SPECIAL CONDITIONS OF CONTRACT

BID NUMBER RT75-2021

SUPPLY AND DELIVERY OF MALE AND FEMALE CONDOMS AND LUBRICATION TO THE STATE FOR THE PERIOD 1 FEBRUARY 2022 TO 31 JANUARY 2025

CLOSING DATE AND TIME OF BID: 31 May 2021 @ 11h00

BID VALIDITY PERIOD: 180 DAYS

NATIONAL TREASURY

TRANSVERSAL CONTRACTING

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LIST OF ABBREVIATIONS

ABBREVIATION	FULL DESCRIPTION
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
B-BBEE	Broad-Based Black Economic Empowerment
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempted Micro Enterprise
ISO	International Organization for Standardization
NDoH	National Department of Health
NT	National Treasury
OCPO	Office of the Chief Procurement Office
PDoH	Provincial Department of Health
PPI	Producer Price Index
PPR 2017	Preferential Procurement Regulation 2017
QA	Quality Assurance
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
RSA	Republic of South Africa
SABS	South African Bureau of Standards
SANAS	South African National Accreditation System
SARS	South African Revenue Service
SSA	State Security Agency
SCC	Special Conditions of Contract
SCM	Supply Chain Management
STATS SA	Statistics South Africa
SBD	Standard Bidding Document
TCBD	Transversal Contract Bidding Documents
TC	Transversal Contracts
TIC	Tender Information Centre
VAT	Value Added Tax
WHO	World Health Organizations

LIST OF ANNEXURES

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Table 1: Returnable Bid Document Checklist

#	Document Name	Included in the published bid document?	To be returned by bidder
LEGISLATIVE REQUIREMENTS DOCUMENTS			
1	SBD 1: Invitation to Bid	Yes	Yes
2	Letter of Authority (As per SBD1)	No	Yes
3	Central Supplier Database Report (CSD report)	No	Yes
4	SBD 2 – Tax Clearance Certificates Requirements	Yes	No, NT will use CSD for verification
4	SBD 4 Declaration of Interest	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 - Local Production and Content	Yes	Yes
8	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes
9	SBD 9 Certificate of Independent Bid Determination	Yes	Yes
PHASE I: PRE-QUALIFICATION REQUIREMENTS			
10	Original or certified copy of B-BBEE certificate or a sworn affidavit	No	Yes
PHASE II: MANDATORY REQUIREMENTS			
11	SAHPRA Licence: Medical Devices Regulations (Company)	No	Yes
12	Annexure E - Pricing Schedule	Yes	Yes (only items offered)
PHASE III: FUNCTIONALITY REQUIREMENTS			
13	Annexure F – Previous Experience	Yes	Yes
14	Reference Letters	No	Yes
15	Financial Statements/ Financial Guarantees	Yes	Yes
16	Annexure G - Geographical locations of offices, warehousing, and workshop facilities	Yes	Yes
17	Proof of Residency as per Annexure G	No	Yes
18	Letter of Good standing from Manufacturers	No	Yes
19	Operational Strategy Plan/ Work Methodology	No	Yes
20	Risk Management Comprehensive Plan	No	Yes
21	Company Profile and CIPC registration certificate	No	Yes

#	Document Name	Included in the published bid document?	To be returned by bidder
PHASE IV: TECHNICAL REQUIREMENTS			
22	Annexure A, B, C and D - Technical Specification	Yes	Yes
23	TCBD 1 Authorisation Declaration	No	Yes
24	TCBD 1.1 (List of goods or services offered)	No	Yes
25	TCBD 1.2 Letter of undertaking	No	Yes
26	World Health Organisation Pre-Approval Documentations	Yes	Yes
27	SABS Mark Document	Yes	Yes
28	Patent and Trademark (if applicable)	Yes	Yes
29	Test Report from SABS		
30	Quality Assurance Standards		
31	Manufacturers Capability Report		
OTHER DOCUMENTS			
32	Special Conditions of Contract	Yes	Yes
33	General Condition of Contract	Yes	Yes
33	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No
34	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	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 the Special Conditions of Contract and Bid to determine all documents required and templates must be completed and submitted accordingly.

1. INTRODUCTION

This bid is for the supply and delivery of male and female condoms and lubrication to the State for the period 1 February 2022 to 31 January 2025. This bid document is divided as follows:

1.1	Section A	:	Conditions of bid
1.1.1	Part 1	:	Evaluation criteria consisting of 4 phases.
1.1.2	Part 2	:	Other 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 the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) 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 conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

2.2 **Tax Compliance Requirements**

2.2.1 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.

2.2.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.

2.2.3 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.

2.2.4 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.

2.2.5 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.

2.3 **Standard Bidding Documents**

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

➢ SBD 1 – Invitation to bid

- SBD 4 – Declaration of interest
- SBD 5 – The National Industrial Participation Programme
- SBD 6.1 – Preference Points Claimed (BBBEE)
- SBD 6.2 – Local product and Content (only for local manufactures)
- SBD 8 – Declaration of Past SCM Practices
- SBD 9– Certificate of Independent Bid Determination

3. BID INFORMATION SESSION

3.1 A Virtual non-compulsory information session will be scheduled as follows:

Date: : 13 May 2021
Time : 11h00 -13h00
Venue: Virtual Meeting (Microsoft teams)

3.2 A link to the briefing session will be published on National Treasury's website for the bidders to access the meeting http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx.

3.3 The briefing 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.

3.4 The state reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

3.5 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to transversal.contracting3@treasury.gov.za before the briefing session. The closing date for receipt of all enquiries is **7 May 2021**. All enquiries beyond this closing date will not be considered.

4. SPECIFICATIONS AND SCOPE OF WORK

4.1 The detailed item specification is as per the attached Technical Specification **(see Annexure A, B, C and D)** with a total number of 12 lines items consisting of male condoms, female condoms, and lubrication.

4.2 It is not compulsory to submit bid offer for all line items. The item categories are as follows:

Table 2: Item Categories

#	CATEGORY NAME	SCENT	QUANTITIES
1.	Male Condoms (Annexure A)	1. Vanilla 2. Strawberry 3. Banana 4. Grape	100 000 000 240 000 000 240 000 000 220 000 000
2.	Male Youth Condom (Annexure B)	5. Vanilla 6. Strawberry 7. Banana 8. Grape	50 000 000 50 000 000 50 000 000 50 000 000
3	Female Condoms (Annexure C)	9. Strawberry 10. Vanilla 11. Caramel	20 000 000 10 000 000 10 000 000
4.	Lubrication (Annexure D)	12. Natural	20 000 000

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 IIIA	PHASE IIIB	PHASE IV	PHASE V
Pre - Qualifying Criteria	**Compliance with mandatory and other standard bidding documents**	**Local Content (applicable to only locally manufactured products)**	**Functional Evaluation (only applicable to imported products)**	**Technical Evaluation**	**Price and B-BBEE**
Regulation 4(1) (a) Level 1-8	Compliance with mandatory and other bid requirements	Compliance with local content	Compliance with functionality requirements	Compliance with technical specifications and requirements	Bids evaluated in terms of the 90/10 preference system

5.1 PHASE I: PRE- QUALIFYING CRITERIA FOR PREFERENTIAL PROCUREMENT

5.1.1 It is a condition of this bid that only one or more of the following bidders may respond to this bid:

a) A bidder having a B-BBEE status level contributor 1 to 8. 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 sworn affidavit at the closing date and time of the bid in order to prove compliance.

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 a 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. Bidders who submit individual BBBEE certificates or Sworn affidavit will be disqualified.

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

5.1.5 Non-compliance with the requirement for pre-qualification will invalidate the bid.

5.2 PHASE II EVALUATION: MANDATORY REQUIREMENTS

Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory criteria will be disqualified.

5.2.1 South African Health Products Regulatory Authority (SAHPRA): Medical Devices and In Vitro Diagnostic Regulation – Medical Device Licence

5.2.1.1 Where applicable, bidders must submit a Manufacturers, distributors and or wholesalers' licence as per the Medical Devices and In Vitro Diagnostic regulations as referred to in Section 22C(1)(b) of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must submit a licence for the manufacturing, importing, exporting, distribution and or wholesaling of medical devices and IVDs, as issued by the South African Regulatory Authority at the closing date and time of bid.

5.2.1.2 Upon such time that medical devices are called up for registration, via publication in the Government Gazette, bidders, who have been licensed as medical device establishments must submit evidence of the approved registration certificate of the said medical device.

5.2.2 Pricing Structure and Schedule

5.2.2.1 One National price is required, and prices quoted must be furnished on the basis of supply and delivery including VAT.

5.2.2.2 The pricing schedule **(see Annexure E)** 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.

5.2.2.3 Due diligence on 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.

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

5.2.2.5 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.

5.3 PHASE III (A) EVALUATION: LOCAL PRODUCTION AND CONTENT REQUIREMENTS

5.3.1 A provision is made to set aside quantities to qualified local manufacturers who aims at contributing to the transformation initiation by developing a local industry for male condoms, female condoms, and lubrication products.

5.3.2 During this phase, **ONLY** products that have been declared to be locally manufactured will be evaluated on this phase. Imported finished products are exempt from this evaluation criteria of Phase III(A).

5.3.3 In an event where a bidder, has offered a locally manufactured product and in addition, have submitted another offer of which the item is imported as finished product, then such item offered by the bidder will be subject to Phase III (B) of the evaluation in respect of the relevant finished item imported.

5.3.4 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 of the Declaration Certificate will be verified for accuracy against the requirements of paragraph above.

5.3.5 The manufacturing processes is classified into two categories, primary manufacturing, and secondary manufacturing. Bidders must indicate on the pricing schedule if the product is imported, locally manufactured (primary or secondary)

5.3.6 Bid offers for items which have been declared as primary or secondary manufactured locally must meet the following minimum threshold for local production and content:

Table 3 - Maximum threshold for all items

Local Content	Primary Manufacturing Minimum Threshold	Secondary Manufacturing Minimum Threshold
Male Condoms	80%	50%
Female Condoms	70%	37%
Lubrication	100%	100%

Table 4 - Male condom threshold

Process/ Product Name:	Primary Manufacturing Minimum Threshold	Secondary Manufacturing Minimum Threshold
Overall Materials Component	**70%**	**60%**
Latex	0%	0%
Chemicals	60%	0%
Foiling	100%	100%
Silicon	100%	100%
Shelf and Outer Packaging	100%	100%
Manufacturing Process	**90%**	**40%**
Compounding	50%	0%
Dipping	100%	0%
Tumbling	100%	0%
Testing	100%	100%
Packaging	100%	100%

Table 5 - Female condom threshold

Process/ Product Name:	Primary Manufacturing Minimum Threshold	Secondary Manufacturing Minimum Threshold
Overall Materials Component	**60%**	**33%**
Latex	0%	0%
Chemicals	80%	0%
All Packaging Materials	100%	100%
Overall Manufacturing Process	**80%**	**40%**
Compounding	0%	0%
Dipping	100%	0%
Tumbling	100%	0%
Testing	100%	100%
Packaging	100%	100%

Table 6 - Lubrication threshold

Table 4: LUBRICATION		
Material and Manufacturing Processes	**Primary Manufacturing Minimum Threshold**	**Secondary Manufacturing Minimum Threshold**
Overall Materials Component	100%	Not applicable
Overall Manufacturing Process	100%	Not applicable

5.3.7 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.

5.3.8 The technical specification and the Guidance on the calculation of local content together with the Local Content Declaration Templates namely [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all bidders on the dti's website http://www.dti.gov.za/industrial_development/ip.jsp at no cost.

5.3.9 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)

5.3.10 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.\

5.3.11 The DTI has a right, as and when necessary, to request for auditors" certificates confirming the authenticity of the declarations made in respect of local content.

5.3.12 Items which have been declared that are produced locally (primary or secondary) and do not meet the minimum threshold of the local content will be disqualified and will not be evaluated further.

5.3.13 Suppliers must not sub-contract in such a manner that the local production and content of the overall value of the items concerned is reduced to below the stipulated minimum threshold.

5.3.14 Where, after the award of this bid, suppliers experience challenges in meeting the stipulated minimum threshold for local content, the DTI must be informed accordingly to verify and in consultation with the National Treasury provide directives in this regard.

5.4 PHASE III (B) EVALUATION: FUNCTIONALITY REQUIREMENTS

5.4.1 This Phase is **ONLY** applicable to bidders whose offered items are imported. In an event where a bidder is offering a locally produced products as well as an imported product, the bidder will must comply to the requirements of Phase III(A) and Phase III(B) as they will be evaluated for both for relevant items.

5.4.2 During this phase bidders' response will be evaluated for functionality based on achieving a minimum total score of 66% for the functional requirements. Only bidders who have complied with mandatory requirements will be evaluated for functionality.

5.4.3 Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) will evaluate and score the respective bids based on their submissions and the information provided.

5.4.4 The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.

5.4.5 Bidders who have achieved the minimum qualifying score of 66% for functionality will be evaluated further to Phase IV of the evaluation. Functionality will be evaluated based on the responses and supporting documentation supplied by the bidders as follows:

Table 7 - Maximum scores for each criteria

No	Functional Requirements	Weighting
1.	Company Experience and Previous Performance	40
2	Capacity	30
3	Operational Strategy	15
4.	Risk Management Strategy	15
	Total	**100**

5.4.6 Each BEC member will rate each individual criterion on the score sheet using the value scale as follows:

Table 8 - Scoring scale

Performance	Description	Score
Very good	Response addresses and exceeds the functionality requirements	3
Compliant	Response addresses all functionality requirements	2
Partially compliant	Response partially addresses the functionality requirements	1
Inadequate	Response did not address the functionality requirements	0

5.4.6.1 **Company Previous Experience and Performance (Total weight =40 points)**

- **Previous Work Experience (Total Weight 20 points):** = (10 points for valid customer demonstration and 10 points for relevant experience)

1. Bidders to provide a comprehensive illustration of the company experience in condom/ lubrication industry or other related industry (medical field only) which is high volume driven in the public and or private sector. Bidders must complete **Annexure F**.to demonstrate full process working experience which include supply, delivery, consignment product testing and product training (training only applicable to female condom). Bidders who fail to complete the **Annexure F** will score zero (0) points.

2. The information with regards to contract values and periods, date of entry into the condom industry or related field, products marketed, list of customers that have bought the above products etc must also be included in the demonstration. The scoring will be as follows:

Table 9 - Scoring for previous work experience

Performance	Description	Score
Very good	5 and above customer demonstration (over 1 million units of products supplied within a single contract)– with more than 5 years of experience	3
Compliant	3 and above customer demonstration (over 500 thousand units of products supplied within a single contract) -with at least 3 years of experience	2
Partially compliant	2 and less customer demonstration (less than 500 thousand units of products supplied within a single contract) and with 2 years of experience	1
Inadequate	1 or zero customer demonstration (less than 500 thousand units of products supplied within a single contract) and with less than 1 years of experience	0

- **Previous Work Performance Referral (20 points):**

A. **For a maximum of 20 Points** – Bidders must submit documentary evidence to demonstrate previous work performance. **ONLY** bidders that have never been awarded a condom tender (HM01 or RT75) are required to submit a minimum of three reference letters which indicate a proven track record of the previous work performance as follows:

1. Letters must be from previous clients in the last 5 years from the closing date of RT75-2021 bid, preferably from health institutions in the public or private sector.

2. The letter must include total quantities and values (of a contract) supplied for the relevant product to the client within a contract period.

3. The letter must be on the letterhead of the client, with contact person and contact details (name of institution/ company, physical address, email, cell, and telephone number).

4. The letters must be one of the customers demonstrated on Previous Work above.

5. The reference letters must be accompanied by at least one purchasing order and a delivery note (One with the largest quantity order) from the relevant institution.

6. The scoring will be as follows:

Table 10 - Previous work performance referral score

Performance	Description	Score
Very good	5 letters with purchasing order and delivery note	3
Compliant	More than 3 letters with purchasing order and delivery note	2
Partially compliant	2 letters with purchasing order and delivery note	1
Inadequate	1 or No letter submitted	0

B. **For a maximum of 20 Points** The following clause is applicable **ONLY** to bidders who have been awarded RT75-2018 or HM01-2015 contract. The total overall performance during a single contract period either RT75 or HM01 will be considered during the scoring of this criteria. If a bidder was awarded both contracts, performance on RT75-2018 will be considered for scoring.

1. With the above, the bidders are required to obtain a performance review letter, issued by National Department of Health. The letter must indicate the total allocated quantities versus orders received and quantities delivered to date.

2. Bidders must send the request for the letter to Thato.Chidarikire@health.gov.za and copy Livhuwani.Lifhiga@health.gov.za

3. National Treasury reserve the right to obtain copies of the letters above from National Health for verification.

4. The scoring will be as follows contract holders:

Table 11 - Previous work performance referral score

Performance	Description	Score
Very good	Supplied over 70% of the allocated quantities	3
Compliant	Supplied over 50% of the allocated quantities	2
Partially compliant	Supplied less than 50% of the allocated quantities	1
Inadequate	Supplied less than 30% of the allocated quantities	0

5.4.6.2 **Capacity (30 Points)**

Bidders must demonstrate that they have the necessary capacity to undertake a national project of this nature. Bidder are required to have a national coverage to be able to service the end-users across South Africa. In this regard, bidders are required to submit the following:

- **Geographical locations of offices and warehousing facilities (see Annexure G)** –

  Bidders are required to complete **Annexure G** and submit the lease agreements and or municipal utility account) and or proof of arrangements with third parties for such footprint and warehousing facilities.

- **Financial capability** – Bidders are requested to submit audited financial statements with a revenue generation of at least a minimum of R2 million annually. Bidders who have a lower revenue must submit a financial guarantee from a financial institution with a minimum amount of R2 million.
- The scoring will be as follows:

Table 12 - Capacity Scoring

Performance	Description	Score
Very good	At least one warehousing facilities, Audited financial statement with a minimum revenue of R3 million.	3
Compliant	At least one warehousing facilities, Audited financial statement with a minimum revenue of R1.5 million or financial guarantee of R 1.5 million	2
Partially compliant	At least one warehousing facilities, Audited financial statement with a minimum revenue of R1 million and or financial guarantee of less than R1.5 million	1
Inadequate	Audited Financial statement with a minimum revenue of less than R1 million thousand or financial guarantee of guarantee of less than R1 million.	0

5.4.6.3 **Operational Strategy Plan (15 points)**

- Bidders must include **a full strategy for delivery plan** (logistics) in reaching across national based customers for each province. In addition, bidders are required to submit **Annexure H**, which will summarise the stock availability offtake plans with the manufacturer as required on **Paragraph 8** of the SCC. The plan must include:

  - The logistic strategy for each province – outsourcing or own
  - Attach a letter of good standing from the Manufacturer – letter must indicate quantities to be allocated to the bidder, credit facility, lead time for delivery.

- Delivery lead times (local distribution)

Table 13 - Operational strategy scoring

Performance	Description	Score
Very good	Comprehensive plans covering all points and more, a letter of good standing with all information required and Annexure G is completed in full and submitted.	**3**
Compliant	Comprehensive plans covering only the points indicated, a letter of good standing with all information required and Annexure G is completed in full and submitted.	**2**
Partially compliant	Comprehensive plans covering only one point indicated, a letter of good standing with not all information required and Annexure G is completed in full and submitted.	**1**
Inadequate	Comprehensive plans covering only one point, letter of good standing not covering required information.	**0**

5.4.6.4 **Risk Management Strategy Plan (15 points)**

Bidders must include a risk management strategy plans to mitigate against any supply risk which seek to address the following:

- Products callouts/re-calls.
- Plans to protect against the risk of rates of exchange fluctuations.
- Back-up plans in an event of product damages/force majors/ breakout of diseases such as Covid-19 which may have impact on international trades.

Table 14 - Risk management plan scoring

Performance	Description	Score
Very good	Comprehensive plans covering all 3 points indicated and more	3
Compliant	Comprehensive plans covering only 3 points indicated	2
Partially compliant	Comprehensive plans covering only 2 points indicated	1
Inadequate	Comprehensive plans covering only 1 point indicated or zero	0

5.5 PHASE III EVALUATION: TECHNICAL REQUIREMENTS

5.5.1 Items must comply with technical specification and standards as stated in the bid document of each item. Bidders are referred to the detailed specification attached as follows:

- **Annexure A:** Male Condoms
- **Annexure B:** Male Youth Condoms
- **Annexure C:** Female Condoms
- **Annexure D:** Lubrication

5.5.2 Authorisation Declaration

5.5.2.1 All bidders must complete the "Authorisation Declaration" (TCBD 1 and TCBD 1.1) in full for all relevant goods or services they are offering, sign it and submit it together with the bid response at the closing date and time of the bid.

5.5.2.2 Any bidder who is sourcing goods or services from a third party must submit a valid Third-Party Undertaking letter (template provided as TCBD 1.2) in full for all relevant goods or services. Only a letter of undertaking from the **Original Product Manufacturer (OPM)** will be considered. The letter of undertaking must include but not limited to the following:

- List of items indicating, item description and brand/model name and or number.
- Letter must be on the manufacturer's or third party's letter head, dated and signed.
- The term of the agreement. Letters with a period term of less than 36 months will not be considered.
- Have contactable details such as, signatory name, physical address, telephone, and email details.
- All information on the letter must be in English.

5.5.2.3 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.

5.5.2.4 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.

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

5.5.3 World Health Organization (WHO)

This clause is applicable to female condoms **Only**. Bidders must submit complete documentation indicating that the product offered has World Health Organization (WHO) Female Condom Review

Committee approval for Female Condoms at the closing date and time of bid. Failure to comply will invalidate the bid for the relevant items.

5.5.4 **SABS Mark Permit Documentation**

This clause is applicable to **Only** Female and Male Condoms. Bidders must submit a copy of the **complete documentation** "SABS permit to Apply Certificate Mark" i.e. not a face sheet but all additional documentation including the precise manufacturing process (es) that the certificate mark applies to.

5.5.5 **Patent and Trademarks**

Where applicable, bidders must comply with the requirements of the Patents Act, 1978 (Act 57 of 1978) and the Trademarks Act, 1993 (Act 194 of 1993) as amended. An explanation for any non-compliance must be provided.

5.5.6 **Test report from SABS**

5.5.6.1 All bidders are required to submit a test report issued by a South African Bureau of Standards (SABS) for all items. The test reports must not be older than twelve (12) months at the closing date of the bid.

5.5.6.2 In this regard, samples of all items must be submitted to SABS for testing in quantities required as per SABS specifications for the purpose of obtaining a test report for the items offered prior to the closing date and time of bid.

5.5.6.3 The procedures for sampling frame guidelines and testing for product compliance may differ and should be obtained from SABS prior to submission of samples. The cost of compliance testing will be for the account of the prospective bidder.

5.5.6.4 In a case of male condom and youth male condom, only male condom must be submitted to SABS for testing.

5.5.6.5 No samples must be sent to National Treasury and or National Department of Health.

5.5.6.6 In the event that a test report cannot be obtained from the testing institution prior to the closing date and time of the bid, the bidder must submit proof (acknowledge letter issued by the SABS) that the sample had been submitted for testing on or before the closing date and time of the bid.

5.5.6.7 In an event where a bidder has submitted a letter from SABS confirming that samples have submitted for testing, bidders are giving a consent to National Treasury to engage with SABS to verify that bidders have submitted the samples for testing and National Treasury may request such test reports directly from SABS.

5.5.6.8 It is the responsibility of the bidder to ensure that the test reports are submitted to National Treasury as soon as SABS issue the reports.

5.5.6.9 Samples must be submitted to the address indicated below, prior to closing date and time of bid:

Physical Address: South African Bureau of Standards, 1 Dr Lategan Road, Groenkloof, 0001.

Contact person: Ms Isabella Masemola

Contact details: Tel: 012 428 6131 and OR **E-mail:** **Isabella.masemola@sabs.co.za**

5.5.6.10 It is the responsibility of the bidder to ensure that samples have been received at the address provided. All samples for awarded items may be retained by the SABS for quality control purposes.

5.5.6.11 Bids not supported by test reports will be disregarded in respect of the item (s) for which test reports are not submitted.

5.5.6.12 Bidders must enquire at South African Bureau of Standards office's countrywide for the relevant standards specifications for SANS, SABS, ISO AND CKS. Obtaining any standards/specifications will be the responsibility and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales at: Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Contact person: Ms Matlala Raphiri, Tel: 012 428 6057/6694 E-mail: matlala.raphiri@sabs.co.za; Website: www.sabs.co.za and follow the "Search/Buy Standards" link

5.5.7 **Product Artwork -**

5.5.7.1 Artwork for all products can be viewed on the website for information only and not for submission of samples. Only successful bidders will receive further communication regarding the final packaging of the male and female condoms.

5.5.8 **Quality Assurance Standards**

5.5.8.1 Manufacturers and suppliers of male/female condoms and lubrication shall follow an appropriate code of quality management, including good quality management system as required in the manufacturing and packaging of condoms.

5.5.8.2 Bidders are required to submit the Quality Assurance Standard compliance certificates as stated in the technical specification attached or mentioned in the bid documents at the closing date and time of bid. Failure to submit the relevant certificates will invalidate the bid.

5.5.9 **Manufacturer's Capability Report**

5.5.9.1 All bidders must submit a Manufacturer's Capability Report with the bid documents at closing date and time of the bid. The capability report must be issued by South African Bureau of Standards (SABS) to the manufacturers. The capability report must address manufacturers' capability and capacity to manufacture the required male condoms, female condoms and or lubrication product(s).

5.5.9.2 The capability report must address the following elements but not limited to:

- Production capacity and capability (per Batch, Monthly and Yearly
- Company organisation

- Physical address of the manufacturing facility
- Facilities
- Quality control systems
- Incoming inspections
- In-process quality control
- Final inspection
- Packaging
- Non-conforming product
- Communication/documentation control and work movement

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

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

5.5.9.5 The cost of obtaining the capability report will be for the account of the bidder.

5.5.9.6 In the event that a capability report cannot be obtained from SABS prior to the closing date and time of bid, the bidder must obtain proof (issued by SABS) that the capability audit has been requested from the institution before or on the closing date and time of the bid. In this case, bidders must submit the capability reports to National Treasury prior to the evaluation meeting of this bid take place, the meeting normally takes place within 30 days from the closing date and time of bid.

5.5.9.7 It is the responsibility of the bidder to ensure that the capability report is submitted to National Treasury within the stipulated timelines.

5.5.9.8 **This clause is specific to Local Manufacturers only**: Qualifying local manufacturers (as per Phase IIIA) who are in the process of operationalizing their manufacturing investment will be provided an additional **9 months** (primary manufacturers) and **6 Months** (secondary manufacturers) from the closing date of the bid to submit the SABS documentation (SABS mark, capability report and test reports. A letter from SABS is required to confirm that a request has been made by the local manufacturer to the SABS with possible time frames when the audit, testing has been requested by the local manufacturer to take place.

5.5.9.9

5.6 PHASE IV: PRICE AND B-BBEE (90/10 CRITERIA)

5.6.1 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)

5.6.2 Applicable Taxes

All bid prices must be inclusive of all applicable taxes. Failure to comply with this condition will invalidate the bid.

5.6.3 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.

5.6.4 Pricing Structure

5.6.4.1 The Pricing Schedule **(see Annexure E attached)** together with **Annexure G** (stock availability report) 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. Both the hard copy and the excel version must be the same (replica).

5.6.4.2 The hardcopy version of the pricing schedule will be the legal document.

5.6.4.3 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.

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

5.6.5 Preferential Point System

5.6.5.1 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)

5.6.5.2 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

5.6.5.3 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 15: Preference Point System

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

5.6.5.4 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.

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

5.6.5.6 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 a sworn affidavit will be considered for preference points.

5.6.5.7 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.

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

5.6.5.9 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.

5.6.5.10 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.

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

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

6. MULTIPLE AWARD

6.1 The State reserves the right to award the same item to more than one supplier to address product availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

6.2 The maximum number of bidders to be awarded on the same line item will be based on the capacity of the recommended bidders, manufacturers to supply the required quantities.

6.3 **A risk mitigating Strategy –** A maximum level of quantity allocation on a contract level and line-item level to a manufacturer will be applied. Bid offers with the same manufacturer who have reached maximum allocation may not be considered for the relevant items.

6.4 Bids offers of different companies of the same directorship or ownership will not be awarded the same item.

7. LOCAL PRODUCED PRODUCTS

7.1 A provision has been made to allocate to set aside quantities for locally produced items. In this regard, maximum allocation of the quantities will depend on the capacity of the qualified manufacturers. Capability report, previous performance where applicable will be considered for this allocation.

8. STOCK AVAILABILITY REPORT

8.1 The products on this tender are essential for the rollout implementation of HIV/ Aids programme and campaigns and therefore it is highly critical for the bidders to declare their pipeline stock agreements with their manufacturers.

8.2 In this regard, Bidders are required to complete and submit the stock availability report **(see Annexure G)** at the closing date and time of bid.

8.3 Bidders may be held liable for any deliberate incorrect declaration of information with regards to stock availability. The State reserve the right to verify the information submitted as per the stock availability report form through notified/ unnotified site visit and in any form to confirm the information provided.

9. RECOMMENDATION AND APPOINTMENT OF A PANEL OF BIDDERS

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

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

1. PART 2: ADDITIONAL BID REQUIREMENT

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 5.

2. COMPANY PROFILE

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

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

2.2 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.

3. TERMS AND CONDITIONS

3.1 **Third Party Agreements and Subcontractor Agreements**

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

3.1.2 The bidder must declare as required in terms if SBD 6.1 its intention to subcontract voluntarily and the percentage of subcontracting thereof and must provide full description of subcontractor.

4. 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.

5. COUNTER CONDITIONS

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.

6. FRONTING

6.1 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.

6.2 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. RIGHT OF AWARD

The State reserves its following rights:

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

8. NEGOTIATION

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

9. SUBMISSION OF BIDS

9.1 Bidders must respond to the bid as follows:

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

9.3 Bidders are requested to initial each page of the bid document on the bottom right hand corner.

9.4 Submit any bid queries via email to transversal.contracting3@treasury.gov.za

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

9.6 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 (with an excel 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 and marked with the bidder's name.

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

9.8 After completing the pricing schedule in the format provided, the pricing schedule must be printed, signed and submitted together with the other bid documents which will serve as the hard copy of the bid.

9.9 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.

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.

11. COMMUNICATION AND CONFIDENTIALITY

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.

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).

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.

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

12. CONTACT DETAILS

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.

12.2 Bid Enquiries

All enquiries should be in writing to transversal.contracting3@treasury.gov.za. The closing date for receipt of all enquiries is **27 May 2021**. All enquiries beyond the closing date will not be considered.

SECTION B:

CONDITIONS OF CONTRACT

13. CONCLUSION OF CONTRACT

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

13.2 The Service Provider (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 RT75-2021 is concerned:

i. Bid Documents;
ii. Letter of Appointment;
iii. Award Documents;
iv. Acknowledgement letter

13.3 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 "service provider "shall refer to the preferred bidder appointed in terms of RT75-2021 contract.

14. PARTICIPATING STATE INSTITUTIONS/DEPARTMENTS

14.1 **National Department:** National Department of Health, Department of Defence and Department of Correctional Services.

14.2 **Provincial Departments of Health:** Gauteng, Mpumalanga, Northern Cape, Eastern Cape, Free State, North West, Western Cape, Kwa-Zulu Natal and Limpopo.

15. POST AWARD PARTICIPATION

15.1 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.

15.2 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.

15.3 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.

15.4 The link to the website is as follows:

http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx

16. CONTRACT PRICE ADJUSTMENT

16.1 Formula

16.1.1 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.

16.1.2 The first price adjustment application request must be initiated by the successful bidder in any window periods allocated to apply for a price adjustment. Thereafter, the State may process the adjustments automatically for all bidders who have initiated a price adjustment before. Automatic adjustment will not be processed to any successful bidder who have never submitted a price adjustment application throughout the contract period.

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

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

Table 16: Contract Price Adjustment Formula

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

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

16.2 **Formula component definitions**

16.2.1 **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.

16.2.2 **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.

16.2.3 **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 17: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 - Local Raw Material / Finished product (if applicable)	
D2 – Labour	
D3 – Transport	
D4 – Electricity gas, steam and water	
D5 – Other	
TOTAL (Cost components must add up to 100%)	**100 %**

16.2.4 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 18: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance advice.[1]	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	Stats SA P0142.1 (PPI): Table 1 – For final manufactured goods	Rubber and Plastic Products **OR** indicate relevant index
D3 – Labour	Stats SA P0141 (CPI): Table E OR Labour agreement2	All Items OR Labour agreement to be provided
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Other	Specify	Documentary evidence to accompany claim

16.2.5 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 **April 2021**

16.2.6 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).

16.2.7 Price adjustment periods

16.2.7.1 Price adjustment shall be applied on a six-monthly basis from the commencement of the contract period from the anniversary of the bid from closing date of bid date.

Table 19: 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	**16 March 2022**	**February 2022**	**1 April 2022**
2nd Adjustment	**16 July 2022**	**August 2022**	**1 October 2022**
3rd Adjustment	**16 March 2023**	**February 2023**	**1 April 2023**
4th Adjustment	**16 July 2023**	**August 2023**	**1 October 2023**
5th Adjustments	**16 March 2024**	**February 2024**	**1 April 2024**

[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 escalation period.
[2] In the absence of a labour agreement, the labour cost component will be adjusted with CPI inflation.

16.2.8 **Rates of exchange (RoE) – Base and average rates**

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

16.2.8.2 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.

16.2.8.3 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.

16.2.8.4 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.

16.2.8.5 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 20: CPA Rate of Exchange

Currency Name	Rates of exchange: 1 February 2021 to 30 April 2021
US Dollar	**14.1703**

16.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 February 2021 to 30 April 2021 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.

16.2.8.7 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 21: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1st Adjustment	1 December 2021 to 28 February 2022
2nd Adjustment	1 June 2022 to 31 August 2022
3rd Adjustment	1 December 2022 to 28 February 2023
4th Adjustment	1 June 2023 to 31 August 2023
5th Adjustments	1 December 2023 to 28 February 2024

16.2.9 **General**

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

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

16.2.9.3 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.

16.2.9.4 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.

16.2.9.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

17. DELIVERY, QUANTITIES AND ORDERS

17.1 **Delivery Basis**

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

17.1.2 The initial lead time as proposed in the bid response document will be calculated from date of award of the contract and NOT the date of placement of the first order. This period should not exceed 90 calendar days from the date of award.

17.1.3 Lead-time within the contract period is defined as the time from submission of order to supplier to time of receipt by the department as confirmed by the Proof of Delivery document. This lead-time may not exceed 42 calendar days.

17.1.4 Failure to comply with the contractual lead-time will result in penalties being enforced as per section 21 and 22 of the General Conditions of Contract.

17.1.5 Delivery of goods must be made in accordance with the instructions including specified delivery points appearing on the official order forms issued by purchasing institutions.

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

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

17.1.8 Transit and storage conditions applicable to relevant product must be adhered to and must not compromise the quality of the product.

17.1.9 The state reserves the right to negotiate delivery lead times

17.2 **Quantities**

17.2.1 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.

17.2.2 The State reserves the right to negotiate with bidder's adjustment of their minimum order quantities prior to award of the bid.

17.3 **Orders**

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

17.3.2 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).

17.3.3 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.

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

18. CONTINUITY OF SUPPLY

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

- Industrial action,
- Manufacturing pipeline
- Any other supply challenges.

18.1.2 Official communication relating to continuity of supply must be directed to Department of National Health Livhuwani.Lifhiga@health.gov.za and copy motsem@health.gov.za; as well as Participating Authorities. This official communication must include detail of corrective actions taken by contracted supplier to ensure continuity of supply.

18.1.3 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the Department of Health reserves the right to purchase outside of the contract in order to meet its requirements if:

- The contracted supplier fails to perform in terms of the contract.
- The item(s) are urgently required and not immediately available; in the case of an emergency.

19. SHELF LIFE

19.1.1 Condoms (male and female) and lubrications must have a shelf-life of at least 5 years on manufacturing and all products must have a remaining shelf life of at least 3 years upon delivery.

19.1.2 Participating Departments may, without prejudice, decline to accept product with a shelf-life of less than 3 years.

19.1.3 Contractors may make written applications to the purchasing institution to deliver goods with a shorter shelf-life, provided such applications are accompanied by an undertaking that unused short- dated stock shall be unconditionally replaced before or after expiry.

19.1.4 Any delivery of short, dated supplies without prior written approval must be collected by the respective suppliers at their own cost.

19.1.5 Any participating institution may, without prejudice, decline written applications to deliver short, dated stock.

20. PACKAGING AND LABELLING

20.1 **Packaging**

20.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.

20.1.2 Packaging must be suitable for further dispatch, storage and stacking according to Good Wholesaling Practice and Good Distribution Practice.

20.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.

20.1.4 The packing must be uniform for the duration of the contract period. All products must be packed in acceptable containers, specifically developed for the product.

20.1.5 The number of units in the unit pack, shelf pack and shipper pack must be completed in the Bid Response Document.

20.1.6 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.

20.1.7 Where the contents of the shipper pack represents a standard supply quantity of an item, the following must be adhered to:

- Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering
- The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.

20.1.8 Where the contents of a shipper pack represents a non-standard supply quantity, the following must be adhered to:

- Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering.
- The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.
- The outer packaging must be clearly marked as a "Part Box".

20.1.9 Suppliers must ensure that products delivered are received in good order at the point of delivery.

20.2 **Labelling**

20.2.1 All containers, packing and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.

20.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes:

- Proprietary name (if applicable)
- Number of units in pack (e.g. for bulk packs 20 administration sets)
- Batch number
- Expiry date
- Storage conditions
- Barcode

20.3 **BARCODES**

20.3.1 It is mandatory that all products supplied must include a barcode (number plus symbology). All shipper, shelf and unit packs must be marked with the appropriate number and symbology. The European Article Numbering Code 13 (EAN 13) has been accepted as standard.

20.3.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the following information:

- Brand name
- Batch number
- Expiry date

21. PRODUCT ADHERANCE / BRAND AND MANUFACTURING CHANGE

21.1 Any intention to change the condom manufacturing source prior to the commencement of the contract or during the lifetime of the contract must be approved by the National Treasury.

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

21.3 In the event that the brand is discontinued, replaced with a new brand, or the is a change of the manufacturer, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The contractor is required to submit all supporting documents from the old and new manufacturer substantiating the changes.

21.4 It must be noted that the new brand and manufacturer 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. National Treasury reserve the right not to approve any change of product brand or manufacturer.

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

21.6 Contractors are not allowed to deliver any new brand or use any new manufacturer other than the brand and the manufacturer awarded to them prior to an approval of change from National Treasury.

22. MERGERS, TAKE OVERS AND CHANGES IN SUPPLIER DETAILS

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

22.2 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

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

23. POST AWARD PRODUCT COMPLIANCE PROCEDURES

23.1 CONSIGNMENT/BATCH TESTING

23.1.1 All contractors must arrange random sampling (Sampling frame according to SABS guidelines) at the point of packaging of the finished products. Sampling must be carried out by an independent and SANAS recognised organisation. Samples must be taken from production lots produced at the source factory within the preceding 30 days from the date of sampling. Samples must be submitted for batch testing which will be done according to National Department of Health/World Health Organisation standards and specifications.

23.1.2 To ensure security of supply, alternative laboratories will be considered for batch testing post award. The lab must be SANAS accredited and be approved by National Department of Health to be utilized for consignment testing.

23.1.3 The contractors shall before the confirmation of orders and issue of delivery site quantities and delivery dates, provide the STI & HIV Aids Prevention unit of the Department of Health with compliance certificates proving adherence to the specification for each batch prior to shipment from the manufacturer.

23.1.4 Copies of these certificates must also accompany the proof of delivery documentation submitted for payment.

23.1.5 At the time of sampling the sampling agent will require certified documentation from the manufacturer indicating batch size of every batch sampled.

23.1.6 Sampling and testing organisations appointed by the Department of Health shall carry out all these certification tests.

23.1.7 The cost of these tests shall be borne by the Department of Health. The cost of tests in the event of failure of batches will be for the account of the contractor.

23.1.8 Test results are final and no requests for testing by other testing laboratories will be entertained by the Department of Health. Any performance failure (water, airburst, package seal integrity tests) will result in immediate and non-negotiable rejection of the batch.

23.1.9 Any cases of minor design failures will be treated on a case-by case basis taking into account the needs of the programme in relation to the particular failure. However, if an application for concession is made by a contractor and subsequently granted by the Department of Health, all testing costs for the concession batches will be borne by the contractor.

23.1.10 All lot sizes for testing shall be at least 1000 gross (i.e. 144 000 pieces), up to maximum of 288 000 pieces. All lot sizes must be certified at the time of sampling and this information must be communicated by the contractor to the Department of Health as soon as possible after certification. A lot is a single grade, class and composition manufactured under essentially the same conditions. All condoms comprising a lot will:

- Have an identical formulation.
- Have the same dimensions, shape, colour and texture
- Be manufactured on the same production line
- Be vulcanised under identical conditions
- Be manufactured within a period of 24 hours
- Not be made up of separate interrupted runs

23.1.11 With respect to the female condoms the supplier must submit complete documentation on the in-house manufacturing level, quality assurance programme in place at the point of manufacture. This will include descriptions of sampling and testing protocols, equipment in use including place of manufacture, date commissioned and calibration schedules and procedures. Original compliance test reports for every production batch (including tensile (cross-sectional seam), air inflation (measuring peak pressure) and water leakage tests), duly certified by senior management must be provided at the time of sampling.

23.2 COMPLIANCE TESTED STOCK LEVELS

23.2.1 Contractors will be required to maintain, for the duration of contract, an in-country stock-holding of three months available for immediate distribution. This stock must be tested and certified. Stock levels should be estimated from the anticipated requirements of the Department as indicated in the contract award, unless otherwise instructed in writing by the Department. The required levels for compliant product may be adjusted by the Department to respond to changing programmatic requirements.

23.2.2 Suppliers will be expected to deliver condoms according to delivery schedules issued periodically by the Department of Health against current compliant stock levels to any or all of 150–200 sites within the country. Delivery quantities shall generally range from 60 000 to 2 000 000 condoms per male condom site and 5 000 to 60 000 condoms per female condom site. Once the delivery sites and quantities list is issued to suppliers, deliveries shall be made within the time specified by the supplier on the bid document. To the extent possible for male condoms, the procurer will serve sites utilising stock available in the nearest proximity.

23.3 **TRAINING**

23.3.1 All female condom suppliers are expected to provide training for all provinces on the condom that they are supplying. The national condom team will liaise closely with the suppliers to plan for this training that is compulsory before distribution and during the tender period as needed. The training is at the expense of the supplier.

24. SECURITY AND CONFIDENTIALITY INFORMATION

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

24.2 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.

24.3 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.

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

25. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

25.1 **Contract Administration**

25.1.1 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.Contracting3@treasury.gov.za.

25.1.2 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.

25.2 **Supplier Performance Management**

25.2.1 Supplier performance management will be the responsibility of the End-Users and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.

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

25.2.3 End-user State institutions are required to report to National Treasury on where contractor's performance is not satisfactory.

25.2.4 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. Services providers who score the unacceptable performance rating may not be awarded future contract of the same bid.

26. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

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

26.2 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.

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

27. MONITORING

27.1 Monitoring audits may be conducted periodically and randomly by the Department of Health or by a service provider appointed by Department of Health to determine continuous compliance to the product and terms of contract. The National Department of Health, 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:

- Compliance to delivery lead times;
- Percentage of orders supplied in full first time;
- Compliance with reporting requirements according to reporting schedule.
- Attendance of compulsory quarterly: The National Department of Health will hold quarterly meetings with suppliers to review the next quarter's demand, as well as supplier performance.

27.2 The National Department of Health will request Participating Authorities to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.

27.3 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 the Department of Health: Cluster: HIV & AIDS and STIs: Prevention Strategies using the following contact details:

Table 22 - Contact Details National Health

Contact Persons:	Dr Thato Chidarikire/ Ms Livhuwani Lifhiga
Email Address:	ChidaT@health.gov.za / Livhuwani.Lifhiga@health.gov.za
Tel no:	012 395 9153 / 012 395 9141

28. POST AWARD MONITORING AND REPORTING

28.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contract issues related to RT75-2021.

28.2 All successful bidders are required to submit historical value and volume reports via e-mail on a six monthly basis to: Ntombi.Sidinile@treasury.gov.za

29. TERMINATION

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

- The service provider decides to transfer the contract or cede the contract;
- The service provider does not honour contractual obligations including submission of information;
- The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;
- The service provider enters into settlement arrangements with their creditors;
- The service provider commits an act of insolvency;
- 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.
- 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.
- Overall poor performance rating during the contract period

THE END