



SPECIAL CONDITIONS OF CONTRACT

RT2-2021

**SUPPLY, DELIVERY, INSTALLATION, COMMISSIONING AND
MAINTENANCE OF MEDICAL EQUIPMENT TO THE STATE FOR THE
PERIOD**

1 DECEMBER 2021 TO 30 NOVEMBER 2024

**NON-COMPULSORY BRIEFING SESSION ON 18 MARCH 2020 WAS
CANCELLED DUE TO THE COVID-19 EPIDEMIC**

CLOSING DATE AND TIME OF BID

20 MAY 2020 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
CD	Compact Disc
CE	Conformité Européenne
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPD	Continuing Professional Development
CPI	Consumer Price Index
CSD	Central Supplier Database
DVD	Digital Versatile Disc
EME	Exempt Micro Enterprises
FDA	Food and Drug Administration
GDP	Gross Domestic Product
IE	Electromagnetic Interference
IEC	International Electro-technical Commission
ISO	International Organization for Standardization
IVD	In Vitro Diagnostic
MEA	Middle East and Africa
NDoH	National Department of Health
NHI	National Health Insurance

NT	National Treasury
OCPO	Office of the Chief Procurement Officer
OEM	Original Equipment Manufacturer
PA	Participation Agreement
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
SA	South Africa
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SANS	South African National Standards
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TCO	Total Cost of Ownership
TIC	Tender Information Centre
VAT	Value Added Tax

LIST OF ANNEXURES

Annexure 1	:	SBD Forms (separate attachments)
Annexure 2	:	Technical Specification and Pricing Schedule (separate attachment)
Annexure 3	:	Cost Breakdown (separate attachment)
Annexure 4	:	Form 1 for References (separate attachment)
Annexure 5	:	Black Economic Empowerment Plan (separate attachment)
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DEFINITIONS

Accessory	A medical device "accessory" is a device "intended to support, supplement, and/or augment the performance of one or more parent devices," while a parent device is a device "whose performance is supported, supplemented, and/or augmented by one or more accessories"
Commissioning	To bring newly manufactured Medical Equipment into working condition. It includes assembly, installation, acceptance testing and initial start-up, also verifying safety and functional performance accuracy, quality assurance certificate, correction of Medical Equipment defects including those that are not readily apparent, practical training for both clinical and technical staff, and full handover of all catalogues, operation manuals, instruction leaflet, and technical (service) manual.
Comprehensive Maintenance	Refers to preventive maintenance of Medical Equipment as per schedule which includes breakdown Medical Equipment spare parts replacement, engineering and labor charges
Consumable	A commodity that is intended to be used up relatively quickly because its end-of-life is reached after a single use
Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s)
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the Participants
Diagnosis	The identification of the nature of an illness or other problem by examination of the symptoms by utilizing the medical equipment and early diagnosis and treatment are essential
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses
Installation	The action of installing the Medical Equipment for use
Maintenance	The process of preserving the condition of the Medical Equipment in its original or existing state. It involves functional checks, servicing, repairing or replacing of necessary Medical Equipment parts, consumables and/or accessories
Mandatory	A mandatory document in terms of the bid is a document that is required, obligatory, or compulsory. Non-submission means no further evaluation of the bidder
Medical Equipment	An article, instrument, apparatus or machine that is used in the prevention, diagnosis or treatment of illness or disease, or for detecting, measuring, restoring, correcting or modifying the structure or function of the human body for some health purpose
Original Equipment Manufacturer	An OEM in the context of Medical Equipment is a company that produces components for itself, or for use by another company (sometimes referred to as a distributor or reseller) to sell or incorporate into another product for resale
Recall	An item recall is the process of retrieving defective and/or potentially unsafe goods (Medical Equipment) from participants while providing those participants with compensation. Recalls often occur as a result of safety concerns over a manufacturing defect in a Medical Equipment that may harm its user
Single Market	An association of countries trading with each other without restrictions or tariffs
Spare Part	Is a part that can be procured separately to replace old or broken parts in a piece of Medical Equipment. It is usually a part that is designed to be easily removed or fitted
Starter Pack	An OEM accessory and consumable that is supplied with a piece of Medical Equipment upon procurement
Supply	A supply of Medical Equipment includes the transfer of ownership thereof by agreement to the participant
Third Party	In the context of this bid, it is an alternative company to OEM for support of the Medical Equipment. The maintenance is delivered outside of the OEM system and can include a variety of services and solutions to keep the Medical Equipment functioning day to day

**Table 1: Bid Document Checklist and Returnables**

#	Document Name	Mandatory	Included in the published bid document?	To be returned by bidder?
PHASE 1 : PRE-QUALIFICATION CRITERIA				
1	Original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit	Yes	No	Yes
2	Shareholding portfolio by proof of registration of the company with CIPRO/CIPC		No	Yes
3	CSD full report and not summarized		No	Yes
PHASE 2 : ADMINISTRATIVE COMPLIANCE				
4	Standard Bidding Document (SBD) 1: Invitation to Bid (indicate the items bidding for)		Yes	Yes
5	SBD 4 Declaration of Interest		Yes	Yes
6	SBD 5 National Industrial Participation Program		Yes	Yes
7	SBD 8 Declaration of Bidder's Past SCM Practises		Yes	Yes
8	SBD 9 Certificate of Independent Bid Determination		Yes	Yes
9	Proof of authority must be submitted as per SBD 1 e.g. company resolution for the capacity under which this bid is signed		No	Yes
10	General Condition of Contract Fully Signed and initialed on every page		Yes	Yes
11	Special Conditions of Contract Fully Signed and initialed on every page		Yes	Yes
12	Written confirmation for disclosing tax status by SARS		No	Yes
PHASE 3 : FUNCTIONALITY REQUIREMENTS AND DUE DILIGENCE				
13	<p>The logistics plan that will indicate the bidder's operational plan (elements) for:</p> <ul style="list-style-type: none"> • Supply processes and arrangements with customers • Delivery processes and arrangements with customers • Lead time from importing • Process on receipt of purchase order • Detailed plan for supply and delivery for each Province (if different) • Process and plan for managing the supply and delivery of main offers, spares, accessories and consumables • Indicate the capacity to supply and deliver and provide an agreement from the OEM 		No	Yes



#	Document Name	Mandatory	Included in the published bid document?	To be returned by bidder?
14	<p>Clinical application specialist (s) must have a profile that indicates the training experience and tertiary qualifications which are medical field related</p> <p>Technical personnel must have relevant tertiary qualification(s) and OEM trained certificate on Medical Equipment bidding for</p> <p>Bidder(s) must detail the training that would be offered and indicate who would offer the training</p> <p>Installation and Commissioning plan that indicates these elements and more:</p> <ul style="list-style-type: none"> • Process arrangements with customer • Pre-site inspection • Project timelines • Training schedule • Lead time <p>References of the last 3 purchase orders in private or public sectors where commissioning was completed. Bidders are required to submit Form 1 attached as Annexure 4 for three (3) contactable references. The project timelines of the submitted orders to be attached</p>		No	Yes
15	<p>Proof of physical address (es) or lease agreement(s) or municipal account(s).</p> <p>Where there is an agreement with a third party, the third party together with contact details to be declared on Annexure 6</p> <p>Copy of third party agreement signed by both parties with B-BBEE affidavit certificate and proof of location of the third party or parties</p> <p>List of technical personnel with names, location, tertiary qualification (NQF Level)</p> <p>Organogram of the technical division</p>		No	Yes



#	Document Name	Mandatory	Included in the published bid document?	To be returned by bidder?
	List of test equipment for items bidding for			
PHASE 4 : TECHNICAL COMPLIANCE				
16	Detailed Technical Specifications (Annexure 2) to verify compliance	Yes	Yes	Yes
17	TCBD 1 Authorization Declaration	Yes	Yes	Yes
18	South African Health Products Regulatory Authority Licence OR in the event that an approved medical device establishment license and/or registration certificate cannot be obtained from SAHPRA prior to the closing date and time of the bid, the bidder must submit evidence of application made to the Regulatory Authority, to be licensed as a medical device establishment (in the form of an Acknowledgement Letter received from the South African Health Products Regulatory Authority)	Yes	No	Yes
19	OEM original brochure for each item offered, the brochure must be in colour and clearly labelled with the item number of offer or operating manuals	Yes	No	Yes
20	<p>The latest Quality Assurance Standards Certificates</p> <ul style="list-style-type: none"> • ISO 9001:2008 from OEM / SANS 9001:2008 - Quality Management Systems from OEM • ISO 13485: 2004 / SANS 13485: 2003: Medical Devices - Quality Management Systems from OEM • Where applicable, test reports for items of stainless steel, nylon/epoxy coating and/or castors from a SANAS accredited institution such as SABS • Where applicable, Radiation Control License must be submitted with the bid at closing date and time for relevant items. The license must be registered under the bidders name or a letter of authorization from the license holder where the license is not in the name of the bidder • Where applicable, items offered must comply with an acceptable relevant international electrical safety standard such as IEC 601-1-2 for Medical Equipment. Proof of compliance/ certification must be submitted at closing date and time of bid 	Yes	No	Yes



#	Document Name	Mandatory	Included in the published bid document?	To be returned by bidder?
21	The bidder must submit a risk plan on Recalls or Alerts of Medical Equipment from the OEM at the closing date and time	Yes	No	No
PHASE 5 : SAMPLES VISUAL SCREENING				
22	Specific Samples to be brought for Phase 5 will be communicated during evaluation (not to be submitted at closing date)	Yes	No	Yes
23	OEM original brochure for each item offered, the brochure must be in colour and clearly labelled with the item number on offer or operating manuals	Yes	No	Yes
PHASE 6 : PRICE & B-BBEE				
24	<ul style="list-style-type: none"> Pricing Schedule (Annexure 2) The bid price must be inclusive of the warranty period of twenty-four (24) months that will be effective from the date of commissioning and should cover all applicable maintenances. A fully comprehensive preventive maintenance, and repair plan including all costs must be included in the two (2) year warranty (comes with the bid price) and detailed on Annexure 7 A comprehensive maintenance: Where applicable, bidders are required to include in the pricing schedule a post warranty maintenance costs for all relevant Medical Equipment on offer on the pricing schedule supplied with the bid for each year for five years (5 years) and detailed on Annexure 7. Optional accessories must be quoted for separately as provided for in the pricing schedule 	Yes	Yes	Yes
25	Cost breakdown (Annexure 3)		Yes (example)	Yes
26	SBD 6.1 Preference Points Claim Form		Yes	Yes
27	Black Empowerment Plan		Yes	Yes



SECTION A

1. INTRODUCTION

This bid is for the supply, delivery, installation, commissioning and maintenance of Medical Equipment to the State for a period of thirty-six (36) months to commence on 1 December 2021 to 30 November 2024.

This bid document is divided as follows:

- 1.1 Section A : Introduction and General
- 1.2 Section B : Conditions of bid
- 1.2.1 Part 1 : Evaluation criteria consisting five (5) phases
- 1.2.2 Part 2 : Bid requirements
- 1.3 Section C : Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

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.

This bid is subject to all applicable industry related legislation, particularly the legislation stated below:

- 2.1 Medicines and Related Substances Amendment Act, No 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and its Regulations and Guidelines;
- 2.2 Hazardous Substances Act No. 15 of 1973; and
- 2.3 Occupational Health and Safety Act No.85 of 1993.

3. BID INFORMATION SESSION

- 3.1 Non-compulsory information session was cancelled due to the covid-19 epidemic.
- 3.2 The following process replaces the cancelled briefing session to ensure that potential bidder's queries are addressed prior to closing date and time of bid.
 - 3.2.1 The briefing session presentation is published on www.etenders.gov.za.
 - 3.2.2 All enquiries received since the publication of the bid with responses will be published and the last publication will be 15 May 2020.



- 3.2.3 Potential bidders are requested to forward all their queries that were planned to be discussed during the briefing session to Transversal.contracting2@treasury.gov.za by 18 March 2020 at 15h00 in order to publish the first responses by 24 March 2020.
- 3.2.4 Post (after 18 March 2020) briefing session queries must still be forwarded to the same email address provided above and on Special Conditions of Contract up to 14 May 2020. Queries received post 24 March 2020 with responses will be published on the 22nd of April 2020, 2nd of May and the final responses to be published by the 15th of May 2020.
- 3.3 The state reserves the right to answer questions without a briefing session and/or to respond formally via any medium of communication that potential bidders can access without a briefing session.

4. TECHNICAL SPECIFICATIONS

National Treasury collaborated with National Department of Health (NDoH) to embark on a strategic sourcing approach to procure Medical Equipment which is commonly used by public health care facilities across the country. The main objectives for this initiative was to standardize the requirements of Medical Equipment to public health care facilities, improve on the quality of Medical Equipment and to reduce the Total Cost of Ownership (TCO) in Medical Equipment for Government.

The approach to procure the Medical Equipment was in two (2) phased processes. Phase one (1) consisted of 48 items which addressed the urgent needs for public hospital and Phase two (2) was for additional 76 Medical Equipment items that were required by different clinicians which at the end was built to support National Health Insurance (NHI) objectives/goals.

For this bid there will be one (1) Phase of Medical Equipment which includes the supply, delivery, installation, commissioning and maintenance as South Africa (SA) is currently in the process of introducing NHI to improve provision of universal health coverage. Effective and efficient use of Medical Equipment would assist in this process.

Medical Equipment is any equipment intended to be used for medical purposes. Medical Equipment benefit patients by helping health care providers diagnose, treat patients and help patients overcome sickness or disease, improving their quality of life. Significant potential for hazards are inherent when using an equipment for medical purposes and thus Medical Equipment must be proved safe and effective with reasonable assurance before Government allow marketing of the Medical Equipment in the country. As the associated risk of the Medical Equipment increases, the amount of testing required establishing safety and efficacy also increases. Further, as associated risk increases the potential benefit to the patient must also increase.

Medical Equipment and In Vitro Diagnostic (IVD) devices are regulated by South African Health Products Regulatory Authority (SAHPRA), a semi-autonomous body established by NDoH in 2016. In addition to devices, the Authority also regulates medicines (pharmaceutical and supplements), and cosmetics. South African healthcare exporters, importers, distributors and manufacturers are required to register with SAHPRA, and only legally authorized local entity may approach SAHPRA for device registration. SAHPRA can impose requirements at its discretion for devices not participating in public tenders in order to ensure that the medical device or IVD meets the essential principles of safety and performance, as determined by the Council.



- 4.1 The bid for the supply, delivery, installation, commissioning and maintenance of Medical Equipment has fourteen (14) categories summarized below:

Table 2: Summary of Technical Specification Categories

Category Description	Category Numbers
Anesthesia Equipment	1
Ventilation & Respiratory Equipment	2
Pediatric Care Equipment	3
Obstetrics & Gynaecology Equipment	4
General Medical Equipment	5
General Surgery Equipment	6
Orthopedic Equipment	7
Ophthalmology Equipment	8
Neuro Equipment (Neurology & Neurosurgery)	9
Sterilization & Disinfection Equipment (Sterilizers & Instrument Washers)	10
Test Equipment	11
Training Kits (Simulation Manikins)	12
Building Alterations Items (Installation excluded Cost)	13
Multi-disciplinary Specialized Equipment	14

4.2 **Category 13 for Building Alterations Items**

This category excludes installation costs. The participant who wants to procure item(s) in this category must get the quotes from the different suppliers awarded on the transversal contract to finalise the procurement and utilise the preference point system to select the supplier.

4.3 **Other technical specification consideration**

The technical specifications represent the minimum requirements. The State reserves the right to accept any item offered that meets the minimum technical specification and/or provides equivalent performance or capabilities.



SECTION B

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3a & 3b	Phase 4	Phase 5	Phase 6
Pre-Qualification Criteria	Administrative compliance	Functionality Requirements & Due Diligence	Technical Compliance	Samples Visual Screening	Price and B-BBEE
Bidders will be assessed if they are B-BBEE Level 1 to 8 compliant	Compliance with administrative requirements	Compliance with functionality requirements including validation of functionality requirements through due diligence at a total qualifying threshold of 66%	Compliance to the item technical specification	Visual verification of items by screening against the technical specification	Bids evaluated in terms of the 90/10 preference system

5.1 **Phase 1: Pre-qualification criteria for preferential procurement is set according to Regulation 4(1)(a) of the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017**

- 5.1.1 This phase is a pre-qualification criterion for bidders to have a B-BBEE status level contributor from 1 to 8 to be considered for evaluation.
- 5.1.2 Joint ventures, consortium, partnership and sub-contractors will also be considered to meet the above mentioned requirement.
- 5.1.3 Failure to meet the above requirement will invalidate the bid submitted.
- 5.1.4 The State reserves the right to remedy any adverse situation if it affects the awarding of the transversal contract and or service delivery

B-BBEE CERTIFICATE

- 5.1.5 Bidders are to submit an **original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit** for evaluation on this phase. Failure to submit the B-BBEE certificate¹ will invalidate (disqualify) the bid submitted.

¹ certificate includes a certified copy or a sworn affidavit

**COMPANY REGISTRATION AND ORGANOGRAM**

- 5.1.6 Shareholding portfolio by **proof of registration of the company** with CIPRO/CIPC. An additional document detailing the shareholding of the bidder in an **organogram** format in support of the proof of company registration must be submitted for bidders to be evaluated on this phase.

CENTRAL SUPPLIER DATABASE

- 5.1.7 A **CSD full report** and not summarized preferably as at the last week prior to closing date and time being 15 to 20 May 2020 period must be submitted by bidders for evaluation on this phase.

5.2 **Phase 2: Administrative Compliance**

Only bidders who have qualified on Phase 1 will be evaluated on Phase 2. During this phase bidders' responses will be evaluated based on the administrative compliance as listed above on Table 1 Bid Document Checklist and Returnables. Bidders' must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with the entire administrative requirement may be disqualified.

STANDARD BIDDING DOCUMENTS

- 5.2.1 **SBD 1** which is the invitation to bid form.
5.2.2 **SBD 4** which is the declaration of interest form.
5.2.3 **SBD 5** which is the national industrial participation program which is applicable to all government procurement contracts that have an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million.
5.2.4 **SBD 8** which is the declaration of bidder's past Supply Chain Management (SCM) practices.
5.2.5 **SBD 9** which is the certificate of independent bid determination.

PROOF OF AUTHORITY

- 5.2.6 **Proof of authority** which is a company resolution for the capacity under which this bid is signed as per SBD 1.

CONDITIONS OF CONTRACT

- 5.2.7 **General Condition of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.
5.2.8 **Special Conditions of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.

TAX MATTERS

- 5.2.9 **Tax Compliance Requirements**
5.2.9.1 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.



- 5.2.9.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.
- 5.2.9.3 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.
- 5.2.9.4 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.
- 5.2.9.5 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.
- 5.3 **Phase 3a: Functionality Requirements and Phase 3b: Due Diligence**
- 5.3.1 Functionality requirements are applicable to all transversal contract items (bidders) as all items on offer comes with commissioning (which will include installation and Initial training) that requires bidders to be equipped to handle. Also all items comes standard with 24 months warranty which means a bidder will need to conduct corrective and preventive maintenance. The items are verified and there is no chance of only supply and delivery.
- 5.3.2 Only bidders who have complied with Phase 2 requirements will be evaluated for functionality. During this phase bidders' responses will be **FIRSTLY** evaluated for functionality based on achieving a minimum score of sixty-six percent (66%) for the functional requirements.
- 5.3.3 **SECONDLY**, due diligence will be conducted by site visits to bidders to validate the functionality requirements based on achieving a minimum score of sixty-six percent (66%). The average of the first and second 2parts evaluation will provide the total minimum qualifying score of sixty-six percent (66%) to qualify for Phase 4.
- 5.3.3.1 As the State reserves the right to conduct due diligence, it will be prior to final award and/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 on Phase 3a functionality requirements will be verified and any misrepresentation thereof may disqualify and/or reduce the score on the relevant element on the bid in whole or parts thereof.
- 5.3.3.2 The State also reserves the right to conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.
- 5.3.4 Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated in Table 4 below in line with items 13 to 15 on Table 1.
- 5.3.5 The BEC will be responsible for scoring the respective bids individually for both Phase 3a (functionality requirements) and Phase 3b (due diligence). The scores will be based on the submissions and the information provided and due diligence through site visits. Bidders will not rate themselves, but need to ensure that all information required is supplied.



LOGISTICS PLAN

- 5.3.6 For Supply and Delivery areas, the bidder to state its **logistics plan** from importing up to the delivery stage for the smallest to the biggest items offering on the transversal contract. The logistics plan to indicate the mode of supply and delivery (as an example; using own transport, courier or third party transport) and how the bidder manages its logistics.

TRAINING, INSTALLATION AND COMMISSIONING PLAN

- 5.3.7 For Installation and Commissioning areas on **initial training**, the bidders should provide training of the Medical Equipment on site. The training should be provided by both the clinical application specialist (for Nurses, Clinicians and other end-users) and accredited technical trainer (for technical personnel). The **training schedule** should be provided. On the **Installation and Commissioning Plan**, the bidder to indicate the operations plan from receipt of purchase order until commissioning. On the **Installation Lead Time**, the bidder to indicate the timelines required from the receipt of a purchase order to commissioning within the public sector. The information will be verified. No on-line training or certification will be acceptable.

FOOTPRINT, TECHNICAL PERSONNEL AND TEST EQUIPMENT

- 5.3.8 For maintenance area, **Workshop(s) footprint**, the bidder shall have national workshops within South Africa or any arrangement for national workshops to service the Medical Equipment. It is preferable that any workshop arrangement(s) in any Province be with an EME or QSE which is at least 51% from that particular Province. Copy of third party **agreement** signed by both parties with **B-BBEE affidavit certificate** and **proof of location** must be submitted at the closing date and time and will be validated during due diligence process.
- 5.3.9 For **Technical Personnel**, bidders to provide a list of technical personnel (names, location, tertiary engineering qualification (NQF)) and factory training certificates for items bidding for. No on-line training or certification will be acceptable. For tools of trade (test equipment); bidders should provide the **list of all test equipment** related to Medical Equipment that they are bidding for with description, make, model, serial number, last date of calibration. All this information will be validated with the item bid for.
- 5.3.10 Bidders will be evaluated on each of the criteria for both Phase 3a and Phase 3b, weight and scoring scale as listed in Table 4 below:

**Table 4: Functionality Requirements**

Element	Requirements	Document for submission and evaluation	Weight
Supply and Delivery	<p>1.1 Logistics</p> <ul style="list-style-type: none"> The bidder to state its logistics plan from importing up to the delivery stage for the smallest to the biggest items offering on the transversal contract. The logistics plan to indicate the mode of supply and delivery (as an example; using own transport, courier or third part transport) and how the bidder manages its logistics. 	<p>The logistics plan that will indicate the bidder's operational plan (elements) for:</p> <ul style="list-style-type: none"> Supply processes and arrangements with customers/participants Delivery processes and arrangements with customers/participants Lead time from importing Process on receipt of purchase order Detailed plan for supply and delivery for each Province (if different) Process and plan for managing the supply and delivery of main offers, spares, accessories and consumables Indicate the capacity to supply, deliver and provide a copy of an agreement from the OEM 	20%
Installation and Commissioning	<p>2.1 Initial Training Bidders should provide training at installation and commissioning of the Medical Equipment on site. The training should be provided by both the clinical application specialist (for Nurses, Clinicians and other end-users) and accredited technical trainer (for technical personnel).</p> <p>2.2 Installation and Commissioning Plan Bidder to indicate the operations plan from receipt of purchase order until commissioning</p> <p>2.3 Installation Lead Time The bidder to indicate the timelines required from the receipt of a purchase order to commissioning within the public sector. The information will be verified</p>	<ul style="list-style-type: none"> Clinical application specialist (s) must have a profile that indicates the training experience and tertiary qualifications which are medical field related Technical personnel must have relevant tertiary qualification(s) and factory training certificate(s) on medical equipment bidding for. On-line training and certification will not be admissible. Installation and Commissioning plan that indicates these elements and more: <ul style="list-style-type: none"> Process arrangements with customer/participant Pre-site inspection Project timelines Training schedule Lead time References of the last 3 actual purchase orders in private or public sector(s) where commissioning was completed. Bidders are required to submit Form 1 attached as Annexure 4 for three (3) contactable references with details. (Only reference letters with client's letterhead will qualify as reference) The project timelines of the submitted orders to be attached 	30%



Element	Requirements	Document for submission and evaluation	Weight
Maintenance	<p>3.1 Workshop(s) footprint The bidder shall have national workshops within South Africa or any arrangement for national workshops to service the Medical Equipment. It is preferable that any workshop arrangement(s) in any Province be with an EME or QSE which is at least 51% from that particular Province. The workshops arrangement document (agreement) must be submitted at the closing date and time and will be validated during due diligence process</p> <p>3.2 Technical Personnel Bidders to provide a list of technical personnel (names, location, tertiary engineering qualification (NQF)) for items bidding for through an organogram showing the technical division</p> <p>3.3 Tools of trade (test equipment) Bidders should provide the list of all test equipment related to Medical Equipment that they are bidding for with description, make, model, serial number, last date of calibration. All this information will be validated with the item bid for</p>	<ul style="list-style-type: none"> Proof of physical address/addresses or lease agreement(s) or municipal account(s). Where there is an agreement with a third party, the third party together with contact details to be declared on Annexure 6 Copy of third party agreement signed by both parties with B-BBEE affidavit certificate and proof of location of the third party or parties List of technical personnel with names, location, tertiary qualification (NQF Level) and factory training certificates for items bidding for. No on-line training or certification will be acceptable. Organogram of the technical division List of test equipment for items bidding for 	50%
Threshold			66%
Total			100%

The following applicable values will be utilised when scoring each criterion mentioned above:

Table 5: Scoring Values

Performance	Description	Points
Very good	Response addresses and exceeds the functionality requirements	3
Compliant	Response addresses all functionality requirements	2
Requires attention	Response partially addresses the functionality requirements	1
Inadequate	Response <u>did not address</u> the functionality requirements	0



- 5.3.11 The points scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. The total score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 66% for functionality will proceed to the next phases.

5.4 **Phase 4: Technical Specification Compliance**

- 5.4.1 Only bidders who have complied with Phase 3 functionality requirements including due diligence will be evaluated on technical specification compliance. During this phase bidders' responses will be evaluated against the issued technical specification for compliance prior to visual screening of the samples.

TECHNICAL SPECIFICATION

- 5.4.2 All items must comply with detailed **technical specification (Annexure 2)** as provided in this bid for each item. Failure to comply may invalidate the items concerned and samples not be requested for screening evaluation.

TRANSVERSAL CONTRACTING BIDDING DOCUMENT 1 (TCBD 1) - AUTHORIZATIONS

5.4.3 **TCBD 1 Authorization Declaration**

- 5.4.3.1 All bidders must complete the "Authorisation Declaration" (TCBD 1) for all relevant goods or services.
- 5.4.3.2 Any bidder who is sourcing goods or services from a third party must submit a valid Third Party Undertaking (template provided as TCBD 1.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:
- (i) List of item(s) number, item description and brand/model name and number;
 - (ii) Letter must be on the original manufacturer's and or third party undertaking letter head, dated and signed;
 - (iii) Have contact person's name, physical and postal address, telephone and email details; and
 - (iv) All information on the letter must be in English.
- 5.4.3.3 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 the bid documents.
- 5.4.3.4 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 party will be binding on the State.
- 5.4.3.5 **Other Authorizations**
- (i) Only bidders who have sole and exclusive distributorship from OEM for an item will be considered for bidding.
 - (ii) Non-OEM parts, accessories and consumables will not be accepted.



- 5.4.3.6 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.

SOUTH AFRICAN HEALTH PRODUCTS REGULATORY AUTHORITY (SAHPRA) REQUIREMENTS

5.4.4 SAHPRA Requirements

- 5.4.4.1 Bidders are required to adhere to Medicines and Related Substances Amendment Act, No 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and it's Regulations on Medical Devices and In Vitro Diagnostic Medical Devices where applicable. Non-compliance with these conditions may invalidate the bid.
- 5.4.4.2 Manufacturers, distributors and wholesalers, as referred to Section 22C(1)(b) of the original Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must obtain a **licence** for the manufacturing, importing, exporting, distribution and wholesaling of medical devices and IVDs, as issued by SAHPRA.
- 5.4.4.3 Bidders must submit with the bid, on or before the closing date and time of bid evidence of the approved medical device establishment licence.
- 5.4.4.4 In the event that an approved medical device establishment licence and/or registration certificate cannot be obtained from SAHPRA prior to the closing date and time of the bid, the bidder must submit **evidence of application** made to the Regulatory Authority, to be licensed as a medical device establishment (in the form of an Acknowledgement Letter received from the South African Health Products Regulatory Authority).

ORIGINAL BROCHURE

- 5.4.5 OEM **original brochure** for each item offered, the brochure must be in colour and clearly labelled with the item number of offer or operating manuals. The brochure should not be self-made by Bidder.

QUALITY ASSURANCE STANDARD CERTIFICATES

- 5.4.6 The latest **Quality Assurance Standards Certificates** should be submitted at the closing date and time:
- 5.4.6.1 **ISO 9001:2008 from OEM / SANS 9001:2008** - Quality Management Systems. For medical device manufacturers, ISO 9001 engages management in the quality control process, helping make organization-wide changes that keep costs down, improve accountability, facilitate growth in a more responsible manner and simplify regulatory compliance.
- 5.4.6.2 **ISO 13485: 2004 from OEM / SANS 13485: 2003**: Medical Devices - Quality Management Systems. This is the quality management system specifically designed for medical device manufacturers. It expands on and refines the framework established by ISO 9001, with the aim of harmonising regulatory requirements. Compliance with ISO 13485 helps with overall quality control, traceability, process validation and risk management. Manufacturers that attain ISO13485 compliance will have an easier time bringing their products to international markets. Compliance can also streamline their processes and ultimately help them run a more efficient, profitable and risk-averse operation.

**TEST REPORTS (where applicable and also to locally manufactured items)****5.4.7 Stainless Steel**

For any item in the bid containing stainless steel, the bidder shall submit proof of compliance (test report) to certify that the material conforms to the standard. The bidder shall submit a 100 x 100 mm plate of the stainless used in the item to a SANAS accredited/recognised institution for testing and adhere to the testing requirements from the accredited institution.

5.4.8 Nylon/epoxy Coating

For any item in the bid that contains nylon/epoxy coated mild steel the bidder shall submit proof of compliance (test report) to certify that the material conforms to the standard. The bidder shall submit two 150 x 100 mm plates of the mild steel used in the item to a SANAS accredited/recognised institution for testing.

5.4.9 Castors

For any item in the bid that is mounted on castors the bidder shall submit proof of compliance (test report) to certify that the castors comply with SANS 621 or equivalent standard as per the accredited institution's requirements.

5.4.9.1 Compliance with International Electro-technical Commission (IEC) requirements

- (i) Where applicable, items offered must comply with an acceptable relevant international electrical safety standard such as IEC 601–1-2 for Medical Equipment. **Proof of compliance/ certification** must be submitted at closing date and time of bid. Failure to comply with the above compliance requirements may result in the disqualification of the bid for such relevant item/s.
- (ii) The Medical Equipment offered must be protected against electromagnetic interference (IE) standard.
- (iii) Where specific technical specifications and/ or standards are applicable for each item, the quality of items shall not be less than the requirements of the latest edition of such technical specifications and/or standards throughout the transversal contract period.
- (iv) The State reserves the right to request a valid compliance certificate from the successful bidders during the transversal contract period.

5.4.9.2 Hazardous Substance Act (Act 15/1973): Radiation Control Licence

- (i) It is a requirement of the bid that where applicable all items comply with the Hazardous Substance Act (Act 15/1973).
- (ii) Where applicable, **Radiation Control Licence** must be submitted with the bid at closing date and time for relevant items. The licence must be registered under the bidder's name or a letter of authorization must be submitted by the license holder where the license is not in the name of the bidder. Failure to comply with the above compliance requirements may result in the disqualification of the bid for such relevant item/s.

**RISK PLAN FOR RECALLS OR ALERTS**

- 5.4.10 The bidder must submit a **risk plan** on Recalls or Alerts of Medical Equipment from the OEM at the closing date and time.

5.5 **Phase 5: Samples Visual Screening**

SAMPLES

- 5.5.1 Bidders that have complied with Phase 4 above are required to submit **samples** for visual screening to confirm compliance with technical specifications. Failure to submit the samples as required may invalidate the bid for the items which samples are not submitted.
- 5.5.2 National Treasury will send a schedule indicating a date, time, place and venue to short listed bidders to submit samples for the evaluation.
- 5.5.3 A date for which samples must be collected will be send to the bidders and samples which are not collected as indicated will be disposed of at the discretion deemed necessary by National Treasury.
- 5.5.4 It is the responsibility of the bidders to ensure that samples are submitted on time, at the correct venue as will be indicated.
- 5.5.5 Where applicable, standard accessories including consumables to render the Medical Equipment operational must be submitted with samples for the relevant equipment.
- 5.5.6 Where different sizes of the same item are called for against different item numbers, samples of each size must be submitted.

ORIGINAL BROCHURE / MANUAL

- 5.5.7 Bidders must supply a **brochure** with an **original manufacturer's technical specification sheet** for all Medical Equipment offered and in colour. The brochure must have a fully comprehensive technical specification details outlined for the item. The brochure much clearly indicate the item name, description, make/model, equipment images and all information required to verify compliance to technical requirements at the closing date and time of bid.
- 5.5.8 Bidders or a representative (preferable technical machine experts) of the bidder must be present for any clarity which may be required during the evaluation of the Medical Equipment. National Treasury will not take responsibility for samples left unattended or not collected after the evaluation.
- 5.5.9 All samples submitted for visual screening must be a true representation of the item which will be supplied by the bidder throughout the transversal contract period.
- 5.5.10 Samples must be clearly marked with the bid number, item number(s) as per the technical specification, brand/model name, company name, contact details. A fully completed technical specification issued and all relevant certification specific to the Medical Equipment's must be submitted with the samples.



- 5.5.11 Where applicable, the BEC reserves the right to subject item samples to applicable clinical evaluations, applications or test at any State facility to verify compliance with the technical specifications. This will be arranged with the bidder(s).

5.6 **Phase 6: Price and B-BEE**

PRICING SCHEDULE WITH MAINTENANCE COSTS

5.6.1 **Pricing schedule and structure requirements**

- 5.6.1.1 Prices quoted must be furnished on the basis of supply, delivery, installation, commissioning and maintenance.
- 5.6.1.2 The pricing schedule (**Annexure 2**) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule Annexure 2 as a response on how much the items offered will be charged. **No submission of the Pricing Schedule will invalidate the bid response.**
- 5.6.1.3 Where applicable, prices quoted must be all inclusive taking into account supply, delivery, installation, commissioning, training and maintenance including all warranties.
- 5.6.1.4 All Medical Equipment should be supplied with standard accessories including the starter pack for consumables enabling the Medical Equipment to function upon commissioning.
- 5.6.1.5 The cost of the standard accessories including the starter pack for consumables items should be included in the price of each Medical Equipment.
- 5.6.1.6 Minimum requirements for the standard accessories including the starter pack for consumables is indicated but not limited to the provided detailed technical specifications.
- 5.6.1.7 The bid price must be inclusive of the **warranty period of twenty four (24) months** which will be effective from the date of commissioning and should cover all applicable maintenances.
- 5.6.1.8 **Optional accessories must be quoted for separately** on the provided pricing schedule, **Annexure 2.**
- 5.6.1.9 Prices submitted for in this bid must be filled in on the field provided on the pricing schedule supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.
- 5.6.1.10 **Maintenance Cost:** Where applicable, bidders are required to include in the pricing schedule for a **post warrantee maintenance costs** for all relevant Medical Equipment on the field provided on the pricing schedule supplied with the bid for each year for five years (5 years).
- 5.6.1.11 The cost of maintenance will be evaluated. Failure to include the maintenance cost price for relevant items which the maintenance is required may invalidate the items concerned.
- 5.6.1.12 Bidders must include in their bid submission, a **hard copy of their pricing schedule (PDF)** and an **electronic copy (The Technical and Pricing Schedule to be in an XLSX excel sheet format) on a**



memory stick. All electronic data submitted must be an exact copy of the hard copy document. Any discrepancies between the electronic and the hard copy may invalidate the item/s concerned.

5.6.2 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.

5.6.3 Applicable Taxes

All bid prices must be inclusive of all applicable taxes.

Failure to comply with this condition may invalidate the bid.

COST BREAKDOWN

5.6.4 Cost Breakdown

5.6.4.1 Bidders are requested to submit the cost breakdown (**Annexure 3**) of their pricing for each item offered. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. Bidders will not be allowed to change the cost breakdown of price during the tenure of the transversal contract.

5.6.4.2 Bidders should itemise the cost of each item into various components which are cost-drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a Rand value. The Rand value of the cost drivers should be expressed as a percentage of the total cost.

Example:

Table 6: Example of Cost Breakdown

Cost-driver	Rand value	% of Total Cost
Imported raw material	R 300.00	30%
Local raw material	R 200.00	20%
Labour	R 150.00	15%
Transport	R 300.00	30%
Other	R 50.00	5%
Total price of item	R 1000.00	100%



B-BBEE CERTIFICATE

5.6.5 **B-BBEE requirements** - An original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit must be submitted by bidders.

5.6.5.1 The National Treasury will exercise Regulation 3(a)(ii) of the Preferential Procurement Regulations 2017 if it is unclear which preference point system will be applicable and that either 80/20 or 90/10 preference point system will apply. The lowest acceptable tender will be used to determine the applicable preference point system on this bid.

5.6.5.2 In terms of regulation 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 90/10 preference point system.

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

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

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

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

Table 7: Preference Point System

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

**STANDARD BIDDING DOCUMENT**

- 5.6.5.5 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.
- 5.6.5.6 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 5.6.5.7 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 a sworn affidavit will be considered for preference points.
- 5.6.5.8 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).
- 5.6.5.9 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.
- 5.6.5.10 The points scored will be rounded off to the nearest two (2) decimals.
- 5.6.5.11 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.
- 5.6.5.12 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.
- 5.6.5.13 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 5.6.5.14 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- 5.6.6 Bidders are required to complete **SBD 6.1 Preference Points Claim Form** 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.

BLACK ECONOMIC EMPOWERMENT PLAN

- 5.6.7 Black Economic Empowerment (BEE) is a racially selective programme launched by the South African government to redress the inequalities of Apartheid by giving black (African, Coloureds, Indians and Chinese) South African citizens economic privileges that are not available to Whites. It is a form of Affirmative action. Although race is the overriding factor, it includes measures such as **Employment Preference, skills development, ownership, management, socioeconomic development, and preferential procurement**. As part of this bid bidders are required to submit a **BLACK ECONOMIC EMPOWERMENT PLAN** and indicate how the bidder intends to contribute to the highlighted measures.



The National Treasury reserves the right to negotiate and enforce any of the measures as will be feasible on this bid. Bidders are to complete **Annexure 5** and submit by the closing date and time of the bid.

5.7 **Responsive Bids**

Bidders are required to submit responsive bids by completing all pricing and item information on the provided technical specification and pricing schedule (**Excel document - Annexure 2**) for the individual items and all required forms.

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

5.8.1 Once the evaluation process is complete there will be a recommendation report by the BEC to the Bid Adjudication Committee (BAC) who has the authority to either support (approve) or not support (not approve) the recommendation and appointment(s).

5.8.2 On approval of the recommendation and appointment(s), successful bidder(s) will sign an appointment letter together with master transversal agreements for the supply, delivery, installation, commissioning and maintenance of Medical Equipment of this bid and unsuccessful bidder(s) will be informed accordingly.

6. **PART 2: ADDITIONAL BID REQUIREMENTS**

6.1 **Local Manufacturing**

6.1.1 The state reserves the right to give preference to locally manufactured items which meet the technical specification requirements. Bidders are required to indicate on the pricing schedule **Annexure 2** where the item is manufactured and adhere to the testing requirements from an accredited institution where applicable.

6.2 **Negotiations**

6.2.1 The State reserves the right to negotiate with the shortlisted bidders prior or post award. The terms and conditions for negotiations will be communicated to the shortlisted bidders prior to invitation to negotiations. This phase is meant to ensure value for money is achieved through the measure of quality that will assess the monetary cost of the items or services against the quality and or benefits of that item or services, taking into account subjective factors such as fit for purpose along with whole life costs as installation, training, maintenance, disposal and wastage where applicable.

7. **STANDARDS / SPECIFICATIONS**

7.1 Where applicable and also on the locally manufactured items, items must comply with standards / specifications as stated in the technical specifications.

7.1.1 **South African Bureau of Standards:**

SANS, SABS, ISO AND CKS specifications are available from South African Bureau of Standards Office's countrywide. Obtaining of such standards/specifications will be the responsibility of and for the



account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales at:

Postal Address: Private Bag X191, Pretoria, 0001

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria

Tel:(012) 428 6883, Fax: (012) 428 6928, E-mail: Koketso.Malekutu@sabs.co.za

Website: www.sabs.co.za and follow the "Search/Buy Standards" link

7.1.2 **South African National Accreditation System (SANAS):**

The contact details of SANAS are as follows:

Postal Address: Private Bag x 23, Sunnyside, Pretoria, 0132

Physical Address: The DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, 0002,

Tel: 012-394 3760, Fax: 012-394 0526

A list of institutions is available on the SANAS website <http://www.sanas.co.za/> or <http://www.sanas.co.za/contact.php>

8. QUALITY

Where specific specifications and/ or standards are applicable on materials and supplies, the quality of items shall not be less than the requirements of the latest edition of such specifications and/or standards.

9. TERMS AND CONDITIONS

9.1 Counter Conditions

9.1.1 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.

9.1.2 The National Treasury reserves the right to change or supplement any information or to issue any addendum to this bid before the closing date and time. The NT and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

9.1.3 If the NT exercises its right to change or supplement information in terms of the above clause, it may seek amended bid documents from all bidders.

9.2 Fronting

9.2.1 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.



- 9.2.2 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 Department of Trade and Industry, 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.

9.3 **Branding**

- 9.3.1 The item on offer must be clearly branded by the OEM including Name Plate (with serial number, date of manufacture, model, and Medical Equipment classification).
- 9.3.2 Medical Equipment on offer must have the make and model visible from the front.
- 9.3.3 Any offered Medical Equipment not meeting the above requirements may be automatically disqualified prior or post award.

9.4 **Right of Award**

The State reserves its following rights -

- 9.4.1 To award the bid in part or in full;
- 9.4.2 Not to make any award in this bid or accept any bids submitted;
- 9.4.3 Award the bid to more than one (1) bidder for the same item (multiple-award);
- 9.4.4 Request further technical information from any bidder after the closing date;
- 9.4.5 Verify information and documentation of the bidder(s);
- 9.4.6 Not to accept any of the bids submitted;
- 9.4.7 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
- 9.4.8 In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

9.5 **Multiple Award**

The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

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

- 9.5.1 Capacity to meet the expected demand according to the end-user requirements;
- 9.5.2 Mitigation of risk if the item is unavailable; and
- 9.5.3 The maximum number of suppliers per item to be awarded will be at the discretion of the BEC.



9.6 Items Grouped as a Series

- 9.6.1 Where applicable, items which are grouped in a series as per item technical specifications will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the series group.
- 9.6.2 Bidders are required to offer prices for all units of measure specified in the series, and for all items within a group series. Other offers must be submitted with the accessories applicable.
- 9.6.3 Bidders may submit multiple offers on the same line items to cover the full range of the technical specification requirements.
- 9.6.4 Where more than one (1) offer is submitted for the same line item (different brand/model), other offers must be submitted fully with all the relevant accessories.
- 9.6.5 Bidders are required to offer prices of all the consumables, accessories, optional extras as required in the Pricing Schedule **Annexure 2**.
- 9.6.6 Non-compliance with the above-mentioned conditions may invalidate the bid for the item(s) concerned.
- 9.6.7 All accessories, consumables, and spare parts must be compatible to the main offered item(s).

10. SUBMISSION OF BIDS

- 10.1 Bidders must respond to the bid as follows:
 - 10.1.1 Submit hard copies and electronic copy at the Tender Information Centre (TIC); corner 240 Thabo Sehume and Madiba Streets, Pretoria.
 - 10.1.2 Bidders are requested to initial each page of the bid document on the bottom right hand corner; and
 - 10.1.3 Submit any bid queries via email to transversal.contracting2@treasury.gov.za.
- 10.2 Bidders must submit the bid to TIC in the following format:
 - 10.2.1 One (1) original hard copy clearly marked as "original";
 - 10.2.2 One (1) duplicate hard copy clearly marked as "copy";
 - 10.2.3 One (1) duplicate electronic copy (The Technical and Pricing Schedule to be in an XLSX excel sheet format) on a memory stick to the National Treasury (NT)) at TIC by the closing date and time of the bid invitation.
 - 10.2.4 Non-compliance with 10.1 and 10.2 above may invalidate the bidder's response.
- 10.3 Any discrepancies between the electronic bid copy and the hard copy may invalidate the bid response for the above mentioned items and services in question. All memory sticks should be clearly marked with the bid number and bidder's name. Bidders to ensure that there is information on the memory stick prior to submission.
- 10.4 Bidders' attention is drawn to the sequential format as per the checklist on Table 1 above in which bid documents must be submitted.

**10.5 Late Bids**

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

11. COMMUNICATION AND CONFIDENTIALITY

- 11.1 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.
- 11.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.
- 11.3 Whilst all due care has been taken in connection with the preparation of this bid, the NT makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current or complete. The NT, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current or complete.
- 11.4 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).
- 11.5 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.
- 11.6 All communication between the bidder and the NT TC office must be done in writing as per 12.2 below.
- 11.7 No representations made by or on behalf of the NT in relation to this bid will be binding on the NT unless that representation is expressly incorporated into the contract ultimately entered into between the NT and the successful bidder(s).
- 11.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to this bid.
- 11.9 Samples required will be determined by the qualification of bidders on Phase 4 Technical Compliance where bidders will be notified by the BEC during evaluation of which samples are required.

**12. CONTACT DETAILS****12.1 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

12.2 Bid and Sample Enquiries

All enquiries should be in writing to transversal.contracting2@treasury.gov.za. The closing date for receipt of all enquiries is 14 May 2020. All enquiries beyond the closing date will not be considered.

Transversal Contract and Samples : Ms Brenda Mashifane
: National Treasury

12.3 Sample submitted to Testing Institution

Enquiries : Mr Koketso Malekutu
Telephone : 012 428 6984
Email address : koketso.malekutu@sabs.co.za

**SECTION C:****CONDITIONS OF CONTRACT****13. DELIVERY, QUANTITIES, ORDERS AND RISK****13.1 Delivery Basis**

- 13.1.1 Lead times for delivery of all Medical Equipment on transversal contract shall not exceed eight (8) weeks. Delivery period exceeding the prescribed maximum eight (8) weeks may be cancelled without notice.
- 13.1.2 Lead times for delivery of all accessories and consumables of items on transversal contract shall not exceed one (1) week.

13.2 Quantities

No quantities are reflected in this bid as orders will be placed on the basis of an 'as and when required' and no guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period.

Orders will be placed by participating State institutions and they will also be responsible for the payment to Suppliers for the Medical Equipment delivered and/or services rendered.

13.3 Orders

- 13.3.1 Suppliers should note that each individual purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 13.3.2 Suppliers should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing State institution(s).
- 13.3.3 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 State institutions.
- 13.3.4 The State is under no obligation to accept any quantity(ies) which is in excess of the ordered quantity(ies).

13.4 Delivery Adherence

- 13.4.1 Delivery of items must be made in accordance with the instructions appearing on the official purchase order forms issued by purchasing State institutions.
- 13.4.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.



- 13.4.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.
- 13.4.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.
- 13.4.5 Where applicable, all Medical Equipment is to be supplied with operating manuals/information brochures in an English language.
- 13.5 **Item Demo**
- 13.5.1 Suppliers will be required to provide participating State institutions with item for demo/trial for a minimum of two (2) weeks where it's required and necessary before procurement can be finalized.
- 13.5.2 It is required that the Supplier(s) should provide item demonstration training support at no additional cost to all participating State institutions for the duration of the transversal contract period relating to the following:
- 13.5.2.1 The full clinical potential of the Medical Equipment;
- 13.5.2.2 Troubleshooting problems and potential solutions;
- 13.5.2.3 The standard basic setup of the Medical Equipment as it should be upon delivery, what the Medical Equipment comes with and what needs to be ordered; and
- 13.5.2.4 The availability of accessories for the Medical Equipment.
- 13.5.3 These demonstrations are not intended to replace the initial training and the on-going training that are required at commissioning but purely to highlight features and benefits of the Medical Equipment.
- 13.6 **Risk (Insurance)**
- 13.6.1 During the period of delivery until commissioning, the Supplier(s) shall be responsible for all risk of loss, theft or damage to the Medical Equipment.
- 13.6.2 Any Medical Equipment taken out of participating State institution premises for any maintenance activity to the Supplier's premises, the Supplier shall be responsible for all risk of loss, theft or damage to the Medical Equipment and will be expected to replace the item in case it is lost/damage.
- 13.6.3 In the case that there is adverse event resulting from malfunction of the Medical Equipment, where the Medical Equipment is maintained in accordance with OEM recommendation, the Supplier will be liable for the litigation arising from the incident.

14. ITEM REQUIREMENTS

- 14.1 All items offered must be of the latest approved model – Suppliers should state date of initial manufacture of the model range offered in the pricing schedule.
- 14.2 All parts must be supplied new; no second hand or refurbished parts will be accepted.



- 14.3 The expected lifespan where applicable of all items offered must be stated in the pricing schedule. (Minimum requirement is 7 – 10 years).
- 14.4 The Supplier should ensure that the spare parts of the items are guaranteed to be available for the specified lifespan of the items and indicate on **Annexure 2**.

15. ITEM ADHERENCE / SUBSTITUTION

- 15.1 In the event where a Supplier(s) is awarded a specific brand and model, it is required of that Supplier(s) to continue to supply the awarded item throughout the transversal contract period.
- 15.1.1 However, the Supplier(s) is still liable for the maintenance and after-sales support of the delivered item(s) as per 15.2.
- 15.1.2 Should the Supplier(s) fail to fulfil the responsibility as per 15.1.1 above, the State reserves the right to seek necessary remedies (e.g. request refund of maintenance cost, alternative maintenance support etc.)
- 15.2 In the event that the awarded **Model is discontinued**:
- 15.2.1 The Supplier(s) must notify National Treasury and National Department of Health of such an occurrence upon receipt of notification from the OEM detailing the maintenance and after-sales support of the delivered item(s);
- 15.2.2 Should the Supplier(s) fail to fulfil the responsibility especially the notification as per 15.2.1 above, the State reserves the right to seek necessary remedies (e.g. request replacement cost of the new item etc.);
- 15.2.3 The Supplier(s) is required to submit supporting documents from the OEM substantiating the changes and guarantee spare parts for the minimum of seven (7) years for review by the BEC;
- 15.2.4 The Supplier(s) will be expected to present an alternative model of the same brand to the location determined by National Treasury for BEC to evaluate;
- 15.2.4.1 Model replacement will only take place every six (6) months of the transversal contract period and all requests should be submitted prior to that BEC meeting. Should the model replacement request be submitted post the BEC evaluation meeting, it will be evaluated on the next proceeding meeting.
- 15.2.4.2 Furthermore, Supplier(s) must note that the terms and conditions, including price of the new model offered will be the same as the awarded model.
- 15.2.5 Supplier(s) must not deliver a new model other than the model awarded to them prior to an approval of model change from National Treasury. Failure to adhere to this condition may lead to immediate termination of the Supplier and/or item on transversal contract.

Table 8: Model Replacement Periods (An amendment 3 will be published for revised dates)

Period	Submission by Supplier(s)	BEC Meeting ² (for evaluation)
1 July 2020 to 31 Dec 2020	Up until 30 Nov 2020	Dec 2020
1 Jan 2021 to 30 June 2021	Up until 31 May 2021	June 2021
1 July 2021 to 31 Dec 2021	Up until 30 Nov 2021	Dec 2021

² The exact date will be shared with the affected Supplier(s)



Period	Submission by Supplier(s)	BEC Meeting ² (for evaluation)
1 Jan 2022 to 30 June 2022	Up until 31 May 2022	June 2022
1 July 2022 to 31 Dec 2022	Up until 30 Nov 2022	Dec 2022
1 Jan 2023 to 30 June 2023	No submission during this period	No item evaluation will take place during this period as the transversal contract will be expiring in June 2023

15.3 In the event that a **Recall or Alert** has been issued on an awarded item by a Regulatory Body anywhere in the universe:

15.3.1 The Supplier(s) must notify National Treasury and National Department of Health upon receipt of notification from the OEM of occurrence and activate corrective measures immediately;

15.3.1.1 For **any Recalls**, the Supplier(s) is required to submit a mitigation plan and activate corrective measures in order to ensure uninterrupted service delivery and patient safety. In the event of medical litigation due to the Recall, the Supplier(s) will be held liable.

15.3.1.2 Should it be known that the notification to the parties was held back for a period of one (1) to six (6), the National Treasury will exercise its remedies available which may include non-continuation of supply of the item(s) concerned.

15.3.1.3 The Supplier(s) is obligated to distribute and display notification and remedial action of Recalls in the clinical areas of affected item(s) within thirty (30) days.

16. WARRANTY AND MAINTENANCE

16.1 Software updates and upgrades to be included at no extra cost.

16.2 Repair costs due to participating State institution's negligence will be for the participating State institution's account.

16.3 Supplier(s) must submit service certificates and test sheets of all awarded items for every maintenance activity conducted as per OEM recommended intervals, commencing from the warranty period.

16.4 It is required that the Supplier(s) must keep records of locations where Medical Equipment have been installed. These records must be accessible to participating State institution.

16.5 Throughout the warranty periods and the maintenance plans (where applicable), the Supplier(s) must ensure the Medical Equipment is functioning optimally.

16.6 During the warranty period, including maintenance plan (where applicable), maintenance must be carried out on intervals specified by the Medical Equipment OEM without being requested to do so by the participating State institution. The Supplier(s) must notify and make arrangements with the participating State institutions before scheduling the maintenance.

16.7 BEC reserves the right to conduct any due diligence on the maintenance of the Medical Equipment at any period prior or post award to verify if the Supplier(s) complies with the maintenance requirements.

16.8 Participating State institution must not procure maintenance for the five (5) years in advance and should procure annual maintenance.

**16.9 Twenty-four (24) Months Warranty**

- 16.9.1 The warranty must be specific for the appropriate Medical Equipment.
- 16.9.2 The warranty must cover all items against manufacturing defects, installation, commissioning, materials and workmanship. The Supplier(s) is responsible for manufacturing defects for the duration of the twenty-four (24) months warranty.
- 16.9.3 Should manufacturing defects be detected within a thirty (30) day period, the Supplier(s) shall replace the Medical Equipment with a new one.
- 16.9.4 Supplier(s) are obliged to refund or replace the failed, unsafe and defective Medical Equipment during the warranty period.
- 16.9.5 The warranty period of twenty-four (24) months will be effective from the date of commissioning.
- 16.9.6 The warranty must include Comprehensive Maintenance (Preventative & Corrective) plan.
- 16.9.7 In a case where Medical Equipment (life support or critical equipment) is removed from a participating State institution for repairs, a loan unit must be provided of the same technical specification or better.

16.10 Five (5) year Comprehensive Maintenance Plan

- 16.10.1 After the warranty has expired, a five (5) year Comprehensive Maintenance Plan shall commence immediately. **Where a participating State institution(s) choose not to part-take in the Comprehensive Maintenance Plan, the repair and maintenance of Medical Equipment must still be conducted by an OEM authorized Supplier.**
- 16.10.2 All spares, calibration, maintenance as per OEM technical specification requirements for maintenance activities should be included in the Comprehensive Maintenance Plan.
- 16.10.3 The price offered for Maintenance Plan will be **evaluated** with the Medical Equipment price and its accessories and consumables.
- 16.10.4 **Participating State institution not procuring the Maintenance Plan**
 - 16.10.4.1 The Supplier(s) to provide the labour hourly rate for maintenance of Medical Equipment, for cases where the institutions do not partake in the five (5) year Comprehensive Maintenance Plan.
 - 16.10.4.2 The price offered for labour hourly rate will be evaluated with the Medical Equipment price.
 - 16.10.4.3 Supplier(s) must not charge for any travelling, accommodation, and any equipment assessment as this is a National Transversal Contract.

17. CATALOGUE

- 17.1 Successful Supplier(s) will be required to compile a catalogue for RT2-2021 awarded items which will be published for participating State institution within thirty (30) days, with item numbers, item description, item images, model number, brand name, unit prices and post warranty maintenance prices for each year for five (5) years. The catalogue must reflect the contents of the contract circular.
- 17.2 Successful Supplier(s) will also be required to send item images and other awarded item information together with the acceptance letter.

**18. TRAINING AND COMMISSIONING OF MEDICAL EQUIPMENT**

- 18.1 Initial participating State institution's training on minimum of two (2) shifts must be provided by the successful Supplier(s) as part of commissioning at no extra cost to the final bid price. Supplier(s) must detail the training that would be offered and indicate who would offer the training.
- 18.2 The training must be conducted for all clinical staff members as per the participating State institution's requirements.
- 18.3 The technical training must be conducted by an individual who is accredited by the OEM as a trainer. The Supplier(s) must provide a test with results for the technical training to ensure competency of the participating State institution's personnel.
- 18.4 On-going training of participating State institution will be required for the duration of the warranty of the Medical Equipment and thereafter as and when a need arise.
- 18.5 An **acceptance certificate** including complete set of commissioning forms (e.g. warranty certificate, quality checks etc.) will be given to the participating State institution after the final acceptance of the Medical Equipment. **User Care: Information to be provided by OEM/Supplier(s), e.g. cleaning, disinfection/ sterilization method (for reusable Medical Equipment and accessories).**
- 18.6 The Supplier(s) is required to deliver the starter pack with the Medical Equipment ordered as listed in the detail technical specification upon installation & commissioning.
- 18.7 Failure to deliver all items ordered i.e. starter pack and/or additional accessories, will result in payment to the Supplier(s) not being processed.

19. SUPPORT

- 19.1 Item information documents (e.g. catalogues, operating manuals, instruction leaflets, etc.), in the English language, must be provided with the items.

20. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT

- 20.1 The Master Transversal Agreement (MTA) between National Treasury and the awarded Supplier(s) collectively referred to as the Parties shall come into effect after the awarded Supplier(s) has been issued with an unconditional letter of acceptance to their bids.
- 20.2 It is a requirement that the awarded Supplier(s) and the participating State institution(s) sign a Participation Agreement (PA) within thirty (30) days upon receipt of first purchasing order.
- 20.3 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 RT2-2021 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT2-2021 transversal contract.

20.4 The following will form part of the Master Transversal Agreement documents between the Parties in as far this RT2-2021 is concerned:

- 20.4.1 Bid Documents;
- 20.4.2 Letter of Appointment;
- 20.4.3 Award Documents;
- 20.4.4 Master Transversal Agreement; and
- 20.4.5 Participation Agreement.

20.5 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 service delivery:

- 20.5.1 Participation Agreement;
- 20.5.2 Master Transversal Agreement; and
- 20.5.3 Bid documents.

- 20.6 In relation to all other matters;
- 20.6.1 Master Transversal Agreement;
- 20.6.2 Participation Agreement; and
- 20.6.3 Bid documents.

21. PARTICIPATING STATE INSTITUTIONS

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

- National Departments
 - ✓ National Department of Health
 - ✓ Department of Correctional Service
 - ✓ Department of Defence
- Provincial Departments
 - ✓ Provincial Departments of Health: Western Cape, Eastern Cape, Free State, Limpopo, Mpumalanga, Northern Cape, North West, Kwa-Zulu Natal, Gauteng.

22. POST AWARD PARTICIPATION

22.1 In terms of Treasury Regulations 16.A6.5 the accounting officer or accounting authority may opt to participate in transversal 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 item or service during the tenure of the transversal term contract.

22.2 The participation 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 NT, subject to an electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.



- 22.3 Supplier(s) will be notified of new participating State institutions and the list of participating State institutions will be published on the website together with any model changes, price adjustments and any other transversal contract information for the benefit of Supplier(s) and participating State institutions.

23. CONTRACT PRICE ADJUSTMENT

- 23.1 Contract Price Adjustments (CPA) based on Rate of Exchange (RoE) fluctuations will be calculated by National Treasury annually (every 12 months) from the end of the first twelve (12) months of the transversal contract. CPA will only be applicable to any new/additional Medical Equipment, consumables, accessories and parts procured from the transversal contract after the contract price adjustment has been implemented. The Supplier(s) will be notified by National Treasury of the adjusted prices indicating the applied RoE.
- 23.2 Since the annual contract price adjustments are based on exchange rate fluctuations, this could result in either an increase or decrease in price.
- 23.3 RoE-based contract price adjustments will therefore apply to the imported component of all new purchases and all on-going costs such as consumables, accessories and parts. The local component, as well as other prices with labour and transport components will be adjusted based on Consumer Price Index (CPI).
- 23.4 Contract price adjustments will be based on the RoE and CPI on the month immediately preceding the new adjustments period.
- 23.5 National Treasury will publish the calculated contract price adjustments on its website for participating State institutions and Suppliers to use. Suppliers will not need to submit any request for contract price adjustments.
- 23.6 **Cost components and proportions**
- 23.6.1 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.
- 23.6.2 Suppliers 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. Suppliers will not be allowed to change the cost breakdown of bid prices during the tenure of the transversal contract.

**Table 9: Contract Price Adjustment Cost Components**

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

23.7 Applicable indices / references

23.7.1 Base Index Date

The base index date applicable to the formula is defined as the date at which the contract price adjustment starts. In this bid the base index date is **March 2020**.

23.7.2 Price adjustments relating to foreign exchange will be based on the percentage change between the relevant base rate of exchange (RoE) and an annual average ROE adjustment. Rates are sourced from the Reserve Bank (www.resbank.co.za).

23.7.3 Base RoE for this bid will be as follows, per currency:

Table 10 : Base ROE at Bid Advertising

Currency	Spot Rates of Exchange at 6 March 2020
US Dollar	15.5874
British Pound	20.2239
Euro	17.5577

23.7.4 Should a bidder make use of any currency not mentioned above, the bidder must stipulate the currency they have used RoE on the 6th March 2020 using the South African Reserve Bank published rates for that specific currency.

23.7.5 Price Adjustment Periods

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

Table 11: Contract Price Adjustment Period (an amendment 2 will be published for revised dates)

Adjustment	Average exchange rates for the period	CPA application to reach National Treasury at the following dates	Dates from which adjusted prices will become effective
1 st Adjustment	1 July 2020 to 30 June 2021	20 June 2021	1 July 2021
2 nd Adjustment	1 July 2021 to 30 June 2022	20 June 2022	1 July 2022



24. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

24.1 Contract Administration

- 24.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to transversal.contracting2@treasury.gov.za.
- 24.1.2 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.

24.2 Contract Performance Management

- 24.2.1 Contract performance management will be the responsibility of participating State institutions and where Supplier performance disputes cannot be resolved between the Supplier and the relevant participating State institutions, National Treasury: Transversal Contracting must be informed for corrective action.
- 24.2.2 The details of how participating State institutions should do contract performance management will be provided post award.
- 24.2.3 Participating State institutions are required to report to National Treasury on quarterly purchase orders including values of the purchase orders and any matters relating to the procurement to ascertain if the transversal contract fulfils the participating State institutions requirements.

24.3 Procurement Guideline

- 24.3.1 The procurement guideline will also guide on the operational functioning of the Suppliers to ensure the successful Suppliers obtain an equal opportunity for procurement by the participating State institutions.

24.4 Post Award Monitoring and Reporting

- 24.4.1 Monitoring audits may be conducted periodically and randomly by the National Treasury and or by National Department of Health or by a service provider appointed by National Health to determine continuous compliance to the item and services renders.
- 24.4.2 The state may conduct random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).
- 24.4.3 National Treasury will conduct meetings with the participating State institutions and Suppliers to discuss transversal contracting issues.
- 24.4.4 Reporting and Supplier(s) meetings will be on a quarterly basis and will be scheduled post award.
- 24.4.5 All successful Suppliers are required to submit historical value and volume reports via e-mail on a quarterly basis to: transversal.contracting2@treasury.gov.za
- 24.4.6 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

End