SPECIAL CONDITIONS OF CONTRACT

BID NUMBER RT64

THE SUPPLY AND DELIVERY OF CLOTHING TO THE STATE FOR THE PERIOD OF 36 MONTHS

1 APRIL 2023 TO 31 MARCH 2026

CLOSING DATE AND TIME OF BID:

15 SEPTEMBER 2022 @ 11h00

BID VALIDITY PERIOD: 180 DAYS

NATIONAL TREASURY

TRANSVERSAL CONTRACTING

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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
BRV	Bullet Proof Vest
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPD	Continuing Professional Development
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempt Micro Enterprises
GDP	Gross Domestic Product
ISO	International Organization for Standardization
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
SA	South Africa
SANAS	South African National Accreditation System
SANS	South African National Standards
SARB	South African Reserve Bank
SARS	South African Revenue Service

SBD	Standard Bidding Document
SCC	Special Conditions of Contract
GCC	General Conditions of Contract
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TCO	Total Cost of Ownership
TIC	Tender Information Centre
VAT	Value Added Tax

DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the Participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Mandatory	A mandatory document in terms of the bid is a document that is required, obligatory, or compulsory. Non-submission means no further evaluation of the bidder.

LIST OF ANNEXURES

Annexure A -Technical Specification

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RETURNABABLE DOCUMENTS

Table 1: Returnable Bid Document Checklist

#	Document Name	Included in the published bid document?	To be returned by bidder	Submitted by bidder (tick Yes/No)
PHASE I: PRE-QUALIFICATION REQUIREMENTS				
1	Original valid Broad-Based Black Economic Empowerment (B-BBEE) status level verification certificate OR originally certified copy of the B-BBEE certificate OR original signed sworn affidavit OR original CIPC	No	Yes	
PHASE II: ADMINISTRATIVE COMPLIANCE AND MANDATORY BID REQUIREMENTS				
	LEGISLATIVE REQUIREMENT DOCUMENTS			
2	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes	
3	Proof of Authority (As per SBD1)	No	Yes	
4	Central Supplier Database Report	No	Yes, NT will use CSD for Tax verification	
5	SBD 4 Bidder's Disclosure	Yes	Yes	
6	SBD 5 The National Industrial Participation Programme	Yes	Yes	
7	SBD 6.1 Preference Points Claim Form	Yes	Yes	
8	SBD 6.2 Declaration Certificate for local production and content for designated sectors	Yes	Yes	
	MANDATORY REQUIREMENTS			
9	Capability Report	No	Yes (it must list all items offered)	
10	Valid Test Report	No	Yes (only items offered)	
11	SBD 6.2 - Annex C, D, E	Yes	Yes (all 3 completed and audited)	
12	DTIC Exemption Letter (only for imported items/component offered)	No	Yes	
13	Annexure B - Pricing Schedule - Soft Copy (**Excel Format**) and Hard Copy Pricing Schedule	Yes	Yes (only items offered)	
14	TCBD 1 Authorisation Declaration Form	Yes	Yes	
15	TCBD 1.1 (List of goods or services offered)	Yes	Yes (complete for all items offered)	

#	Document Name	Included in the published bid document?	To be returned by bidder	Submitted by bidder (tick Yes/No)
16	TCBD 1.2 Letter of undertaking/authorisation from third party	Yes	Yes	
	OTHER DOCUMENTS			
17	Special Conditions of Contract	Yes	Yes	
18	General Condition of Contract	Yes	Yes	
19	Company Profile	No	Yes	
20	Local Economic Development document	No	Yes	
21	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No	
22	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No	
PHASE III: LOCAL PRODUCTION AND CONTENT REQUIREMENTS				
23	Exchange Rate for Local Production and Content at Closing Date	No	Yes	
24	Annex C : Local Content Declaration – Summary Schedule	Yes	Yes	
25	Annex D : Imported Content Declaration	Yes	Yes	
26	Annex E : Local Content Declaration – Supporting Schedule to Annex C	Yes	Yes	
27	SBD 6.2 Local Content	Yes	Yes	
28	Exemption letter by DTIC where raw material or input is not available locally (where applicable)	No	Yes	
29	Manufacturer's Letter declaring the imported content (where applicable)	No	Yes	
PHASE IV: TECHNICAL SPECIFICATIONS AND SAMPLES				
30	Capability Report	No	Yes (it must list all items offered)	
31	Valid Test Report is only for Bullet Proof Vest	No	Yes	
32	TCBD 1 Authorisation Declaration Form	Yes	Yes	
33	TCBD 1.1 (List of goods or services offered)	Yes	Yes (complete for all items offered)	
34	TCBD 1.2 Letter of undertaking/authorisation from third party	Yes	Yes	
35	Sample Register	Yes	Yes	

#	Document Name	Included in the published bid document?	To be returned by bidder	Submitted by bidder (tick Yes/No)
PHASE V PRICE AND B-BBEE:				
	Annexure B - Pricing Schedule - Soft Copy (**Excel Format**) and Hard Copy Pricing Schedule	Yes	Yes (only items offered)	
	Original valid B-BBEE status level verification certificate OR originally certified copy of the B-BBEE certificate OR original signed sworn affidavit OR original CIPC	No	Yes	
	TCBD 2 Historical Exchange Rates	Yes	No	
	SBD 6.1 Preference Points Claim Form	Yes	Yes	
	Cost breakdown	Yes	Yes	

#NB 1: All the prospective bidders are required to return these documents as per above sequence.

#NB 2: The above table for returnable documents is a guide only on how and which documents must be submitted.

#NB 3: It is the responsibility of the bidder to ensure that they read each paragraph in this bid document to determine all documents required to be completed and submitted accordingly.

SECTION A

1. INTRODUCTION

This bid is for the supply and delivery of clothing to the State for the period of thirty-six (36) months. The current RT64-2019 contract is valid until 30 September 2022.

This bid document is divided as follows:

1.1	Section A	:	Introduction and Scope of Work
1.2	Section B	:	Conditions of Bid
1.2.1	Part 1	:	Evaluation criteria consisting of 5 phases.
1.2.2	Part 2	:	Other bid requirements
1.3	Section C	:	Conditions of Transversal Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 This bid and all contract documents emanating thereof will be subject to the General Conditions of Contract (GCC) issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of GCC. However, where the Special Conditions of Contract conflicts with the General Conditions of Contract, the Special Conditions of Contract prevails.

2.2 This bid is subject to all applicable industry related legislation, particularly the stipulated minimum threshold percentage for local production and content for the Textile, Clothing, Leather and Footwear sector is 100%.

2.3 **Standard Bidding Documents.** Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government as per section 3.6.3.1 regarding standardisation of bid policies and procedures. It is also a requirement for bidders to submit the other legislative documents as detailed below.

2.3.1 **SBD 1** which is the invitation to bid form.

2.3.2 **SBD 4** which is the Bidders Disclosure.

2.3.3 **SBD 5** which is the national industrial participation program which is applicable to all government procurement contracts that have an imported content equal to or exceeding US$ 10 million or other currency equivalent to US$ 10 million.

2.3.4 **SBD 6.1** which is the preference points claim form.

2.3.5 **SBD 6.2** which is the Declaration certificate for local production and content for designated sectors.

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

2.4 **Tax Compliance Requirements**

2.4.1. 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.

2.4.2. The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit a bid.

2.4.3. 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.

2.4.4. Bidders are required to be registered on the CSD and National Treasury shall verify the bidder's tax compliance status through the CSD or through SARS.

2.4.5. Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS.

2.4.6. **Central Supplier Database**. A CSD registration report (full) and not summarized must be submitted by bidders preferably as at the last week prior to closing date and time.

3. DURATION OF TRANSVERSAL CONTRACT

The transversal contract shall be for a period of thirty-six (36) months period anticipated to commence 01 October 2022 to 30 September 2025.

4. BID INFORMATION SESSION

4.1 A non-compulsory virtual briefing session will be held as follows:

Venue : Microsoft Teams. The link to register and attend the briefing session is attached as Briefing Session Meeting: Click here to join the meeting

Date : 17 August 2022

Time : 09h00 to 11:00

4.2 The bid information session is not compulsory but will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.

4.3 The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

4.4 All bid enquiries must be communicated via email to Demand.Acquisition1@treasury.gov.za by no later than 24 July 2022. Any enquiry communicated after the date indicated may not be responded to.

5. SPECIFICATIONS AND SCOPE OF WORK

5.1 Bidders must be able to supply and deliver the clothing to the state for the period of thirty-six (36) months as per the attached **Annexure A -Technical Specifications.** All items are supported by detailed specifications and/or South African National Standards. The categories for the items on the bid are laid out as follows:

Table 2: Item Categories

CATEGORY NUMBER	CATEGORY DESCRIPTION
GATEGORY A	GOLF SHIRTS, FEMALE BLOUSE, SHIRTS
GATEGORY B	TROUSER, SLACKS, JEANS, SHORT
GATEGORY C	BULLET PROOF VEST (BRV), CONCEALED BRV, REFLECTIVE FEST
GATEGORY D	RAIN SUIT, RAIN COAT, DRIMAC, COAT, RAINCOAT, SWIM WEAR
GATEGORY E	EPPUALETTES, METALLET, BADGES; INSIGNIA; SHOULDER BOARDS; BUTTONS; NAME TAG; NAME BADGE
GATEGORY F	JACKET; BUNNY JACKETS; COLD WEATHER JACKET; FREEZER JACKET; WIND BREAKER
GATEGORY G	JERSEY, SOCKS, PULL OVER, BEANIE, CARDIGAN
GATEGORY H	SCARF; TIE
GATEGORY I	PPE - GLOVES; GOOGLES; BALACLAVAS, DUST MASK; OVERALL; CONTI SUITS; JUMP SUITS; FLIGHT SUITS; PLUGS; EAR MUFFS
GATEGORY J	BASEBALL CAP; HELMET; CHEF CAP, GARRISON CAP; HAT; BERRET
GATEGORY K	SKIRTS; DRESS; APRON
GATEGORY L	GUARD; SHIELD, UNDERWEAR, PANTYHOUSE; UNDERSHIRTS
GATEGORY M	WEBBING BELT; KIDNEY BELT
GATEGORY N	FLAGS; MEDAL; RIBBONSEGORY

SECTION B

CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in five (5) phases as per the table below:

Table 3: Evaluation Criteria

PHASE I	PHASE II	PHASE III	PHASE IV	PHASE V
Pre -Qualifying Criteria	**administrative Compliance and Mandatory**	**Local Production and Content**	**Technical Specification Evaluation and Sample Evaluation**	**Price and B-BBEE**
Regulation 4(1)(a) Level 1-8	Compliance with mandatory and other bid requirements	Bids will be evaluated in terms of the local production and content thresholds	Compliance with technical specifications and other requirements (Sample Evaluation and Due diligence)	Bids evaluated in terms of the 90/10 preference system

6.1 PHASE I: PRE- QUALIFYING CRITERIA FOR PREFERENTIAL PROCUREMENT

6.1.1 It is a condition of this bid that pre-qualification criteria for preferential procurement is set according to Regulation 4(1)(a) of Preferential Procurement Policy Framework Act, 2000; Preferential Procurement Regulations, (PPR) 2017 that any one or two following bidders may respond to this bid:

a) A bidder having a B-BBEE status level contributor 1 to 8. In order to prove compliance, bidders are required to complete the preference claim form (SBD 6.1) and submit their **original valid B-BBEE status level verification certificate OR originally certified copy of the B-BBEE certificate OR originally signed sworn affidavit** by the EME or QSE representative and attested by Commissioner of oaths. The B-BBEE verification document must be submitted at the closing date and time of the bid.

6.1.2 A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate.

Bidders who submit individual B-BBEE certificates or Sworn affidavit will be disqualified.

6.1.3 Non-compliance with the requirement for pre-qualification **will** invalidate the bid submitted.

6.2 PHASE II: ADMINISTRATIVE COMPLIANCE AND MANDATORY BID REQUIREMENTS EVALUATION

6.2.1 Administrative and Legislative Compliance (Standard Bidding Documents)

6.2.1.1 In this stage of evaluation, the process includes the verification of completeness of administrative compliance documents (standard bidding documents).

6.2.1.2 The following standard bidding documents must be submitted with the bid at the closing date and time of bid.

Table 4: Standard Bidding Documents

Name of the document that must be submitted	Non-submission may result in disqualification?
Invitation to Bid – SBD 1 (Returnable document)	**YES** – Please complete and sign the supplied form
Tax Clearance status Requirements (Returnable document)	**YES** – the state will use the CSD to verify tax clearance requirements
Central Supplier Database registration (Returnable document)	**YES** – Please submit CSD report to prove registration
Pricing Schedule (Returnable document)	**YES** – Please complete the price schedule as a soft copy (excel format) and submit a hard copy with the bid at the closing date and time.
Declaration of Interest – SBD 4 (Returnable document)	**YES** – Please complete and sign the supplied form and pay attention to all the clauses.
Preference Point Claim Form – SBD 6.1 (Returnable document)	**YES** – Generally non-submission will lead to a zero score for B-BBEE, however, due to pre-qualification criteria it is a requirement that the supplied form provided to prove the B-BBEE status level contributor.

Name of the document that must be submitted	Non-submission may result in disqualification?
Declaration certificate for local production and content for designated sectors – SBD 6.2 (Returnable document)	**YES** – Please complete and sign the supplied form
Annex C (Local Content Declaration: Summary Schedule) (Returnable document)	**YES** – Please complete and sign the supplied form inclusive of all its audited supporting annexures D & E.

6.2.2 Mandatory Bid Requirements

6.2.2.1 In this stage of evaluation, the process includes verification of mandatory bid requirements. Bidders are required to take cognisance of the mandatory bid requirements as clarification on this documents will not be allowed. Bidders who fail to comply with any of the following mandatory criteria will be disqualified.

6.2.2.2 Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid.

Table 5: Mandatory and Other Returnable Documents

Name of the document that must be submitted	Non-submission will result in disqualification?
SBD 6.2. Annexure C (Local Content Declaration: Summary Schedule) (Returnable document)	**YES** – Please complete and sign the supplied form including its supporting documents (Annexure D & E)
The DTIC exemption letter (Returnable document)	**YES –** If the raw material or input to be used for a specific item is not available locally bidders will be expected to provide exemption letter from the DTIC.
TCBD 1: Authorisation Declaration Form (Returnable document)	**YES –** Bidders must complete and sign the supplied form, irrespective of whether a third party is used or not.
TCBD 1.1: List of goods or services offered	**YES –** Bidders must complete and sign the supplied form to indicate where they are buying

(Returnable document)	the item offered, irrespective of whether a third party is used or not.
TCBD 1.2 – Letter of undertaking/authorisation from third party (Returnable document)	**YES** – Bidders sourcing products from a third party must submit the letter of undertaking and capability report of the third party. Where test report is required, it must be submitted on third party's name.
Capability Report (Returnable document)	**YES –** Please submit the valid capability report. If bidder is procuring other items from third party(s), capability report of the third party(s) must be submitted.
Test report/s from SANAS accredited Institutions (Returnable document)	**YES** – **ONLY shortlisted bidders will** be required to submit the valid test report where applicable to items offered. If bidder is procuring other items from third party(s), test report of the third party(s) must be submitted. **The office will notify the bidders when to submit the test report.**
Pricing Schedule (Returnable document)	**YES** – Please complete the price schedule in **excel format and submit both excel copy** and hard copy with the bid at the closing date and time.
Other Returnable Documents	
Special Conditions of Contract	**YES –** Bidders are required to read, and submit back
General Condition of Contract	**YES –** Bidders are required to read, and submit back
Local Economic Development Initiative document	**YES –** Bidders must submit the Local Economic Development Initiatives document

6.3 PHASE III: LOCAL PRODUCTION AND CONTENT EVALUATION

6.3.1 Regulation 8 of the Preferential Procurement Regulations, 2017 pertaining to the Preferential Procurement Policy Framework Act no 5 of 2000 provides for the designation of sectors in line with national development and industrial policies for local production.

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

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

6.3.4 A copy of the exemption letter or confirmation that the exemption was requested must be submitted together with the bid document at the closing date and time of the bid. For further information, bidders may also submit confirmation that the email is received. Bidders may contact the Textiles, Clothing, Leather and Footwear Unit within the DTI.

6.3.5 Ms Belinda Pick at Tel: (012) 394 3717 or email BPick@thedtic.gov.za, or Ms P Khumalo at Tel: (012) 394-1390 or e-mail khumalop@thedti.gov.za or localcontent@thedtic.gov.za

6.3.6 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content. The technical specification and the Guidance on the calculation of local content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all bidders on the Dtic's website http://www.dti.gov.za/industrial_development/ip.jsp at no cost

6.3.7 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula:

LC = (1 – X/Y) * 100

Where

X is the imported content in Rand

Y is the bid price in Rand excluding value added tax (VAT)

6.3.8 Prices referred to in the determination of X must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid.

6.3.9 The Declaration Certificate for Local Production and Content (SBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, signed and submitted with the bidding documents at the closing date and time of the bid. The rates of exchange used by the bidder in paragraph 3.1 of the Declaration Certificate will be verified for accuracy.

6.3.10 A bid may be disqualified if the above-mentioned Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation, and the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

6.3.11 A contract awarded in relation to a designated sector, may not be sub-contracted in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

6.3.12 Once a bidder has complied with local production and content requirements on item level, it would further be evaluated on PHASE IV: Technical Compliance and sample evaluation.

6.4 PHASE IV EVALUATION: TECHNICAL COMPLIANCE AND SAMPLE EVALUATION

This phase entails the validation and evaluation of bids for technical compliance with reference to line item requirements. Non-compliance to all the evaluation criteria below will result in disqualification of specific line item level. All items offered are verified for compliance in line with the following:

6.4.1 AUTHORISATION DECLARATION/LETTER OF THIRD PARTY UNDERTAKING

6.4.1.1 All bidders **must** complete the “Authorisation Declaration” (TCBD 1 and TCBD 1.1) in full for all relevant goods or services they are offering, irrespective of whether third

party is used or not. Bidders must sign and submit together with the bid response at the closing date and time of the bid invitation.

6.4.1.2 Any bidder who is not an original manufacturer of the items offered, must submit at the closing date and time of bid, a valid third-party **Capability Report** and **Letter of Undertaking/authorisation** (see template provided as TCBD 1.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:

a) List of items indicating, item description and brand/model name and or number.

b) Letter must be on the manufacturer's or third party's letter head, dated and signed.

c) Have contact person's name, physical address, telephone, and email details.

d) All information on the letter must be in English.

6.4.1.3 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and its Annexures and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents and or disqualify the bid.

6.4.1.4 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.

6.4.1.5 An authorisation declaration with conditional arrangements will not be accepted. Bidders must ensure that all arrangements are agreed to before submitting a bid and are in line with the special conditions of contract.

6.4.1.6 Failure to submit a duly completed and signed Authorisation Declaration forms with the required annexure(s) and third party's capability report, in accordance with the above provisions will invalidate the bid for such goods or services offered.

6.4.2 CAPABILITY REPORT

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

6.4.2.2 Bidders must ensure that all items offered are appearing on the capability report to prove that items offered are produced and manufactured local. If bidder is offering an item from a third party, the capability report of the third party must list the item

offered. If items are not appearing on the capability report (s), the item affected will be disqualified.

6.4.2.3 The full capability report must be issued by an organisation accredited or recognised by SANAS. The capability report must specifically indicate whether the bidder/manufacturer has the capability and capacity to manufacture the product(s)/items.

6.4.2.4 The capability report has to address the following requirements:

a) Production capacity and capability

b) List of items/products produced in the company

c) Company organisation

d) Facilities

e) Quality control systems

f) Incoming inspections

g) In-process quality control

h) Final inspection

i) Packaging

j) Non-conforming product

k) Communication/documentation control and work movement

6.4.2.5 In the event of the bidder sourcing the item (e.g. material/fabric) from another manufacturer/mill, a capability report from that manufacturer/mill must be obtained. The capability report must accompany the bid at closing date and time of the bid.

6.4.2.6 The capability report must not be older than twelve (12) months at the closing date. In the event that supplementary bid may be issued during the life cycle of the contract, ONLY the capability report of the existing appointed Suppliers (main contract) may be more than twelve (12) months but not exceeding 24 months.

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

6.4.2.8 In the event that a capability report cannot be obtained from a SANAS Accredited Institution prior to the closing date and time of bid, the bidder must obtain proof (issued by a SANAS Accredited Institution) that the capability report application had been submitted to the institution and such proof be submitted at the closing date and

time of the bid. In this case, bidders must submit the capability report to National Treasury before the evaluation of the bid by the Bid Evaluation Committee of which is normally two (2) week after the closing date of the bid. A submission date will be communicated.

6.4.2.9 It is the responsibility of the bidder to ensure that the capability report is submitted to National Treasury within the stipulated timelines. All reports must be delivered to Sithembiso Mahlalela at National Treasury 240 Madiba Street, Pretoria, or sent via email to Demand.Acquisition1@treasury.gov.za

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

6.4.3 TEST REPORTS

6.4.3.1 Only shortlisted bidders will be required to submit test reports proving that the relevant item(s) complies with the specification after inspection and testing of the samples by a SANAS accredited or recognized institution. The Test report/s must not be older than twelve (12) months at the date of submission.

6.4.3.2 In the event that a test report cannot be obtained from the testing institution at the time of notification by National Treasury, the bidder must obtain proof (issued by the testing institution) that the sample had been submitted to the testing institution for testing. Such proof must be submitted to the National Treasury within two weeks of notification. In this case, the test report must be submitted to National Treasury before evaluation by the Bid Evaluation Committee is concluded.

6.4.3.3 Bids not supported by test reports at time of evaluation may be disregarded in respect of the item (s) for which test reports are not submitted.

6.4.3.4 The procedures for sampling and testing for product compliance may differ and should be obtained from the relevant testing institution. The cost of compliance testing will be for the account of the prospective bidder.

6.4.4 PRICING STRUCTURE REQUIREMENTS

6.4.4.1 The pricing schedule **(see Annexure B)** 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. All pricing offered must be on a national level.

6.4.4.2 Bidders are required to complete a mandatory Pricing Schedule **Annexure B** as a response on how much the items offered will be charged. Bids which the pricing schedule is not submitted will be disqualified.

6.4.4.3 Due diligence of market related pricing reasonability will be conducted. The State Reserve the right to disqualify bid offers in which there is no reasonable doubt that the bid offered is under quoted. In this case, the bidder will be required to submit supporting documentations.

6.4.4.4 Conditional discounts offered will not be taken into consideration during evaluation.

6.4.4.5 Prices submitted for in this bid must be filled in on the field provided on the pricing schedule supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.

6.4.5 SOUTH AFRICAN NATIONAL STANDARDS AND PRIVATE SPECIFICATIONS

6.4.5.1 Items must comply with standards and/or specification as stated in the bid document of each item. The specification as per the **Annexure A** is a summary description and the attached Private Specifications are detailed technical specification of all the items.

6.4.5.2 The state reserves the right to consider products which has a reasonable deviation to the specification subject to the deviation not damaging the brand of Participating State Institutions and pre-production sample. This will therefore be decided upon based on the visual sample screening and expertise of the Bid Evaluation Committee.

6.4.5.3 Bidders must enquire at the SANAS accredited institutions for the relevant standards. A list of accredited institutions is available on the SANAS website http://www.sanas.co.za/contact.php

6.4.6 SOUTH AFRICAN BUREAU OF STANDARDS (SABS):

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

6.4.6.2 Email: Postal Address: Private Bag X191, Pretoria, 0001; Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Tel: (012) 428 6883, Fax: (012) 428 6928, E-mail: sales@sabs.co.za Website: www.sabs.co.za and follow the "Search/Buy Standards" link

6.4.7 **SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS):**

6.4.7.1 The contact details of SANAS are as follows: Postal Address: Private Bag x 23, Sunnyside, Pretoria, 0132; Physical Address: The DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, 0002, Tel: 012-394 3726, Fax: 012-394 0526

6.4.8 **SAMPLE SUBMISSION FOR VISUAL SCREENING**

6.4.8.1 All bidders are required to submit samples for the items offered at the venue, date, and time indicated below. Failure to submit samples will invalidate the items which the samples are not submitted.

6.4.8.2 Samples must be submitted for the purpose of visual screening for the products offered for compliance to specification during the evaluation phase.

6.4.8.3 Bidders must submit the samples for each item offered for visual screening.

6.4.8.4 Representative sample should be submitted where different sizes and colour of the same product description are called for against different item numbers, only one sample must be submitted but recorded/labelled accordingly to indicate all the item numbers represented.

6.4.8.5 All bidders, including current contractors, are required to submit samples for visual screening.

6.4.8.6 All samples submitted for visual screening must be a true representation of the product which will be supplied. Samples of all items awarded against this bid will be retained for the duration of the contract period

6.4.8.7 Bids not supported by samples will invalidate the bid for the item(s) for which samples are not submitted.

6.4.8.8 Samples will ONLY be accepted on the stipulated date and time. No late samples will be accepted.

6.4.8.9 SAMPLES must be submitted to:

Venue: National Treasury. 240 Madiba Street, Pretoria

Date: **29; 30 and 31 August to 2022 (Bidders must schedule for a time slot for submission)**

Time: **08:00am to 15:00pm**

Contact Person: Noni Myeni:

Email address: Demand.Acquisition1@treasury.gov.za

6.4.8.10 **Marking of samples to be submitted for Visual Screen Evaluation**

The following requirements for the marking and submission of samples are applicable to samples that are submitted for visual screening as well as for samples submitted to testing institutions.

a) Samples must be placed in suitable containers and be clearly marked e.g **HANG TAG(S)** on the outside with the bid number, item number(s), and the bidder's name. This detail must appear on a label attached to each individual item package. **For ease of handling during evaluation process, laminating stickers or lose papers should not be submitted with the sample as the identity of the sample can be misplaced.**

b) All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period.

c) Failure to comply with this condition may invalidate the bid against the relevant item.

6.4.8.11 **Collection of all samples –**

a) If practical for samples to be collected, bidders will be informed of the date, time, and place where samples may be collected. If samples have not been collected by the bidder after National Treasury have issued a request to bidders to collect the samples, the samples will be disposed of at the discretion of National Treasury.

6.4.8.12 Once a bidder has complied with technical compliance and sample evaluation on item level), the bidder would further be evaluated on PHASE V: Price and B-BBEE

6.4.9 **SUPPLIER DUE DILIGENCE**

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

6.5 PHASE V: PRICE AND B-BBEE (90/10 PREFERENCE POINT SYSTEM)

6.5.1 RESPONSIVE BIDS

Bidders are required to submit responsive bids by completing all the prices per line items they are bidding for, mandatory response fields and item questionnaires on the provided pricing schedule for the individual items. In this regard bidders' attention is drawn to the response field and price structure explanations and examples supplied in the document (TCBD 6-Response Field).

6.5.2 APPLICABLE TAXES

All bid prices must be inclusive of all applicable taxes. All bid prices must be inclusive of fifteen percent (15%) Value Added Tax Failure to comply with this condition will invalidate the bid.

6.5.3 PRICING STRUCTURE

6.5.3.1 The Pricing Schedule (see Annexure B attached) must be submitted in two forms, as **hardcopy** which must be included in the bid document and in an **excel spreadsheet saved in a USB/memory stick** at the closing date and time of bid.

6.5.3.2 The pricing schedule will be accessible from the e-tender portal and National Treasury website. All prices must be submitted as **soft copies (excel spreadsheet using USB and hard copy in the file).** All price submitted as soft copy (excel – USB) and hardcopy in file must contain the same information. **NO PDF price schedule will be accepted.**

6.5.3.3 In a case where there is a legal dispute, the hardcopy version of the pricing schedule will be the legal document.

6.5.3.4 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.

6.5.3.5 Price structures that do not comply with the requirements of the above paragraph may invalidate the bid.

6.5.3.6 One National price is required per item and prices quoted must be furnished based on the supply and delivery including Value Added Tax. This is also applicable to same item that are used by more than one end user department irrespective of colour.

6.5.3.7 The prices **MUST** be all inclusive, all direct and indirect related costs must be included in the prices and be firm for the period of one year.

6.5.3.8 Prices for items tendered for will be based on estimated available quantities. If quantities substantially increase during the year due to new participation request from user departments, the state reserves the right to renegotiate the prices.

6.5.3.9 Conditional discounts offered will not be used for evaluation purposes.

6.5.3.10 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid. Please refer to the attached full item description specification.

6.5.4 PREFERENTIAL POINT SYSTEM

6.5.4.1 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 based on:

i. The bid price (Maximum of 90 points)
ii. B-BBEE status level of contributor (maximum 10 points)

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

$$Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

6.5.4.3 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:

Table 6: Preference Point System

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	6
4	5

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

6.5.4.4 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 **original sworn affidavit** at the closing date and time of the bid in order to claim the B-BBEE status level point. Failure to submit the **valid original or certified copy** will result in zero score/non-compliant contributor.

6.5.4.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

6.5.4.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by an accredited verification agency or a sworn affidavit will be considered for preference points.

6.5.4.7 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).

6.5.4.8 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

6.5.4.9 The points scored will be rounded off to the nearest two (2) decimals.

6.5.4.10 In the event that two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for B-BBEE.

6.5.4.11 However, when functionality is part of the evaluation process and two (2) or more bidders have scored equal points including equal preference points for B-BBEE, the awarded will be to the bidder scoring the highest for functionality.

6.5.4.12 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.

6.5.4.13 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

6.5.5 COST COMPONENTS AND PROPORTIONS

6.5.5.1 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.

6.5.5.2 Bidders are requested to submit the cost breakdown of their 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 by submitting the cost components with the pricing schedule. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Table 7: Cost Component

Cost Component	% Contribution	Indices
Imported Raw Material / Finished product (if applicable		Supplier/Manufacturer invoice(s) and remittance advice.
Local Raw Material / Finished product (if applicable		Stats SA P0142.1 (PPI) Table 8 – Domestic Output
Labour		Stats SA PO141 (CPI) OR Labour agreement
Transport		Stats SA P0141 (CPI) Table E
Other		
TOTAL(Cost components must add up to 100%)	**100 %**	

6.5.5.3 Percentage weighted contribution – List % weighted contribution for each cost element must add up to 100%.

6.5.5.4 Indices – List measurable indices/factors that contribute to cost escalation.

6.5.5.5 All prices are subject to negotiation prior to signing on an anniversary of the contract

7. PART 2: ADDITIONAL BID REQUIREMENT

7.1. COMPANY PROFILE

7.1.1. Bidders are requested to submit company profile which includes, but is not limited, to the following: -

- Business structure and strategies; and
- Details of the bidder's directors/owners (Full name and surname and ID or passport number)
- Years of company existence and experience relevant to this bid.

7.1.2. The company profile must further include a shareholding portfolio with valid proof of registration of the company with CIPC. If by law registration with CIPC is not required, proof of ownership/shareholding must be provided.

7.2. LOCAL ECONOMIC DEVELOPMENT

7.2.1. Local economic development forms part of the main agenda of the State, particularly in the textile and clothing sector. The firm's capacity and individual skills, and economic transformation, are critical elements of sustainable economic growth.

7.2.2. Bidders are required to submit their bids at the closing date and time with documentation that clearly demonstrates their strategic plan to support local economic development imperatives and socio-economic objectives. Such objectives may include:

a) Small, Medium and Micro Enterprises (SMME) development,

b) Transfer of skills

c) Broad Based Black Economic Empowerment,

d) Employment creation, and

e) Support for, and participation of locally owned and operated firms in the supply chain (particularly Qualifying Small Enterprise (QSE) and Exempt Micro Enterprise (EME's).

7.2.3. Bidders to ensure that the plans are implementable and sustainable for the duration of the contract. Bidders are required to report periodically on the success, challenges and opportunities of the initiative with the intention of ensuring meaningful interventions. The State will monitor the progress during the contract life cycle.

7.2.4. Bidders should propose to the State how the sector can be improved and enhanced to ensure achievement of socio economic objectives within the industry. Indicate achievable initiatives that the State can consider particularly empowering black and small medium and micro enterprises.

7.2.5. Bidders who will use third party suppliers are encouraged to share these requirements.

7.3. COUNTER CONDITIONS

7.3.1. 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.

7.4. FRONTING

7.4.1. The NT supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the NT does not support any form of fronting.

7.4.2. The NT, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the DTI, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NT may invalidate the bid / contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

7.5. RIGHT OF AWARD/NON COMMITMENT

The State reserves its following rights:

7.5.1. To award in part or in full.

7.5.2. Not to accept any of the bids submitted. Not to make any award of this bid.

7.5.3. 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.

7.5.4. To cancel and/or terminate the bid process at any stage, including after the closing date and/or after presentations have been made, and/or after bids have been evaluated and/or after the preferred bidder(s) have been notified of their status as such

7.5.5. To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

7.5.6. To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid.

7.5.7. To award a bid based on which bidder is offering the best value for money, even if such bid is not the lowest price.

7.5.8. In the event that an incorrect award has been made or an error occurred during evaluation and adjudication phase, the State reserves the right to remedy the matter in any manner it may deem fit.

7.5.9. To cancel and/or terminate the contract or part thereof, post the awards with consultation with the Supplier if is deemed necessary.

7.5.10. Request further technical information from any bidder after the closing date.

7.5.11. Verify information and documentation of the Supplier

7.6. NEGOTIATION

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

7.7. MULTIPLE AWARD

7.7.1. The State reserves the right to award the same line item to more than one bidder to address product availability, compatibility and to provide to for various ranges in equipment's. Price Benchmarking will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

7.7.2. The maximum number of bidders to be awarded will be at the discretion of the Bid Evaluation Committee.

7.7.3. The following will be taken into consideration when awarding through a multiple award:

a. Capacity to meet volume demand as per bid requirements
b. Estimated volume to be supplied
c. Risk to departments if the item is not available
d. Source of the finished product, raw material and manufacturing site
e. Previous performance of the bidder

7.8. RECOMMENDATION AND APPOINTMENT OF BIDDERS

7.8.1. The Bid Evaluation Committee will recommend a preferred responsive bidder based on the evaluation criteria stipulated above.

7.8.2. The award of the Contract is subject to meeting all the requirements of the bid.

7.9. SUBMISSION OF BIDS

7.9.1. Bidders must respond to the bid with returnable documents as follows:

7.9.2. All returnable documents (SBDs, capability report, etc.) must be submitted with the bid at the closing date and time of the bid in a hard copy format.

7.9.3. Bidders must submit an **exact replica of both the soft copy (USB only)** and **hard copy** of the bid document on or before the closing date and time to National Treasury: Tender Information Centre 240 Madiba Street, Pretoria 0001.

a. One (1) original hard copy
b. One (1) memory stick or USB with all the documents of the original hard copy and an excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.
c. The hard copy of the bid response will serve as the legal bid document and must be accompanied by USB including the exact replica of the hard copy. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence. The exact replica of the hard copy will serve as duplicate of the entire bid document submission that assist with handling and evaluation of documents or if disputes may arise.

7.9.4. Bidders **must not PDF the pricing schedule** to allow easy evaluation process.

7.9.5. In order to simplify the evaluation process, Bidders are required to neatly subdivide their bid documents and submit in the following manner: -

7.9.6. 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.

7.9.7. **#NB:** Bid document are required to be submitted in the order as indicated on Table 1 – Returnable Documents Check list. Bidders must tick each document on the checklist to ensure that all required documents are submitted.

7.10. LATE BIDS

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

7.11. COMMUNICATION AND CONFIDENTIALITY

7.11.1. The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

7.11.2. If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NT (other than minor clerical matters), the bidder must promptly notify the NT in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the NT an opportunity to consider what corrective action is necessary (if any).

7.11.3. Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NT will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.

7.11.4. All communication between the bidder and the National Treasury Transversal Contracting office must be done in writing.

7.12. CONTACT DETAILS

7.12.1. General

National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001

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

7.12.2. Bid Enquiries

All enquiries should be in writing to the Contract Manager: Sithembiso Mahlalela Demand.Acquisition1@treasury.gov.za. The closing date for receipt of all enquiries is 24 July 2022 at 16h00. All enquiries beyond the closing date will not be considered.

SECTION B:

CONDITIONS OF CONTRACT

8. CONCLUSION OF CONTRACT

8.1. The Contract between National Treasury and the preferred bidder/s (Supplier) collectively referred to as the Parties shall come into effect after the Supplier has been issued with an unconditional letter of acceptance to their bid.

8.2. The Supplier (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties in as far this RT59 is concerned:

a) Bid Documents;
b) Letter of Appointment;
c) Award Documents;
d) Acknowledgement letter

8.3. In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent. For purpose of Section B, the term “Supplier “shall refer to the preferred bidder appointed in terms of RT59 contract.

8.4. The contract period will be for a thirty-six (36) months.

9. PARTICIPATING STATE INSTITUTIONS/DEPARTMENTS

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

Table 8: Participation Institutions/Departments

NATIONAL DEPARTMENTS
Department of Agriculture, Rural Development and Land Reform
Parliament of RSA
South African Navy
South African Police Services
Department of Correctional Services
South African Military Health Services
National Department of Health (Port Health)
Department of Defence

Department of Higher Education and Training
Department of Home Affairs
National Department of Health
Department of Labour
South African Military Health Service
PROVINCIAL DEPARTMENTS
Gauteng Agriculture and Rural Development
Gauteng Forensic Pathology Service
KwaZulu-Natal Department of Transport
Limpopo Department of Transport and community safety
Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs
Mpumalanga Department of Agriculture, Land Reform and Rural Development
OTHER ORGANS OF STATE
Johannesburg Metropolitan Police Department (JMPD)
City of Johannesburg Emergency Medical Services - COJEMS
Passenger Rail Agency of South Africa (PRASA)
Chris Hani District Municipality
Ilembe District Municipality
Port ST Johns Municipality
Road Traffic Management Corporation (RTMC)
Rustenburg Local Municipality
South Africa Revenue Service (SARS)
uMzimkhulu Local Municipality

10. POST AWARD PARTICIPATION

10.1. In terms of Treasury Regulation 16A6.5 the Accounting Authority may opt to participate in transversal contract facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract facilitated by the relevant treasury, the accounting officer or accounting authority may

not solicit bids for the same or similar product or services during the tenure of the transversal term contract.

10.2. The participating letter will be customised to allow participation on completion and signing thereof as the transversal contract is arranged by means of a competitive bidding process by NT, subject to an electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.

10.3. Bidder(s) will be notified of new participants and the list of participants will be published on the website together with any model changes, price adjustments and any other transversal contract information for the benefit of bidder(s) and participants.

10.4. The contracts allow for minor adjustments in line with the original approved items in order to cater for new participants/ State Institutions requirements. E.g. Logo, embroidery etc.

11. QUALITY

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

12. DELIVERY BASIS

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

12.2. Transit and storage conditions applicable to the relevant products must be adhered to.

13. QUANTITIES

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

13.2. The quantity indicated against each item represents the total estimated off-take of all participating departments and however not guaranteed. The numbers may increase or decrease in a particular year.

13.3. If quantities substantially increase during the year due to new participation request from user departments, the state reserves the rights to renegotiate the prices.

14. MINIMUM ORDER QUANTITY

14.1. Bidders are required to indicate the minimum order quantity that is allowable per order. In the event that the end user department requires less than the stipulated minimum order quantity, acceptable resolution should be found between all parties including National Treasury.

SECTION C

15. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

15.1. CONTRACT ADMINISTRATION

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

15.1.2. The Chief Director: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001, Attention: Peace Gumede – tccontracts2@treasury.gov.za .

15.1.3. Contractors must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished to Peace Gumede – email: tccontracts2@treasury.gov.za

15.2. SUPPLIER PERFORMANCE MANAGEMENT

15.2.1. Supplier performance management will be the responsibility of the Participating State Institutions and where supplier performance disputes cannot be resolved between the Supplier and the relevant Participating Institution, National Treasury: Transversal Contracting must be contacted for corrective actions.

15.2.2. Supplier performance rating form will be instituted, and every contractor must complete it to ensure good performance.

15.2.3. End-user/Participating State Institutions are required to report to National Treasury on where supplier's performance is not satisfactory.

15.2.4. Successful suppliers will have their performance scored. National Treasury will provide a template which will be used to measure overall performance in terms of the contract. Suppliers who score the unacceptable performance rating may not be awarded future contract of the same bid and may have the contract terminated prior to the end of contract period.

15.2.5. Suppliers Performance is based on the roles stipulated on the scope of work and as well as the service level agreement.

15.3. PLACEMENT OF ORDERS AND PAYMENTS

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

15.4. ORDERS

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

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

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

15.4.4. Purchasing institution may request that a contractor submit a sample to the purchasing institution for approval before mass production related to that order is finalised. The cost of this sample is for the supplier.

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

15.5. DELIVERY

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

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

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

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

16. PRODUCT ADHERANCE / BRAND CHANGE

16.1.1. In the event where a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract period.

16.1.2. In the event that the brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified by both the appointed supplier and participating state institution of such an occurrence and upon approval, an official amendment will be issued. The contractor is required to submit supporting documents from the manufacturer substantiating the changes. The DTIC exemption process may be required at the approval of National Treasury. Successful Bidders are not allowed to go direct to the DTIC and must obtain approval from National Treasury.

16.1.3. It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item. The quality of the product must not be lower than the initial awarded product.

16.1.4. Furthermore, suppliers are to take note that the price of the new brand should not be higher from the current contract price of the original product.

16.1.5. Suppliers are not allowed to deliver a new brand/fabric specification other than the brand/fabric specification awarded to them prior to an approval of brand change from National Treasury.

16.2. National Treasury reserve the right not to approve any change of specification/brand.

17. PRE-PRODUCTION SAMPLES FOR VISUAL SCREENING (ORDER STAGE)

17.1. Upon receiving an order from the purchasing institution, successful bidders are required to submit a pre-production sample for the item on order to confirm with the purchasing institution that the sample is according to the specification. The sample should be exact replica of the sample that was submitted, evaluated and awarded during the tendering process.

17.2. The purchasing institution is expected to approve the sample in question before mass production can take place.

17.3. Both the successful bidders and participating institution are responsible to ensure that the process is adhered to in order to avoid disputes.

18. PRE-PRODUCTION SAMPLES AS A REQUIREMENT OF PARTICIPATING INSTITUTION

The following post-award product compliance procedures will apply:

18.1. Where pre-production testing is required by institution, it will be expected from the successful bidder (supplier) to submit three (3) Pre-production samples to the

relevant SANAS approved testing institution. The contractor will be required to submit pre-production sample(s) to the testing institution at the written request of the purchasing institution concerned.

18.2. Unless the purchasing institution decides otherwise, the pre-production samples must be submitted within 30 days of the date on which the supplier was requested to do so. Mass production shall only commence after the purchasing institution and the contractor have been advised by the testing institution that the pre-production samples passed.

18.3. The state institution will only be responsible for the cost of first attempt pass of the pre-production samples testing. See the below table for further details:

Test attempt	Results	Party responsible for the cost of testing
First attempt	Pass	Purchasing institution
	Fail	Contractor
Second attempt	Pass	Contractor
	Fail	Contractor
Third attempt	Pass	Contractor
	Fail	Contractor

18.4. In the event that the first pre-production test fail, a second test and sample(s) of pre-production testing incorporating corrections/improvements is required. the corrected samples must reach the relevant SANAS approved testing institution within 14 working days after the relevant institution had notified the contractor of its findings.

18.5. In the event that the second pre-production test fail, a third test and samples of pre-production testing incorporating corrections/improvements is required. the corrected samples must reach the relevant SANAS approved testing institution within 7 working days after the relevant institution had notified the contractor of its findings.

19. CONSIGNMENT / BATCH TESTING

19.1. Where required, Consignments (products) are inspected on a batch to batch or lot for lot basis to ensure that the product comply with predetermined standards (these standards could be SABS/SANS or private standards).

19.2. The contract and official orders to the successful bidder will reflect that the relevant testing institution is required to carry out consignment/batch inspections. The purchasing institution will send a copy of the official order to the South African Bureau

of Standards and notify the testing institution in writing (preferably by means of an official order) that consignment /batch tests must be carried out.

19.3. It is the responsibility of the purchasing institution to determine and explicitly stipulate the number and frequency of consignment inspections to be carried out, as the costs of such inspections would normally be borne by the purchasing institution. The consignment inspection can be carried out either before delivery at the contractor's premises or after receipt of the consignment at the purchasing intuition's warehouse. Inspection at the supplier's premises is preferable as any faults are then indisputably the responsibility of the contractor and the correction thereof could be done promptly. Non mark bearing fabric will be tested with every batch; mark bearing fabric will be tested on request by the department.

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

20. QUALITY ADHERANCE

20.1. Bidder's attention is drawn to paragraph 8 of the General Conditions of Contract regarding inspection, tests and analysis.

20.2. If the delivered supplies are not in accordance with the contract requirements, the cost of inspections, tests and analysis done by an independent testing facility shall be paid by the contractor.

21. BREACH OF CONTRACT

21.1. The State reserves the right to terminate the contract(s) if the contractor does not honour contract(s) obligations including submission of information.

22. PACKAGING

22.1. Clothing must be packed in suitable packaging before distribution to end users as per their requirements.

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

23.1. Textile goods manufactured in terms of this contract and bearing a State ownership mark shall not be disposed of by the contractor to any person, other than a State

Department unless the ownership mark has been cancelled, defaced or obliterated in such a manner as may be approved by the State.

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

23.2.1. Dispose of such goods provided the goods are stamped or stencilled in indelible ink or dye with the word "CANCELLED", preferable, but not necessarily, over the State ownership mark, or overprinted with a design in the same colour as that of the mark, or provided the colouring of the mark is bleached out.

23.2.2. Cut up the goods so that the State ownership mark is defaced and then to use it or dispose of it as rags, cleaning cloths, etc.

24. POST AWARD REPORTING

24.1. National Treasury will conduct meetings with the end users and contractors to discuss Transversal Contracting issues.

25. SECURITY AND CONFIDENTIALITY INFORMATION

25.1. All successful contractors may be subject to a State Security Agency (SSA) clearance process which will be facilitated by National Treasury.

25.2. The State may enforce section 23 (termination for default) of General Condition of Contract in a case where the contractor's clearance has a negative outcome.

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

25.4. The Supplier, his/her employees, or agents may not make any such information obtained or entrusted with to any other person or to the media.

26. CONTRACT PRICE ADJUSTMENT

26.1. Formula

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

26.1.2. Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.

26.1.3. The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

Table 9: Contract Price Adjustment Formula

$Pa = (1-V)Pt\left(D1\frac{R1t}{R1o} + D2\frac{R2t}{R2o} + D3\frac{R3t}{R3o} + ...+ Dn\frac{Rnt}{Rno}\right) + VPt$		
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

26.2. Formula component definitions

26.2.1. Adjustable amount

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.

26.2.2. Fixed portion

The fixed portion represents those costs which will not change over the adjustment period and

DOES NOT represent the profit margin. In this bid the fixed portion is 15% of the original bid

price. Using the same example as above, it would amount to R150 which will remain fixed over

the contract periods.

26.2.3. Cost components and proportions

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

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.

Successful bidders that are direct importers of raw material / finished product can apply for RoE adjustment under cost element D1. If the successful bidder is not a direct importer of raw material / finished product, cost component D1 would not be applicable and only local cost components (D2 - Dn) would be applicable.

Table 10: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Imported Raw Material / Finished product	
D2 - Local Raw Material / Finished product (if	
D3 – Labour	
D4 – Transport	
D5 – Overheads	
D6 – Other	
TOTAL (Cost components must add up to	**100**

26.2.4. Applicable indices/references

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

Table 11: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice.[1]	Documentary evidence to accompany claim and ROE
D2 - Local Finished product (if applicable):	Specify (STATS SA Index)	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour agreement[2]	Table E - All Items (CPI Headline) OR Labour agreement to be provided/ Regulated Pricing Adjustment
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

26.2.5. Base index date

The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is **JULY 2022**

26.2.6. End index date

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

26.2.7. Price adjustment periods

Price adjustment shall be applied on an annual basis at the anniversary of the transversal contract from closing date of bid date.

[1] *In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.*
[2] *In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.*

Table 12: Price Adjustment Period

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates *from* which adjusted prices will become effective
1st Adjustment	**1 February 2024**	**January 2024**	**1 April 2024**
2nd Adjustment	**01 February 2025**	**January 2025**	**1 April 2025**

26.2.8. Rates of exchange (RoE) – Base and average rates

In the event where material and/or finished products are imported the following will apply:

26.2.8.1. The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate refer paragraph in below paragraph and the average RoE rate over the period under review indicated in below paragraph.

26.2.8.2. In the event where the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph below for the later invoice.

26.2.8.3. The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph above and at the predetermined dates indicated in paragraph above.

26.2.8.4. Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item (s) to South Africa currency is indicated in the table below.

Table 13: CPA Rate of Exchange

Currency Name	Rates of exchange: 01 September 2022 to 31 October 2023
US Dollar	
Pound Sterling	
Yen	

Currency Name	Rates of exchange: 01 September 2022 to 31 October 2023
Euro	
Yaun	

26.2.8.5. Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **01 September 2022 to 31 October 2023** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 2 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

26.2.8.6. Contract price adjustments due to rate of exchange variations are based on average exchange rates as published by the Reserve Bank for the periods indicated hereunder:

Table 14: Rate of Exchange Average Period

Adjustment	Average exchange rates for the period:
1st Adjustment	**01 September 2022 to 31 October 2023**
2nd Adjustment	**01 September 2023 to 31 October 2024**

26.2.9. General

26.2.9.1. Unless prior approval has been obtained from National Treasury, Transversal Contracting, no adjustment in contract prices will be made.

26.2.9.2. Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.

26.2.9.3. CPA application 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.

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

26.2.9.5. Bidders are referred to the paragraph regarding counter conditions.

26.2.9.6. An electronic price adjustment calculator will be available on request from Transversal Contracting.

26.2.9.7. The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

27. DELIVERY BASIS

27.1. Firm lead times for delivery must be quoted for the duration of the contract period. Lead times for delivery of all products on transversal contract shall not exceed eight (3) weeks. Delivery period exceeding the prescribed maximum eight (3) weeks may be cancelled without notice.

27.2. Lead times for delivery of all items offered on transversal contract shall not exceed three (3) weeks/ 21 days.

28. ESTIMATED QUANTITIES

28.1. No guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period are estimated.

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

29. PLACEMENT OF ORDERS AND PAYMENTS

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

30. CONTINUITY OF SUPPLY

30.1. The contractor must maintain sufficient stock to meet demand throughout the duration of the contract and inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:

a) Industrial action,

b) Manufacturing pipeline

c) Any other supply challenges.

30.2. In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the National Treasury reserves the right to purchase outside of the contract in order to meet its requirements if:

a) The contracted supplier fails to perform in terms of the contract.

b) The item(s) are urgently required and not immediately available; in the case of an emergency.

31. MERGERS, TAKE OVERS AND CHANGES IN SUPPLIER DETAILS

31.1. Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the National Treasury in writing 90 days prior to such event of relevant details.

31.2. National Treasury reserves the right to agree to the transfer of contractual obligations to the new supplier under the prevailing conditions of contract or to cancel the contract.

31.3. A contracted supplier must inform the National Treasury within 7 days of any changes of address, name, contact or banking details.

32. POST AWARD PRODUCT COMPLIANCE PROCEDURES

32.1. Successful bidders must ensure that the product confirms to the specification and its relevant quality standards throughout the contract period. Where the is a justified concern regarding the quality of the product, the State reserve the right to request the bidder (at own cost) to submit product for testing to confirm compliancy to the relevant item specification and requirements at the SANAS accredited institution.

32.2. The State reserve the right to conduct any sample or site inspection directly or through a third party appointed by the state.

33. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

33.1. Successful bidders must ensure continuous compliance with all statutory requirements which may affect their complying status on Central Supplier Database managed by National Treasury.

33.2. All contracted suppliers must ensure registration on all participating institutions/department's supplier databases within 30 days of accepting the award and submit proof thereof to the National Treasury.

33.3. Failure to meet this requirement will result in inability to process orders and payments for goods.

34. MONITORING

34.1. Monitoring audits may be conducted periodically and randomly by the National Treasury, Participating Institutions or by a Supplier appointed to determine continuous compliance to the product and terms of contract. The National Treasury, in collaboration with the other Participating Authorities, will monitor the performance of contracted suppliers and maintain a scorecard for compliance to the terms of this contract as follows:

a) Compliance to delivery lead times;

b) Percentage of orders supplied in full first time;

c) Compliance with reporting requirements according to reporting schedule.

d) Attendance of compulsory quarterly: The National Treasury may hold quarterly meetings with suppliers to review the next quarter's demand, as well as supplier performance.

34.2. The state may conduct random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).

34.3. National Treasury will conduct meetings with the participating State institutions and Suppliers to discuss transversal contracting issues.

34.4. The National Treasury may request Participating Authorities to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.

34.5. Any change in the status in supply performance during the contract period must be reported within seven (7) days of receipt of such information to National Treasury.

34.6. Reporting and Supplier(s) meetings will be on a six-monthly basis and will be scheduled post award.

34.7. All successful Suppliers are required to submit historical value and volume reports via e-mail on a quarterly basis to: TCcontracts2@treasury.gov.za

34.8. Detailed reporting requirements from successful bidders will be provided by National Treasury.

35. TERMINATION

35.1. The State shall be entitled to terminate this agreement if one or more of the following occur:

a) The Supplier decides to transfer the contract or cede the contract;

b) The Supplier does not honour contractual obligations including submission of information;

c) The Supplier is provisionally or finally liquidated, making it impossible for the Supplier to perform its functions in terms of this Contract;

d) The Supplier enters into settlement arrangements with their creditors;

e) The Supplier commits an act of insolvency;

f) In the event that the Supplier is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.

g) There is a change in ownership of the Supplier that has the effect that over 50% ownership of the Supplier belongs to the new owner without prior written approval of the State.

h) Overall poor performance rating during the contract period.

36. POST AWARD MONITORING AND REPORTING

36.1. National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contract issues and implementation.

36.2. All successful bidders are required to submit reports via e-mail on a quarterly basis to: TCcontracts2@treasury.gov.za

Period	Period for which information must be submitted	Due dates at which reports must be submitted
1	1 April 2023 to 30 September 2023	02 October 2023
2	1 October 2023 to 31 March 2024	01 April 2024
3	1 April 2024 to 30 September 2024	02 October 2024
4	1 October 2024 to 31 March 2025	01 April 2025
5	1 April 2025 to 30 September 2025	02 October 2025
6	1 October 2025 to 30 31 March 2026	31 March 2026

THE END