Bid Adjudication Committee for award and approval.
- 5.4.2 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 5.

6.2 Company Financial Statements

The bidder must submit a copy of the bidder's audited financial statement for the last two years. Alternatively, bidders shall submit confirmation from the bidder's auditor that the bidder is a going concern, with the bid documents at date the closing and time of the bid.

6.3 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)

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 Supplier Due Diligence

- 7.1.1 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 Counter Conditions

7.2.1 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.

7.3 Fronting

7.3.1 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.

7.3.2 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.

7.4 Right of Award

The State reserves its following rights;

7.4.1 To award the bid in part or in full;

7.4.2 Not to make any award in this bid;

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

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



- 7.4.5 Verify information and documentation of the service provider;
- 7.4.6 Not to accept any of the bids submitted;
- 7.4.7 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
- 7.4.8 In the event that an incorrect award has been made, to remedy the matter in any lawful manner it may deem fit.

7.5 **Multiple Award**

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.

- 7.5.1 The maximum number of bidders to be awarded will be at the discretion of the Bid Evaluation Committee.
- 7.5.2 The following shall be taken into consideration when contemplating a multiple-award:
 - 7.5.3 Capacity to meet the expected demand according to the end-user requirements;
 - 7.5.4 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 transversal.contracting6@treasury.gov.za and lebogang.mosuwe@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 electronic data submitted must be an exact copy of the hard copy documents. Any discrepancies between the electronic bid copy and the hard copy, the hard copy will take precedence.
- 9.6 After completing the pricing schedule electronically, the electronic version of the pricing schedule must be printed, signed and submitted together with the other bid documents which will serve as the hard copy of the bid.
- 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 **Late Bids**
- Bids received after the closing date and time, at the TIC and according to clause 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

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

11.2 Bid Enquiries

All enquiries should be in writing to transversal.contracting6@treasury.gov.za and lebogang.mosuwe@treasury.gov.za. The closing date for receipt of all enquiries is **12 April 2021**. All enquiries beyond the closing date will not be considered.

**SECTION B:****CONDITIONS OF CONTRACT****12. CONCLUSION OF CONTRACT AND SLA**

- 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 RT17-2020 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT17-2020 transversal contract.
- 12.4 The following will form part of the Contract documents between the Parties in as far as this RT17-2020 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:
- 12.5.1 Special Condition of Contract Service
 - 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

- i. Department of Correctional Services;

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 Bidder(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

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 4 : CONTRACT PRICE ADJUSTMENT FORMULA

$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85)
D1 – Dn	=	Each factor (or percentage) of the bid price, e.g. material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%)
R1t – Rnt	=	End Index. Index figure obtained from the index at the end of each adjustment period
R1o– Rno	=	Base Index. Index figure at the time of bidding
VPt	=	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment



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 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.

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 5: CONTRACT PRICE ADJUSTMENT COST COMPONENTS

Cost Component	% Contribution
D1 - Transport	
D2 – Labour	
D3 – Other (CPI)	



TOTAL (Cost components must add up to 100%)	100 %
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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:

TABLE 6: APPLICABLE INDICES

Cost component	Index Publication	Index Reference
D1 –Transport	STATS SA CPI PO141 Table E	Table E – All items Other running costs
D2 - Labour	STATS SA CPI PO141 Table E OR Labour Agreement	Table E - All Items OR Labour agreement to be provided
D3- Other (CPI)	Specify	Documentary evidence to accompany claim

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 **March 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) month before the effective date of the new adjusted price.

**TABLE 7: CONTRACT PRICE ADJUSTMENT PERIODS**

Adjustment	CPA application to reach National Treasury at the following dates	End Index Date	Dates from which adjusted price will become effective
1 st Adjustment	1 May 2022	December 2021	1 June 2022

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.



15.3 **Orders**

- 15.3.1 Suppliers should note that each individual purchasing institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 15.3.2 Suppliers 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).
- 15.3.3 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the Supplier deviate from the orders issued by the purchasing institutions.
- 15.3.4 The State is under no obligation to accept any quantity which is in excess of the ordered quantity.

16. SECURITY AND CONFIDENTIALITY INFORMATION

- 16.1 The State may enforce section 23 (termination for default) of General Condition of Contract in a case where the contractor's clearance has a negative outcome.
- 16.2 The Supplier will regard all information which he/she obtains or is entrusted with concerning the participating department or its members whilst executing the contract, as confidential, secret or top secret.
- 16.3 The Supplier, his/her employees, subcontractors or agents may not make any such information obtained or entrusted with to any other person or to the media.



17. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

17.1 Contract Administration

17.1.1 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 transversal.contracting6@treasury.gov.za and lebogang.mosuwe@treasury.gov.za.

17.1.2 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.

17.2 Contract Performance Management

17.2.1 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.

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

17.2.3 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.

17.3 Post Award Monitoring and Reporting

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

17.3.2 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: transversal.contracting6@treasury.gov.za and lebogang.mosuwe@treasury.gov.za.

18. TERMINATION

- 18.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- 18.1.1 the service provider decides to transfer the contract or cede the contract;
 - 18.1.2 the service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;
 - 18.1.3 the service provider enters into settlement arrangements with their creditors;
 - 18.1.4 the service provider commits an act of insolvency;
 - 18.1.5 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;
 - 18.1.6 the service provider failure to perform its obligation amounts to a fundamental non-performance;
- 18.2 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.
- 18.3 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.