



SPECIAL CONDITIONS OF CONTRACT

BID NUMBER RT62-2021

**APPOINTMENT OF CONTRACTOR FOR THE PROVISION OF MAINTENANCE AND ADMINISTRATION OF
SUBSIDISED VEHICLE FLEET FOR A PERIOD OF FIVE (5) YEARS**

CLOSING DATE AND TIME OF BID: 30 NOVEMBER 2020 @ 11H00

BID VALIDITY PERIOD: 150 DAYS

NATIONAL TREASURY

TRANSVERSAL CONTRACTING



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DEFINITIONS

- i) **Accounting Officer** – bears the same meaning as defined in the Public Finance Management Act (PFMA) or the Municipal Finance Management Act (PFMA/MFMA)
- ii) **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.
- iii) **Contractor / Service Provider** – the successful bidder who is awarded the contract to maintain and administer the required and specified services to the State.
- iv) **Driver / Owner** – an official / employee in possession of a valid unendorsed driver's license for whom a subsidized vehicle was approved
- v) **End user department** – any State entity, National or Provincial department that have been approved to utilize this contract and have signed the required mandatory documents with the Contractor.
- vi) **Entity** – any other end user of the contract that is not a national or provincial department but are approved by National Treasury to partake in the contract, such as a municipality.
- vii) **Fleet Responsibility Manager / Fleet Manager** – an official designated by the Accounting Officer or Chief Financial Officer to assume accountability for a fleet of vehicles.
- viii) **Merchant / Supplier** – any legal entity which contracts with the Contractor to provide goods or services to the State.
- ix) **National Department** – means a department listed in Schedule 1 to the Public Service Act, Act 1 of 1994, excluding the Office of a Premier.
- x) **Provincial Department** – The Office of a Premier listed in Schedule 1 to the Public Service Act, Act 1 of 1994 and a provincial department listed in Schedule 2 to the Public Service Act, Act 1 of 1994.
- xi) **Road side assistance** - means any assistance rendered to the driver of a subsidized vehicle when the vehicle suffered a mechanical failure that leaves the driver stranded. Such assistance can include the towing of the vehicle or repair of the vehicle on the side of the road.
- xii) **Service Plan/Maintenance Plan/Motor Plan** – a service as that can be optionally procured during the purchasing of the vehicle that will cover all cost in terms of normal services or maintenance as set out in the vehicle's owner manual or handbook up until a specified kilometres or time period.
- xiii) **Spares / Parts** – a part fitted to a vehicle ensuring that the vehicle is fully operational and functional, and has to be replaced due to the malfunction thereof. The fitment of non-OEM approved spares will need to be done in consultation with the relevant client driver / owner of the vehicle without



jeopardizing any warranties of guarantees in terms of the vehicle.

- xiv) **The State** – for the purpose of this contract it refers to National and Provincial spheres of government who participate in this contract. This includes constitutional institutions, public entities listed in Schedule 3A and 3C of the PFMA as well as local authorities.
- xv) **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.



LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BQRC	Bid Quality Review Committee
B-BBEE	Broad-Based Black Economic Empowerment
CCGMT	Coordinating Committee for Government Motor Transport
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
DOT	The Department of Transport
EME	Exempted Micro Enterprise
FSCA	Financial Sector Conduct Authority
NCR	National Credit Regulator
NT	National Treasury
OCPO	Office of the Chief Procurement Office
PPR 2017	Preferential Procurement Regulation 2017
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
RSA	Republic of South Africa
SLA	Service Level Agreement
SABS	South African Bureau of Standards
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SBD	Standard Bidding Document
TCBD	Transversal Contract Bidding Documents
TC	Transversal Contracts
TIC	Tender Information Centre
VAT	Value Added Tax



LIST OF ANNEXURES

Annexure A: Transport Handbook 1 of 2017

Annexure B: statistics provided to assist the bidders in the compilation of their bids

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Returnable documents and mandatory requirements

NO	Name of the Document that must be submitted (Mandatory)	Included in the published bid document?	To be returned by the bidder?	Non –submission will result in disqualification?
1	SBD 1 – Invitation to Bid	Yes	Yes	YES – Please complete and sign the supplied form
2	CSD Report (Tax Compliance Requirements)	No	Yes	YES – the state will use the CSD to verify tax clearance requirements
3	Central Supplier Database registration	No	Yes	YES – Please submit CSD registration number or CSD report to prove registration
4	Pricing Schedule	Yes	Yes	YES – Please complete the price schedule as issued and submit. The price schedule must be submitted both in hard copy and soft copy (Excel) with the bid at the closing date and time.
5	Valid Certified B-BBEE status level verification certificate or a sworn affidavit	No	Yes	YES – Please submit the document due to pre-qualification criteria requirement that this document must be provided to prove the B-BBEE status level contribution.
6	SBD 4– Declaration of Interest	Yes	Yes	YES – Please complete and sign the supplied form.
7	SBD 6.1–Preference Point Claim Form	Yes	Yes	YES – Generally non-submission will lead to a zero score for B-BBEE, however, due to pre-qualification criteria it as a requirement that this document is provided to prove the B-BBEE status level contributor.
8	SBD 8 – Declaration of Bidder's Past Supply Chain Management Practices	Yes	Yes	YES – Please complete and sign the supplied form
9	SBD 9 – Certificate of Independent Bid Determination	Yes	Yes	YES – Please complete and sign the supplied form
10	General Conditions of Contract	Yes	No	NO – Bidders must only familiarise themselves with the content of the document.
11	Special Conditions of Contract	Yes	No	NO - Bidders must only familiarise themselves with the content of the document.
12	TCBD 1 – Authorization Declaration	Yes	Yes	YES – Bidders sourcing finance from a third party must submit the authorization declaration letter of the third party. Signed agreement between the bidder and the third party. Confirmation that the third party, notes and concur with the contents of the bid and the role that they will play.
13	Implementation Plan	No	Yes	YES – The bidder needs to submit a contract implementation plan. In addition, proof of implementation of similar projects



NO	Name of the Document that must be submitted (Mandatory)	Included in the published bid document?	To be returned by the bidder?	Non –submission will result in disqualification?
				must also be submitted, with references and contact details.
14	Reference letter	No	Yes	YES – The bidder must submit reference letter to prove capacity and capability.
15	Annexure D: Declaration of undertaking:	Yes	Yes	YES – The bidder must submit a declaration of undertaking issued with the bid.
16	Cost components	Yes	Yes	NO – bidder must submit the completed cost component document should the standard cost components detailed in the Special Conditions of Contract be different with the bidder.
17	Read me CSD supplier leaflet	Yes	No	NO – This is for information purposes
18	Read me CSD fact sheet	Yes	No	NO – This is for information purposes

Table 1



SECTION A

1. SPECIAL CONDITIONS OF CONTRACT OUTLINE.

- 1.1 This bid document is divided as follows:
 - 1.1.1 Section A: Conditions of bid
 - 1.1.2 Part 1 : Evaluation criteria
 - 1.1.3 Part 2 : Additional bid requirements
 - 1.1.4 Part 3: End-User requirements
 - 1.1.5 Section B: Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations.
- 2.2 The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 2.3 This Contract is subject to all applicable industry related legislation, particularly the legislation stated below. Contravention of any provision of the below mentioned legislation as well as the following legislation may result in disqualification of this bid or termination of Contract in the event that the contravention occurs after the contract award:
 - 2.3.1 Financial Advisory & Intermediary Services Act, Act 37 of 2002 and its Regulation
 - 2.3.2 Banks Act, 1990 Act No. 94 of 1990 Act 13 of 2002 and its Regulation;
 - 2.3.3 Provisions of the Protection of Personal Information Act, Act no 4 of 2013 and its Regulation;

3. BID INFORMATION SESSION

- 3.1 There will be NO briefing session due to observation of covid-19 protocols. In a case where clarity is required, bidders are encouraged to send their enquiries to mothushi.moifo@treasury.gov.za

4. SCOPE OF WORK

- 4.1 The State requires a service provider to provide maintenance and administration services for the Subsidized Motor Transport fleet.



- 4.2 The bidder must indicate that they have capacity and capability to render services as required. A bid will be only be considered responsive if it addresses the scope of work as contained in the Special Conditions of Contract and the End User Requirement document as attached hereto.

5. SUMMARY OF END USER REQUIREMENTS

- 5.1 The State requires a service provider to maintain and administer all subsidized vehicles procured under Scheme A of the Subsidized Motor Transport Scheme.
- 5.2 In order for the appointed Contractor to execute the required services as set out in this contract, they will need to share information with other service providers appointed in terms of Subsidized Vehicle Contracts. This includes, but is not limited to contract RT62 for the Maintenance of Subsidized Vehicles, contract RT57 for the Procurement of Subsidized Vehicles and contract RT58 for the Insurance of Subsidized Vehicles.
- 5.3 The same requirement for the sharing of information is applicable to other contractors appointed in terms of the Subsidized Vehicle Scheme.
- 5.4 The functions required from the Contractor in terms of this contract can be summarized in the following functions:
- 5.4.1 Obtaining all vehicle and owner information from the RT68 Finance Service provider
- 5.4.2 Ensure that all maintenance services as set out in this contract is rendered to every owner / driver of a subsidized vehicle.
- 5.4.3 That all premiums for maintenance are collected through the government payroll systems of Persal and Persol
- 5.4.4 That fuel claims are administered and submitted to the government payroll systems to allow for the payment of fuel claims to officials.
- 5.4.5 Communication of the correct information to the various role players within the scheme including SMS's and emails.
- 5.4.6 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 Handbook. (Transport Handbook 1 of 2017, Attached as Annexure A).
- 5.4.7 To ensure that the required management reports as required by the end users are provided.



PART 1: EVALUATION CRITERIA

6. EVALUATION CRITERIA

6.1 The bid shall be evaluated in phases as per the table below:

Phase 1	Phase 2	Phase 3	Phase 4
Pre-qualification criteria	Mandatory Requirements and other Bid requirements	Capacity and capability	Price and B-BBEE
Regulation 4	Compliance with mandatory and other bid requirements	As proven by the bidder in their bid submission or by way of a presentation and live demonstration of system capabilities	Bids evaluated in terms of the 90/10 preference system

Table 2

6.2 PHASE 1: PRE - QUALIFICATION CRITERIA

6.2.1 In this phase, bidders will be evaluated based on pre-qualification criteria as set out below.

6.2.2 It is a condition of this bid that only the following bidders may respond to this bid:

6.2.2.1 A bidder having a B-BBEE status level contributor 1 to 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 or sworn affidavit at the closing date and time of the bid in order to prove compliance.

6.2.3 Failure to meet the pre –qualification criteria will invalidate the bid submitted.

6.2.4 Once a bid has complied with the pre-qualification criteria, it would further be evaluated on PHASE 2: Mandatory requirements and other bid conditions.

6.3 PHASE 2: MANDATORY REQUIREMENTS AND OTHER BID REQUIREMENTS

6.3.1 During this phase, bidders will be evaluated based on mandatory requirements and other bid conditions as set out below.

6.3.2 Bidders' must submit all requirements indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the



documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory and other requirements may be disqualified.

6.3.3 **STANDARD BIDDING DOCUMENTS AND RETURNABLE DOCUMENTS**

6.3.3.1 It is a requirement of this bid that bidders fill out all Standard Bidding documents issued with the bid and submit them together with the bid at the closing date and time of the bid.

6.3.3.2 Over and above the Standard Bidding Documents bidders must adhere to requirements relating to all returnable documents to prove compliance with specific requirement. Table 1 must be used as a guideline for the returnable documents that must be submitted with the bid at the closing date and time.

6.3.4 **IMPLEMENTATION PLAN**

6.3.4.1 All bidders will be required to submit their implementation plans. The implementation plan should not exceed a period of 3 months and will be linked to the lead-out of the current contract..

6.3.4.2 Upon completion of the implementation plan the full contract with the delivery of all the required services as set out in this document will need to commence. Should circumstances permit, the implementation process may commence after the award of the contract even if such a date is earlier than 1 April 2021

6.3.4.3 The implementation plan of the successful bidder may be altered after consultation and agreement with the State.

6.3.4.4 The Contractor shall furnish a detailed implementation plan as part of the bid documents that includes steps, timeframes and responsibilities of the various parties, based on the assumption that the contract shall commence 1 April 2021.

6.3.4.5 All vehicles maintained by the existing Maintenance Service Provider will not form part of the implementation of this contract. they will be serviced by the existing contractor of contract RT62/2015.

6.3.5 **PRICING SCHEDULE**

6.3.5.1 It is a requirement of this bid that bidders fill out and submit the pricing schedule issued with the bid at the closing date and time of the bid.

6.3.6 **AUTHORISATION DECLARATION**

6.3.6.1 Any bidder who is sourcing goods or services from a third party must complete the "Authorization 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.

6.3.6.2 Failure to submit a duly completed and signed Authorization Declaration, with the required annexure(s), in accordance with the above provisions will invalidate the bid for such goods or services offered.



- 6.3.6.3 The State reserves the right to verify any information supplied by the bidder in the Authorization Declaration and should the information be found to be false or incorrect, the State reserves its right to exercise any of the remedies available to it, including disqualifying the bidder and or restricting the bidder.
- 6.3.6.4 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. Failure to render the service in line with the Contractual terms of this, Contract may lead to the Contract being terminated and bidder being restricted from doing business with the State.
- 6.3.7 **APPLICABLE TAXES**
- 6.3.7.1 All bid prices must be inclusive of all applicable taxes.
- 6.3.7.2 Failure to comply with this condition will invalidate the bid.
- 6.3.8 **TAX COMPLIANCE REQUIREMENT**
- 6.3.8.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 6.3.8.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.
- 6.3.8.3 It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 6.3.8.4 Bidders are required to be registered on the Central Supplier Database (CSD) and the state shall verify the bidder's tax compliance status through the CSD or through SARS.
- 6.3.8.5 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the CSD or through SARS.
- 6.3.8.6 The state will not award a bid to any bidder whose tax matters are not in order
- 6.3.9 Failure by the bidder to meet any requirement detailed in this phase may render their submitted bid non-responsive therefore disqualified.



6.4 PHASE 3: CAPACITY AND CAPABILITY

6.4.1 During this phase, bidders will be evaluated based on capacity and capability to execute the contract as per the requirements detailed in this bid as setout below.

6.4.2 Returnable documents set out in this phase must be submitted with the bid at the closing date and time of bid and failure to do may result in the disqualification of the bid.

6.4.3 Information Technology (IT) Requirements

6.4.3.1 *Collection of premiums and fuel claims administration*

- a) It is a requirement of this bid that bidders be able to administer the collection of premiums on government's Persal and Persol systems. Bidders must provide proof that their system will be able to interface and/or interact with Persal and Persol systems.
- b) Bidders are expected to provide documentation relating to the operations of the system and how it is able to interact and /or interface with government's Persal and Persol systems.
- c) The bidder must prove that it has the capability to collect the maintenance premiums on a monthly basis through the government payroll systems. Should the service of submitting the payment files to payroll systems for the collection of the maintenance premium or the submission of the fuel claim payments be outsourced, the bidder must include any such agreements that it may have or will enter into with a third party as part of its bid submission.
- d) Bidders must be able to provide a demonstration when requested to do so.

6.4.3.2 *System requirements relating to fuel claim administration , maintenance and reporting requirements*

- a) Bidders a required to provide an undertaking that their system will be able to meet all requirements stated above. Annexure D must be filled out for this purpose and be submitted with the bid at the closing date and time. Non-submission of Annexure D issued with the bid may render the bid non-responsive and therefore led to disqualification of the bid.

6.4.3.3 Bidders must be able to provide a demonstration when requested to do so.

6.4.3.4 The system provided for this purpose must be a system that is already operational and not in production or creation stage.



6.4.4 **History of similar work**

6.4.4.1 Bidders must be able to demonstrate that they have experience of similar work that was conducted before. This should be through similar work of this scale and size previously done.

6.4.4.2 Bidders must submit at least one (1) contactable references where similar work was conducted and contact details of such references. supporting documentation to prove that they have experience in the management of maintenance and repairs.

6.4.4.3 The bidder must prove that they were contracted to provide maintenance /repair services through a network of merchants for at least 1000 vehicles at one time and 5 years fleet experience. Reference letters must be provided with contact details

6.4.5 Failure by the bidder to meet any requirement detailed in this phase may render their submitted bid non-responsive therefore disqualified.

6.5 **PHASE 4: PRICE AND B-BBEE (90/10 CRITERIA)**

6.5.1 **VALUE ADDED TAX**

6.5.1.1 All prices must be inclusive of 15% Value Added Vat.

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

6.5.2 **PRICING STRUCTURE AND SCHEDULE**

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

6.5.2.2 The prices quoted must be inclusive of all applicable taxes. The bid price offered for service is deemed to be as advertised in the item specification.

6.5.2.3 Bidders are required to submit responsive bids by completing all the prices as contained in the pricing schedule, mandatory response fields and item questionnaires on the provided pricing schedule for the individual items

6.5.2.4 Bidders must ensure that it completes in full, and submits the EXCEL PRICING SPREAD SHEET attached in this bid, failing which the bid will be deemed non responsive and shall therefore be disqualified. The pricing schedule must not be a scanned pdf.

6.5.2.5 The prices as requested in the Price Schedule must not include any settlement discounts for early payments. The State will not pay any amounts to the appointed service provider that is not reflected on the price Schedule at the time of bid submission.



- 6.5.2.6 The bidder is required to submit an offer for a monthly maintenance payment contribution per engine capacity category. The contractor owns the maintenance fund with no risk to the State. The bidder must create and manage a maintenance fund into which all monthly maintenance payments as collected through the government payroll systems will be made.
- 6.5.2.7 Prices submitted for this bid must be completed on the fields provided on the price schedule supplied with the bid.
- 6.5.2.8 All prices submitted must be reflected in the pricing schedule. The State will not authorize any payments for any amounts that are not reflected in the pricing schedule. The bidder cannot in the submission of the bid, submit any additional prices or fee structures that are not included in the pricing schedule.
- 6.5.2.9 Pricing structures that do not comply with this requirement will invalidate the bid.

6.5.3 PREFERENCE POINT SYSTEM

6.5.3.1 In terms of regulation 7 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10-preference point system in terms of which points are awarded to bidders on the basis of:

- a) The bid price (maximum 90 points)
- b) B-BBEE status level of contributor (maximum 10 points)

6.5.3.2 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

6.5.3.3 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



B-BBEE Status Level of Contributor	Number of Points
3	6
4	5
5	4
6	3
7	2
8	1
Non-Compliant Contributor	0

Table 3

- 6.5.3.4 Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level points.
- 6.5.3.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 6.5.3.6 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 from an accredited verification agency or a sworn affidavit will be considered for preference points.
- 6.5.3.7 Failure on the part of the bidder to comply with the paragraphs above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 6.5.3.8 The State may, before a bid is adjudicated, require a bidder to substantiate claims it has made with regard to preference.
- 6.5.3.9 The points scored will be rounded off to the nearest 2 decimals. 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.
- 6.5.3.10 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.



6.5.4 **RECOMMENDATION AND AWARD**

- 6.5.4.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on phase 1, phase 2, phase 3 and phase 4.
- 6.5.4.2 The award of the Contract is subject to meeting all the requirements of the tender.



PART 2: ADDITIONAL BID REQUIREMENTS

7. ADHERENCE TO REQUIREMENTS

- 7.1 All bidders must comply with the requirements below as well as submit all required documents referred to. Unless the requirement specifically provides for mandatory compliance, the National Treasury reserves the right to disqualify a bid that does not comply with any of the requirements in terms of this part

8. THIRD PARTY AGREEMENTS AND SUB-SERVICE PROVIDER AGREEMENTS

- 8.1 No agreement between the bidder and any third party will be binding to the State.
- 8.2 In the event that bidder intends using sub-contractors to execute the Contract or part thereof, the bidder must note that it shall remain responsible and accountable for the completion of the work or delivery of services requirements as per Regulation 12 of the PPR 2017.
- 8.3 The bidder must declare as required in terms of SBD 6.1 its intention to subcontract and the percentage of subcontracting thereof and must provide full description of subcontractor.

9. SUPPLIER DUE DILIGENCE

- 9.1 The State reserves the right to conduct supplier due diligence prior to final award or at any time during the Contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid or Contract in whole or parts thereof.

10. COUNTER CONDITIONS

- 10.1 Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by bidders may result in the invalidation of such bids.

11. FRONTING

- 11.1 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 condemns any form of fronting.
- 11.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner may, 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.



- 11.3 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 / service provider to prove that fronting does not exist.
- 11.4 Failure to do so by the bidder within a period of fourteen (14) days from date of notification will invalidate the bid/Contract and may also result in the restriction of the bidder /service provider from conducting business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the National Treasury will have against the bidder/ service provider concerned.

12. RIGHT OF AWARD

- 12.1 The state reserves its following rights-
- 12.1.1 to award the bid in part or in full;
 - 12.1.2 not to make any award in this bid;
 - 12.1.3 request further technical information from any bidder after the closing date; or
 - 12.1.4 verify information and documentation of the respective bidder;
 - 12.1.5 not to accept any of the bids submitted;
 - 12.1.6 to withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award; and
 - 12.1.7 in the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

13. AWARD CONDITIONS

- 13.1 For the purpose of procuring the administration of maintenance services for the subsidized motor transport fleet, the State will appoint one service provider to fulfil the requirements of the contract. All items will be awarded as a group and not per line item.

14. NEGOTIATIONS

- 16.1.1 The State reserves the right to negotiate with the preferred bidders in line with the legislative requirements.

15. SUBMISSION OF BIDS

16.2 Hard copy and Submission of Bids

- 16.2.1 The bidder must submit at least two hard copies of the bid document together with a memory stick on or



before the closing date and time to National Treasury: Bid Information Centre. The hard copy of the bid response will serve as the legal bid document.

- 16.2.2 The bidder must submit at least two hard copies of the bid document of which only the original must include the pricing together with a memory stick on or before the closing date and time to National Treasury: Bid Information Centre.
- 16.2.3 The pricing schedule on a memory stick that will be submitted must not be a pdf must be on excel format.
- 16.2.4 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.
- 16.2.5 Bidders must initial each page of the bid document on the top right hand corner.
- 16.2.6 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.
- 16.2.7 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.

16.3 Conflict of interest of interest in submission of bids

- 16.3.1 To prevent a conflict or potential conflict of interest, a bidder can only submit one bid or be part of one bid submission whether it being as the main bidder, a subcontractor or as part of a joint venture. In the event that a bidder forms part of more than one bid, all bids in which the contractor forms part of will be invalidated. This excludes service providers used to provide intermediately services such as payroll collections or other similar services

16. LATE BIDS

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

17. BID COMMUNICATION

- 16.5 National Treasury may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the Contract, or to extend the validity period of the bid, if necessary.
- 16.6 All communication between the bidder and the Contract Management Office must be done in writing.

18. CONTACT DETAILS

- 18.1 The following is the contact details of the Contract management office: -

Transversal Contracting, OCPO-National Treasury, Private Bag x115, Pretoria, 0001

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



Bid Enquiries

Mr Mothushi Moifo

Tel: 012 395 6521 / 012 395 6600

E-mail: mothushi.moifo@treasury.gov.za

Specification / Technical Enquiries

Mr Andries Schoeman/ Mr Mlungisi Maphanga

Department: National Department of Transport

Email: Schoemaa@dot.gov.za/ Maphanga@dot.gov.za

Tel: 012 309 3117/ 012 309 3895



PART 3: END-USER REQUIREMENTS

19. INTRODUCTION TO REQUIREMENTS

- 19.1 The State requires an all-inclusive service for the maintenance and administration of all subsidized vehicles procured on the Subsidized Motor Transport scheme..
- 19.2 The bidders are requested to read user requirement in line with Special Conditions of Contract for further clarity and understanding.
- 19.3 In order for the appointed Contractor to execute the required services as set out in this contract, they will need to share information with other service providers appointed in terms of Subsidized Vehicle Contracts. This includes, but is not limited to contract RT68 for the Financing of Subsidized Vehicles, contract RT57 for the procurement of Subsidized Vehicles and contract RT58 for the Insurance of Subsidized Vehicles. The same requirement for the sharing of information is applicable to other contractors appointed in terms of the Subsidized Vehicle Scheme.
- 19.4 The functions required from the Contractor in terms of this contract can be summarized as follows:
- 19.4.1 Obtaining all vehicle and owner information from the RT68 Finance Service provider
- 19.4.2 Ensure that all maintenance services as set out in this contract is rendered to every owner / driver of a subsidized vehicle.
- 19.4.3 That all premiums for maintenance are collected through the government payroll systems of Persal and Persol.
- 19.4.4 That fuel claims are administered and submitted to the government payroll systems to allow for the payment of fuel claims to officials.
- 19.4.5 Communication of the correct information to the various role players within the scheme including SMS's and emails.
- 19.4.6 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 Handbook. (Transport Handbook 1 of 2017, Attached as Annexure A).
- 19.4.7 To ensure that the required management reporting as required by the end users are provided.
- 19.4.8 Communication of the correct information to the various role players within the scheme including SMS's and emails.



19.4.9 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. (Subsidized Motor Transport Handbook 1 of 2017 or as amended, Attached as Annexure A)

20. TASK DIRECTIVES / REQUIREMENTS

- 20.1 The end user requirements cover the general aspects of the tender that is required from the appointed contractors.
- 20.2 The appointed contractor will provide maintenance and administration services, including the administration of fuel claims for participants to the Subsidized Motor Transport Scheme.
- 20.3 The appointed contractor is responsible to ensure that the service that will be rendered complies with the requirements of relevant laws and all applicable regulations.
- 20.4 In the event of any service /category offered to the participating department not being provided, not being on time or not being provided within a time that the department considers as acceptable delayed time, the appointed contractor will be held responsible.

21. APPOINTMENT OF END USER REPRESENTATIVES

- 21.1 The Coordinating Committee of Government Motor Transport manages all government fleet related matters and contracts on a national level. The committee consist of representatives from all provincial transport departments and some national users such as SAPS, SANDF and Correctional Services.
- 21.2 Within each province, the provincial department of transport chairs a provincial transport officers meeting, where all departments in the province are represented. The National Department of Transport chairs the transport officer's forum for all national departments.
- 21.3 Each department has appointed transport officers that represents their respective departments at the provincial / national transport officers meeting.
- 21.4 Transport Officers are responsible for the day-to-day interaction with the contractor to ensure that the required services are rendered to the end user department.
- 21.5 The appointed contractors shall within reasonable time make all relevant documents, writings and technical data available to CCGMT members and transport officers and render them with the required assistance to perform their functions in line with this contract.
- 21.6 The appointed contractor shall appoint its own representatives to whom all queries or correspondence regarding work carried out in terms of this contract shall be directed.



- 21.7 All correspondence not of a confidential nature, may be made by telephone and, if so, shall be followed by confirmation in writing either by letter, e-mail within a period of 48 (forty-eight) hours thereafter.
- 21.8 The appointed contractor shall indicate the persons appointed to act as representative between the participating department and the appointed contractors.

22. CAPACITY

- 22.1 Over and above capacity requirements provided for in phase 3 of the evaluation criteria, bidders must observe the following capacity requirements for the implementation of the ensuing contract:
- 22.2 Should more than one company combine in the submission of one bid or where services are subcontracted, the services to be supplied under this contract by any one company should be clearly defined in the bid submission.
- 22.3 The State reserves the right to conduct a due diligence as and when required.

23. GOVERNMENT PAYROLL SYSTEMS

- 23.1 Government is making use of the Persal and Persol payroll systems and the contractor will be required to ensure that they meet the requirements for interaction with these payroll systems to ensure the submission of allowances and deductions.
- 23.2 The Contractor shall ensure that all maintenance deductions are made from the payroll account of the individual and that the transaction for the payment of the fuel claims are submitted to the government payroll systems.
- 23.3 The contractor will ensure and make provision for the the relevant audit processes required by the government's payroll systems.
- 23.4 The bidder must indicate the capability of its system to interact/ interface with the government's payroll systems. Should this function be outsourced the agreement or possible agreement with such a company will need to be provided. A copy or an example the credit cover agreement must be provided.

24. CONSULTANCY FUNCTION

- 24.1 The Contractor must 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.
- 24.2 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 vehicles utilisation, fuel and maintenance control, loss control, vehicle selection, risk management, fleet composition and any new technology designed to curb abuse and recommendations to improve the overall service.

25. SYSTEMS ENHANCEMENT

- 25.1 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.
- 25.2 The State shall be consulted before any significant changes to systems are effected and such enhancements should further not change any of the requirements of the State.
- 25.3 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.

26. FINANCIAL CONSIDERATIONS

- 26.1 The provision for abnormal maintenance requirements needs to be managed separately from the fund, but will be included in the monthly maintenance premium.
- 26.2 The fund shall be managed on the following basis:
- 26.2.1 There will be no profit sharing for the duration of the contract period. Ownership and management of the fund remains the responsibility of the Contractor.
- 26.2.2 The Contractor shall be responsible for any fund deficits. The State shall not participate in the risk, should the fund run at a loss.
- 26.2.3 The State will own all data/information related to the fund. All repairs, maintenance and top-up services, excluding services covered by service plan and those arising from excluded causes as set out in this specification document, in respect of the vehicles shall be paid out of the maintenance fund at the invoiced value thereof.
- 26.2.4 The Contractor shall, on a monthly basis provide financial reports, in terms of General Acceptable Accounting Principles (GAAP) on the status of the fund to The National Department of Transport.



26.2.5 The bidder is required to provide a full explanation on how the fund will be managed and how it will be structured with reference to the unique requirements of this tender including reference to the provisions for non – standard maintenance requirements.

27. CONTRACTING PARTIES

27.1 Each bidder should make an offer in line with this specification for the entire fleet maintenance and administration requirements as set out under the task directives regarding the entire fleet management requirements of all user departments. The National Department of Transport will contract on behalf of the State.

27.2 The National Department of Transport will enter into a Service Level Agreement on behalf of the State.

27.3 The Contractor shall be required to sign the Service Level Schedule upon completion of the required processes for signing agreements by the National Department of Transport. This will include the attachments specifying the differences in services to be rendered to the different users on the contract as agreed to by the National Department of Transport.

28. EQUIPMENT AND MATERIALS

28.1 The Contractor shall 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.

28.2 Equipment and materials of the contract will include a “driver’s handbook that can be compiled in cooperation with all service providers to the Subsidized Vehicle Scheme and is to be handed over to the official at the time of signature.

28.3 The “driver’s handbook” should also be issued to all officials partaking in the Subsidized Motor Transport Scheme as well as all departmental transport officers.

28.4 Equipment can also include any stickers related to tow in service contact details and or maintenance call centres as supplied by the contractors appointed in terms of contract RT62 for the Maintenance of Subsidized vehicles.

29. END USER COMMUNICATION REQUIREMENTS

29.1 For matters relating to the administration of the contract or matters having any potential financial impact to the contract, the Contractor shall communicate with the National Treasury.

29.2 Prior to such communication, the contractor will be required to consult The National Department of Transport.



- 29.3 For operational queries, the Contractor shall communicate with the relevant department, the provincial departments of transport or if necessary, the National Department of Transport.
- 29.4 The State requires continuous communication to the following stakeholders within the subsidized motor transport scheme to ensure efficiencies.
- 29.5 The contractor is required to communicate to the official and the Transport Officer via SMS and email, whichever is preferred by the official or the Transport Officer, in terms of the following:
- 29.5.1 The kilometre reading on the last day of the month as obtained from the log sheet needs to be sent to the official as soon as it is captured on the system of the contractor to ensure the effective and efficient submission of fuel claims by the end user department.
- 29.5.2 Using estimated kilometre readings as obtained through the submission of log sheets, the official must be sent a reminder when a service is due on their vehicle to ensure that vehicles is serviced in time and that warrantees remain intact.
- 29.5.3 After the official has taken the vehicle for a service the official needs to be notified of the successful maintenance transaction. The amount of the service needs to be included in this SMS / Email for control purposes as well as information such as the number of tyres or the number of wheel alignments still available.
- 29.5.4 Once the officials fuel claim is captured on the system, the official needs to be notified by SMS/ email, including the anticipated date that the payment will appear on the government's payroll system.
- 29.5.5 Once the payment has been successfully processed by government's payroll system the official will need to be notified. Such notification shall include the number of kilometres, the rate of reimbursement and the actual amount.
- 29.5.6 Should the Contractor not be able to capture the claim due to incorrect information, the official will need to be notified via SMS / email and the action that the official needs to take to rectify the situation needs to be communicated.
- 29.5.7 Should a claim be rejected by government's payroll system, the official and the Transport Officer needs to be informed via SMS/ email that:
- 29.5.7.1 The Contractor will resubmit the claim after the required corrections has been made, or
- 29.5.7.2 The action that the official will need to take to rectify the claim



29.5.7.3 Should the contract near its expiry date in terms of time elapsed or kilometres travelled, the official needs to be notified via SMS on when the maintenance contract will expire.

30. CALL CENTRE FACILITY

- 30.1 A call centre facility must be implemented by the contractor at no additional cost to the State for the logging, answering and resolution of queries. The call centre facility needs to fulfil the following requirements:
- 30.2 Operated 24 hours a day, 7 days a week. The call centre number may be diverted to a cell phone, this will however only be allowed, where the staff member has full access to the systems of the contractor.
- 30.3 A shared call option will need to be made available for departments contacting the Service Provider.
- 30.4 Shared call option will need to be made available for all suppliers and merchants contacting the Service provider.
- 30.5 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.
- 30.6 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”.
- 30.7 Call centre operators must at least be conversant in English and in at least one of the other official languages.
- 30.8 The call centre function must be performed to address the needs of each specific province / user that partakes in the contract. The call centre must be provided at no additional cost to the State.
- 30.9 The call centre will need to be fully functional at the time of the commencement of the contract.
- 30.10 After hours the call centre must assist in terms of the management of roadside assistance and towing.
- 30.11 The contractor shall be capable of generating meaningful electronic call centre reports for feedback to the State (This will include, but not limited to: average call waiting time, call duration, calls dropped etc.) – This information must be available per province and nationally 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;

- 30.12 The contractor must submit evidence that it does have access to a call centre facility or that such a facility can be established within the implementation period of the contract conforming to the requirements of the Special Conditions of contract RT62/2021. The contractor must submit information in terms of the current or anticipated call centre capabilities in terms of volume and service levels as well as the capability to generate the reports as required and the system to be used. Should this function be outsourced to any other company, the outsourced agreement must be supplied.

31. PROVINCIAL REPRESENTATION

- 31.1 The contractor will not be required to have provincial offices.
- 31.2 The contractor will however need to ensure that all end users receive adequate customer services, which includes:
- 31.3 The attendance of provincial transport meetings as scheduled by the provincial departments of transport or the National Department of Transport for national departments.
- 31.4 Monthly meetings with all end user departments where required or requested.
- 31.5 A specific individual assigned to the province or department that can assist with any queries from the end user department.
- 31.6 Assist departments and resolve issues that arise with the day-to-day operation of the contract.
- 31.7 Assist Departmental Transport Control Officers and Transport Officers on the reports generated.

32. MAINTENANCE INCLUSIONS

- 32.1 The maintenance service provider is required to pay for all maintenance to the vehicle that is not included in the service or maintenance plan as issued by the manufacturers supplying vehicles to the State under contract RT57.
- 32.2 A maintenance contract shall be for a period of 160 000km or 60/48/42/36/32 months whichever comes first.
- 32.3 The vehicle as it was ordered from the RT57 vehicle procurement contract will need to be maintained. 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.
- 32.4 All the maintenance required as listed below, but not limited to the list, will be the responsibility of the contractor unless; due to the cause thereof will be excluded. (Also see exclusions to maintenance)
- 32.5 Any part of the vehicle that requires repairs, maintenance or replacement that was caused by normal wear and tare or extended use of the vehicle will be for the cost of the contractor unless excluded (see exclusions to maintenance) based on the cause of the required repairs, maintenance or replacements. The contractor will be required to maintain the vehicle in such a manner as to ensure that it's functional.
- 32.6 Repairs to any of the seats or safety belts will be required if the malfunctioning thereof in any way will endanger the driver or passengers of the vehicle. Should any dispute in terms of the necessity thereof arise it will be referred to The National Department of Transport for a final decision.
- 32.7 All lights in the interior of the vehicle will need to be maintained. This includes all lights on the instrument panels and lights fitted inside of the vehicle. All lights and indicators will need to be maintained this include the replacement of light bulbs, light covers or the unit itself where required. Should the malfunctioning of the light be an electronic wiring fault or a malfunctioning switch it will need to be repaired by the maintenance service provider. The same will apply for brake lights even if such a light is mounted in the upper rear window.
- 32.8 The maintenance service provider will need to maintain all wiper blades, the wiper motor and any other mechanisms related to the wipers of the vehicle including switches. Should circumstances require the replacement of such a motor or any parts thereof, the cost will be for the maintenance service provider.
- 32.9 If the cruise control is a standard factory fitted device, the system will need to be maintained by the maintenance service provider and any cost incurred in terms of the maintenance or repairs will be for the cost of the maintenance service provider.
- 32.10 All repairs to the 4x4 system or any part thereof will need to be paid for by the maintenance service provider unless abuse can be proven by the Contractor and can be confirmed by an independent third party.
- 32.11 All approved accessories will need to be maintained by the maintenance service provider. This



- includes, but is not limited to tow bars, canopies, whinges etc. or any part thereof that may malfunction.
- 32.12 The maintenance service provider will not be required to pay for any glass repairs unless such a repair is necessitated by the fact that the damage was caused by a malfunctioning window, whether electric or manual. The repairs of the window winder or the electrical window mechanism will need to be paid for by the maintenance service provider as well as the actual fitment of the glass should it be required.
- 32.13 All other switches or buttons in the vehicle that has a functional value that ensures the safe and correct application of the vehicle will require be maintenance and repairs by the maintenance service provider. This can include the mechanisms for the adjustments of side mirrors, electric windows, electric seat adjustment or manual seat adjustment, petrol cap opening devices, bonnet opening devices, door handles, locking devices etc.
- 32.14 The instrument panel as a whole will need to be maintained by the maintenance service provider. Should any part of the instrument panel require repair where the instrument panel itself is not functioning, there is an electrical or wiring malfunction or any repairs required to ensure that the instrument panel is accurate and fully functional, such repairs will be be paid by the maintenance service provider.
- 32.15 The refilling of air conditioner units will be paid by the maintenance service provider and will further include any cost for the repair of the unit, partial repair thereof or the replacement of the air conditioner motor or any other required part.
- 32.16 Any system in a vehicle that is required to ensure the visibility through the windows such as the defogging system on the rear window of most cars as well as any possible systems for the windscreen will need to be maintained, repaired or replaced at the cost of the maintenance service provider as and when required.
- 32.17 Should an airbag deploy for any other reason than that of an accident or incident or if there is any indication that it might be malfunctioning the cost for the repair or replacement thereof will be for the account of the maintenance service provider.
- 32.18 The contractor shall be responsible for the factory fitted radio of the vehicle and any repairs required thereto. Should the official fit any other radio into the vehicle or modify the factory fitted radio system in any way, the cost therefore will be for the official.
- 32.19 Any damage or repairs required to the gearbox will be the responsibility of the contractor unless



the cause of the damage requires otherwise.

- 32.20 The contractor shall replace a battery should the need arise. The system of the contractor will need to make provision for the capturing of the serial numbers of these batteries to ensure that vehicle batteries are not swapped.
- 32.21 The maintenance service provider shall ensure that all repairs and maintenance to radiators is carried out, unless the cause of such damage is as a result of an accident or incident.
- 32.22 The maintenance service provider shall be responsible for the replacement of the clutch system should it be required. Should the replacement thereof be prior to the anticipated lifespan of the clutch system or the required replacement cause the replacement to be excluded, the contractor shall cover the cost of the usage up to the stage of replacement. (Also refer to Non-standard Maintenance Requirements)
- 32.23 The contractor shall be responsible for the repair or replacement of any part or parts related to the wheels of the vehicle or any damage associated with bad road conditions, unless the contractor can prove that the damage was caused by the gross negligence of the official.
- 32.24 The contractor will make provision for 15 wheel alignments per individual contract excluding wheel alignments to be done during the fitment of tyres. Category A vehicles will be allowed to fit 8 tyres for the duration of the contract and Category B, C and D vehicles 10 tyres.
- 32.25 The same make and type of tyre must be fitted to the vehicle as was delivered with. If the same make and type is not available, the RT62 maintenance service provider will authorize the fitment of tyres of a similar type.
- 32.26 The maintenance service provider will not pay for the fitment of specialized tyres such as Mud-terrain or All-terrain tyres if the vehicle was not delivered with these tyres already fitted to the vehicle.
- 32.27 An official will be allowed to fit specialized tyres upon the first replacement of tyres and pay the difference in the price between the specialized tyre and the original tyres or similar tyres that the vehicle was fitted with at the time of delivery. This will also be applicable for all subsequent changes in tyres
- 32.28 In order for the maintenance service provider to verify the details of the vehicle and that of the owner, the vehicle and the official must be at the fitment centre when the maintenance service provider is contacted.



32.29 Tyres will only be changed when a reasonable number of kilometres, as determined by the contractor in consultation with the State, based on the operating area of the vehicle, the type of vehicle and kilometers travelled since the previous fitment of tyres allows for it or if upon inspection the tyres are found not conform to the legal requirement for tyres to be changed.

33. MAINTENANCE EXCLUSIONS

33.1 The following, for the purpose of this contract is not the responsibility of the Contractor:

33.1.1 All cost related to any of these repairs would either need to be covered by the official or where required, the Insurance service provider in terms of contract RT58.

33.1.2 Driver abuse leading to abnormal damage.

33.1.3 Driver neglect that could have been avoided through care with the exclusion of engine damage.
(See special maintenance requirements)

33.1.4 Consequential damage caused by abuse, neglect or the continuous use of an already damaged vehicle.

33.1.5 Should the official in any way have altered the standard fittings to a vehicle without the approval of the maintenance service provider, the maintenance service provider can refute a claim even though it would under normal circumstances be covered under the inclusions in terms of maintenance.

33.1.6 The maintenance service provider will not be responsible for the repair of any sunroofs; switches related to the sunroof, structural damage or any other repairs related to the sunroof.

33.1.7 Any repairs required to a vehicle that was caused by an incident or accident that is related to the insurance on the vehicle.

33.1.8 Any repairs required to the radio of the vehicle due to additional modifications or fitments thereto will be for the account of the official.

33.1.9 Maintenance to all cosmetic fitments to the vehicle will not be required. This includes:

33.1.10 Repairs to interior mirrors of the vehicle, excluding the rear view mirror

33.1.11 Repairs to any upholstery or seats of the vehicle unless the damage to the upholstery is of such a nature that failure to repair it will endanger the driver or the passengers of the vehicle.

33.1.12 The repair of scratches to the body work of the vehicle, any fitted accessories or damage to the interior of the vehicle will be excluded unless it affects the functionality or endangers the driver or the passengers of the vehicle.



- 33.1.13 The repair of any rubbers or covers in terms of the gear lever, 4x4 lever or any other mechanism such as the indicator, wipers, and cruise control shall be excluded. Should the malfunction or breakage of any of the covers impair the use thereof the service provider will be required to pay for such a repair.
- 33.1.14 Any scratches or breakage of the dashboard or other interior fitments, irrespective of it hampering the operation of the vehicle.
- 33.1.15 Any repairs to bull bars, nudge bars, anti-role bars, and runners will not be covered by the maintenance service provider unless such was fitted as an approved accessory.
- 33.1.16 The maintenance service provider will not cover any accessory that is not an approved accessory by the user department, irrespective of whether it influences the functionality of the vehicle or not.
- 33.1.17 The maintenance service provider will not be required to pay for any glass repairs in terms of windows unless such damage was caused by a malfunctioning window winder or electrical system.

34. NON STANDARD MAINTENANCE REQUIREMENTS

- 34.1 The following circumstances that were not brought on by normal wear and tear have caused delayed downtime in terms of the subsidized fleet and therefore needs to be addressed as the State continues to pay for the maintenance, capital and insurance on the vehicle even though it is not operational.
- 34.2 The contractor shall implement a system similar to insurance to make a provision for the repair of the vehicle should:
- 34.2.1 The fuel of the vehicle be contaminated
- 34.2.2 An engine overhaul be required, irrespective if such repairs are necessitated by the incorrect application of the vehicle .
- 34.2.3 A clutch need to be replaced and any damage caused by the non-functioning clutch whether repairs are necessitated by the incorrect application of the vehicle .
- 34.3 The system that makes provision for the repairs required in terms of engine overhauls, clutches or contaminated fuel shall require an excess system, where the official is required to pay an excess towards the repairs of the vehicle.



- 34.4 Such excesses payable shall be paid by the official directly to the Contractor and shall not be administered through the government payroll systems.
- 34.5 The excess shall start at R2500.00 and shall escalate with R1500.00 per claim for the duration of the contract for the official per vehicle ordered under the scheme. The excess will be payable upon completion of the repairs on the vehicle. An official shall not be able to claim back such excess from the end user department irrespective of it being a business or private trip
- 34.6 **In terms of fuel contamination:**
- 34.6.1 A claim in terms of contaminated fuel does not include a petrol vehicle that has been filled with diesel or a diesel vehicle being filled with petrol.
- 34.6.2 The provision needs to cater for substandard fuel.
- 34.6.3 The contractor will be allowed to recover the cost of the repairs for contaminated fuel from the respective service station or fuel-company. Any processes related to the recovery of the repair cost should not in any way delay or prevent the vehicle from being repaired.
- 34.7 **In terms of engine overhauls:**
- 34.7.1 Should an engine overhaul be required due to the instrumentation panel of the vehicle not functioning or any other reason other than neglect or abuse by the official, the Contractor shall be required to pay for the repairs or ensure that the repairs are done under the warranty of the vehicle. These repairs shall result in the minimum downtime to the official and the State.
- 34.8 **In terms of clutches:**
- 34.8.1 The same provisions will need to be applied where the clutch of the vehicle fails irrespective of the cause thereof.
- 34.8.2 The replacement of a clutch due to the incorrect application of the vehicle will be limited to two clutches under this provision.
- 34.8.3 In the event that the failure of the clutch causes any additional damage to the vehicle, such damage will also need to be repaired by the contractor.
- 34.9 **Other items:**
- 34.9.1 Any damage caused by any moving part dislodging and causing damage to the vehicle or any part thereof.



35. TOWING SERVICES AND ROAD SIDE ASSISTANCE

- 35.1 The maintenance service provider as appointed in terms of the RT62 contract will be required to provide all subsidized users with roadside assistance. This assistance will include at least the following:
- 35.2 In respect of tow-in services, the Contractor shall, on receiving a request from a driver, traffic officer, Fleet Responsibility Manager or Departmental Transport Officer, arrange for a reputable tow-in service to tow the vehicle to an approved merchant, which is closest to the location of the vehicle should the vehicle not be in a condition to drive or if driving it would cause further damage to the vehicle.
- 35.3 The Contractor shall be responsible for all storage costs and the costs of the tow-in service or any cost associated with roadside assistance.
- 35.4 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 shared call telephone number of the Contractor, to the windscreen or rear window of the vehicle.
- 35.5 The Contractor must advise the official that owns the vehicle by of the details of the approved merchant that the vehicle was towed to.
- 35.6 A summary report must be provided to the State of any tow-in services on a monthly basis.
- 35.7 Road side assistance will not be required where the vehicle was involved in an accident as this would be covered by the by the insurance service provider in terms of contract RT58. It is the responsibility of the Contractor to communicate this to the official at the scene of the accident or incident.
- 35.8 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 an insurance claim be registered in terms of the particular incident the cost of the tow in will be paid by the Insurance service provider as appointed in terms of contract RT58. 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.
- 35.9 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.



- 35.10 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.
- 35.11 In an urban area the Contractor will have a maximum of 1 hour to ensure that the tow in or road side assistance service are on site. In a rural area a maximum of two hours to be on site and in a remote area, 3 hours.



SECTION B: CONDITIONS OF CONTRACT

36. INTRODUCTION: CONCLUSION OF CONTRACT AND SLA

- 36.1 The Contract between National Treasury and the preferred bidder (Service Provider) collectively referred to as the Parties shall come into effect after the Service Provider has been issued with an Unconditional letter of Acceptance to their bid.
- 36.2 It is a requirement that the Service Provider and the Department of Transport sign an SLA after of award of this Contract. National Treasury shall terminate the Contract with the Service Provider that fails to sign the SLA without justifiable grounds.
- 36.3 The Service Provider shall be the bidder appointed in terms of this bid. The parties must ensure that the terms and conditions of the SLA do not contradict the provisions of this bid document. In the event that the terms of the SLA contradict the provisions of this bid document to the extent that the duration, pricing as well as services have changed in terms of this Contract, such SLA shall be deemed not to be in terms of this RT62-2021. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT62- 2021.
- 36.4 The following will form part of the Contract documents between the parties in as far as this RT62 is concerned: -
- 36.4.1 Bid Documents;
 - 36.4.2 Letter of appointment;
 - 36.4.3 Award Documents (Covering Letter, Contract Circular, Special Conditions of Contract and General Conditions of Contract);
 - 36.4.4 SLA;
- 36.5 For purposes of Section B, the term “service provider” shall refer to the preferred bidder appointed in term of this RT62/2021.

37. END USER TRAINING

- 37.1 During the period of the contract, the Service provider shall provide training on an ad-hoc basis countrywide to government officials as per consultation with the State or Provincial Transport departments.
- 37.2 Continuous training will need to be provided at different levels to accommodate administrative, operational staff and managers.
- 37.3 Regular training courses shall address all related systems, processes and fleet management



principles and procedures, which have bearing on this contract and can include the following:

- 37.3.1 General fleet management concepts;
 - 37.3.2 The purpose and method of accessing management reports;
 - 37.3.3 The implications of any system changes;
 - 37.3.4 Risk management
- 37.4 The training programs will be finalized with the successful bidders within 3 months' post award. The Service provider shall provide the State with a manual on systems and procedures relating to the contract.
- 37.5 Training will have to be provided online and should be accessible to all end users of the contract. Where required, the end user department can request for training to be provided onsite.
- 37.6 This training shall be provided to the State as part of the contract and at no additional cost to the State.
- 37.7 The Service provider 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. This shall be provided for all nominated State officials on the "best practices" within the practice of fleet management at no additional cost to the State.
- 37.8 The Service provider shall provide detailed reporting on all training undertaken. This will include information such as the type of training provided, names of the officials trained, dates of training and venues.
- 37.9 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 vehicle abuse and wrongful application.

38. CONTROL OVER MERCHANTS THAT SUPPLY MAINTENANCE SERVICES

- 38.1 The Contractor needs to ensure that Service Level Agreements are signed with all merchants that provide maintenance to the State in terms of the Subsidized Motor Transport Scheme. The bidder is required to submit a pro-forma merchant agreement.
- 38.2 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.



- 38.3 The applicable payment terms need 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.
- 38.4 The Service Level Agreement should stipulate the turnaround times of vehicles for specified repairs or services.
- 38.5 The Service Level Agreements shall stipulate the service levels of the services to be rendered especially to merchants that do not form part of a dealership, specified service or tyre fitment franchise network.
- 38.6 At non-dealership merchants, warranties on work undertaken and parts will need to be specified as well as the remedial action that will be taken should the services that were rendered and the parts that were used failed to have met the warranty.
- 38.7 Car wash should be included in the price for a vehicle service at dealerships. Should the price not be included the cost for the car wash will need to be paid by the maintenance service provider. The maintenance service provider needs to ensure that the car has been washed.
- 38.8 The maintenance service provider will carry any additional cost where a technical inspector is required, should any disagreement between the maintenance service provider and the merchant exists in terms of the work that was required or the work that was undertaken.
- 38.9 Fitment of any part of the vehicle must not jeopardize the warranty on the vehicle. The fitment of parts that are not from the original OEM or refurbished or reconditioned can be fitted where the warranty is still maintained.
- 38.10 The Service Level Agreement will require the merchant to indicate their HDI and BBBEE status as required by the State. Such figures will need to be reported on by the maintenance service provider as well as the proportional expenditure in terms of the shareholding.

39. MAINTENANCE DISPUTE RESOLUTION PROCESS

- 39.1 The contractor shall implement a process to resolve any disputes that may arise in the payment of maintenance 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 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.
- 39.2 The dispute resolution processes need to address the following matters:



- 39.2.1 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 service, damage resulting from an earlier accident or incident, parts failure or neglect from the merchant.
- 39.2.2 Depending on the cause of the damage, the responsible party will need to pay for the damage incurred. Should the contractor and the official 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.
- 39.2.3 Should an inspection be required, such an inspection will be required to take place within 3 days (or as negotiated with appointed contractor) of the disagreement between the contractor and the official, the merchant and the official or the contractor and the merchant
- 39.2.4 The entire process should be completed and the vehicle repaired within a maximum period of 5 working days with the exception of vehicle parts not being available.
- 39.2.5 The contractor will need to keep track of each case where the dispute resolution process was utilized, including the dates and the time frames for each part of the process to be concluded.
- 39.2.6 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.
- 39.2.7 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.
- 39.2.8 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.
- 39.2.9 The Contractor will need to ensure that the process is monitored and that the official is continuously informed of the progress via SMS and Transport officer via email.

40. USER SATISFACTION SURVEY

- 40.1 The Service provider must conduct an annual web based user satisfaction survey aimed at measuring the satisfaction of users with the services provided by Contractor. It must include a proposed user satisfaction index and a schedule of user satisfaction criteria. The survey will test



user satisfaction levels in respect of the services provided via a representative sample and cross-section of users.

40.2 The State can also require the user satisfaction survey to be done manually should the impression exist that the web based user satisfaction conducted is not representative.

40.3 The State will have to approve the questions to be used in the User Satisfaction Survey prior to the survey being conducted on an annual basis.

40.4 All callers that use the call centre must have the option to score or evaluate the service received once the call has been completed.

40.5 The Contractor shall conduct the approved user satisfaction survey in writing annually during the contract period for at least 10% of the data base and geographically representative.

40.6 The user satisfaction survey, which should be included in the annual report to the state should be done in terms of:

40.6.1 Merchants (where applicable)

40.6.2 Government user departments

40.6.3 Provincial Departments of Transport

41. RELATED CONTRACTS

41.1 The effectiveness and efficiency of the Subsidized Motor Transport Scheme requires the service provider appointed in terms of RT62 for the Maintenance and Administration of Subsidized Vehicles to work together in the sharing of information and the development of systems with the other service providers appointed in relation with the Subsidized Motor Transport Scheme to ensure seamless flow of information between them and the relevant end users. Other vehicle related contracts in terms of the Subsidized Vehicle Scheme are listed below.

41.2 RT57 – Vehicle procurement contract

41.2.1 Vehicles are procured directly from the RT57 suppliers and delivered to the dealership as identified in the application process. The contractor appointed in terms of contract RT68 for the Financing of Subsidized vehicles must establish relationships with the various suppliers in terms of the RT57 contract to ensure that the correct processes and procedures are implemented for the procurement of vehicles directly from the appointed service providers.



41.2.2 The contractors appointed for the Insurance of Subsidized Vehicles and the Maintenance of Subsidized Vehicle obtains the information for the vehicle and owner database from the appointed service provider for the Financing of Subsidized Vehicles.

41.3 **RT68 – Financing of Subsidized Vehicles**

41.3.1 The contractor appointed in terms of contract RT68 for the financing of the subsidized motor vehicles will be required to provide information to the contractor appointed in terms of contract RT62 for the Maintenance of Subsidized Vehicles. It is the responsibility of the contractor appointed in terms of Contract RT68 to facilitate the ordering and delivery processes of all subsidized vehicles.

41.4 **RT58 – Insurance of Subsidized Vehicles**

41.4.1 The Finance Service provider will be required to confirm insurance with the service provider appointed in terms of RT58 as well as provide this service provider with information to compile their database. Interaction with the RT58 Insurance Service provider will be required in the event of a total loss of a vehicle.

42. **CURRENT PROCESSES**

42.1 There are tried and tested processes currently in use to manage the Subsidized Motor Transport Scheme. The contractor will need to fulfil their role in terms of these processes as well as introduce modifications and improvements on the current processes whilst at the same time ensuring that all control measures currently available remains intact. The typical life cycle of a vehicle ordered through the Subsidized Motor Transport Scheme can be summarized in the following:

42.2 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.

42.3 The end user department will approve such an application based on the fact that the official adheres to the minimum requirements for the participation to the scheme as well as the most economical solution for the provision of appropriate transport as set out in Subsidized Motor Transport Handbook.

42.4 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.



- 42.5 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.
- 42.6 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.
- 42.7 The RT68 contractor will need to do a revised credit check once they are notified by the supplier on contract RT57 that the vehicle is ready to be dispatched. This is required due to the possible change in the credit profile of the official or a possible increase in the price of the vehicle due to the RT57 price adjustments every four months.
- 42.8 Once the RT68 contractor can ensure that an agreement can be entered into with the official, must the vehicle be dispatched to the dealership.
- 42.9 The supplier in terms of contract RT57 will deliver the vehicle to the identified dealership and invoice the Finance Service Provider accordingly.
- 42.10 The official will do an inspection of the vehicle. Upon the inspection of the vehicle, the Finance Service provider will register the vehicle and request the official to sign the finance agreement with the finance service provider.
- 42.11 When the official signs the finance agreement and take delivery of the vehicle, the following processes will commence:
- 42.11.1 The Finance Service Provider is required to pay the vehicle supplier as per contract RT57.
- 42.11.2 The Finance Service Provider needs to instate the monthly allowances and deductions from the official's salary for the payment of the capital of the vehicle.
- 42.11.3 The vehicle is insured with immediate effect as per contract RT58.
- 42.11.4 The collection of the insurance premiums is instated.
- 42.11.5 The RT62 Maintenance Service provider appointed in terms of the RT62 contract is responsible for any maintenance required on the vehicle.
- 42.11.6 The RT62 Maintenance service provider needs to instate the allowances and deductions for the maintenance premiums through the government's payroll systems.
- 42.11.7 The RT62 Maintenance service provider needs to process all fuel claims and log the payments thereof through the government's payroll systems.



- 42.11.8 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. The RT62 maintenance service provider will need to notify the financier that the vehicle has reached its contractual kilometres.
- 42.12 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. (Subsidized Motor Transport Handbook 1 of 2019, Annexure A) which is subject to amendments by The National Department of Transport.

43. RELEVANT STATISTICS AND ESTIMATED QUANTITIES

- 43.1 Please note that these statistics must be utilized 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. It is merely an estimate to be used in the compilation of the bids.
- 43.2 The State does not and shall not guarantee the fleet size or any other statistics provided as part of this bid as contracted by the State.
- 43.3 The Service provider is required to obtain knowledge of the State's business principles and accordingly assist with the optimization of its fleet. Consequently, the Service provider will be contractually required throughout the contract period to provide recommendations to optimally manage the fleet size and cost.
- 43.4 The statistics provided to assist the bidders in the compilation of their bids are attached to this document as Annexure B.

44. PARTICIPATING GOVERNMENT DEPARTMENTS / INSTITUTIONS

- 44.1 All National and Provincial Departments participating in the Subsidized Motor Transport Scheme making use of the government's Persal and Persol payroll systems.

45. POST AWARD PARTICIPATION

- 45.1 The State reserves the right to allow any State Institution to participate in this Contract post award, on condition that such end users make use of the government payroll systems as provided for under this contract.

46. CONTRACT PRICE ADJUSTMENTS

- 46.1 **Formula**



- 46.1.1 Prices submitted for this bid will be regarded as non-firm and subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time. The price will only be adjusted for all new vehicles delivered.
- 46.1.2 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 46.1.3 The following price adjustment formula will be applicable for calculating Contract price adjustments (CPA).

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

Table 4

46.2 Formula component definitions

46.2.1 Adjustable amount

- 46.2.1.1 The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is 85% of the original bid price. For example, if the bid price is R1000,



then only R850 will be subject to adjustment.

46.2.2 Fixed portion

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

46.2.3 Cost components and proportions

46.2.3.1 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.

46.2.3.2 Bidders are requested to submit the cost breakdown of the bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the Contract.

46.2.3.3 In a case where the same cost components are applicable to all items offered please fill out the Cost components document attached with the bid other than that cost components must be indicated on each line item when finalising pricing schedule.

Cost Component	% Contribution
D1- CPI Transport, Private Transport Operation, Other running costs	100%
TOTAL (Cost components must add up to 100%)	100

Table 5

46.2.4 Applicable indices / references

46.2.4.1 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
Transport, Private Transport Operation, Other running costs	STATS SA Statistical release P0141 (CPI Publication)	Table E financial services

Table 6

46.2.5 Base Index Date

46.2.5.1 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 **November 2020**.

46.2.6 End Index Date

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

46.2.7 Price Adjustment Periods

46.2.7.1 Adjustment will be applied on yearly basis:

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates from which adjusted prices will become effective
1	1 March 2022	January 2022	1 April 2022
2	1 March 2023	January 2023	1 April 2023
3	1 March 2024	January 2024	1 April 2024
4	1 March 2025	January 2025	1 April 2025

Table 7

46.3 General

46.3.1.1 Unless prior approval has been obtained from Contract Management, no adjustment in Contract prices will be made.

46.3.1.2 Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.

46.3.1.3 CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.



46.3.1.4 In the event where the supplier's CPA application, based on the above formula and parameters, differs from Contract Management's verification, Transversal Contracting will consult with the supplier to resolve the differences.

46.3.1.5 Bidders are referred to Section A of the Special Conditions regarding Counter Conditions.

46.3.1.6 An electronic price adjustment calculator will be available on request from Contract Management.

47. COLLECTION OF PREMIUMS

47.1 The Contractor shall ensure that they have all the required IT systems in place or subcontract to a company that has the capability to collect through the government payroll systems under the correct Subsidized Motor Vehicle functions.

47.2 The Contractor shall not penalise or implement any measures against any official due to its failure to collect premiums. This includes listing officials at the National Credit Regulator.

47.3 The Contractor shall notify the National Department of Transport on a monthly basis of any over or under collections.

48. PAYMENT FOR SUPPLIES AND SERVICES

48.1 All vehicles are ordered by the end user departments through the RT68 Finance contract. The contractor will obtain the relevant information required for billing and collection, from the RT68 contractor.

48.2 It is the responsibility of the supplier to collect the correct premiums through the government payroll systems of Persal and Persol.

49. FUEL CLAIMS ADMINISTRATION AND PROCESSES

49.1 The Contractor will be required to administer the payment of fuel claims to officials partaking in the Subsidized Motor Transport Scheme through the government payroll systems currently in use, the Persal and Persol systems.

49.2 Officials are paid per kilometer on the rates as published by The National Department of Transport on a monthly basis. (Annexure C)

49.3 The system of the service provider must make provision for the capturing of the vehicle category on which the fuel rate is paid that was approved by the end user department in the application process of the vehicle and in line with the benchmark of the vehicle. This must differentiate between Petrol and Diesel vehicles. These categories are revised by The National Department



of Transport in March each year and the system will need to make provision for vehicles possibly being categorized differently in the next financial year.

49.4 The Transport Officer within the relevant user departments will compile a “log sheet summary sheet” when a manual request for the fuel claims capturing is done should an automated system not be available to the official for whatever reason. The sheet for the manual capturing of the fuel claim will contain the following details of approximately 10 to 12 officials:

49.4.1 Initials and Surname

49.4.2 Persal number

49.4.3 Petrol/Diesel

49.4.4 Start odometer reading

49.4.5 End odometer reading

49.4.6 Month in which the kilometres were travelled

49.4.7 Total business kilometres travelled

49.4.8 Total business kilometres not paid for

49.4.9 Total private kilometres travelled

49.4.10 Total kilometres travelled for the month

49.5 The Contractor must implement a web based electronic log sheet capturing system to allow transport officers to capture the fuel claims directly on the system of the Contractor. The format of this electronic system may differ from the manual-capturing sheet as set out above.

49.6 Fuel claims captured by the Departmental Transport Officer will only be paid over to the official once the contractor has verified it as correct in terms of the audit trail prescribed by the National Department of Transport.

49.7 The service provider will confirm receipt of the log sheet summary sheet and will subsequently capture the information as contained in the log sheet.

49.8 The system of the service provider should be designed in such a way that it does not allow the capturing of the log sheet where:

49.8.1 More than one claim was submitted for a particular month.

49.8.2 The odometer reading as submitted on the log sheets does not correspond to the actual kilometre readings as submitted by the merchants during the maintenance of the vehicle.



- 49.8.3 The average number of kilometres per day exceeds 750km.
- 49.8.4 The amount as determined by The National Department of Transport is exceeded.
- 49.8.5 The kilometres as submitted in terms of the log sheet summary sheet do not add up.
- 49.8.6 The log sheet summary is not signed or was not submitted by the designated Departmental Transport Officer.
- 49.8.7 The log sheet for the previous month has not been submitted
- 49.8.8 The end kilometres of the previous month does not correspond with the starting kilometres of the new month.
- 49.9 Once the log summary sheet has been captured the service provider will be required to submit the captured claims to the Persal/ Persol (Government Payroll Systems) within 48 hours of it being submitted to the Contractor. This submission is currently done through an independent company that has already developed the required technology and should be done in the format as required by Persal/ Persol.
- 49.10 The Persal/Persol system is developed in such a way as to ensure that payments are not made to the incorrect officials. The Persal/ Persol system would verify the fuel claim submission by ensuring the following:
- 49.10.1 The Payroll number does exist
- 49.10.2 The actual payment of the vehicle was made to the financial service provider and the vehicle is active in the scheme.
- 49.10.3 The official is still employed by the department for which the fuel claim was submitted.
- 49.10.4 The personal information of the official corresponds with the information as contained on the Persal/Persol system.
- 49.10.5 A fuel claim was already processed for the month that was submitted.
- 49.10.6 The start date of the submitted claim does not correspond with the start date on the Persal/Persol system. (Normally in terms of the first fuel claim submission.)
- 49.10.7 The end date of the submitted claim does not correspond with the end date on the Persal/ Persol system. (Normally in terms of the last fuel claim submission.)
- 49.11 Once the submission to the Persal/Persol systems has been made, the service provider would receive a rejection report. The service provider is required to process the rejections by verifying



the details of the submissions.

- 49.12 Claims that were submitted to the Persal/Persol system where the details on the service providers system were incorrect will need to be resubmitted.
- 49.13 In exceptional circumstances the service provider will be required to inform the user department that the claim cannot be processed and issue a voucher to the user department to enable the department to effect the payment internally.

50. MAINTENANCE AUTHORIZATION PROCEDURES

- 50.1 The official will take the vehicle to the merchant for a normal service, required maintenance or the replacement of tyres or wheel alignment.
- 50.2 Should any part of the vehicle be identified during the service as non-functioning or in need of replacement, such shall be done at the time without the vehicle being moved to another merchant where possible.
- 50.3 When the official takes his/her vehicle to a merchant to have maintenance done, the merchant will contact the Maintenance Service provider telephonically requesting authorization to do the required maintenance, repairs or the replacement of tyres or wheel alignment. Such a request shall include all parts and labour required for the execution of the service.
- 50.4 The Maintenance Service Provider is required to have a system that is capable of verifying the request. This verification includes, but is not limited to the following:
- 50.4.1 When was a similar service paid for?
- 50.4.2 Does the work required form part of a warrantee claim?
- 50.4.3 Is the claim related to accident damage?
- 50.4.4 Is the claim related to substandard workmanship of a previous merchant or panel beater?
- 50.5 Once the maintenance service provider has verified all the above, an order number is given to the merchant.
- 50.6 Should the vehicle still be under warrantee, or the claim in the opinion of the contractor constitutes a warrantee claim, the contractor will be responsible to ensure that the warrantee claim is successfully completed. The contractor will need to track this process and be able to provide feedback to the end user department and the driver of the vehicle.
- 50.7 The merchant will use the order number on the invoice when the Maintenance Service Provider is invoiced and will ensure that the maintenance service provider receives the invoice.



- 50.8 Once the maintenance service provider receives the invoice, the invoice will be scrutinized to ensure that the invoice is the same as the initial approval that was granted when the order number was issued.
- 50.9 If the invoice is correct and confirmed to concur with the order number, the Maintenance Service Provider will pay the merchant.
- 50.10 The Maintenance Service Provider must negotiate discounts in terms of the early settlement of invoices. All merchants will need to be paid within a period of 30 days after the work/service was satisfactory completed by the merchant.
- 50.11 The non-payment of a merchant shall at no time prevent any maintenance to be undertaken by an official that partakes in the scheme.

51. DELAYS AND/OR UNSATISFACTORY PERFORMANCE

- 51.1 The service provider shall, at all times, ensure that it renders the services in accordance with the provisions of this Contract and within the delivery times or periods as agreed to between the parties.
- 51.2 This bid is issued with a penalty schedule to manage service failures at any time during the performance of the services, by the service provider, its agents or subcontractor(s). Potential bidders are requested to familiarize themselves with the penalty schedule at the end of this Special Conditions of contract. .

52. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

52.1 Contract Administration

- 52.1.1 The administration and facilitation of the Contract will be the responsibility of National Treasury within the Chief Directorate: Transversal Contracting. All correspondence in this regard must be directed to the following address:

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

52.2 Supplier Performance Management

- 52.2.1 Supplier performance management will be the responsibility of end-user and the National Department of Transport through the Coordinating Committee for Government Motor Transport (CCGMT), and where supplier performance disputes cannot be resolved between the service



provider and the relevant purchasing institution, National Treasury: Transversal Contracting must be informed for corrective action.

53. POST AWARD SERVICE COMPLIANCE

53.1 The service provider shall ensure that all the certificates referred to in Section A PHASE II clause 6 of this document remain valid for the duration of the Contract. It remains the responsibility of the service provider ensure that it provides the Contract management office with a valid certificate within 30 (thirty) days from the date of expiry of such a certificate or within the time agreed to with the State failing which the service provider shall be held to be in breach of Contract. The State reserves its right to terminate the Contract should the service provider fail to remedy such breach as per the provisions of this Contract.

54. QUALITY ASSURANCE

54.1 The service provider must ensure that its services comply with all applicable legislation with particular reference to Clause 2 at all times during the Contract period.

55. INSPECTION AND AUDIT

55.1 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.

55.2 The cost of inspections and audits shall be borne by the Contractor where the State can provide reasonable grounds to prove inaccuracy of information provided by the Contractor or deliberate misrepresentation by the Contractor.

55.3 The State reserves the rights to conduct audits on the status of the contract and the Contractor shall provide any assistance free of charge that may be required in this regard.

55.4 Should any audit or inspection reveal that the Contractor has not complied with any of the terms of this contract, the Contractor shall be charged for the cost of the audit or inspection as well as the cost of any losses incurred by the State associated with such non-compliance.

56. INSURANCE AND INDEMNITY

56.1 The Contractor must obtain sufficient 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.

56.2 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.

57. SECURITY AND CONFIDENTIALITY OF DATA

- 57.1 The Service provider undertakes to disclose information related to or generated through this 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 where applicable.
- 57.2 The Service provider shall ensure that all information made available online to end users of the contract are secured by the use of usernames and passwords and will allow individuals to reset the passwords in a way that is user friendly.
- 57.3 To protect the database relating to State's fleet contract, the Service provider shall have in place, and shall maintain, suitable back-up procedures and system recovery plans to protect data. The Service provider shall back-up all electronic data on a daily basis. Any costs associated with the recapture and processing of data for whatever reason shall be borne by the Contractor.
- 57.4 In the event that the system recovery plan needs to be implemented, the Service provider will need to ensure that operational capability is restored within a period of 12 hours, with full access to reporting and all other requirements of the contract within a period of 48 hours.
- 57.5 All successful service provider shall be subject to a SSA clearance process which will be facilitated by the State. Should the service provider's clearance have a negative outcome, the State shall terminate this Contract with immediate effect.

58. RISK MANAGEMENT

- 58.1 The Contractor's systems and procedures shall incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions.
- 58.2 The Service provider shall report in writing to the State any suspected irregularities involving an official, or any other person immediately upon the suspicion arising.
- 58.3 In terms of the operations of this contract, the Service provider shall:
- 58.3.1 Take adequate steps (including rotation of staff where practical) to minimize the risk of collusion among its staff, merchants and/ or government officials.
- 58.3.2 Either provide or ensure that vehicles of the State, when delivered to the dealership or



merchant, be covered for any damage of whatever nature or cause until the vehicle is collected by an official designated by the State to do so.

- 58.3.3 Assist the State in investigating such irregularities by providing any information and/ or evidence that it may have. The information provided 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.
- 58.3.4 Avail any of its staff at no additional cost to the State to assist in any investigations, disciplinary or criminal actions.
- 58.4 The Service provider shall be liable for all cost or damages incurred by the State where:
- 58.4.1 Costs or damages are a result of irregularities involving the staff of the Service provider or merchant.
- 58.4.2 Where preventative and detective safeguards failed.
- 58.4.3 Where maintenance fraud can be proven, the Contractor has the right to recover any losses from individuals involved. Steps relating to the recovery of losses are outlined within Treasury Regulations 11 and 12 to which all State departments must conform.

59. CHANGE CONTROL

- 59.1 The change control shall not include any changed to the scope of the contract.
- 59.2 Should the State require to amend any of the services as set out in these special conditions, add additional related services, or need to establish or specify the levels of a required service, or need to make any other arrangements to streamline the deliverables as set out in this contract, the following will apply:
- 59.2.1 A request shall be made by the contractor to the National Department of Transport for any change control requests.
- 59.2.2 The Department of Transport shall be responsible for approving all change controls that is operational in nature after consultation with the appointed contractor.
- 59.2.3 Should the requested changes have any impact in terms of the pricing as included in the pricing schedule attached to this contract or in any other way, a submission shall be made by Department of Transport to the section: Contract Management at National Treasury.
- 59.2.4 Once approval has been granted by Department of Transport or the Section: Contract Management at National Treasury, the changes will be signed off by both parties prior to



implementation.

59.2.5 All changes as agreed to in terms of this process will form part of the actual agreement and will be attached to the Service Level Schedule

59.3 Format of change control:

59.3.1 Each request for a change control shall have a date and be individually numbered in terms of the year and the request number, i.e. Change Control 1 of 2020.

59.3.2 The request shall provide the current contents of the contract, the recommended changes to be made, the reasons for such changes and the financial implications thereof.

59.3.3 The change control shall specify the date of the change control being effective.

60. REPORTING AND THE COLLECTION OF INFORMATION

60.1 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.

60.2 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.

60.3 The Contractor should upon request from The State be capable to alter, change or create new reports as and when requested.

60.4 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.

60.5 The Contractor shall ensure that vehicle contract history and transaction data relating to any contract is retained for the period of the contract even in the case where the agreement for the individual has been terminated or cancelled.

60.6 All reports in terms of kilometre readings will need to be scrutinized prior to presentation to the state.

60.7 The Contractor's information system shall have the facility to provide information relating to the fleet at various levels needs to make provision for reporting on the following levels:

60.7.1 The entire fleet.



- 60.7.2 The fleet per province.
- 60.7.3 The fleet per department.
- 60.7.4 The fleet per district or operating area,
- 60.7.5 Per category/ type of vehicle Per vehicle and per end user/driver
- 60.8 The system shall allow for the printing of on-line reports by all parties who have authorised access to reports.
- 60.9 The user departments/provinces or divisions should first approve the electronic format of reports prior to it being distributed.
- 60.10 Should any other operational information as recorded by the Service Provider be required by the end user department a request can be made, through the National Department of Transport to include the information in the reporting.
- 60.11 Reports and reporting systems shall be user friendly:
- 60.11.1 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.)
- 60.11.2 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;
- 60.11.3 The Contractor must supply the State with access to a system/application in order for the state to analyse electronic downloaded data where required;
- 60.11.4 All reports must be exportable to at least a Microsoft Windows application;
- 60.11.5 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;
- 60.12 Printed reports that are required monthly and shall be delivered within 7 (seven) working days of the cut-off date of that month;
- 60.13 The contractor is required to capture the following information on its system:
- 60.14 **In terms of the official:**
- 60.14.1 Name and surname



- 60.14.2 Government payroll number (Persal or Persol)
- 60.14.3 Contact details of the official
- 60.14.4 Province or National government
- 60.14.5 End user department
- 60.14.6 Region / District
- 60.14.7 Contact details of the Departmental Transport Officer
- 60.14.8 Finance Service Provider account number
- 60.14.9 Contract start date
- 60.14.10 Contract end date
- 60.14.11 ID number
- 60.14.12 Contract early termination date
- 60.14.13 Reason for early termination
- 60.15 **In terms of the vehicle:**
 - 60.15.1 Vehicle registration number
 - 60.15.2 Engine number
 - 60.15.3 VIN number (Chassis Number)
 - 60.15.4 Vehicle make
 - 60.15.5 Vehicle model
 - 60.15.6 Vehicle type
 - 60.15.7 Approved accessories fitted to the vehicle
 - 60.15.8 Non-approved accessories fitted to the vehicle
 - 60.15.9 Odometer reading at the time of withdrawal
- 60.16 **In terms of maintenance premium collection**
 - 60.16.1 Government payroll centre
 - 60.16.2 Government payroll centre number
 - 60.16.3 Vehicle category as approved by end user department



- 60.16.4 Actual vehicle category
- 60.16.5 Approved rate for maintenance allowance
- 60.16.6 Approved amount actual maintenance
- 60.16.7 Total kilometres travelled to date
- 60.17 **In terms of fuel administration**
 - 60.17.1 Government payroll centre
 - 60.17.2 Government payroll centre number
 - 60.17.3 Differentiation between Petrol and Diesel vehicles
 - 60.17.4 Vehicle category as approved by end user department
 - 60.17.5 Actual vehicle category
 - 60.17.6 Approved rate for fuel reimbursement
 - 60.17.7 Start kilometre reading on the 1st day of the month
 - 60.17.8 End kilometre reading at the last day of the month
 - 60.17.9 Total business kilometres for the month
 - 60.17.10 Total private kilometres for the month
 - 60.17.11 Total business kilometres to date
 - 60.17.12 Total private kilometres to date
 - 60.17.13 % Business kilometres of total kilometres travelled
- 60.18 **In terms of maintenance**
 - 60.18.1 Service intervals
 - 60.18.2 Applicable service plans
 - 60.18.3 Approved vehicle maintenance category
 - 60.18.4 Actual vehicle maintenance category
 - 60.18.5 Billing amount
 - 60.18.6 Warrantee of vehicle
 - 60.18.7 Number of tyres allowed



60.19 In terms of merchant and other information

- 60.19.1 The kilometres travelled by a department per month / year
 - 60.19.2 The merchant name
 - 60.19.3 A list of all merchants
 - 60.19.4 The number of transactions per merchant
 - 60.19.5 The value of the transactions per merchant
 - 60.19.6 The BBBEE and HDI status of the merchant
 - 60.19.7 Report in terms of all breakdowns
 - 60.19.8 Any other operational information that may reasonably be required
- 60.20 The minimum required management reports as identified by the end users of the contract 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 information as this information is essential for the deliverables stated in this contract.
- 60.21 The bidder is required to indicate where, when and with what regularity the data as set out hereing will be captured and what measures will be taken to ensure the accuracy of the data.
- 60.22 The bidder is also required to ensure that the ability to report on the data as set out above and the flexibility of its system is illustrated in their submission by way of providing examples of current reports or proposed reports with the relevant headings and subsequent information.

61. POST AWARD REPORTING

- 61.1 The service provider shall ensure that they submits all reports every six (6) months through e-mail to: Transversal Contracting, OCPO National Treasury: mothushi.moifo@treasury.gov.za
- 61.2 For this purpose; electronic templates as well as reporting schedules will be supplied to service provider by the State.

62. REPORTING AND FEEDBACK MEETINGS

- 62.1 The contractor should provide feedback and relevant reports to National Treasury, National Department of Transport, other national departments, the CCGMT, the provincial transport officer forums and end user departments as and when required.



63. BBEE REPORTING

- 63.1 The Contractor shall ensure that the requirements as set out in the Broad Based Black Economic Empowerment Act, Act no 53 of 2003 as amended. (BBBEE Act, as amended) is implemented as part of the contract.
- 63.2 The Change Control procedures as set out in this document will be followed in the event that there is a substantial change to the current requirements as contained in the legislation.
- 63.3 Should any disputes arise in terms of the reporting of BBBEE, the cost of an independent auditor as appointed by the State will need to be covered by the contractor. Such requests shall be limited to one request for every year of the contract.
- 63.4 The Contractor shall be required to ensure the following:
- 63.4.1 That all service providers on the contract obtain a BBBEE certificate as issued by a SANAS (South African National Accreditation System) accredited verification agency.
- 63.4.2 That service providers rendering services under the contract are at all times in possession of a valid BBBEE certificate.
- 63.4.3 The Contractor shall keep a database containing the details of BBBEE accreditation certificates. This will include the date of the certificate being issued, the company that issued the certificate, the BBBEE level obtained as specified on the certificate, the certificate number, a breakdown of the BBBEE point scored in terms of employment equity, skills development, preferential procurement etc., ownership and the expiry date of the certificate.
- 63.4.4 The contractor shall report to the State on a monthly basis or when requested on the following information:
- 63.4.5 The number of service providers per level in terms of their BBBEE accreditation certificate.
- 63.4.6 The total expenditure per level in terms of the BBBEE accreditation certificate. This information will also need to be available per province, per department or per vehicle make or type.
- 63.4.7 The expenditure per category (EME's, QSE's and large) in terms of ownership
- 63.4.8 Database of B-BBEE companies operating as locals
- 63.4.9 Ensuring B-BBEE targets are met in accordance to the DTI Generic Codes especially procurement and enterprise development elements
- 63.4.10 Have full plan on how they will involve local black owned companies or EME's in procuring services from them or give business



64. HDI REPORTING

- 64.1 The contractor is required to report on the percentage of the total value (net invoices value excluding VAT) of goods and services procured from BEE entities during the contract period. This should be available per province or municipal area as well as include reporting in terms of certain ethnic groups must also be accommodated.
- 64.2 Preferential spend on the various categories of services should be reflected.
- 64.3 The following will apply in the measurement of the HDI reporting:
- 64.3.1 Ownership between 0 % and 100% will be calculated proportionally to the percentage of the ownership of the supplier. (Total expenditure per merchant x % HDI ownership = Total HDI ownership)
- 64.3.2 It will be expected of the Contractor to regularly verify the BEE status of the suppliers on the contract as and when the transactions are conducted.
- 64.3.3 Should any disputes arise in terms of the reporting of BEE, the cost of an independent auditor as appointed by the State will need to be covered by the contractor. Such requests shall be limited to one request for every year of the contract.

65. COPYRIGHT AND OWNERSHIP OF DOCUMENTS

- 65.1 All documents produced by the Contractor, including its employees and agents, in the fulfilment of the terms of this contract shall be and remain the sole property of the State and any and all copyrights and ownership of documents shall vest with the State.
- 65.2 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.

66. CHANNELS OF COMMUNICATION

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

67. TERMINATION

- 67.1 The State shall be entitled to terminate this agreement or any category if one or more of the



following occur: –

- 67.1.1 the service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;
- 67.1.2 the service provider enters into settlement arrangements with their creditors;
- 67.1.3 the service provider commits an act of insolvency;
- 67.1.4 in the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes;
- 67.2 The State reserves its right to terminate the Contract in the event that there is a change in ownership of the service provider that has the effect that the over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.
- 67.3 Either Party may terminate this Contract for breach in the event that the other party fails to comply with any of its obligations in terms of this Contract, and having failed to remedy such breach within 14 (fourteen) calendar day's written notice to remedy such non-compliance.
- 67.4 Notwithstanding the provisions above, either Party may terminate this Contract by giving the other Party 30 (thirty) days' written notice to that effect.

68. COPYRIGHT AND OWNERSHIP OF DOCUMENTS AND DATA

- 68.1 All documents and information produced by the Contractor, including its employees and agents, in the fulfilment of the terms of this contract shall be and remain the sole property of the State. Any and all copyrights and ownership of documents shall vest with the State.
- 68.2 The Contractor, including its employees and agents, shall, on oral or written request from the State, submit any documentation and materials to the State within 24 hours of such request.
- 68.3 The State is, and remains, the sole owner of all data generated by the execution of this contract. The Contractor shall 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 where applicable.
- 68.4 All data generated through the execution of the contract remains the property of the State. The Contractor shall endeavour to make all data available to the state upon conclusion of the contract. Such data should be made available in the prescribed format and if requested to do so, transfer all data to an independent or any other third party as nominated by the State.



69. MANAGEMENT OF INFORMATION: RT58 INSURANCE OF SUBSIDIZED VEHICLES

- 69.1 The Contractor will need to obtain and provide information to and from the contractor appointed in terms of contract RT58 for the insurance of Subsidized Vehicles.
- 69.2 The Contractor will need to communicate information related to possible sub-standard accident repairs or where maintenance claims are refuted due to accident damage.
- 69.3 The RT58 service provider will communicate any information related to vehicles written off to the Contractor.

70. MANAGEMENT OF INFORMATION: RT68 FINANCE OF SUBSIDIZED VEHICLES

- 70.1 The contractor appointed for the Financing of Subsidized Vehicle manages the ordering processes 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.
- 70.2 The RT62 Maintenance Contractor will need to obtain all information required from the RT68 service provider. It is recommended that the contractor make arrangements for a regular electronic file transfer to ensure accuracy of data.

71. MANAGEMENT OF INFORMATION: RT57 VEHICLE PROCUREMENT CONTRACT

- 71.1 The RT62 Contractor will need to ensure that they readily have information available on the vehicle makes and models procured by the subsidized users through the RT57 vehicle procurement contract. This information will include, but is not limited to service plan and maintenance plans as offered on the RT57 contract and technical data such as tyre sizes etc.

72. CONTRACT LEAD OUT PROCESSES

- 72.1 The contract lead out processes will commence on the last day of the contract. All information and data transfer needs to be done within a period of 30 days.
- 72.2 The Contractor shall make the following data as generated during the execution of the contract or as received from previous contractors available to the State or any other third party as nominated by the State in the agreed upon format:
- 72.2.1 All data shall be made available electronically in a mutually agreed format.



- 72.2.2 Detailed transaction data per vehicle
- 72.2.3 All life to date data per vehicle to be made available to the new contractor or any other party as nominated by the state, with clear explanations of every data field.
- 72.2.4 List of all user departments, including contact details
- 72.2.5 All process flows as developed by the contractor during the contract period as approved by the Department of Transport.
- 72.3 All information and data transfer needs to be done within a period of 30 days.
- 72.4 As part of the lead out process, all vehicles where the finance agreement was signed prior to the last day of the contract will form part of the RT62 Maintenance contract.
- 72.5 At the end of the contract period, the Contractor shall assist the State by providing all information that will assist in the transition between the current contractor and the new contractor, where required.
- 72.6 The contractor will need to ensure that all services as set out within this contract are rendered to all officials for the full duration of every individual maintenance contract. Even if such a contract commences on 31 March 2026.
- 72.7 The contractor will be required to do a full audit at the end of the contract period to ensure accurate collections were made throughout the contract period.

73. PENALTIES

- 73.1 Failure to render the services as set out in this contract to the acceptable levels, will either constitute a breach in contract that will lead to termination of the contract or the levying of penalties for the rendering of substandard services.
- 73.2 The acceptable level for all services in the contract are set out in penalty schedule.
- 73.3 The feasible timeframes will be negotiated with the contractor, prior to signing the service level schedule, but not the penalty amount.
- 73.4 The following process will be applicable for departments to levy penalties for the non-delivery of services or the delivery of substandard services to the end user departments as per penalty schedule:
 - 73.4.1 The end user department shall send a letter to the contractor, copying the National Department of Transport, quoting the relevant clause of the service level schedule, the service that was not rendered along with all supporting documentation substantiating the claim.



- 73.4.2 The contractor will have seven (7) working days to respond to the claim in writing should they not be in agreement of the service failure and provide any substantiating documents in their response.
- 73.4.3 The end user department will have seven (7) working days to either agree with the claim of the contractor that the penalty should not be levied or confirm the penalty in writing. Any disputes will be referred to the National Department of Transport who will be regarded as the mediator/arbitrator of such disputes.
- 73.4.4 Upon agreement of the penalty, the contractor shall pay the full amount for all penalties issued within 30 days. In addition, the end user department shall be provided with a full report on all penalties where the process was concluded and corresponding to the amount as reflected as paid.
- 73.5 Consistent or continuous failure by a service provider to rectify specific service failures can constitute a breach of contract and can lead to contract termination.
- 73.6 The same process will apply for all penalties issued by the National Department of Transport with the exception that all amounts will be directly paid to the National Department of Transport.

74. PENALTY SCHEDULE

Reference Document	No and Section	Contractors Responsibility	Penalty Applicable	Category
Special Conditions of Contract	57. Security and Confidentiality of Data	Security and Confidentiality of Data	An amount equal to 10% of the average monthly maintenance charges will be payable should operational capability not be restored in 12 hours and full operations within 48 hours	National Department of Transport
Special Conditions of Contract	30. Call Centre	Call center needs to be available 99% of the time.	R5000 for every percentage or part thereof below the 99% threshold	National Department of Transport
Special Conditions of Contract	30. Call Centre	The contractor shall ensure that 95% of all calls be attended to within 1 (one) minute in person.	R5000 for every percentage or part thereof below the 95% threshold	National Department of Transport
Special Conditions of Contract	30. Call Centre	The Contractor will be penalized for every call not answered within 5 minutes.	R1000 for every call not answered within 5 minutes	National Department of Transport
Special Conditions of Contract	61. Reporting and collection of information	Non- availability of online reporting	R10000 if reporting is not restored within 72 hours and R5000 for every 24 hours thereafter	National Department of Transport
Special Conditions of Contract	50. Fuel Claims Administration Processes	Fuel Claims administration process	R10000 for every week in which the fuel claims submitted by end users are not verified and submitted to the government payroll systems	National Department of Transport
Special Conditions of Contract	50. Towing Services and Road Side Assistance	In an urban area the contractor will have a maximum of 1 hour to ensure that the tow in or road side assistance service are on site. In a rural area a maximum	The contractor will be penalized R1000 per hour exceeding the limit for the specific area	End user department



Reference Document	No and Section	Contractors Responsibility	Penalty Applicable	Category
		of two hours to be on site and in a remote area, 3 hours.		

END