



Special Requirements and Conditions of Contract

BID NUMBER RT 58/2017

**APPOINTMENT OF A SERVICE PROVIDER FOR INSURANCE AND ADMINISTRATION OF
THE SUBSIDIZED MOTOR TRANSPORT OF THE STATE FOR THE PERIOD 1 APRIL 2017
TO 31 MARCH 2022**

**VALIDITY PERIOD: 120 Days
CLOSING DATE: 23 JANUARY 2017**

National Treasury

Transversal Contracting



**TABLE OF CONTENTS:
BID NUMBER RT 58/2017CV: SPECIAL EQUIREMENTS AND CONDITIONS**

1.	DEFINITIONS AND INTERPRETATION	5
	SECTION A	7
1.	LEGISLATIVE AND REGULATORY FRAMEWORK	7
2.	EVALUATION CRITERIA	7
3.	BID EVALUATION PROCESS.....	9
4.1	Format and Submission of Bids.....	9
4.2	SUPPORT ON ELECTRONIC SUBMISSION OF BIDS AND TECHNICAL ASSISTANCE.....	10
5	RESPONSE FIELDS.....	10
6	BID BRIEFING SESSION	
7	PARTICIPANTS TO THE CONTRACT	11
8	CONTRACT PERIOD.....	11
9	VALUE ADDED TAX.....	11
10	TAX CLEARANCE CERTIFICATE.....	11
11	LEGISLATIVE REQUIREMENTS/AUTHORISATION DECLARATION	12
12	LEGISLATIVE REQUIREMENTS/AUTHORISATION DECLARATION.....	12
13	SUPPLIER DUE DILIGENCE	13
14	CONTRACT ADMINISTRATION	13
15	COUNTER CONDITIONS.....	13
16	FRONTING.....	14
17	PRICING STRUCTURE	15
18	AWARD CONDITIONS	15
19	PRICE NEGOTIATIONS	15
20	PRICE ADJUSTMENTS	15
20.1	Formula Component Definitions.....	16
21	GENERAL	18
22	RELEVANT STATISTICS AND ESTIMATED QUANTITIES	18
23	BACKGROUND.....	19
23.1	Insurance background	19
23.2	Related Contracts	19
23.3	Subsidised Vehicle Procurement Processes.....	20
24	MANDATORY REQUIREMENTS: CAPACITY TO IMPLEMENT AND SUMMARY OF SPECIAL CONDITION.....	23
25	COPYRIGHT AND OWNERSHIP OF DOCUMENTS	24
26	SECURITY AND CONFIDENTIALITY OF DATA	24
27	OWNERSHIP OF DATA.....	24
28	SYSTEMS ENHANCEMENT.....	25
29	IMPLEMENTATION	25
30	CONTRACTING PARTIES.....	25
31	CHANNELS OF COMMUNICATION	26
32	INSPECTION AND AUDIT	26



33	INSURANCE AND INDEMNITY	27
34	TRAINING	27
35	CONSULTANCY FUNCTION	28
36	RISK MANAGEMENT	28
37	EQUIPMENT AND MATERIALS	29
38	USER SATISFACTION SURVEY	30
39	FINANCIAL CONSIDERATIONS	31
40	INSURANCE COVER AND STRUCTURE	31
41	Re-insurance cover	31
41.1	Single event catastrophe cover	31
41.2	Own damage self-retention protection	32
41.3	Third party liability	32
42	STANDARD INDUSTRY COST	32
42.1	Insurers or underwriters fees	32
42.2	SASRIA Cover	32
43	INSURANCE COVER AND INCLUSIONS	33
44	ADDITIONAL PROVISIONS	35
44.1	Car rental	35
45	INSURANCE EXCLUSIONS	36
46	PREMIUM DETERMINATION, COLLECTION AND REFUNDS	37
46.1	Premium determination	37
46.2	Collection of premiums	37
46.3	Refunds	38
47	CUSTOMER SUPPORT SERVICES	39
47.1	Call Centre	39
47.2	End user communication requirements	40
47.3	Provincial offices	41
48	TYPES OF REPORTS / INFORMATION	41
49	DISPUTE RESOLUTION PROCESS	45
50	NON STANDARD INSURANCE REQUIREMENTS	46
51	ACCIDENT REPAIR AND RELATED PROCESSES	47
51.1	Authorisation procedures	47
51.2	Control over merchants that repair vehicles	48
51.3	Parts to be used for the repair of vehicles	49
51.4	Payment of merchants that repair vehicles	50
52	RECOVERIES	50
53	SALVAGE MANAGEMENT	51
54	TOW-IN SERVICES, ROAD SIDE ASSISTANCE AND STORAGE FEES	52
55	CHANGE CONTROL	53
56	CONTRACT CONCLUSION AND FUND SURPLUSES	54



57 **POST AWARD REPORTING** 55

58 **CONTACT DETAILS**..... 55



1. DEFINITIONS AND INTERPRETATION

In this bid document, the following words or expressions shall have the meanings hereby assigned to them, except where the context otherwise requires.

- **Accounting Officer** – bears the same meaning as defined in the PFMA/MFMA
- **BAC** – Bid Adjudication Committee
- **BEC** – Bid Evaluation Committee
- **Consortium / Joint Venture** – an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- **Contract-** the agreement that results from the acceptance of a bid by any organ of State.
- **Contractor / Service Provider** – the successful bidder who is awarded the contract to administer the insurance for the Ministerial and Subsidized vehicle fleet of the State as specified in the special conditions.
- **Driver** – an official / employee that has qualified for and partakes in the Subsidized Motor Transport Scheme and is in possession of a valid unendorsed driver's licence which enables them to drive a specific category of vehicle.
- **Fleet Responsibility Manager / Fleet Manager** – an official designated by the Accounting Officer or Chief Financial Officer to assume accountability for the subsidized vehicle fleet of the respective department.
- **GAAP** – Generally Acceptable Accounting Practices



- **Government Payroll Systems-** The Persol and Persal systems, SAP Payroll Systems or the system of preference as used by the majority of government end user departments as identified in the special conditions of the contract.
- **Maintenance** - It is all work undertaken in terms of a vehicle that is included in the normal service plan of the vehicle and as set out in the manufacturers manual/ owner manual or vehicle service handbook or any other repairs as required due to normal wear and tear.
- **Merchant / Supplier** – any legal entity which contracts with the Contractor to provide goods or services to the State.
- **Service Plan** – a service that is procured during the purchasing of the vehicle, where the service plan is included in the RT57 price and will cover all cost in terms of normal services as set out in the vehicle’s owner manual or handbook up until a specified kilometres or time period.
- **SMS** – Short Message Service or also referred to as text messaging
- **Spares** – any parts fitted to a vehicle ensuring that the vehicle is fully operational and functional and from time to time requires replacement due to the damage incurred during an accident or incident.
- **Subsidized vehicle** – A vehicle procured from the RT57 vehicle procurement contract, financed by the service provider as appointed under contract RT68 and maintained through contract RT62.
- **The State** – for the purpose of this contract it refers to National and Provincial spheres of government who participate in this contract and that makes use of the government payroll systems Persal and Persol.
- **Transport Officer / Controller / Control Officer** – an officer appointed by the Accounting Officer in writing to, inter alia, administer the department’s State vehicles either at a sub-office within a region, within a region or within a department.
- **Subsidized Vehicle Owner-** a government employee who was allocated a vehicle in terms of Scheme A of the Subsidized Motor Transport Scheme.



SECTION A

1. LEGISLATIVE AND REGULATORY FRAMEWORK

1.1 This bid and all contracts emanating there from will be subject to the 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), Preferential Procurement Policy Framework Act and its Regulations. 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

2.1 In terms of regulation 6 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)
- B-BBEE status level of contributor (maximum 10 points)

2.2 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

2.3 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:



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

- 2.4 Bidders are required to complete the preference claim form (SBD 6.1) and submit their original and B-BBEE status level verification certificate or a certified copy thereof at the closing date and time of the bid in order to claim the B-BBEE status level point.
- 2.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 2.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a valid B-BBEE status level certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act no. 69 of 1984)) or an accredited verification agency will be considered for preference points.
- 2.7 Failure on the part of the bidder to comply with paragraphs 2.4 and 2.6 above will be deemed as unclaimed preference points for B-BBEE status level of contribution and will therefore be allocated a zero (0).
- 2.8 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- 2.9 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 preference points for B-BBEE.
- 2.10 A contract may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points.



3. BID EVALUATION PROCESS

This tender is over 10 million rand, therefore the 90/10 preference point system will apply and will be broken down as follows:

Phase I	Phase II	Phase III	Phase IV
Mandatory and other bid requirements	Price and B-BBEE	Supplier Due Diligence	Recommendation and Appointment
Compliance with mandatory and other bid requirements	Bids evaluated in terms of the 90/10 preference system	Supplier Due diligence will be conducted prior to the final recommendation	Recommendation and award

4.1 Format and Submission of Bids

- 4.1 Bidders must bid electronically via the electronic response system indicated below.
- 4.2 Electronic bids must be submitted on or before the closing date and time of bid on National Treasury's Transversal contracting supplier portal accessed on the following link: <https://eprocurement.csd.gov.za/>.
- 4.3 Besides responding electronically through the electronic response system, the bidder must still submit a hard copy of the bid document on or before the closing date and to **National Treasury: Tender Information Centre**. In the event that a hard copy of the bid document is not received on or before the closing date and time, the bid will be invalidated.
- 4.4 All electronic data submitted must be an exact copy of the hard copy document. Any discrepancies between the electronic data and the hard copy will invalidate the bid for the item in question.
- 4.5 After completing the pricing schedule electronically, the electronic version of the pricing schedule must be printed and submitted together with the remaining bid documents which will serve as the hard copy of the bid.
- 4.6 Bidders are required to inform National Treasury of any problems experienced regarding electronic submission prior to closing date and time of bid.
- 4.7 Each bid should be submitted in a separate, sealed envelope or suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly endorsed.
- 4.8 Bidders must initial each page of the bid document on the top right hand corner.



4.2 SUPPORT ON ELECTRONIC SUBMISSION OF BIDS AND TECHNICAL ASSISTANCE

- 4.1 Training sessions are provided every **Monday from 14h00 to 16h00 at National Treasury, 240 Madiba Street, Pretoria.**
- 4.2 Bidders must send an e-mail to **babara.sanders@treasury.gov.za** to book their seats and confirm availability.
- 4.3 A manual with detailed instructions to complete a bid can be downloaded from the link: **https://eprocurement.csd.gov.za/PROD/ISS_NT/portaldefault.aspx** and you must go to follow the “How to complete bids” section.
- 4.4 The process to register on the electronic platform is reflected in Electronic Tender Supplier Activation Process.
- 4.5 For further technical assistance the bidders can direct their inquiries to **gcommerce@treasury.gov.za**.

5 RESPONSE FIELDS

- 5.1 Bidders are required to submit responsive bids by completing all the prices, mandatory response fields and item questionnaires on the provided pricing schedule for the individual items. In this regard bidder’s attention is drawn to the response field and price structure explanations and examples supplied in the bid document (TCBD 6 – Response Field Explanations).
- 5.2 Non-compliance with this condition will invalidate the bid for the item (s) concerned.

6 BID BRIEFING SESSION

- 6.1 A non-compulsory information session will be held as follows:

Venue : National Treasury, 240 Madiba Street, Pretoria.

Date : 16 January 2017

Time : 10H00

Venue : Room 0901, 9th flr



6.2 This session will provide bidders with an opportunity to obtain clarity on certain aspects of the process as set out in this document and to address any substantial issues they might have.

7 PARTICIPANTS TO THE CONTRACT

- 7.1 The contract will be applicable to National Department of Transport, National and Provincial Government Departments partaking in the subsidized scheme.
- 7.2 The system requirements of the contract require that the participants to the contract make use of the government payroll systems as per the definition.
- 7.3 Constitutional institutions as per Schedule 1 of the PFMA, national and provincial public entities as per Schedule 3A and 3C of the PFMA and Local Authorities e.g. municipalities that makes use of the government payroll systems as per the definition are permitted to participate in this contract (2017/2022), only once formal requests have been submitted to, and formal approval has been obtained from Transversal Contracting, National Treasury.

8 CONTRACT PERIOD

8.1 The contract will be for a period of (5) five years, from 1 April 2017 to 31 March 2022.

9 VALUE ADDED TAX

- 9.1 All bid prices must be inclusive of 14% Value-Added Tax.
- 9.2 Failure to comply with 9.1 will invalidate the bid.

10 TAX CLEARANCE CERTIFICATE

- 10.1 Bidders MUST ensure that they have registered on the CSD portal as the tax matters will be verified on CSD portal as a mandatory requirement.
- 10.2 The tax information of the supplier will automatically be verified with SARS via the CSD system.
- 10.3 South African Revenue Service (SARS) will enable tax clearance verification of suppliers;



11 LEGISLATIVE REQUIREMENTS/AUTHORISATION DECLARATION

- a. All bidders need to comply with Section 7(1) of the Financial Advisory & Intermediary Services Act (Act 37 of 2002) and also Short-term Insurance Act (Act 53 of 1998).
- b. Bidders must submit valid licence [s] certificate [s] together with their bids before or on the closing date and time of the bid. Verification of documentation will be done through the FSB when necessary.
- c. Failure to submit the required licence[s] certificate[s] from Financial Services Board will disqualify the bid.
- d. Any bidder who is sourcing any goods or services from a third party must complete the "Authorisation Declaration" (TCBD 1) in full for all relevant goods or services, sign it and submit it together with the bid documents at the closing date and time of the bid.
- e. 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.
- f. 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.
- g. Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions will invalidate the bid for such services offered.

12 SERVICE REQUIREMENTS

- 12.1 The State requires a service provider for the insurance and administration on all Subsidized Vehicles under Scheme A of the Subsidized Motor Transport Scheme.
- 12.2 The service provider will be required to share information with other service providers for other subsidised vehicle contracts. The sharing will be done as agreed between the parties involved in coordination with the National Department of Transport.
- 12.3 The functions required from the Contractor in terms of this contract can be summarized into the following functions:



- a. All processes related to the collection of insurance premiums through the government payroll systems.
- b. The management of all insurance related claims processes
- c. The compilation and distribution of management reports
- d. Communication of the correct information to the various role players within the scheme including a SMS function to officials or any other electronic means of communication that may be required.

13 SUPPLIER DUE DILIGENCE

- 13.1 The State reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits. Prior arrangements will be made with the recommended supplier/suppliers.

14 CONTRACT ADMINISTRATION

- a. Successful bidders must advise the Chief Directorate: Transversal Contracting, National Treasury and the Department of Transport 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 administration and facilitation of the contract will be the responsibility of Transversal Contracting, National Treasury and all correspondence in this regard must be directed to the following address:

The Chief Directorate: Transversal Contracting
National Treasury, Private Bag X115, Pretoria, 0001
- c. The end user departments will place all orders and will be responsible for the payment to contractors for goods delivered and/or services rendered.

15 COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the Special Conditions by bidders may result in the invalidation of such bids.



16 FRONTING

16.1 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.

16.2 Examples of Fronting Practices

- a. **Window-dressing:** This includes cases in which black people are appointed or introduced to an enterprise on the basis of tokenism and may be:
 - Discouraged or inhibited from substantially participating in the core activities of an enterprise; and
 - Discouraged or inhibited from substantially participating in the stated areas and/or levels of their participation;
- b. **Benefit Diversion:** This includes initiatives implemented where the economic benefits received as a result of the B-BBEE Status of an enterprise do not flow to black people in the ratio as specified in the relevant legal documentation.
- c. **Opportunistic Intermediaries:** This includes enterprises that have concluded agreements with other enterprises with a view to leveraging the opportunistic intermediary's favorable B-BBEE status in circumstances where the agreement involves:
 - Significant limitations or restrictions upon the identity of the opportunistic intermediary's suppliers, service providers, clients or customers;
 - The maintenance of their business operations in a context reasonably considered improbable having regard to resources; and
 - Terms and conditions that are not negotiated at arms-length on a fair and reasonable basis.

16.3 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 PRICING STRUCTURE

17.1 All prices submitted in this bid must be inclusive of 14% Value Added Tax and in the prescribed format of the pricing schedule. The submission of any pricing not in accordance with the prescribed format will invalidate the bid.

17.2 The bidder is required to submit and all-inclusive administration fee for the execution of all services on the contract.

18 AWARD CONDITIONS

The State reserves the right to award contracts to more than one contractor for the same item.

19 PRICE NEGOTIATIONS

The State reserves the right to negotiate with the bidder prior to award or the contractor after the award.

20 PRICE ADJUSTMENTS

- a. Applications for price adjustments will as a rule not be considered and year one (1) to year five (5) prices will be required and are preferred.
- b. The following price adjustment formula will be applicable for calculating contract price adjustment (CPA) for the annual contract administration fee on review by the National Treasury.
- c. Any fee adjustments as being made under these specifications will only be applicable from the date that such an increase has been approved.



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

20.1 Formula Component Definitions

20.1.1 Adjustable amount

The adjustable 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 then only R850 will be subject to adjustment.

20.1.2 Fixed Portion

The fixed portion represents those costs, which will not change over the adjustment period, and DOES NOT represents 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.

20.1.3 Cost components and proportions

The cost components of the contract price usually constitute the cost of materials (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.

Cost Component	% Contribution
D1- CPI Financial services	100%
TOTAL (Cost components must add up to 100%)	

20.1.4 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:

Cost component	Index Publication	Index Reference
Financial Services	STATS SA Statistical release P0141 (CPI Publication)	Table E financial services

20.1.4 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 **September 2015**.

20.1.5 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. 18.1.7 – Price Adjustment Periods).

20.1.6 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 from which adjusted prices will become effective	Dates until which adjusted prices will be valid
1 st Adjustment	1 March 2018	31 February 2018	1 April 2018	31 March 2019



2 rd Adjustment	1 March 2019	31 February 2019	1 April 2019	31 March 2020
3 rd Adjustment	1 March 2020	31 February 2020	1 April 2020	31 March 2021
4 th Adjustment	1 March 2021	31 February 2021	1 April 2021	31 March 2022

21 GENERAL

- a. Unless prior approval has been obtained from Transversal Contracting, no adjustment in contract prices will be made.
- b. Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- c. CPI applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- d. In the event where the supplier's CPI application, based on the above formula and parameters, differs from Transversal Contracting's verification, Transversal Contracting will consult with the supplier to resolve the differences.
- e. Bidders are referred to paragraph 14 of the Special Conditions regarding counter offers.
- f. An electronic price adjustment calculator will be available on request from Transversal Contracting.

22 RELEVANT STATISTICS AND ESTIMATED QUANTITIES

Please note that these statistics must be utilised for the sole purpose of preparation for this bid and that it is only a guideline in terms of the volumes of this contract. The State does not guarantee that the number of vehicles in the fleet at the time of implementation will be the same as indicated in this document but it is merely an estimate to be used in the compilation of the bid.

The State does not and shall not guarantee the fleet size contracted by the State. The Contractor is required to obtain knowledge of the State's business principles and accordingly assist with the optimisation of its fleet.



The statistics provided to assist the bidders in the compilation of their bids are attached to this document as **Addendum A**.

23 BACKGROUND

23.1 Insurance background

Government is utilizing a Rent-a-Captive to insure their subsidized vehicle fleet.

The premiums are determined annually based on the actuarial analysis of the performance of the fund in the previous contract year (1 April to 31 March). This process is done in consultation with the National Department of Transport preceding the commencement of new contract year.

A number of risks are re-insured through the rent-a-captive or contingency policy as well as the payment of all annual fees such as SASRIA cover and the underwriter's fee.

Government requires cover that is similar to the current scheme. The actual requirements of the cover, the amounts thereof and the determination of the premiums are done in consultation with the contractor appointed in terms of contract RT58/2017.

The contractor appointed in term of Contract RT58/2017 will be required to provide the State with a Rent-A-Captive insurance solution for the subsidized vehicle fleet in the provinces as identified under **Addendum A: Statistics**.

23.2 Related Contracts

The effectiveness and efficiency of the Subsidized Motor Transport Scheme requires the service provider appointed in terms of RT58 for the Insurance of Subsidized Vehicles to work together in the sharing of information and the development of their own internal management systems. Government does not have its own system for the administration of the Subsidized Motor Transport Scheme but are reliant on the service providers appointed for the various related contracts. The various related service providers need to ensure the seamless flow of information between them and the relevant end users. Other contracts in terms of the Subsidized Vehicle Scheme are:



a. RT57 – Vehicle procurement contract

Vehicles are procured directly from the motor manufacturers and delivered to the dealership as identified in the application process. The contractor appointed in terms of contract RT58 for Insurance of Subsidized vehicles must establish relationships with the various suppliers in terms of the RT57 contract to ensure that all information in terms of the warranties of the vehicles and the other relevant information can be obtained. Contract RT57 is currently a bi-annual contract and provision will therefore need to be made to accommodate changes in models and the possible addition of new suppliers as and when the contract changes.

b. RT68 – Financing of Subsidised Vehicles

The contractor appointed for the Financing of Subsidized Vehicle manages the ordering process of the vehicles from the suppliers on contract RT57 after the application was received from the end user department. The information collected during the application process also forms the basis of the database to be used by the contractors appointed in terms of contracts RT62 for the Maintenance of the Subsidized Vehicles and contract RT58 for the Insurance of the Subsidized Vehicles. The insurer will need to confirm the insurance cover of a vehicle prior to the delivery of a vehicle to an official through an automated process as mutually agreed to with the Finance Service provider.

The contractor appointed for the Insurance contract (RT58/2012) will be required to set up a standard process with the Finance Service Provider (RT68/2012) for the settlement of accounts where a total loss occurs.

c. RT62 – Maintenance of Subsidised Vehicles

The contractor appointed on contract RT58 for the Insurance of Subsidized vehicles will be required to communicate with the Maintenance service provider as appointed in terms of contract RT62 related to repairs of vehicles as maintained by the RT62 Maintenance Service Provider as it may affect warranties of vehicles or future maintenance claims,

23.3 Subsidised Vehicle Procurement Processes

The processes have been implemented to manage the Subsidized Motor Transport Scheme. The contractor will need to fulfil its role in terms of these processes as well as introduce modifications and improvements on the current systems whilst at the same time ensuring that all control measures as implemented remains intact. The



typical life cycle of a vehicle ordered through the Subsidized Motor Transport Scheme can be summarized according to the following steps:

- Step 1.** The official applies within his/her department for a subsidized vehicle. This application is not vehicle specific but for a certain type of vehicle such as a sedan or a light delivery vehicle with a specific engine category (Approved Benchmark). The end user department will approve such an application based on the fact that the official adheres to the minimum requirements for the participation in the scheme as well as the most economical solution for the provision of appropriate transport as set out in Transport Circular 5 of 2003.
- Step 2.** After the department has approved the application for the subsidized vehicle, the application will be sent to the Finance Service Provider appointed in terms of contract RT68. The Finance Service Provider will do the credit and affordability checks as required by the National Credit Act.
- Step 3.** The Finance Service Provider, once the applications has been approved will send the application back to the end user department for verification of the vehicle make and model as ordered by the official.
- Step 4.** Upon verification the application will be send back to the Finance Service Provider that will place the vehicle order with the relevant supplier in terms of contract RT57 for the Procurement of vehicles.
- Step 5.** The supplier in terms of contract RT57 will deliver the vehicle to the identified dealership and invoice the Finance Service Provider accordingly.
- Step 6.** The official will do an inspection of the vehicle and sign the finance agreement with the finance service provider after a confirmation of insurance was received from the Insurance service provider appointed in terms of contract RT58.
- Step 7.** When the officials signs the finance agreement and take delivery of the vehicle, the following processes will commence:



- a. The Finance Service Provider is required to pay the vehicle supplier as per contract RT57.
- b. The Finance Service Provider needs to instate the monthly deductions from the official's salary for the payment of the capital of the vehicle.
- c. The vehicle is insured with immediate effect as per contract RT58.
- d. The collection of the insurance premiums is instated. All premiums are collected upfront for the full financial year.
- e. The Maintenance Service provider appointed in terms of this contract is responsible for any maintenance required on the vehicle.
- f. The Maintenance service provider needs to instate the deductions for the maintenance premiums through the government's payroll systems.
- g. The Maintenance service provider needs to process all fuel claims and log the payments thereof through the government's payroll systems.
- h. The Insurance service provider will be required to cover any damage to the vehicle and settle the Finance Service provider in case of total loss.

Step 8. Once the vehicle has reached the required kilometres (160 000km), or the required time period elapses as set out in the finance agreement (32/36/42/48/60 months) or for any other reasons such as the resignation from government by the official, the official passing away or the official being promoted the vehicle is withdrawn from the scheme.

Step 9. The Insurance service provider as appointed on contract RT58 will be required to make a pro-rata refund of the insurance premium to the end user department.

Step 10. Insurance cover for the vehicle needs to remain intact until the last calendar day of the month that the official's contract was terminated.

Apart from the above functions, the appointed service provider will need to assist government in the application and enforcement of the current Subsidized Motor Transport Policy. (Transport Circular 5 of 2003) that is subject to amendments by The National Department of Transport **(Addendum B)**.



24 MANDATORY REQUIREMENTS: CAPACITY TO IMPLEMENT AND SUMMARY OF SPECIAL CONDITIONS

- a. The bidder must ensure that he has the necessary human resources in terms of the number of staff employed to provide the services that the bid is submitted for and that the appointed staff will have the required levels of knowledge and skills to ensure that government's fleet is managed effectively and efficiently in terms of the services as set out in this document. The contractor will be required to submit a valid FSB certificate on an annual basis as part of the revision of the fund performance.
- b. Summary of Special Conditions

No	Description	Description
1	Special Conditions applicable to Underwriters	<ul style="list-style-type: none"> Underwriters to be in good standing with the short-term insurance ombudsman Underwriter to supply copy of their rating certificates
2	Special Conditions applicable to Brokers	<ul style="list-style-type: none"> Brokers must be registered with the FSB and be in good standing with the regulator FIA Affiliated Brokers will be advantaged
3	Requisite Bidder Experience	<ul style="list-style-type: none"> Underwriters/Brokers must have at least 5 years or more experience Underwriters/Brokers must have managed/administered (respectively) at least over R50 million premium Underwriters/Brokers must show evidence of at least 5000 clients on their books over a Three (3) year on year cycle period
4	Unfavourable record with the Short-term insurance Ombudsman	<ul style="list-style-type: none"> Bidders with a high number of Ombudsman findings against them may be disadvantaged
5	Customer Fulfilment Plan	<ul style="list-style-type: none"> The bidders must provide a plan to show how they will comply with Treating Customers Fairly Act (TCFAAct)
6	Customer Relationship Management System	<ul style="list-style-type: none"> Bidders must provide details of their CRM system. Failure to do so may disadvantage your bid.
7	Anti-Fraud/ Money laundering	<ul style="list-style-type: none"> Registration with the financial intelligence centre will be an advantage
8	Risk Management	<ul style="list-style-type: none"> Bidders must furnish comprehensive risk management plans
9	Enterprise and SMME Development	<ul style="list-style-type: none"> Bidders must provide evidence of enterprise development as a section of its own
10	Skills development	<ul style="list-style-type: none"> Bidders to furnish proof of skills development registration number
11	Employment Equity	<ul style="list-style-type: none"> Bidders to provide employment equity stats
12	Proof of national office footprint	<ul style="list-style-type: none"> Bidders to provide proof of existing office space with evidence of rates and services nationwide.
13	Performance Guarantee	<ul style="list-style-type: none"> Bidders to provide a valid performance guarantee of R10 million from a recognised



		financial institution
14	Professional Indemnity	<ul style="list-style-type: none"> Bidders to provide professional indemnity cover policy proof for at least R50 million
15	24/7/365 Road Side Assistance	<ul style="list-style-type: none"> Bidders to provide proof of 24 hour comprehensive road side assistance plans
16	Capacity to Recover from 3 rd Parties	<ul style="list-style-type: none"> Bidders must show detailed plans to improve the recovery from 3rd parties
17	24/7/365 Contact Centre	<ul style="list-style-type: none"> Bidders to provide proof of 24/7/365 contact centre

25 COPYRIGHT AND OWNERSHIP OF DOCUMENTS

- a. All documents produced by the Contractor and his agents, in the fulfilment of the terms of this contract shall be and remain the sole property of the State. All copyright and ownership of documents shall vest with the State.
- b. The Contractor, including its employees and agents, shall, on an email or written request from the State, submit any documentation and materials to the State within 24 hours of such request.

26 SECURITY AND CONFIDENTIALITY OF DATA

- a. The Contractor must undertake to disclose information relating to the contract only to the parties stipulated in the contract, both during the contract period and subsequently. Information may only be disclosed to outside sources with the prior, written approval from The National Department of Transport or the Provincial Transport Departments.
- b. To protect the database relating to State's fleet contract, the Contractor should have in place, and shall maintain, suitable back-up procedures and disaster plans to protect data. The Contractor shall back-up all electronic data on a daily basis. Any costs associated with the recapture and processing of data for whatever reason will be borne by the Contractor.

27 OWNERSHIP OF DATA

- a. The State is, and remains, the sole owner of all data generated by the execution of this contract. The Contractor is required to provide the data to the State or a third party only upon written request in paper and/or electronic format, upon approval from The National Department of Transport or the Provincial Transport Departments.



- b. The contractor will under no circumstances be permitted to make use of personal information of officials obtained through the execution of the contract for any other purpose than the execution of the contract including but not limited to any marketing during or after the contract has expired.

28 SYSTEMS ENHANCEMENT

- a. The Contractor shall constantly seek to enhance its systems and shall evaluate any new technology designed to curb fraud and abuse. The Contractor's management information systems shall throughout the contract period have the capability to be enhanced / customised or provide for newly specified reporting in order to accommodate the State's changing business requirements which may include a transition from the current payroll systems in use to a new system during the contract period.
- b. The State shall be consulted before any significant changes to systems are effected and such enhancements should furthermore not change any of the requirements of the State.
- c. Should The State at any time require the use of any new technology in the market that has not been included within this specification, such can be sourced on the request of The State in line with the Change Control procedures as set out in this specification.

29 IMPLEMENTATION

- a. A bidder is required to have an implementation plan. The implementation plan is to start upon receipt of the letter of award from the National Treasury and needs to be completed within a maximum period of two (2) months. The anticipated start date of implementation is on 1 February 2017 with the contract being fully implemented by the commencement date of 1 April 2017.
- b. The implementation plan of the successful bidder may be altered after consultation and agreement with the State.

30 CONTRACTING PARTIES

- a. Each bidder must make an offer in line with this specification as set out under the task directives regarding the entire insurance and administration requirements of all User



departments as set out in these bid documents. The National Department of Transport will contract on behalf of the State.

- b. Separate service level agreement schedules may be implemented for the State's User Departments with unique requirements. However, a transversal contract will be entered into by the State stipulating common contractual requirements. The Contractor shall be required to sign the Service Level Schedule within 90 days of the contract being implemented. The Service Level Schedules with the identified end users will need to include the attachments specifying the differences in services to be rendered to the different users on the contract.

31 CHANNELS OF COMMUNICATION

- a. For matters having any potential financial impact to the contract, the Contractor should communicate with the National Treasury. Prior to such communication the contractor will be required to consult The National Department of Transport.
- b. For operational queries, the Contractor shall communicate with the relevant department, the provincial departments of transport or if necessary, the National Department of Transport.

32 INSPECTION AND AUDIT

- a. The State reserves the right to inspect and audit any document pertaining to this contract within five years of the date of expiry of the contract. This may also include queries and complaints. The Contractor shall provide any assistance free of charge that may be required in this regard. The cost of inspections and audits shall be borne by the Contractor.
- b. The State reserves the rights to conduct performance and financial audits on the status of the contract and the Contractor shall provide any assistance free of charge that may be required in this regard.
- c. Should any audit or inspection reveal that the Contractor has not complied with any of the terms of this contract; the Contractor shall be responsible for the cost of any losses incurred by the State associated with such non-compliance.



33 INSURANCE AND INDEMNITY

- a. The Contractor must obtain adequate professional indemnity insurance whereby the State is indemnified against any claim of whatever nature and however arising out of any wilful or negligent action or omission of the Contractor, its employees, subcontractors, and assignees.
- b. In the event that any legal action, based on the wilful or negligent action or omission of the Contractor, its employees, subcontractors and assignees, is brought against the State, the State shall be entitled, inclusive, to recover from the Contractor the legal fees and disbursements on an attorney-client scale.
- c. The contractor must provide documentary proof of existing Professional Indemnity and Fidelity Guarantees.

34 TRAINING

- a. The bidder is required to have a draft training programme as part of their bid. A final training programme will be agreed upon between the State and the appointed contractor prior to the commencement of the contract or the relevant training to the end user departments.
- b. During the period of the contract, the Contractor must provide training on an ad-hoc basis countrywide, to mainly but not limited to, staff from Government Motor Transport sections or as recommended by these sections.
- c. Training courses shall address all related systems and specifically the application of management reports and the actions required from the end user department to rectify any areas of concern. It will furthermore cover at least the following:
 - General risk management concepts;
 - The purpose and method of accessing management reports;
 - The implications of any system changes;
 - Reporting of accidents and losses;
 - Passive training of the vehicle user
 - Risk management.
 - Operational processes



- d. The training programme will be finalised with the successful bidder[s] within 3 months post award.
- e. The Contractor shall provide the State with a manual on all systems and procedures related to the contract.
- f. The Contractor shall provide a competent dedicated training officer to facilitate and provide training at the premises of the various users of this contract on a continuous basis from the commencement of the contract, to nominated State officials on “best practices” within the practice of fleet management at no additional cost to the State.
- g. The state will not require the Contractor to pay for any vehicle user training (in terms of the practical training in the application of the vehicle) but will be required to provide training on how to prevent accidents.
- h. The contractor will not be required to pay for any refreshments during the duration of the courses or training sessions.

35 CONSULTANCY FUNCTION

- a. It is mandatory for the Contractor to participate in State forums held on a monthly basis as coordinated by the Provincial Transport department or when requested to do so. Pro-active participation and reporting at these sessions is required.
- b. The Contractor shall present a critical evaluation of the State fleet on at least a quarterly basis. The presentation, in a format and manner to be agreed with the respective organ of the State must deal with and shall not be limited to aspects such as loss ratio’s, accident prevention, payment of claims, claims administration or any other recommendations to improve the overall service. The Contractor must provide an effective and efficient fleet management consultancy service to reduce losses and ensure vehicle availability.

36 RISK MANAGEMENT

- a. The Contractor’s systems and procedures should incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions related



to claims registered with the service provider as well as merchants that it does business with.

- b.** The Contractor is required to report in writing by facsimile or electronic mail (e-mail) to the National Department of Transport and the respective end user department any suspected irregularities involving an official, a merchant or any other person immediately upon the suspicion arising.
- c.** Information provided by the contractor shall be sufficient to enable the State to institute investigations and / or take corrective action or institute disciplinary action against employees in the employment of The State. The Contractor will need to avail any of its staff at no additional cost to the State to assist in any investigations.
- d.** Where fraud related to a claim or the repair of the vehicle can be proven, the Contractor has the right to recover any losses from the companies or individuals involved. Steps relating to the recovery of losses are outlined within Treasury Regulations 11 and 12 to which all State departments must conform with.
- e.** Should fraud of any kind against any merchant as utilized by the contractor be proved, the contractor shall remove such a merchant from the database of approved merchants. The merchant shall remain suspended until a full report is received from the Insurance service provider that addresses all corrective and preventative measures that was taken. All corrective and preventative measures must be approved by the National Department of Transport in consultation with the end user department / Provincial Department of Transport prior to the implementation thereof.

37 EQUIPMENT AND MATERIALS

- a.** The Contractor will provide all equipment, materials, sundry items stationery, incur any delivery charges, postage, telephone, facsimile, photocopy costs and the like that may be required for purposes of the contract, as part of the cost of the contract and will not be able to claim any of these costs against the fund.
- b.** Equipment and materials of the contract will include a handbook setting out all the processes related to any insurance claims. For this purpose, the contractor will be allowed to compile such a handbook in conjunction with the service providers appointed



on contract RT68 for the Financing of Subsidized vehicles and the Maintenance service provider appointed in terms of RT62 and share the subsequent cost thereof.

38 USER SATISFACTION SURVEY

- a.** To enable the service provider to provide an efficient service to the end user departments of this contract and to identify shortcomings in any service deliveries, the contractor will be required to conduct a user satisfaction survey. The contents of the user satisfaction survey can be altered after consultation with the National Department of Transport or the end user departments.
- b.** The user satisfaction survey can be done telephonically after consultation with the National Department of Transport and may be outsourced to an independent third party specialising in user satisfaction surveys.
- c.** The State can also require the user satisfaction survey to be done manually should the impression exist that the user satisfaction survey as was conducted on the web base system or telephonically is not representative.
- d.** The outcome of the survey needs to be made available to all Provincial Departments of Transport and the National Department of Transport to ensure that the shortcomings as identified in the survey are addressed. The report shall annually be submitted at a date as agreed with the Department of Transport
- e.** The Contractor shall conduct the approved user satisfaction survey in writing annually or as otherwise agreed during the contract period for a sample size of the data base as agreed with in consultation with the state and needs geographically representative.
- f.** The user satisfaction survey, which should be included in an annual report to the state and should be done in terms of:
 - Merchants
 - Government user departments
 - Provincial Departments of Transport
 - Officials partaking in the Subsidized Motor Transport Scheme



39 FINANCIAL CONSIDERATIONS

All pricing submitted must be reflected in the pricing schedule attached. The State will not authorize any payments for any amounts that are not reflected in terms of the pricing schedule. The bidder cannot in the submission of the bid submit any additional pricing or fee structures that are not included in the pricing schedule. The pricing needs to be exact to that offered on the official pricing schedules that specify the item number of each line item.

40 INSURANCE COVER AND STRUCTURE

The State requires the contractor appointed in terms of this contract RT58/2012 to set up a Rent-a-captive or contingency insurance policy and manage the policy in consultation with the State. This policy shall constitute of a government owned fund that will need to be managed in line with all norms and standards of the insurance industry as well as those set out in the bid specifications for contract RT58/2012. All money remaining in the fund at the end of the contract period, once all obligations have been met, will be returned to the state as set out in the specifications of contract RT58/2017.

As part of the Rent-a-captive or contingency insurance policy, the contractor appointed on contract RT58/2017 will be responsible to ensure that at least the following requirements related to the cover are met. The State retains the right to adjust the cover required based on the consultation with the appointed contractor for contract RT58/2017 and any trends related to the expenditure from the insurance fund.

The contractor will be responsible to source the required cover as agreed to between the contractor and the state during its consultation in the most economical and efficient manner.

41 Re-insurance cover

41.1 Single event catastrophe cover

Should the damage incurred during a single event exceed R1 million, all damage exceeding the amount of R1 million will be covered by the single event catastrophe cover including third party liability in excess of the R5 million limit. The first million will be payable from the fund.



41.2 Own damage self-retention protection

The contractor will be responsible to source self-retention protection as the fund will only cover the specified risks as follows:

1. Own damage self-retention to a single event is currently set at R300 000, 00. Should the loss in one incident or accident exceed the amount of R300 000, 00 the difference must be covered by the own damage self-retention protection policy as sourced by the contractor.
2. The current own damage self-retention protection includes a total protection of R10 million on the overall fund. Therefore, should the total expenditure against the fund, exceed the total amount of R110 million for which the premiums were collected an additional R10 million must be available to service claims up to the amount of R120 million

Should the risk exceed this specified risk, the own damage self-retention policy will cover the additional cost incurred.

41.3 Third party liability

The contractor will be responsible to source on behalf of government third party liability ground up cover with no excess to the amount of R 5 Million per incident.

42 STANDARD INDUSTRY COST

42.1 Insurers or underwriters fees

The contractor will be responsible to ensure that an underwriter's fee that will be in the best interest of government is negotiated. This underwriter's fee will need to be based on the total premiums payable into the fund and not per unit.

42.2 SASRIA Cover

SASRIA cover is a standard inclusion in most insurance policies and covers the holder of the policy, in this case, all subsidized vehicle owners against any damage that occur in terms of "*any riot, strike or public disorder, or any act or activity which is calculated or directed to bring about riot, strike or public disorder.*"



The government will require standard SASRIA cover that is set as a standard requirement within the insurance industry. The amount will include a standard broker fee of 7.5% that will need to be deposited into the fund as well as the commission to the insurer. The SASRIA fee will be based on a per unit price.

43 INSURANCE COVER AND INCLUSIONS

The following services will be included as part of the insurance function required by end user departments at no additional cost to the State in the structure and format of a contingency or rent-a-captive policy.

The vehicle as it was ordered from the RT57 vehicle procurement contract will need to be insured. This will include any factory fitted standard accessories that the vehicle was issued with or that was added on by the official that was either fitted by the manufacturer of the vehicle or has been financed as part of the finance agreement with the service provider of contract RT68 for the Financing of Subsidized Vehicles or has been approved by the end user department as a requirement for the official to execute his/her duty.

The cover required will be for the entire Subsidized Motor Transport fleet and will not only be limited to the new vehicles on the scheme.

The state requires insurance cover that conforms to the following requirements:

- a.** The insurance cover needs to make provision for covering the vehicle within the borders of the Republic of South Africa, Namibia, Botswana, Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi and Zambia.
- b.** Rent-a- Captive motor insurance cover that covers the following:
 - Loss of or damage to the vehicle or spare parts caused by accidents or incidents
 - Theft, hijacking and/or total loss
 - Vandalism, explosions, riot damage, fire
 - Falling objects (from buildings, other vehicles or otherwise)
 - Damage to third party property
 - Liability to third parties resulting in death or injury to third parties
 - Accessories as financed through the finance service provider or as otherwise specified or declared.



- Hail, snow or any other damage caused by natural disasters termed as “acts of God”
 - Towing and storage cost to the approved repairer
 - Loss or damage caused by or in connection with war, civil war and/or martial law.
 - Loss or damage caused by, or in connection with, civil commotion, labour riots strikes and/or mutiny
 - Loss or damage caused by or in connection with politically inspired uprising, riots and terrorism.
 - Radio/CD/Hands free car kits covered up to a limit of R3000.00 with a maximum excess of R500.00
- c.** The vehicle shall be insured for the full period that the vehicle forms part of the Subsidized vehicle fleet of the State. The vehicle will need to be covered for a period of 160 000km or 60/48/42/36/32 months whichever comes first. The cover for the last month of the contract shall be up to the end of the calendar month in which the official's contract expires.
- d.** Windscreen cover with the official paying the excess per event as determined by the National Department of Transport and the appointed contractor in terms of contract RT58/2017.
- e.** Cover is required for any lost or stolen keys but will not include any broken keys or any part thereof such as remotes etc.
- f.** Passenger liability cover with a limit of R2.5 million
- g.** The contractor appointed will be required to implement an automated system in consultation with the National Department of Transport and the Finance Service provider in terms of contract RT68/2015 for the Financing of Subsidized vehicles to ensure that confirmation of cover can be provided prior to the delivery of the vehicle. This process needs to be structured in such a manner as to ensure that this will not delay the delivery of the vehicle.
- h.** In the event of a total loss, the contractor shall calculate the amount payable out of the fund to either the official or the finance service provider on:



- The vehicle purchase price (Not RT57 price) and the market value needs to be used to calculate the % depreciation of the vehicle value up to the time of the total loss occurring.
 - This % depreciation will then be applied on the initial RT57 purchase price of the vehicle to calculate the amount to be paid out in the event of total loss.
 - Any amount to be paid out should at least cover the financial shortfall of the finance service provider
- i. Additional cover up to market value is required as an optional for officials that select purchase this cover for the vehicle replacement at market value.

44 ADDITIONAL PROVISIONS

44.1 Car rental

- a. The bidder will be required to source car rental for subsidized vehicle users at a discounted rate. Such rate will need to be negotiated by the Insurance Service Provider appointed in terms of contract RT58 and will need to be revised at least annually or as and when requested by the State.
- b. The Insurance Service provider as appointed in terms of contract RT58/2017 will not be allowed to add any mark-up, handling fee, administration fee or any other additional charges to the amount invoiced by the supplier of the rental car.
- c. The bidder will need to source car rental at the best possible price per event or incident as per the required minimum requirements for the required relief.
- d. The contractor shall ensure that the rate at which the vehicle is rented will automatically adjust to the most economical billing category should the timeframe that the vehicle is required for reduce the price of the car rental. All car rental must be inclusive of an average of 250 kilometres per day. Any cost for additional kilometres above the provided 250 will need to be paid by the official.
- e. The stand in or relief vehicle for a subsidized vehicle owner should adhere to the following minimum requirements:
- The vehicle for subsidized vehicle owners must be the same type of vehicle that the official procured under the scheme. For example: Should the official drive a sedan,



a sedan must be supplied as a replacement vehicle, should the official drive a LDV, a LDV should be supplied as a relieve vehicle.

- Even though the vehicle must be the same type of vehicle, the engine category of the vehicle does not need to be the same.
- A minimum of a 1400 sedan with air-conditioning and a 2l LDV with air-conditioning will be required.
- A maximum period of 2 calendar months, unless the repairs of the vehicle was delayed through inefficiencies by the contractor in which case the contractor will be responsible for any additional cost for the provision of the stand-in or relief vehicle.

45 INSURANCE EXCLUSIONS

All cost related to any of the following would need to be covered by the official and will not be paid out of the fund.

- a. A vehicle that is not roadworthy
- b. Any misrepresentation, incorrect description, by the official or individual that was driving the vehicle at the time of the incident/accident or time of total loss.
- c. Should the official or driver of the vehicle not be in possession of a valid driver's license or where the licence has been endorsed.
- d. The vehicle be used outside the borders of South Africa with the exception of Namibia, Botswana, Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi and Zambia
- e. Items covered under the Road Accident Fund
- f. Where the driver of the vehicle was driving under the influence of alcohol or drugs.
- g. Any claims related to the maintenance of the vehicle will not be the responsibility of the contractor and will be covered by the service provider appointed for contract RT62/2015. This includes damage to the wheels, rims, tyres and driving shaft of the vehicle that can be contributed to road conditions, such as potholes.



- h. Consequential damage unless covered under the provisions for non-standard insurance requirements.

46 PREMIUM DETERMINATION, COLLECTION AND REFUNDS

46.1 Premium determination

- a. One set premium will be determined for all vehicles partaking in the Subsidized Motor Transport scheme, irrespective of the vehicle make, model or purchase price.
- b. This premium will be negotiated between the National Department of Transport and the appointed contractor and will be based on the actuarial analysis of the previous contract year and other historical data.
- c. The premium will be determined prior to the start of the collection process for each contract year that commences on the 1st of April each year.
- d. An additional fixed fee will be applicable to all end users that opted to procure a vehicle that is in a different (higher or more expensive) category than was approved by the end user department. (Buy-up)
- e. Premiums for Ministerial vehicles will be determined by the type and make of vehicle and will not need to be a fixed premium for all ministerial vehicles.

46.2 Collection of premiums

- a. The contractor will need to ensure that the full premium per annum can be collected through the government's payroll systems and that it will conform to the audit processes as determined through the government payroll systems.
- b. Premiums cannot be collected at the end of the previous financial year for the new financial year. The contractor will only be able to collect premiums for the new contract year after 1 April each year. The contractor will need to make provision for the payment of any claims prior to the collection of the premiums during the inception of the contract.



- c. Should the compilation of the payment files be outsourced to an independent third party, the details of any such agreements will need to be provided as part of the bid submission.
- d. The contractor will be allowed to submit a new payment through the government payroll systems for any vehicle that will start on the scheme throughout the contract year. The premiums for these vehicles will be calculated proportionally to the number of months remaining in the contract year.
- e. The State will not authorize or allow any other method of the collection of premiums for the Subsidized Vehicle Scheme other than through the government payroll systems due to the tax implications on the officials partaking in the scheme.
- f. The contractor will be required to report on the collection of all premiums under the scheme with reference to the number of premiums that was collected, the total number of premiums to be collected as well as the value of these premiums.

46.3 Refunds

- a. The contractor will be required to reimburse the State for any vehicle that did not partake in the subsidized motor transport scheme for the full financial year. This will include official resigning from their positions, vehicles that was written off or any other reason that prevents the official from partaking in the scheme for the full contract year.
- b. The contractor will ensure that the vehicle remains covered until the last day of the calendar month in which the cover of the subsidized vehicle was terminated.
- c. The contractor will be required to make any payments to the end user department preferably by electronic fund transfer or should it be required by cheque.
- d. The contractor will need to, at the time of the payment being made, supply the end user department with the exact details of the payment. This must include reference to the vehicle, the official, the official's payroll number and the period for which the payment was made.



47 CUSTOMER SUPPORT SERVICES

47.1 Call Centre

A call centre facility must be implemented by the contractor at no additional cost to the State for the logging of claims and the answering and resolution of queries. The call centre facility needs to fulfil the following requirements:

- a. Operated 24 hours a day, 7 days a week (no cell phones allowed)
- b. A toll free line will need to be made available to all end users of the contract to request road side assistance or to log a claim.
- c. A shared call option will need to be made available for departments contacting the Service Provider.
- d. Shared call option will need to be made available for all suppliers and merchants contacting the Service provider.
- e. All calls between The State and the Contractor will need to be recorded for quality and training purposes and the State should have access to such recordings within 48hrs of an incident occurring.
- f. The contractor shall ensure that 98% of all calls be attended to within 1 (one) minute in person. An automated telephone answering service does not constitute a call being “attended to”.
- g. Call centre operators must at least be conversant in English and in at least one of the other official languages.
- h. The call centre must be provided at no additional cost to the State. The bidder will need to establish a provincial office to support the call centre and would need to assist the provinces with the daily management of the contract. This includes the administration of claims, feedback related to the repairs of a vehicle, the collection of premiums, the refund of premiums and other contract administration as required and needs to fulfil the needs of the relevant end user departments.
- i. The call centre will need to be fully functional at the time of the commencement of the contract.
- j. The contractor shall be capable of generating meaningful electronic call centre reports for feedback to the State (This will include, but are not limited to: average call waiting time, call duration, calls dropped etc.) – This information will need to be



available per province and for the country as a whole and would need to be reported on, on a monthly basis within the first seven days of the month either in electronic or in hard copy format as preferred by the individual clients and should only be relevant to calls logged by users of this contract;

47.2 End user communication requirements

The State requires continuous communication to the following stakeholders within the subsidized motor transport scheme to ensure efficiencies.

The contractor is required to communicate to the official via SMS in terms of the following:

- a. Once the details of the official has been loaded onto the system of the contractor a SMS needs to be sent to the official indicating the call centre numbers to be used should the official be involved in an accident or for any other administrative query.
- b. In the event that the official contacts the call centre and a claim was registered on the system of the contractor, an SMS should be sent to the official that contains the claim reference or tracking number as well as the time and date of the claim being logged.
- c. A further SMS should be sent to the official indicating the requirements of the contractor that needs to be fulfilled by the official, such as the filling in of claim forms or the submission of any documents required from the Fleet Responsibility Manager / Fleet Manager.
- d. A SMS needs to be sent to the official during the repair process of the vehicle to inform the official of any other developments on the claim such as the amount of the excess, the anticipated repair date of the vehicle or any delays experienced in the repair process.
- e. The contractor will be required to follow up with the merchant that repairs the vehicle on at least a weekly basis and communicate the progress to the official via SMS.
- f. Once the official has received back the vehicle from the merchant responsible for the repairs of the vehicle, a SMS needs to be sent to the official to ensure that the vehicle has been satisfactory repaired.



47.3 Provincial offices

- a. Within a period of two months from the commencement of the contract, the contractor is required to have established physical presence in all provinces at the location agreed on with the province. A dedicated individual for all the national departments will also be required. The cost for these offices and the individuals will be that of the contractor and will not be payable out of the fund.
- b. Failure by the service provider to appoint a dedicated individual for this contract per province can be construed as breach of contract and will allow the State to take the required action.
- c. The dedicated service consultants, must at least be able to perform the following tasks:
 - Assist departments and resolve issues that arise with the day-to-day operation of the contract;
 - Pro-actively analyse the State's fleet management costs as well as administration and provide risk management advice and assistance to the State;
 - Assist Departmental Transport Control Officers and Transport Officers on the reports generated;
 - Act as nodal point for the collection of all documents related to the insurance and administration functions of the contract.
 - Obtain knowledge of the State's business principles and accordingly assist with the optimisation of its fleet. Consequently, the Contractor will be contractually required throughout the contract period to provide recommendations in order to optimally manage risks related to the fleet.

48 TYPES OF REPORTS / INFORMATION

The bidder is required to have reports and the Help manuals on the purpose and use of reports.

- a. It is the responsibility of the Contractor to supply accurate and relevant management information on a continuous basis to allow for the management of the fleet's requirements. Given this fact, the Contractor shall have and maintain an IT



system that allows the State to access and retrieve accurate and relevant management information from the Contractor within 24 hours.

- b.** In the event of termination or breach of contract, the Contractor shall provide its entire database containing the up-to-date information in respect of the State's fleet contract, in electronic format, within 24 (twenty-four) hours of such termination or breach, to the State. The cost of such transfer of information will be for the account of the Contractor.
- c.** The Contractor should upon request from The State be capable to alter, change or create new reports as and when requested.
- d.** The Contractor must have proven IT capability to provide management reports in hard copy and electronically from the date of the award of the contract.
- e.** The Contractor shall ensure that vehicle history and transaction data relating to any vehicle is retained for the period of the contract even in the case where the agreement for the individual has been terminated or cancelled.
- f.** The Contractor's information system shall have the facility to provide information relating to the fleet at various levels, an needs to make provision for reporting on the following levels:
 - The entire fleet.
 - The fleet per province.
 - The fleet per department.
 - The fleet per district or operating area,
 - Per category/ type of vehicle
 - Per vehicle and per end user/driver
- g.** The system shall allow for the printing of on-line reports by all parties who have authorised access to reports.
- h.** The user departments/provinces or divisions should first approve the electronic format of reports.
- i.** Reports and reporting systems shall be user friendly:
 - Each report shall have a narrative heading which indicates the nature of the report and clearly identifies the information required and for which level it is applicable. (Province, Department District etc.)



- The reports / data required in an electronic format and hard copy shall be easily accessible through an efficient, user friendly menu system compatible with at least Microsoft Windows operating system;
 - The Contractor must supply the State with a system/application in order for the state to analyse electronic downloaded data where required;
 - All reports must be exportable to at least a Microsoft Windows application;
 - The purpose of, and suggested usage for, each report shall be documented in “help” manuals and shall be addressed during training sessions conducted by the Contractor throughout the contract;
 - Printed reports that are required monthly and shall be delivered within 7 (seven) working days of the cut-off date of that month;
 - Printed reports that are required weekly shall be made available within 24 hours of the cut-off date for that week.
- j. The minimum required management reports that must be provided by the Contractor are required at the stated frequency, in the stated form and to the stated parties. Information supplied in the relevant reports should be sufficient to enable the State to institute investigations or take corrective action. The user departments can request a report on any combination of the following information as set out below as this information is essential for the deliverables stated in this contract.
- k. The contractor is required to capture the following information on its system:

In terms of the official:

1. Name and surname
2. Government payroll number (Persal or Persol)
3. Contact details of the official
4. Province
5. End user department
6. Region / District Transport Officer / Controller / Control Officer
7. Finance Service Provider account number
8. Contract start date
9. Contract end date



10. ID number
11. Contract early termination date
12. Reason for early termination

In terms of the vehicle:

13. Vehicle registration number
14. Engine number
15. VIN number (Chassis Number)
16. Vehicle make
17. Vehicle model
18. Vehicle type
19. Approved accessories fitted to the vehicle
20. Non-approved accessories fitted to the vehicle

In terms of fuel administration

21. Government payroll centre
22. Government payroll centre number
23. Vehicle category as approved by end user department
24. Actual vehicle category
25. Approved rate of insurance allowance
26. Approved rate for insurance deduction

In terms of insurance

27. Warrantee of vehicle
28. Warrantee on replaced parts
29. Serial numbers of fitted parts
30. Kilometre reading at time of accident/ incident
31. Vehicles standing at a merchant for longer than a specified period
32. New and old engine numbers where engines have been replaced
33. Preferred supplier listings
34. Description of work undertaken



- 35. Total amount paid for repairs
- 36. Details of repair cost for labour and parts

In terms of the Merchant and other information

- 37. The merchant name
- 38. A list of all merchants
- 39. The number of transactions per merchant
- 40. The value of the transactions per merchant
- 41. The BEE status of the merchant
- 42. Report in terms of all storage fees
- 43. Reports in terms of all tow inn or road side assistance

49 DISPUTE RESOLUTION PROCESS

The contractor must have a process to resolve any disputes that may arise in the payment of insurance repairs required for a vehicle. Such disputes can be categorized into a dispute between the official and the merchant undertaking work on the vehicle, between the maintenance and insurance service provider, between the official and the contractor or between the contractor and the merchant. It is imperative that the down time of the vehicle be reduced to the minimum irrespective of the dispute that exists.

The dispute resolution processes needs to address the following matters:

- a. The cause of the damage to the vehicle or part thereof needs to be established. This can include but is not limited to; neglect from the official, the wrongful application of the vehicle, a warrantee claim, poor workmanship on a previous repair, damage resulting from an earlier accident or incident, parts failure or neglect from the merchant.
- b. Depending on the cause of the damage, the responsible party will need to pay for the damage incurred. Should the contractor and the official, the insurance and maintenance service providers or the merchant and the contractor not agree on the cause of the damage, the contractor shall at its cost appoint an independent third party in consultation with the official or the merchant to inspect the vehicle and establish the cause of the damage to the vehicle.



- c. The entire process should be completed and the vehicle repaired within a maximum period 15 working days.
- d. Should the official or the merchant not be satisfied with the outcome or report from the independent third party, the official or the merchant could in consultation with the contractor and at his or her own cost appoint another independent party to supply a report.
- e. Should the second independent report be different from the first independent report, both the independent reports, the report from the merchant and that of the contractor will be provided to The National Department of Transport for a final decision.
- f. In extreme circumstances and depending on the cost of the repairs, The National Department of Transport can request one of its other service providers to inspect the vehicle or request a third and final independent report, of which the outcome will be final.
- g. The Contractor will need to ensure that the process is monitored and that the official is continuously informed of the progress via SMS.

50 NON STANDARD INSURANCE REQUIREMENTS

The State requires the following services that are not standard in terms of insurance. The following circumstances have caused delayed downtime in terms of the subsidized fleet and therefore needs to be addressed as the State is required to pay the maintenance, capital and insurance on the vehicle even though it is not operational.

- a. Damage to any wiring of a vehicle due to rodent damage
- b. Consequential damage to any vehicle will need to be covered if the vehicle has broken down in a location or at a time that might result in a security risk to the occupants of the vehicle.
- c. The official should be provided with an option to insure the vehicle at market value compared to the RT57 replacement value formula as set out in the special conditions of contract RT58/2017 for a minimal fixed amount.
- d. The payment of claims for vehicles on the dealership floor where delivery has not been taken by the government official through circumstance beyond the control of



the official where the cover as required from the manufactures under contract RT57 has lapsed.

51 ACCIDENT REPAIR AND RELATED PROCESSES

51.1 Authorisation procedures

- a. For an official partaking in the Subsidized Motor Transport scheme, the contractor shall upon receiving a call from an official or the driver or someone on the scene of an accident of a subsidized vehicle ensure that the official does partake in the Subsidized Motor Transport Scheme.
- b. The contractor shall ensure that the official is assisted in line with the specifications set out for road side assistance.
- c. The contractor shall, upon ensuring that no further damage will be done to the vehicle should it be driven, instruct the official to take the vehicle to the closest authorized/approved repair merchant. Should such an instruction be given to the official, the official will not be held responsible for any subsequent damage to the vehicle.
- d. The contractor shall ensure that the vehicle is towed in/moved to an authorized/ approved merchant and will ensure that the minimum cost is spent on tow in and storage fees.
- e. In the case of body repairs, the Contractor shall invite three merchants to quote for the repair of the vehicle. Where the Contractor has appointed an assessor or makes use of the Audatex system, only one quotation is required.
- f. The Technical Inspector(s) and assessors as employed by the contractor must be prepared to sign a Damages Affidavit (DA) at no additional cost, if necessary.
- g. The Contractor will be responsible to verify the correctness of all invoices received and to ensure that all invoices are received and included in the statement to government within 30 days after completion of the work.
- h. The Service Provider must pay the lower of the quoted price or invoiced price.



51.2 Control over merchants that repair vehicles

The Contractor needs to ensure that Service Level Agreements are signed with all merchants that provide repairs to the State in terms of the Subsidized Motor Transport Scheme. The bidder is required to have a pro-forma merchant agreement.

- a. The Contractor shall maintain an approved list of merchants, and in this regard shall undertake to regularly update the list and distribute it to all the end user departments or make such a list available electronically via a website.
- b. The applicable payment terms needs to be specified in the Service Level Agreements. Such terms shall be of such a nature that a preferred rate is obtained for the early settlement of the maintenance undertaken on the vehicle.
- c. The Service Level Agreement should stipulate the turnaround times of vehicles for specified repairs.
- d. The Service Level Agreements shall stipulate the service levels of the services to be rendered.
- e. At non-dealership merchants' warrantees on work undertaken and parts will need to be specified as well as the remedial action that will be taken should the services that was rendered and the parts that was used failed to have met the warrantee.
- f. The Insurance service provider will carry any additional cost where a technical inspector is required, should any disagreement between the insurance service provider and the merchant exist in terms of the work that was required or the work that was undertaken.
- g. The contractor shall ensure that delays related to the repairs of any vehicles are minimized and that any progress related to the repair of the vehicle be communicated to the official via SMS.
- h. The Service Level Agreement will require the merchant to indicate their BEE or BBEE status as required by the State. Such figures will need to be reported on by the maintenance service provider as well as proportional expenditure in terms of the shareholding.



- i. The contractor shall ensure that there are approved merchants located throughout the country, to allow convenient access by the State. All merchants should be approved based on certain minimum standards and are members of the Retail Motor Industry (RMI) and the South African Motor and Body Repairers' Association (SAMBRA).
- j. The Contractor shall take appropriate action (including but not limited to the removal from the approved merchants list) should any merchant:
 - 1. Not comply with industry norms and standards
 - 2. On receiving complaints from the State regarding the level of service or quality of services.
 - 3. When merchants are suspected of being involved in fraud or irregularities
 - 4. The Contractor shall ensure that merchants that have been removed from the approved list for any reason shall not be allocated or paid for any work whatsoever in terms of this contract
- k. Monitor merchants' compliance with standards on a regular basis.
- l. Merchants shall take full responsibility for damages that may occur to vehicles whilst at the premises of the merchant including theft of vehicle parts or accessories.
- m. Merchants shall provide a 12-month warranty on all workmanship.
- n. Merchants shall not hold vehicles pending payment for the repairs affected.
- o. The Contractor shall be responsible for resolving disputes with merchants, irrespective of the nature of the dispute. The State undertakes to support the Contractor in dispute resolution by providing the contractor with any information or evidence that the State may possess.

51.3 Parts to be used for the repair of vehicles

- a. The Contractor should ensure that all parts fitted to vehicles are original parts from the manufacturer of the vehicle.



- b. Should the fitment of any other parts ensure a shorter repair period and turn around time, the contractor can negotiate with the official prior to the fitment of any such parts.
- c. The fitment of any non standard parts should not in any way affect the safety of the official or the performance of the vehicle.
- d. The contractor will need to ensure that any fitment of parts will not jeopardize the warranty of the vehicle, even if the official did approve the fitment of non standard parts.

51.4 Payment of merchants that repair vehicles

- a. All merchants that repaired vehicles as authorized by the contractor will need to be paid within 30 days of the vehicle being repaired.
- b. The contractor will need to ensure that the release of the vehicle from the merchant is not delayed due to the merchant not being paid.
- c. The contractor will need to ensure that all work paid for was carried out and that it conforms to the required standards.

52 RECOVERIES

The contractor is required to ensure that the efficient processes are in place to ensure the recovery of funds from third parties that were involved in accidents or incidents with the subsidized vehicles that form part of the scheme.

- a. The contractor must set up processes that must be administered separately to make provision for claims from and against third parties involved in incidents or accidents with vehicle that form part of the Subsidized Motor Transport Scheme.
- b. Should the Contractor opt to outsource the services of recoveries to a sub-contractor all information related to such agreements must be provided as part of the bid submission.
- c. The contractor will be required to recover at least 10% of the amount paid out in respect of claims over the full contract period.



- d. The contractor will share 50% of any additional recoveries achieved above the required 10% at the end of the contract period.
- e. The contractor will be required to recover all legal costs where possible as part of the recovery process.
- f. The recovered amount will need to be inclusive of all administration fees.
- g. Any claims that have not be finalized after the one year run of period of the contract will need to be handed over to the next contractor as appointed by the state in a format that will be determined through consultation with the contractor, the possible new contractor and the National Department of Transport.

53 SALVAGE MANAGEMENT

The contractor is to be responsible for the salvage management process and will need to negotiate with a salvage contractor to ensure free storage and transport for up to 300 kilometres.

- a. In the event that a vehicle is written off, the Contractor shall notify the department within a period of 7 days.
- b. The contractor shall be responsible for any costs related to the movement/ tow in of the vehicle to a salvage yard and any storage fees should it not be rendered as a free service by the salvage contractor. Any vehicle that has been written of needs to be de-registered by the contractor within a period of no longer than 30 days.

The contractor will appoint an evaluator on the same basis and principals used for an assessor at the cost of the fund to do an evaluation on the vehicle.

The evaluator that will need to evaluate the vehicle into one of the following categories:

- **Code 2**
A vehicle that is not economically viable to be repaired even though it can still be repaired.
- **Code 3**
A stolen vehicle that is de-registered six weeks after the vehicle was reported stolen
- **Code 4**
A vehicle that is a total wreck and needs to be sold of a scrap metalThe contractor will be required to negotiate the salvage payment with the salvage



contractor for the various codes of vehicles. The bidder will need to indicate that the current percentages as obtained by the State can be achieved and/or what the maximum percentages is that can be negotiated by the bidder.

- **Code 2**
27 % of the market value of the vehicle
- **Code 3**
22 % of market value
- **Code 4**

A competitive process should be followed to ensure that the best price is received.

The contractor will need to inform the National Department of Transport at any given time during the contract should they not be able to meet the minimum salvage targets.

Any funds received by the contractor related to salvage of the vehicle will need to be returned to the government owned fund.

54 TOW-IN SERVICES, ROAD SIDE ASSISTANCE AND STORAGE FEES

The Insurance service provider as appointed in terms of the RT58 contract will be required to provide all subsidized users with roadside assistance in all instances where a vehicle was involved in an accident or incident that is not maintenance related. This assistance will include at least the following:

- a. On receiving a call from the official or any other official, the contractor shall verify that the official belong to the Subsidized Motor Transport scheme prior to despatching a tow in vehicle to the scene of the accident or incident.
- b. The Contractor, through the fund shall be responsible for the payment of all storage cost and the cost of the tow in service or any other cost associated with roadside assistance.
- c. The Contractor must supply a sticker which should only be affixed by the official to the subsidized vehicle, advising that the vehicle must not be towed without its authority and presenting the call centre number of the Contractor, to the windscreen or rear window of the vehicle.
- d. The Contractor must advise the official that owns the vehicle of the details of the approved merchant that the vehicle was towed to via SMS.



- e. A summary report must be available to the State of all tow-in services on a monthly basis as well as all storage costs.
- f. Road side assistance will not be required where the reasons for the tow-in or road side assistance are not insurance related.
- g. Should circumstances be of such a nature that it cannot be confirmed if the claim is accident related or not, the Contractor shall be responsible for the payment of the tow-in. Should a maintenance claim be registered in terms of the particular incident the cost of the tow in will be paid by the Maintenance service provider as appointed in terms of contract RT62. At no time should an official not be assisted due to the fact that it is not clear which service provider should be responsible for the cost.
- h. The Contractor shall be held liable for any additional damage to the vehicle that might have been caused during the towing of the vehicle. The contractor will be required to pay for any such repairs without any delays even if the contractor still needs to recover the money from a third party.
- i. The Contractor will need to provide assistance to the driver of the subsidized vehicle irrespective of the reason for the breakdown including instances where the official made himself / herself guilty of negligence or the wrongful application of the vehicle.

55 CHANGE CONTROL

- a. Should the State or the Contractor as appointed in terms of this contract at any time require to amend any of the services as set out in these special conditions, add an additional related service or need to establish or specify the levels of a required service or need to make any other arrangement to streamline the deliverables as set out in terms of this contract the following process will apply:
 - i. A request shall be made by either The State, through The National Department of Transport or the contractor through the individual appointed as the contract manager to include or amend a required process.
 - ii. Should such a proposed process have no financial impact to the State, the process will be finalized after both the National Department of Transport and the appointed contractor have agreed to the required amendments in writing.
 - iii. Should the requested changes have any financial impact in terms of the pricing as included in the pricing schedule attached to this contract a submission shall be made to the Section: Transversal Contracting at National Treasury for



approval and/or presentation to the Bid Adjudication Committee at National Treasury.

- iv. Once the Section: Transversal Contracting at National Treasury approved the proposed changes, both The National Department of Transport and the appointed contractor will need to sign of the amendments prior to implementation.
- v. All changes as agreed to in terms of this process will form part of the actual agreement.

56 CONTRACT CONCLUSION AND FUND SURPLUSES

- a. Any surplus amount in the fund at the end of the contract period will be paid back to the State in line with the requirements as set out in the Special Conditions of Contract RT58/2017 and in line with the provisions of the Public Finance Management Act.
- b. The contractor will be responsible to honour all claims registered against the fund during the contract period for a period of one year after the termination of the contract.
- c. A full audit of the fund will need to be conducted prior to the payment of any surpluses to the State. The cost of such an audit will be paid for through the fund and the supplier of audit services will need to be appointed in line with the Supply Chain Management Act.
- d. All income derived by the fund prior to the final payment will accrue to the fund and will be paid over to the State along with the initial surplus.
- e. Upon termination of this contract, the contractor will provide required information to any other service provider as appointed by the State in the prescribed format.
- f. Throughout the process of the conclusion of the insurance contract and the finalization of all payments to the state, the contractor will need to consult with the National Department of Transport to ensure compliance to all the required processes.



57 POST AWARD REPORTING

57.1 Historical Data

- All successful bidders are required to submit the historical spend data on a six (6) monthly basis as per below table:

Period	Dates at which reports must be submitted	Periods for which the reports should be submitted
1	15 April 2018	1 April 2017 – 31 March 2018
2	15 April 2019	1 April 2018- 31 March 2019
3	15 April 2020	1 April 2019- 31 March 2020
4	15 April 2021	1 April 2020- 31 March 2021
5	15 April 2022	1 April 2021- 31 March 2022

57.2 The above information should be sent to:

- Transversal Contracting, National Treasury:
- Lebogang.mosuwe@treasury.gov.za/[Peter Mthombeni@treasury.gov.za](mailto:Peter.Mthombeni@treasury.gov.za)
- For this purpose electronic templates will be supplied to successful bidder/s.

58 CONTACT DETAILS

All correspondence in respect of this bid should be addressed or sent to:

Bid Enquiries:

Name: Lebogang Mosuwe

National Treasury

Address: National Treasury- Transversal Contracting

Private Bag X 115

PRETORIA - 0001

Tel no: (012) 406 9022

Email: Lebogang.mosuwe@treasury.gov.za

Technical Enquiries

Name: Andries Schoeman

The Department of Transport

Tel no: (012) 309 3117

Email: Schoemaa@dot.gov.za

Fax no: 086 610 1273