



Special Requirements and Conditions of Contract

RT5-2011CP

**RENDERING OF A CONTINUOUS PARCEL COURIER AND FREIGHT SERVICES TO
THE STATE**

PERIOD 1 MARCH 2011 TO 28 FEBRUARY 2013

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1. SPECIAL CONDITIONS OF CONTRACT

This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Chapter 16A of the Treasury Regulations published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

2. EVALUATION CRITERIA

a. In terms of regulation 4 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 in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 90 points)
- Historically disadvantaged individuals as well as specific goals (maximum 10 points)

b. 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 price of bid under consideration

P_t = Rand value of bid under consideration

P_{\min} = Rand value of lowest acceptable bid

c. A maximum of 10 points will be awarded to a bidder for being a historically disadvantaged individual and/or subcontracting with a historically disadvantaged individual and/or achieving any of the specified goals stipulated in regulation 17 of the Preferential Procurement regulations.

d. The State reserves the right to arrange contracts with more than one contractor.

e. It is the Government's intention to promote the following goals with this bid, and the points to be allocated are indicated against each goal:

2.1 Points

GOALS	POINTS
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections prior to the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993), ("the Interim Constitution") and/or	6
who is a female	2

Preference points for the promotion of small businesses	2
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- a. The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- b. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- c. Bidders are requested to complete the various preference claim forms in order to claim preference points.
- d. Only a bidder who has completed and signed the declaration part of the preference claim form will be considered for preference points.
- e. Contract Management may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference points claimed.
- f. Points scored will be rounded off to the nearest 2 decimals.
- g. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

3. PARTICIPATING DEPARTMENTS

The following National and Provincial Government Departments will participate in the contract;

National Departments:

Department of Health

Statistics South Africa

Department of Home Affairs

Department of Education (DOE)

Department of Arts and Culture

Department of Justice and Constitutional Development

Department of Water Affairs

Department of Agriculture, Forestry and Fisheries

Department of Environmental Affairs

Department of Correctional Services

Department of Human Settlement

Department of Transport

Department of Communications

Department of Rural Development and Land Reform

Department of Public Service and Administration

Department of International Relations and Cooperation

Department of Trade and Industry

National Treasury

Department of Mineral Resources

Department of Energy

Provincial Governments:

Western Cape - Community Safety

Kwa-zulu Natal - Office of the premier

Kwa-zulu Natal - Provincial Treasury

Other Entities:

South African Revenue Services

South African Local Government Association

Agricultural Research Council

Public Protector

National Youth Development Agency

South African Weather Services

International Trade Administration Commission

South African Social Security Agency (SASSA)

3.1 POST AWARD PARTICIPATION

Constitutional institutions as per Schedule 1 of the PFMA, national and provincial public entities as per Schedule 3A and 3C of PFMA and Local Authorities e.g. municipalities are permitted to participate in this contract (2010/2012), only once formal requests have been submitted to, and formal approval has been obtained from Contract Management, National Treasury. Prior to placement of any orders, institutions will be required to obtain a written confirmation from the relevant suppliers indicating their willingness to supply in terms of the contract.

4. CONTRACT PERIOD

The contract period shall be for a period of 24 months commencing 1 March 2011 to 28 February 2013

5. RESPONSE FIELDS

5.1 Bid Completion

- a. It is a condition of bid that all routes per item must be completed; bidder(s) can opt to bid provincially or inter-provincially as per bid document.
- b. The under mentioned formula should be applied where there is volumetric mass in concern: i.e.

$$\left(\frac{\text{length cm} \times \text{width cm} \times \text{height cm}}{5000} \right)$$

e.g. $= \frac{17.1 \times 17.1 \times 17.1}{5000} = 1 \text{Volume kg}$

- c. To ensure that a bid will be regarded as responsive it is imperative to comply with all conditions pertaining to this bid and to complete all the mandatory response fields and item questionnaires for the individual items the bidder wishes to bid for. In this regard, bidder's attention is drawn to the response field and price structure explanations and examples supplied in the bid document.
- d. Non-compliance with this condition will invalidate the bid for such services offered.

5.2 Pricing

- a. Prices must be quoted per two kilogram (2kg) units as per the pricing schedule. For each additional kilogram required, user departments will only be charged at fifty percent (50%)

of the original bid price (2kg). Failure to comply with this condition will invalidate such bid. Please find illustration table below:

Bid Price per 2Kg	Additional 1Kg at 50% of bid price
R20.00	R10.00

- b. Bidders must submit one final delivered price inclusive of all costs such as transport, labour, packaging and insurance cost. Failure to submit one final delivered price will invalidate the bid.

NB: Bidders are specifically cautioned not to quote insurance costs separate from the final delivered price because it will result in the invalidation of their bids.

5.3 Submission format of bids

- a. Bidders are encouraged to submit bids electronically (Price Schedule).
- b. Structure of bid document

Section 1	Standard Bidding documents
Section 2	Pricing Schedule
Section 3	Company Profile
Section 4	Share Certificate and memorandum of agreement
Section 5	The certified copy of the certificate/licence in terms of the Postal Services Act of 1998, No.124 (Refer par 7.1 (a))
Section 6	Letter from the company (ies)/ supplier(s) confirming firm supply arrangements.
Section 7	List of distribution facilities (Contact details included)

6. VALUE ADDED TAX

All bid prices must be inclusive of 14% Value-Added Tax.

7. DOCUMENTATION OF UNDERTAKING AND LEGISLATIVE REQUIREMENTS

- a. It is the condition of this bid that bidders must be registered in terms of Postal Services Act of 1998, No.124, with the Postal Regulator. The certified copy of certificate/license thereof must be handed with the bid document at the closing date and time of bid.

- b. In the event that the bidder will be sourcing network from another company, a letter from the company (ies)/ supplier(s) confirming firm supply arrangement(s) in this regard, has to accompany the bid at the closing date and time of bid. The attached form 28 must be used as a guide for this purpose.
- c. Non-compliance with the above mentioned special conditions will automatically invalidate the bid for such products offered.

Geographical Location of Branches

The bidder shall provide the number and location of their distribution facilities, and they should indicate how they would effectively meet the geographic presence requirements in a timely manner, in terms of the bid conditions.

8. PRICE QUALIFICATION AND CONTRACT PRICE ADJUSTMENT PROCEDURE

Prices submitted for this bid will be regarded as non-firm and subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time:

8.1 Price adjustments

- a. Applications for the adjustments must be accompanied by documentary evidence in support of any adjustment.
- b. The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

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

R1o –Rno	=	Base Index. Index figure at the time of bidding.
Vpt	=	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment.

8.2 Formula component definitions

8.2.1 Escalatable amount

The escalatable amount is the portion of the bid price which is subject to adjustment. In this bid the escalatable amount is 85% of the original bid price. For example, if the bid price is R1000 (including VAT), then only R850 (incl. VAT) will be subject to adjustment.

8.2.2 Fixed portion

The fixed portion represents those costs which will not change over the adjustment period and DOES NOT represent the profit margin. In this bid the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract period.

8.2.3 Cost components and proportions

The cost components of the contract price usually constitute the cost of materials / service (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components. In this bid the following cost components will be used to calculate contract price adjustments.

Bidders are requested to submit the cost breakdown of the bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document.

Cost Component	% Contribution	Bid Price Breakdown
D1- Labour		
D2 – Transport		
D3 – Insurance		
D4 – Other		
TOTAL	100 %	R_____,__

8.2.4 Applicable indices / references

The applicable index refers to the relevant market index, which is a true reflection of price movement(s) in the cost over time. In this bid the following indices or reference will be applicable:

Components	Publication	Reference
D1 – Labour	Stats SA PO141 (CPI) Table E OR Labour agreements	CPI all items OR Labour agreements to be provided
D2 – Transport	Stats SA PO141(CPI) Table E	Transport
D3 – Insurance	Stats SA PO141(CPI) Table E	Miscellaneous goods and services - Insurance
D4 – Other	Specify	Documentary evidence to accompany claim
TOTAL		

¹ In the absence of a labour agreement, the labour cost component will be adjusted with CPI inflation.

8.2.5 Base Index Date

The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is October 2010.

8.2.6 End Index Date

The end index dates are the dates at predetermined points in time during the contract period. In this bid the end indices are defined in the next paragraph (Par. 8.2.7 – Price Adjustment Periods).

In the absence of a labour agreement, the labour cost component will be adjusted with CPI inflation.

8.2.7 Price Adjustment Periods

Adjustment to contract prices may be applied for at the following dates:

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates <i>from</i> which adjusted prices will become effective	Dates <i>until</i> which adjusted prices will be effective
1 st Adjustment	01 Jun 2011	April 2011	01 July 2011	31 Dec 2011
2 nd Adjustment	01 Dec 2011	Oct 2011	01 Jan 2012	30 June 2012
3 rd Adjustment	01 June 2012	April 2012	01 July 2012	31 Dec 2012

9. CONTRACT ADMINISTRATION

- a. Successful bidders must advise the Chief Directorate: Contract Management, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.
- b. The facilitation and administration of the contract i.e. evaluation, award, distribution of contract circular, etc. will be the sole responsibility of Contract Management, National Treasury and all correspondence in this regard must be directed to the following address:

The Chief Directorate: Contract Management

National Treasury

Private Bag X115

Pretoria

0001
- c. Orders will be placed by participating departments who will be responsible for the payment to contractors for goods delivered and/or services rendered.

10. REPORTING

10.1 Performance Measures

The following performance measures are required to be electronically supplied on a 6 monthly basis to the National Treasury: Contract Management. Electronic templates will be supplied to the end-users and successful bidders for use.

10.1.1 Supplier Measures Completed by End-Users

The following measures will be applicable to suppliers:

- a. On-time delivery of service
- b. Call-out response time

10.2 Historical Volume and Value Reporting

It is requested that successful bidders shall electronically submit historical volume and value reports on a 6 monthly basis.

11. SERVICE/PRODUCT COMPLIANCE

- a. Services will be requested at short notice from time to time, as and when required, during the contract period.
- b. Should parcels need to be delivered at destinations other than the destinations mentioned on the pricing schedules, Departments would use the service provider who is awarded the contract for the main routes of the item.
- c. Successful bidders are therefore requested to furnish their appointed branch offices/agents in each region with full particulars of the contracts awarded. Each branch office/agent must be informed of the full bid details (Pricing changes, special conditions, etc.) of the relevant items for the duration of this contract.
- d. This contract does not include courier services for human/animal body parts.

11.1 End-user Requirements

This service entails the courier services of parcels that weigh more than 1kg and less than a ton from and to any destination within the Republic of South Africa. End user requirements include the collection, packaging and delivery of the consignment or parcel by service provider on behalf of the Departments.

11.2 Frequency:

- a. Same Day Service

Same day service means that the service must be rendered the same day between 08:00 and 16:00 hours.

b. **Overnight Service**

Overnight service means that the service must be rendered between 16:00 and 08:00 hours on weekdays.

c. **Economy Service**

Service is designed for non-urgent, heavier shipments. Delivery time is between 24 and 72 hours

d. **Weekends and Public Holidays**

The service must be rendered during Saturdays, Sundays and Public Holidays between 08:00 and 16:00 hours.

11.3 Quality Assurance

11.3.1 Envelopes

- i. Any envelope to be delivered that weighs above 1kg.
- ii. Envelopes must be labelled.

11.3.2 Documents

- i. Any document that contains information of whatever nature must weigh above 1kg.
- ii. Any documents collected from the various centres and delivered to the Department have to be labelled and must weigh above 1kg.

11.4 Parcels

- i. Any parcel to be delivered in a box or similar container must weigh above 1kg less than a ton.
- ii. All parcels must be wrapped by the contractor and made up on the premises of the participating Department or on the premises from which the Department wishes them to be transported. A parcel must be collected immediately after the receipt of an official order.

11.4.1 Mass/Weight/Length

Where a User Department is only able to provide the estimated weight and price of the parcel, the contractor must provide the Department with the exact weight and price within 7 days after the parcel has been collected from the relevant premises.

The following should appear on the contractor's feedback:

The price

The weight
The destination
The Client Department
P.O.D (proof of delivery)

12. DELIVERY

- a. The transport of the parcels by the contractor shall be delivered by means of any transport, as dictated by the urgency and/or appropriateness of the service requested, unless the User Department specifies in what manner it is to be done.
- b. The official stamp or signature of the receiving Office shall appear on delivery notes as proof of delivery.
- c. Each delivery note shall be certified correct by an official (recipient) of the User Department by means of his signature, initials and surname printed in block letters, and persal number as well as the date. Signatures of sub-Contractors shall not be accepted as proof of delivery.
- d. The Contractor must be prepared to service the User Department for, 24 hours to 72 hours and seven days a week, as required by the User Department, to package (when needed) items that have to be transported, and deliver the parcels to premises as indicated by the User Department.

12.1 Delivery Adherence

- a. Firm delivery periods must be quoted for the duration of the contract period.
- b. Delivery of products must be made in accordance with the instructions appearing on the official order forms.
- c. All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been effected.
- d. In respect of items awarded to them, contractors must adhere strictly to the delivery periods stipulated in the contract or official order.
- e. The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to.
- f. All invoices should be delivered/posted to reach the institution that placed the order timeously. The invoices should be original and accompanied by an proof of delivery.
- g. Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.

12.2 Ordering and Delivery Procedure

12.2.1 Ordering

a. Before the contractor may transport any parcels the contractor must be supplied with an official order form issued by the relevant User Department. The following information must be contained in the order form:

- Nature and contents of parcel.
- Weight of parcel.
- Price at which the service shall be rendered.
- Complete address to which parcel must be sent, as well as that of the sender (User Department).
- Day, month and time by which the parcel must be delivered.

12.3 Responsibility for loss or damage:

a. The contractor is liable for any loss or damage, whether negligent or intentional, to the parcels once they are removed from the users' premises until they are delivered to their destination.

12.4 Payment of Supplies and Services

12.4.1 Payment to the Contractor by the User Departments will take place once an invoice is received from the Contractor. The invoice must always contain the following information:

- i. Price per specific route (i.e. price for the applicable type of service rendered)
- ii. Actual weight or volumetric weight of parcel
- iii. Complete breakdown of costs including insurance only if the User Department requested it.
- iv. Total cost as owed by the User Department.
- v. Less % discount per consignment (if any)
- vi. The order number of the relevant User Department.
- vii. The name of the official employed by the User Department who requested the service.
- viii. Evidence of the completed delivery must be attached.

12.4.2 Where the above-mentioned information does not appear on the invoice, payment cannot be made and the User Department reserves the right to return such an invoice to the Contractor without any payment.

13. TAX CLEARANCE CERTIFICATE

An original and valid Tax Clearance Certificate issued by the South African Revenue Services certifying that the taxes of the bidder are in order must be submitted at the closing date and time of bid. Failure to comply with this condition will invalidate the bid.

14. SECURITY AND CONFIDENTIALITY OF INFORMATION

14.1 It is the responsibility of the contractor to avail a positive clearance certificate issued by National Intelligence Agency (“NIA”) as and when required by the relevant accounting officer of the user department.

14.2 The contractor will regard all information which he/she obtains or is entrusted with concerning the participating department or its members whilst executing the contract, as confidential, secret or top secret.

14.3 The contractor, his/her employees, sub-contractor’s or agents may not make any such information obtained or entrusted with known to any other person or to the media.

14.4 The state may enforce section 23 (termination for default) of the General Condition of Contract in a case were the contractor fails to comply with the above conditions.

15. COUNTER CONDITIONS

Bidder’s attention is drawn to the fact that amendments to Special Conditions by bidders will result in invalidation of such bids.

16. FRONTING

The National Treasury 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 National Treasury condemn any form of fronting.

The National Treasury, 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 bid documents. 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 / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the National Treasury may have against the bidder / contractor concerned.

17. CONTACT PERSONS

Any enquiries with regard to the bid procedures, such may be directed to the Chief Director: Contract Management. The contact person is:

Name: Wendy Rakitla **E-Mail :**wendy.rakitla@treasury.gov.za

Tel: (012) 315 5006 **Fax:** (012) 315 5400

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