



SPECIAL CONDITIONS OF CONTRACT

RT60-2016

**SUPPLY AND DELIVERY OF FABRIC TO THE STATE FOR THE PERIOD
1 APRIL 2016 31 MARCH 2017**

**NATIONAL TREASURY
TRANSVERSAL CONTRACTING
OFFICE OF THE CHIEF PROCUREMENT OFFICER**



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SECTION A

1. LEGISLATIVE AND REGULATORY FRAMEWORK

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). 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 Preference Point System

2.1.1 In terms of regulation 6 of the Preferential Procurement Regulations 2011 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)

2.1.2 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 comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

2.1.3 A maximum of 10 points may be allocated to a bidder for attaining its 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

- 2.1.4 Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof at the closing date and time of the bid in order to claim the B-BBEE status level points.
- 2.1.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 2.1.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by 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.
- 2.1.7 Failure on the part of the bidder to comply with paragraphs 2.1.4 and 2.1.6 will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 2.1.8 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.
- 2.1.9 The total points scored will be rounded off to the nearest 2 decimals.



- 2.1.10 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.
- 2.1.11 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 2.1.12 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

3. RESPONSE FIELDS

- 3.1 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)
- 3.2 Bidders are requested to initial each and every page on the right hand bottom corner of the tender document
- 3.3 Non-compliance with this condition may invalidate the bid for the item(s) concerned.

4. AUTHORISATION DECLARATION

- 4.1 Any bidder who is sourcing 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.
- 4.2 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents.
- 4.3 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.



- 4.4 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 goods or services offered.

5. TAX CLEARANCE CERTIFICATE

- 5.1 An original and valid Tax Clearance Certificate issued by the South African Revenue Services must be submitted together with the bid at the closing date and time of the bid.
- 5.2 Copies and/or certified copies of the Tax Clearance Certificate will not be acceptable.
- 5.3 Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid.

6. VALUE ADDED TAX

- 6.1 All bid prices must be inclusive of 14% Value-Added Tax.
- 6.2 Failure to comply with this condition will invalidate the bid.

7. LATE BIDS

- 7.1 Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration.
- 7.2 Late bids will not be admitted for consideration and will, where practicable, be returned unopened to the bidder.

8. 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.



9. FRONTING

- 9.1 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.
- 9.2 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.

10. SUPPLIER DUE DILIGENCE

The State reserves the right to conduct supplier due diligence prior to final award of the contract and may include site visits.

11. COMMUNICATION

- 11.1 Transversal Contracting may communicate with bidders where clarity is sought after the closing of the bid and prior to the award of the contract to obtain information or to extend the validity period of the bid.
- 11.2 Any communication either by telephone, facsimile, letter or electronic mail or any other form of correspondence to any government official or representative of a testing institution or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.



11.3 All communication between the bidder and the Transversal Contracting Office must be done in writing.

12. CONTACT DETAILS

12.1 *General*

Chief Directorate: Transversal Contracting, National Treasury, Private Bag x115, Pretoria, 0001

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

12.2 *Bid Enquiries*

Contract Manager: Yvette van Niekerk

Transversal Contracting, National Treasury, Tel: (012) 315 5360, Fax: (012) 315 5058

E-mail: Yvette.vanniekerk@treasury.gov.za

12.3 *Specification/Technical Enquiries*

Department of Defence: South African Air Force

Contacts: Maj A Pretorius, Tel: (012) 351 2350 / 012 351 5184, Fax : (012) 351 2205 / 086 403 5768, Cell: 082 310 2033, E-mail: ansia.pretorius@gmail.com

S Maj Timothy Pollock, Tel: (012) 351 5182, Fax : (012) 351 2205, E-mail: tpollock@vodamail.co.za

Delivery of goods: W/O Gert van Wyk, Tel: (012) 684 2642/2123, Fax: (012) 684 2253

Department of Correctional Services

Contact: Mr Willie Smit, Tel: (012) 307 2980, Fax: (012) 323 5621 / 086 529 6395, Cell: 082 927 5060,

E-mail: willem.smit@dcs.gov.za

Department of Home Affairs: Immigration

Contact: Fundisiwe Gajana, Tel: (012) 406 7250, Cell: 083 446 1593, E-mail: Fundisiwe.gajana@dha.gov.za



SECTION B

13. CONTRACT PERIOD

The contract period shall be for a period of 12 months commencing on 1 April 2016 to 31 March 2017.

14. PARTICIPATING GOVERNMENT DEPARTMENTS/INSTITUTIONS

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

Department
South African National Defence Force: SA Air Force
Department of Correctional Services
Department of Home Affairs

14.2 *Post award participation*

Constitutional institutions as per Schedule 1 of the PFMA, national and provincial public entities as per Schedule 3A and 3C of PFMA and Local Authorities e.g. municipalities are permitted to participate in this contract, only once formal requests have been submitted to, and formal approval has been obtained from National Treasury. The National Treasury will obtain written confirmation from the relevant suppliers indicating their willingness to supply in terms of the contract.

15. AWARD CONDITIONS AND SPLIT AWARDS

The State reserves the right to award contracts to more than one contractor for the same item. The following formula will be used for the purpose of splitting contracts between two contractors:

Category	Difference between points	Recommended percentage split
A	Equal points	50/50
B	0,1 – 5 %	70/30
C	5,1 – 10 %	80/20



16. PRICING STRUCTURE

In order to facilitate the evaluation of bids and the administration of the contract it is required that prices quoted be firm for the duration of the contract period, and must also be furnished on the basis of "delivered to the store".

17. PRE-AWARD PRODUCT COMPLIANCE PROCEDURES

The following pre-award product compliance procedures will apply:

17.1 Standards/Specifications

17.1.1 Items must comply with standards/specifications as stated in the bid document.

17.1.2 *South African Bureau of Standards:*

SANS, ISO and CKS specifications are available from South African Bureau of Standards Office's countrywide. Obtaining of such standards/specifications will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales at:

Postal Address: Private Bag X191, Pretoria, 0001

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria

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

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

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

The contact details of SANAS are as follows:

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

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

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

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



17.2 Capability report

17.2.1 Bidders must submit a manufacturing capability report with the bid documents at closing date and time of the bid.

17.2.2 The capability report must be issued by an organization accredited or recognized by SANAS. The capability report must specifically indicate whether the bidder/manufacturer has the capability and capacity to manufacture the product(s). The capability report has to address the following requirements:

- Production capacity and capability
- Company organization
- Facilities
- Quality control systems
- Incoming inspections
- In-process quality control
- Final inspection
- Packaging
- Non-conforming product
- Communication/documentation control and work movement

17.2.3 In the event of the bidder sourcing the product(s) from another manufacturer, a capability report from that manufacturer must be obtained. The capability report must accompany the bid at closing date and time of the bid.

17.2.4 The capability report must not be older than twelve (12) months.

17.2.5 The cost for the capability evaluation and report will be for the account of the bidder.

17.2.6 Failure to comply with this condition will invalidate the bid.

18. QUALITY

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



19. DELIVERY AND QUANTITIES

19.1 Delivery basis

19.1.2 Firm lead times for delivery must be quoted for the duration of the contract period.

19.1.3 Transit and storage conditions applicable to the relevant product must be adhered to.

19.2 Quantities

19.2.2 The quantities reflected in the bid forms are estimated quantities and no guarantee is given or implied as to the actual quantity which will be procured during the contract period.

19.2.3 The quantity indicated against each item represents the total estimated off-take of all participating departments.

20. LOCAL PRODUCTION AND CONTENT

20.1 Regulation 9 of the Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act no 5 of 2000 provides for the designation of sectors in line with national development and industrial policies for local production.

20.2 To give effect to the above requirement the Textiles, Clothing, Leather and Footwear sector has been designated for local production and content with a minimum threshold of 100%.

20.3 Only locally produced or locally manufactured Textiles, Clothing, Leather and Footwear from local raw material or input will therefore be considered. If the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorisation from the Department of Trade & Industry (the dti) should there be a need to import such raw material or input.

20.4 A copy of the authorisation letter must be submitted together with the bid document at the closing date and time of the bid. For further information, bidders may contact the Textiles, Clothing, Leather and Footwear Unit within the DTI:

Mr A P Tembo at Tel: (012) 394 3717 or e-mail aptembo@thedti.gov.za, or

Me P Khumalo at Tel: (012) 394 1390 or e-mail khumalop@thedti.gov.za



- 20.5 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content. The technical specification and the Guidance on the calculation of local content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all bidders on the dti's website http://www.dti.gov.za/industrial_development/ip.jsp at no cost.
- 20.6 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula:
- $$LC = (1 - X/Y) * 100$$
- Where
- X is the imported content in Rand
- Y is the bid price in Rand excluding value added tax (VAT)
- 20.7 Prices referred to in the determination of X must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid.
- 20.8 The Declaration Certificate for Local Production and Content (SBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, signed and submitted with the bidding documents at the closing date and time of the bid. The rates of exchange used by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy against the requirements of paragraphs 20.6 and 20.7 above.
- 20.9 A bid may be disqualified if the above-mentioned Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation, and the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.
- 20.10 A contract awarded in relation to a designated sector, may not be sub-contracted in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.



SECTION C

21. ROLES AND RESPONSIBILITIES

21.1 *Contract Administration*

21.1.1 The administration and facilitation of the contract will be the responsibility of National Treasury, Transversal Contracting and all correspondence in this regard must be directed to the following address:

21.1.2 The Chief Directorate: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001

21.1.3 Contractors must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.

21.2 *Supplier Performance Management*

21.2.1 Supplier performance management will be the responsibility of end user departments and supplier performance issues must be resolved between the contractor and the relevant purchasing institution.

21.2.2 The Chief Directorate: Transversal Contracting, National Treasury must be informed of all cases of unsatisfactory supplier performance.

21.3 *Placement of Orders and Payments*

Contractors should note that each individual purchasing institution is responsible for generating the order(s) as well as the payment(s) thereof.

22. ORDERS AND DELIVERY

22.1 *Orders*

22.1.1 Contractors should note that the order(s) will be placed as and when required during the contract period and delivery points will be specified by the relevant purchasing institution(s).



22.1.2 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the contractor deviate from the orders issued by the purchasing institutions.

22.1.3 The State is under no obligation to accept any quantity which is in excess of the ordered quantity.

22.1.4 In the case of the Department of Defence (SA Air Force, SA Army, SA Military Health Services) item/s, bidders should note that each individual Provincial Directorate/Base is responsible for generating the order/s as well as the payment/s thereof. Bidders should further note that the order/s will be spread out throughout the contract period and that delivery points will be to the individual Directorate/Base.

22.2 ***Delivery Adherence***

22.2.1 Delivery can only commence upon receipt of an original approved order form from the relevant participating department.

22.2.2 Delivery of goods must be made in accordance with the instructions appearing on the official order forms issued by purchasing institutions.

22.2.3 All invoices should be delivered / posted to reach the institution that placed the order timeously. The invoices should be original and complete with all particulars such as order numbers and accompanied by an inspection certificate and proof of delivery.

22.2.4 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.

22.2.5 In respect of items awarded to them, contractors must strictly adhere to the delivery lead times quoted in their bids.

22.2.6 Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.



23. PRODUCT ADHERANCE/BRAND CHANGE

- 23.1 In the event where a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract period.
- 23.2 In the event that the brand is discontinued, National Treasury, Transversal Contracting must be notified of such an occurrence.
- 23.3 Contractors are not allowed to deliver a different brand other than the brand awarded to them prior to an approval of brand change from National Treasury, Transversal Contracting.

24. POST-AWARD PRODUCT COMPLIANCE PROCEDURES

The following post-award product compliance procedures will apply:

Once bids are awarded, the inspection authority, the South African Bureau of Standards is given written notification of the award of all contracts

24.1 *Consignment/batch testing*

- 24.1.1 Consignments (products) are inspected on a batch to batch or lot for lot basis to ensure that the product comply with predetermined standards (these standards could be SANS or private standards).
- 24.1.2 The contract and official orders to the successful bidder will reflect that the relevant testing institution is required to carry out consignment/batch inspections. The purchasing institution will send a copy of the official order to the South African Bureau of Standards and notify the testing institution in writing (preferably by means of an official order) that consignment /batch tests must be carried out.
- 24.1.3 It is the responsibility of the purchasing institution to determine and explicitly stipulate the number and frequency of consignment inspections to be carried out, as the costs of such inspections would normally be borne by the purchasing institution. The consignment inspection can be carried out either before delivery at the contractor's premises or after receipt of the consignment at the purchasing intuition's warehouse. Inspection at the contractor's premises is preferable as any faults are then indisputably the responsibility of the contractor and the correction thereof could be



one promptly. Non mark bearing fabric will be tested with every batch; mark bearing fabric will be tested on request by the department.

24.1.4 If the inspections do not comply with the standards, the cost for these inspections will be payable directly by the contractor.

25. DISPOSING OF GOODS BEARING STATE OWNERSHIP MARK: ALL PRINTED FABRIC

25.1 Textile goods manufactured in terms of this contract and bearing a State ownership mark shall not be disposed of by the contractor to any person, other than a State Department unless the ownership mark has been cancelled, defaced or obliterated in such a manner as may be approved by the State.

25.2 In order for a contractor to comply with the abovementioned condition, a contractor will be entitled to:

- Dispose of such goods provided the goods are stamped or stencilled in indelible ink or dye with the word "CANCELLED", preferable, but not necessarily, over the State ownership mark, or overprinted with a design in the same colour as that of the mark, or provided the colouring of the mark is bleached out.
- Cut up the goods so that the State ownership mark is defaced and then to use it or dispose of it as rags, cleaning cloths, etc.



**26. CONDITIONS APPLICABLE FOR ITEMS REQUESTED BY THE DEPARTMENT
CORRECTIONAL SERVICES: PRISON UNIFORM ONLY**

- 26.1 The quantities for fabrics that the purchaser deems as "confined / restricted lines", the supplier may submit and deliver up to 90% of the total contracted quantity of "A" grade fabric. The remaining 10% of the contract quantity can be of a "sub-standard" fabric offered, if acceptable for its use. The cost of a report/certificate will be for the supplier's account. If the purchaser accepts the "sub-standard" fabric, the Department will discount the cost of these "sub-standard" fabrics at 20% of the contract price.
- 26.2 The Department of Correctional Services reserves the right to request sporadic inspections on "MARK BEARING" suppliers and that the cost of these inspections will be carried by the Department, should the product comply with the specification and, by the supplier should it not comply.

27. QUALITY ADHERANCE

- 27.1 Bidder's attention is drawn to paragraph 8 of the General Conditions of Contract regarding inspection, tests and analysis.
- 27.2 If the delivered supplies are not in accordance with the contract requirements, the cost of inspections, tests and analysis done by an independent testing facility shall be defrayed by the contractor.

28. POST AWARD REPORTING

Historical Data

All successful bidders and participating departments are required to submit historical value and volume reports via e-mail on a three (3) monthly basis to:



Transversal Contracting, National Treasury:

Yvette van Niekerk (Yvette.vanniekerk@treasury.gov.za)

For this purpose electronic templates will be supplied to successful bidders.

Period	Dates at which reports must be submitted
1	30 June 2016
2	30 September 2016
3	31 December 2016
4	31 March 2017


YVETTE VAN NIEKERK

for CHIEF DIRECTOR: TRANSVERSAL CONTRACTING
OFFICE OF THE CHIEF PROCUREMENT OFFICER

DATE: 2016-03-23