



SPECIAL CONDITIONS OF CONTRACT

RT7-2020

**LEARNER TEACHER SUPPORT MATERIAL (LTSM) MANAGEMENT AND
DISTRIBUTION OF SCHOOL TEXTBOOKS FOR THE DEPARTMENT OF BASIC
EDUCATION FOR THE PERIOD**

1 OCTOBER 2020 TO 30 SEPTEMBER 2023

NON-COMPULSORY BRIEFING SESSION:

N/A

CLOSING DATE AND TIME OF BID

21 AUGUST 2020 AT 11H00

BID VALIDITY PERIOD: 120 DAYS

National Treasury

Transversal Contracting



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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee-
BQRC	Bid Quality Review Committee
B-BBEE	Broad -Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CSD	Central Supplier Database
EME	Exempted Micro Enterprise
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
CFST	Cross Functional Sourcing Team
FET	Further Education and Training
LTSM	Learner Teacher Support Material
DBE	Department of Basic Education
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations, 2017
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
RSA	Republic of South Africa
SLA	Service Level Agreement
SANAS	South African National Accreditation System
SANS	South African National Standards
SARB	South African Reserve Bank
SARS	South African Revenue Service
SSA	State Security Agency
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TIC	Tender Information Centre
VAT	Value Added Tax



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**Table 1: Returnable Bid Document Checklist**

#	Document Name	Included in the published bid document?	To be returned by bidder?
1	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes
2	SBD 4 Declaration of Interest	Yes	Yes
3	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes
4	SBD 9 Certificate of Independent Bid Determination	Yes	Yes
5	TCBD 1 Authorisation Declaration	Yes	Yes
6	TCBD 1.1 (List of goods or services offered)	Yes	Yes
7	TCBD 1.2 Authorisation Declaration	Yes	Yes
8	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No
9	CSD full report and not summarized	No	Yes
10	Shareholding portfolio by proof of registration of the company with CIPRO/CIPC	No	Yes
11	Financial Statement/Confirmation letter from an audit	No	Yes
12	Company Profile	No	Yes
13	Fully Signed General Condition of Contract	Yes	Yes
14	Fully Signed Special Conditions of Contract	Yes	Yes
15	Original and valid B-BBEE status level verification certificate or a certified copy thereof or signed original sworn affidavit	No	Yes
16	SBD 6.1 Preference Points Claim Form	Yes	Yes
17	Pricing Schedule (Annexure 2)	Yes	Yes
18	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No



Name of the document that must be submitted (Compliance)	Non-submission will result in disqualification?
SBD 1- Invitation to Bid	YES – Please complete and sign the supplied form.
Central Supplier Database registration	YES – Please submit CSD registration number or CSD report to prove registration.
SBD 4- Declaration of Interest	YES – Please complete and sign the supplied form.
SBD 6.1- Preference Point Claim Form	YES – Generally non-submission will lead to a zero score for B-BBEE, however, due to pre-qualification criteria it is a requirement that this document is provided to prove the B-BBEE status level contributor.
SBD 8- Declaration of Bidder's Past Supply Management Practices	YES – Please complete and sign the supplied form.
SBD 9- Certificate of Independent Bid Determination	YES – Please complete and sign the supplied form.
TCBD 1 – Authorisation Declaration	YES – Bidders sourcing products from a third party must submit the authorisation declaration letter and capability report of the third party.
TCBD 1.2- Authorisation Letter	YES – If the bidder is sourcing products from a third party, the letter of supply arrangement detailing the list of items must be submitted.
General Conditions of Contract	YES - Bidders must sign every page and familiarise themselves with the content of the document
Special Conditions of Contract	YES - Bidders must sign every page and familiarise themselves with the content of the document.
Pricing Schedule: Annexure A	YES – Please complete the price schedule electronically and submit a signed hard copy with the bid at the closing date and time.
B-BBEE Certificate/Sworn Affidavit	YES – Proof includes original and valid B-BBEE status level verification certificate or certified copies thereof or signed original sworn affidavit.
Subcontractor Agreement	YES - Bidder must submit a Sub-contracting plan; and



	Proposed 3-year subcontracting agreement between the main bidder and the subcontractor.
Original and valid B-BBEE status level verification certificate or certified copies thereof or signed original Sworn Affidavit	Proof that a subcontractor is an EME or QSE which is at least 51% owned by black people.



1. INTRODUCTION

This bid is for Learner Teacher Support Material (LTSM) Management and Distribution of School Textbooks for the Department of Basic Education for the period of thirty-six (36) months commencing on 1 October 2020 to 30 September 2023.

This bid document is divided as follows:

- 1.1 Section A : Conditions of bid
- 1.1.1 Part 1 : Evaluation criteria
- 1.1.2 Part 2 : Bid requirements
- 1.2 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. 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.

2.2 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: -

- i. National Road Traffic Act, 1996 (No. 93 of 1996);
- ii. National Road Traffic Regulations, 2000;
- iii. Administrative Adjudication of Road Traffic Offences (AARTO) Act No 46 of 1998;
- iv. South African School Act, 1996 (No. 84 of 1996)
- v. Basic Conditions of Employment Act 75 of 1997;
- vi. Compensation for Occupational Injuries and Diseases Act (130 of 1993).



3. BID INFORMATION SESSION

- 3.1 Briefing presentation is attached as annexure 3.
- 3.2 The briefing session presentation will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.
- 3.3 The state reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.
- 3.4 Briefing presentation will be made available on the following link:
<https://etenders.treasury.gov.za/content/advertised-tenders>
<http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx>
- 3.5 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to transversal.contracting6@treasury.gov.za before the briefing session. The closing date for receipt of all enquiries is **14 August 2020**. All enquiries beyond this closing date will not be considered.

4. SPECIFICATIONS AND SCOPE OF SERVICES

- 4.1 A bid will be considered responsive if it addresses and scope of services summarised below. A bid that does not address the scope of services will be disqualified and considered non-responsive.
- 4.2 The appointed contractor must be capable to perform key deliverables in execution of the contract by ensuring that relevant systems in place.
- 4.3 Receive and manage textbooks from publishers through appropriate warehousing and inventory/material management system.
- 4.4 To pick and pack textbooks in accordance with purchase order/s and or instructions received from Provincial Education Departments.
- 4.5 Prepare necessary documentation for delivery of textbooks to relevant schools.
- 4.6 Ensure that textbooks are delivered at the correct school/s address in proper condition, in correct quantities, signed for by the correct school representatives with proof of receipt and school stamp.
- 4.7 Proof of delivery documentation must be submitted together with invoices as proof that textbooks were received by the correct school in good and quantities.
- 4.8 Bidders must be able to render the required service nationally (**All 9 province**).



SECTION A

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

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

Table 2: Evaluation criteria

Phase I	Phase II	Phase III	Phase IV	Phase V
Pre -Qualifying Criteria	Subcontracting as condition of bid	Compliance with mandatory and other standard bidding requirements	Functionality	Price and B-BBEE
Regulation 4(1)(a) Level 1 to 4	Regulation 9(1)(b) of Preferential Procurement Regulations, 2017.	Standard bidding documents must be complete and signed.	Bids evaluated in terms of functionality (minimum threshold 66,67%)	Bids evaluated in terms of the 80/20 preference system

5.1 Phase I: Pre- Qualifying Criteria for Preferential Procurement

5.1.1 B-BBEE status Level Contributor (Level 1- 4)

Bidders must be a minimum B-BBEE status level contributor from level 1(one) to 4 (four) as per Regulation 4(1)(a) of Preferential Procurement Regulations, 2017.

5.1.2 Bidders are required to submit proof of B-BBEE status level of contributor. Proof includes original and valid B-BBEE status level verification certificates or certified copies thereof or an original sworn affidavit signed by the EME representative and attested by Commissioner of oaths.

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

5.1.4 Public entities and tertiary institutions must also submit their B-BBEE certificates.

5.1.5 A bidder who fails to comply with these requirements will be disqualified.



5.2 **Phase II: Subcontracting as condition of bid**

5.2.1 **Subcontracting as condition of bid as per Regulation 9(1)(b) of Preferential Procurement Regulations, 2017.**

5.2.1.1 It is a condition of the bid that the successful bidder must subcontract a minimum of 30% of the value of the contract to an EME or QSE which is at least 51% owned by black people.

5.2.1.2 Bidders are not allowed to subcontract with their subsidiary companies as this may be interpreted as subcontracting with themselves and/or using their subsidiaries for fronting.

5.2.1.3 Bidders must submit a proposed subcontracting plan such as but not limited to packaging and lifting or offloading the consignment or leasing of forklifts and pallets.

5.2.1.4 Bidders must submit proof of the subcontracting agreement.

5.2.1.5 Bidders must submit proof of the B-BBEE status level of a subcontractor.

5.2.1.6 The National Treasury will make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in clause 5.2.1.1.

5.2.1.7 A bid that fails to meet 5.2.1.1 will not proceed to **Phase III**

5.3 **Phase III: Mandatory and Other Standard Bidding Documents Requirements**

5.3.1 **Insurance Schedule for Goods in Transit**

5.3.1.1 Bidders must provide proof of goods in transit insurance or a quotation with a policy number from an insurer.

5.3.1.2 The provision of this document is critical to ascertain if the parcels/goods will be covered in case of damages/breakage and/or loss of parcels /goods.



Name of the Document that must be submitted (Mandatory)	Non –submission will result in disqualification
Original and valid B-BBEE status level verification certificate or certified copies thereof or signed original Sworn Affidavit	<p>Proof of B-BBEE status level of contributor as per Preferential Procurement Policy Act,2000: Preferential Procurement Regulations,2017 means-</p> <ul style="list-style-type: none"> a) The B-BBEE status level certificate issued by an authorised body or person; b) An original sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or c) Any other requirement prescribed in terms of the Broad -Based Black Economic Empowerment Act.
Name of the Document that must be submitted (Mandatory)	Non –submission will result in disqualification
Subcontractor Agreement	<p>Bidder must submit a Sub-contracting plan; and Proposed 3-year subcontracting agreement between the main bidder and the subcontractor.</p>
Original and valid B-BBEE status level verification certificate or certified copies thereof or an original Sworn Affidavit	<p>Proof that a subcontractor is an EME or QSE which is at least 51% owned by black people.</p>
Name of the document that must be submitted (Compliance)	Non-submission will result in disqualification
SBD 1- Invitation to Bid	<p>Please complete, sign the supplied form and submit with the bid at the closing date and time.</p>
Central Supplier Database Registration	<p>Please submit CSD registration number or CSD report to prove registration with the bid at the closing date and</p>



Report	time.
Pricing Schedule	Please complete excel pricing schedule, sign and submit a copy with the bid at the closing date and time.
SBD 4- Declaration of Interest	Please complete, sign the supplied form and submit with the bid at the closing date and time.
TCBD1 Authorization Declaration	Please complete, sign the supplied form and submit with the bid at the closing date and time.
TCBD 1.2 Authorisation Declaration	Bidders must submit a signed authorisation letter in a letter head of the manufacturer or distributor, with contactable references and list of items.
Name of the document that must be submitted (Compliance)	Non-submission will result in disqualification
SBD 6.1- Preference Point Claim Form	Generally non-submission will lead to a zero score for B-BBEE, however, due to pre-qualification criteria it is a requirement that this document is provided to prove the B-BBEE status level contributor.
SBD 8- Declaration of Bidder's Past Supply Management Practices	Please complete and sign the provided form with the bid at the closing date and time.
SBD 9- Certificate of Independent Bid Determination	Please complete and sign the provided form with the bid at the closing date and time.
General Conditions of Contract	Bidders must sign every page and submit with the bid at the closing date and time.
Special Conditions of Contract	Bidders must sign every page and submit with the bid at the closing date and time.



5.3.2 **Authorisation Declaration**

- 5.3.2.1 Any bidder who is sourcing goods or services from a third (3rd) party must complete the "Authorisation Declaration" (TCBD 1) in full for all relevant goods or services, sign it and submit it together with the bid response at the closing date and time of the bid invitation.
- 5.3.2.2 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in this bid document.
- 5.3.2.3 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third (3rd) party will be binding on the State.
- 5.3.2.4 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions may invalidate the bid for such goods or services offered.

5.3.3 **Tax Compliance Requirements**

- 5.3.3.1 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.
- 5.3.3.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.
- 5.3.3.3 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.
- 5.3.3.4 Bidders are required to be registered on the Central Supplier Database (CSD) and NT shall verify the bidder's tax compliance status through the CSD or through SARS.



5.3.3.5 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.

5.4 Phase IV: Functionality

5.4.1 Functionality will be evaluated on the basis of the responses and supporting documentation supplied by the bidders as follows:

Table 3: Summary of Functionality Criteria

	Criteria	Measure	Scoring	Weight
1	Trade Reference	<p>The bidder must provide contactable reference and proven track record in the distribution industry for the past five years. The reference/s letter must be in the letterhead of the company (letterhead of the client signed by the client) where the distribution/transportation services was provided indicating the duration of the contract/service, the description of the service provided, value of the contract and signed.</p> <p>Bidders with five (5) or more years of experience in transportation/distribution services</p> <p>Bidders with four (4) to five (5) years or more of experience in transportation/distribution services</p> <p>Bidders with two (2) to four(4) years' experience in transportation/distribution services and trade reference letter to support</p> <p>Bidders with one (1) to or less of experience in transportation/distribution services and trade reference letter to support</p>	<p>3</p> <p>2</p> <p>1</p> <p>0</p>	20
2	Warehousing /Inventory Management System	<p>Web Portal or Self-Service Interface : Does the company have a real time information of orders, transactions and delivery time for end users to be able to view the status of their orders? Yes = 5/ No =0 If Yes, please submit proof</p> <p>Inventory Management System : Is the system able to record received goods, per line item per supplier, indicate dispatched and stock on hand? Yes = 5/ No =0 If Yes, please submit proof</p> <p>Do you have a calibrated scale to measure pallet weight? Yes = 5/ No =0 If Yes, please submit proof</p> <p>Is your system able to bill accurately per account with clear indication of costs(weight) Yes = 5/ No =0 If Yes, please submit proof</p> <p>Is the system able to generate reports(e.g. missed orders, rejected orders , on time deliveries) Yes = 5/ No =0+ If Yes, please submit proof</p>	<p>1-10 score = 1</p> <p>11-20 score = 2</p> <p>21-10 score = 3</p>	30
3	Distribution Strategy	<p>Bidders must provide a delivery plan with clear timelines and deliverables. Bidders must also provide their outsourcing strategy (Sub-contracting).</p> <p>Deliveries between 1 and 4 weeks after publishers have delivered to the warehouse.</p>	3	30



		Deliveries between 4 and 8 weeks after publishers have delivered to the warehouse.	2	
		Deliveries between 8 and 12 weeks after publishers have delivered to the warehouse.	1	
		Delivery beyond	0	
4	Risk Management Strategy	<p>Bidder must submit Risk Management Strategy/ Plan (i.e. in case of accident, storm, water damage, fire, strike or delays)</p> <p>Bidder submitted a Risk Management Plan and did NOT include risks associated with the project</p> <p>Bidder submitted the risk management plan including SOME BUT NOT ALL risks associated with the project</p> <p>Bidder submitted the risk management plan including ALL risks associated with the project</p>	<p>1</p> <p>2</p> <p>3</p>	20
Minimum threshold is 66,67%				100

5.4.2 Bidders that have achieved the minimum qualifying score of 66,67% for functionality will be evaluated further for Price and B-BBEE as stipulated in paragraph 6.5 below.

5.5 Phase V: Price and B-BBEE (80/20 Criteria)

5.5.1 Response Field

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-Response Field)

5.5.2 Applicable Taxes

All bid prices must be inclusive of all applicable taxes.

Failure to comply with this condition will invalidate the bid.

5.5.3 Value Added Tax



All bid prices must be inclusive of fifteen percent (15%) Value Added Tax.

Failure to comply with this condition may invalidate the bid.

5.5.4 Pricing Structure

5.5.4.1 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid as follows:

5.5.4.2 **The pricing schedule (Annexure A) must not be a scanned PDF but must be submitted in an excel format with a USB.**

5.5.4.3 Price structures that do not comply with the requirements of **5.5.4.2** above may invalidate the bid.

5.5.5 Preferential Point System

5.5.5.1 In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 80/20 preference point system in terms of which points are awarded to bidders on the basis of:

- i. The bid price (Maximum of 80 points)
- ii. B-BBEE status level of contributor (maximum 20 points)

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

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

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

5.5.5.3 A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

**Table 4: Preference Point System**

B-BBEE Status Level of Contributor	Number of Points for the 80/20 system
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 5.5.5.4 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 point.
- 5.5.5.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 5.5.5.6 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 an original sworn affidavit will be considered for preference points.
- 5.5.5.7 Failure on the part of the bidder to comply with the above paragraphs will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 5.5.5.8 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.



- 5.5.5.9 The points scored will be rounded off to the nearest two (2) decimals.
- 5.5.5.10 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.
- 5.5.5.11 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.
- 5.5.5.12 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 5.5.5.13 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points in line with Regulation 11 of the Preferential Procurement Regulation (PPR).
- 5.6 **Recommendation and appointment of a panel of bidders**
- 5.6.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on phase I, phase II, and phase III, the Contract Manager will compile a memo which will be presented to the Bid Adjudication Committee for award and approval.
- 5.6.2 The award of the Contract is subject to meeting all the requirements of the bid.



6. PART 2: ADDITIONAL BID REQUIREMENT

6.1 Introduction

All bidders must comply with the requirements below as well as submit all required documents referred below. Unless the requirements specifically provide for mandatory compliance, the National Treasury reserves the right to disqualify a bid that does not comply with any of the requirements in clause 6.

6.2 Company Financial Statements

The bidder must submit a copy of the bidder's audited financial statement for the last two years. Alternatively, bidders shall submit confirmation from the bidder's auditor that the bidder is a going concern, with the bid documents at date the closing and time of the bid.

6.3 Company Profile

The bidder must submit a company profile which includes, but is not limited, to the following: -

- i. Business Structure
- ii. Business Functions
- iii. Details of the bidder's directors/owners (Full name and surname and ID or passport number)

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. TERMS AND CONDITIONS

7.1 Third Party Agreements and Subcontractor Agreements

7.1.1 No Agreement between the bidder and any third party will be binding to the State.

7.1.2 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.



7.2 **Supplier Due Diligence**

- 7.2.1 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.
- 7.2.2 It is the responsibility of the main bidder to conduct due diligence on the sub-contractor.

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**

The State reserves its following rights;

- 7.5.1 To award the bid in part or in full;
- 7.5.2 Not to make any award in this bid;
- 7.5.3 Award the bid to more than one (1) bidder for the same item;
- 7.5.4 Request further technical information from any bidder after the closing date;
- 7.5.5 Verify information and documentation of the service provider;
- 7.5.6 Not to accept any of the bids submitted;
- 7.5.7 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
- 7.5.8 In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

7.6 Multiple Award

- 7.6.1 The State reserves the right to issue multiple awards, to ensure availability of service. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.
- 7.6.2 The maximum number of bidders to be awarded will be at the discretion of the Bid Evaluation Committee.
- 7.6.3 The following shall be taken into consideration when contemplating a multiple award:
 - 7.6.3.1 Capacity to meet the expected demand according to the end-user requirements;
 - 7.6.3.2 Mitigation of risk if the item is unavailable.



8. NEGOTIATION

The State reserves the right to negotiate with the preferred bidders prior to award and with the successful bidders(s) post award.

9. SUBMISSION OF BIDS

9.1 Bidders must respond to the bid as follows:

9.1.1 Submit hard copies at the **National Treasury, 240 Madiba Street, Tender Information Centre (TIC), Deposit the bid in the tender box.**

9.1.2 Bidders are requested to initial each page of the bid document on the bottom right hand corner; and

9.1.3 Submit any bid queries via email to transversal.contracting6@treasury.gov.za.

9.2 The hard copy of the bid response will serve as the legal bid document.

9.3 Bidders must submit the bid to TIC in the following format:

- i. One (1) original hard copy clearly marked as "original";
- ii. One (1) memory stick or USB with all the documents on the original hard copy and a soft copy of the pricing schedule to the National Treasury (NT): TIC by the closing date and time of the bid.
- iii. Bidders must ensure that the USB is properly secured

9.4 Non-compliance with 10.1 and 10.3 above may invalidate the bidder's response.

9.5 All soft copy documents submitted must be an exact copy of the hard copy documents. Any discrepancies between the soft copy and the hard copy, the hard copy will take precedence.

9.6 After completing the pricing schedule on excel, the bidder must print, sign and submitted together with the other bid documents which will serve as the card copy of the bid.



9.7 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.

9.8 In the event that a hard copy of the bid document and the electronic response are not received on or before the closing date and time, the bid will be invalidated.

9.9 The bid will accessible on the below listed links:

<https://etenders.treasury.gov.za/content/advertised-tenders>

<http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx>

9.10 **Late Bids**

Bids received after the closing date and time, at the TIC and according to 10 above will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.

10. COMMUNICATION AND CONFIDENTIALITY

10.1 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.

10.2 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).

10.3 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.

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



11. CONTACT DETAILS

11.1 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.

11.2 Bid Enquiries

All enquiries should be in writing to transversal.contracting6@treasury.gov.za. The closing date for receipt of all enquiries is **14 August 2020**. All enquiries beyond the closing date will not be considered.

**SECTION B:****CONDITIONS OF CONTRACT****12. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT**

- 12.1 The Master Transversal Agreement (MTA) between National Treasury and the preferred bidder(s) collectively referred to as the Parties shall come into effect after the preferred bidder(s) has been issued with an unconditional letter of acceptance to their bid.
- 12.2 It is a requirement that the preferred bidder (s) and the end user State institutions sign a Participation Agreement (PA) within thirty (30) days upon receipt of order.
- 12.3 The preferred bidder (s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. In the event that the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT7-2020 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT7-2020 transversal contract.
- 12.4 The following will form part of the Contract documents between the Parties in as far as this RT7-2020 is concerned:
- 12.4.1 Bid Documents;
 - 12.4.2 Letter of Appointment;
 - 12.4.3 Award Documents;
 - 12.4.4 Master Transversal Agreement and;
 - 12.4.5 Participation Agreement.
- 12.5 In the event that there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to their service delivery:
- 12.5.1 Service Level Agreement to the Participating Agreement;
 - 12.5.2 Participating Agreement;
 - 12.5.3 Master Transversal Agreement and;
 - 12.5.4 Bid documents.
- 12.6 Regarding all other matters



- 12.6.1 Master Transversal Agreement
- 12.6.2 Participation Agreement;
- 12.6.3 Service Level Agreement and;
- 12.6.4 Bid Documents.

13. PARTICIPATING STATE INSTITUTIONS

- 13.1.1 Provincial Department of Limpopo;
- 13.1.2 Department of Correctional Services

14. POST AWARD PARTICIPATION

- 14.1 Treasury Regulation 16A6.5 provides that “The Accounting Officer or 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.
- 14.2 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 National Treasury subject to an electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.
- 14.3 Supplier(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.



15. CONTRACT PRICE ADJUSTMENT

15.1 Formula

15.1.1 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.

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

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

Table 5: 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

15.2 Formula component definitions

15.2.1 Adjustable amount



The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is eighty-five percent (85%) of the original bid price. For example, if the bid price is R1000, then only R850 will be subject to adjustment.

15.2.2 Fixed portion

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

15.2.3 Cost components and proportions

The cost components of the contract price usually constitute the cost of materials (raw material or finished item), 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 products 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 6: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 - Transport	
D2 – Labour	
D3 – Packaging/ housing and other utilities	
D4 – Insurance	



D5 – Other	
TOTAL (Cost components must add up to 100%)	100 %

15.2.4 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 7: Applicable Indices

Cost component	Index Publication	Index Reference
D1 –Transport	STATS SA CPI PO141 Table E	Transport
D2 - Labour	STATS SA CPI PO141 Table E OR Labour Agreement	All items OR Labour agreement to be provided
D3 – Packaging/ Housing and other utilities	STATS SA P0142.1 (PPI) Table 8	Rubber and Plastic Products
D4 – Insurance	STATS SA CPI PO141 Table E	Miscellaneous Goods and Services- Insurance
D5- Other	Specify	Documentary evidence to accompany claim

15.2.5 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 2020**.

15.2.6 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).



15.2.7 Price Adjustment Periods

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

The application must be sent to National Treasury two (2) months before the effective date of the new adjusted price.

Table 8: Contract Price Adjustment Periods

Adjustment	CPA application to reach National Treasury at the following dates	End Index Date	Dates until which adjusted prices will be effective	Dates from which adjusted price will become effective
1 st Adjustment	1 August 2021	July 2021	30 Sep 2021	1 Oct 2021
2 nd Adjustment	1 August 2022	July 2022	30 Sep 2022	1 Oct 2022

15.2.8 Rates of Exchange (RoE) – Base and average rates

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

15.2.8.1 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 in below paragraph and the average RoE rate over the period under review indicated in paragraph below.

15.2.8.2 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.

15.2.8.3 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.



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

Table 9: CPA Rate of Exchange

Currency	Rates of exchange (6 months average for the period)
US Dollar	
Pound Sterling	
Euro	

15.2.8.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period 1 January 2020 – 30 June 2020 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).

15.2.8.6 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 above.

15.2.9 General

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

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

15.2.9.3 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.

15.2.9.4 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.

15.2.9.5 Bidders are referred to the paragraph regarding counter conditions.



- 15.2.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 15.2.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

16. DELIVERY, QUANTITIES AND ORDERS

16.1 Delivery Basis

- 16.1.1 Transit and storage conditions applicable to the relevant products must be adhered to.
- 16.1.2 Firm lead times for delivery must be quoted for the duration of the transversal contract period.

16.2 Quantities

- 16.2.1 No quantities are reflected in this bid as orders will be placed on the basis of an 'as and when required' and no guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period.
- 16.2.2 Orders will be placed by participating State institutions and they will also be responsible for the payment to bidders for the equipment delivered and/or services rendered.

16.3 Packaging Material

- 16.3.1 Suitable packaging material must be used, which will ensure that goods delivered are in the exact state as when it was originally packed.
- 16.3.2 All deliveries made against this contract, in all modes of transport are to be packed in suitable and acceptable packaging.
- 16.3.3 Textbooks must be packaged according to provincial department's instruction.

16.4 Orders

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



- 16.4.2 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).
- 16.4.3 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 Supplier deviate from the orders issued by the purchasing institutions.
- 16.4.4 The State is under no obligation to accept any quantity which is in excess of the ordered quantity.
- 16.5 **Delivery Adherence**
- 16.5.1 Delivery of goods must be made in accordance with the instructions appearing on the official order forms issued by purchasing institutions.
- 16.5.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.
- 16.5.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.
- 16.5.4 Suppliers are required to deliver the goods at the required stores, off-load the goods from the trucks at the designated area as indicated on the official order form.

17. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

17.1 Contract Administration

- 17.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on transversal.contracting6@treasury.gov.za.
- 17.1.2 Suppliers must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the



execution of the transversal contract. Full particulars of such circumstances as well as the period of delay must be furnished.

17.2 **Contract Performance Management**

17.2.1 Contract performance management will be the responsibility of end-user State institutions and where Supplier performance disputes cannot be resolved between the Supplier and the relevant purchasing institution, National Treasury: Transversal Contracting must be informed for corrective action.

17.2.2 The details of how end-user State institutions should do contract performance management will be provided post award.

17.2.3 End-user State institutions are required to report to National Treasury on quarterly orders including values of the orders to ascertain if the transportation of cargo and furniture removal needs are being fulfilled by the transversal contract.

17.3 **Post Award Monitoring and Reporting**

17.3.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contracting issues.

17.3.2 Reporting and bidder(s) meetings will be on a quarterly basis and will be scheduled post award.

All successful bidders are required to submit historical value and volume reports via e-mail at the end of each quarterly to: transversal.contracting6@treasury.gov.za.

18. **TERMINATION**

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

18.1.1 the service provider decides to transfer the contract or cede the contract;

18.1.2 the service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;



- 18.1.3 the service provider enters into settlement arrangements with their creditors;
- 18.1.4 the service provider commits an act of insolvency;
- 18.1.5 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;
- 18.1.6 the service provider failure to perform its obligation amounts to a fundamental non-performance;
- 18.2 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 over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.
- 18.3 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 three (3) months calendar day's written notice to remedy such non-compliance.
- 18.4 Notwithstanding the provisions above, either Party may terminate this Contract by giving the other Party 30 (thirty) days' written notice to that effect.