SPECIAL CONDITIONS OF CONTRACT

RT76-2023

SUPPLY AND DELIVERY OF MEDICAL EXAMINATION AND SURGICAL GLOVES TO THE STATE FOR THE PERIOD

1 SEPTEMBER 2023 TO 31 AUGUST 2026

National Treasury

Transversal Contracting

National Treasury

Transversal Contracting

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LIST OF ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CSD	Central Supplier Database
CPI	Consumer Price Index
IVD	In Vitro Diagnostic
NT	National Treasury
PPR 2017	Preferential Procurement Regulations 2017
RoE	Rate of Exchange
SABS	South African Bureau of Standards
SAHPRA	South African Health Product Regulatory Authority
SANAS	South African National Accreditation System
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
STATS SA	Statistics South Africa
TC	Transversal Contracting
TCD	Transversal Contracting Document
TIC	Tender Information Centre
VAT	Value Added Tax
ZAR	Rand

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Table 1: Bid Document Checklist and Returnable

#	Document Name[1]	Included in the published bid document?	To be returned by bidder?	Bidder may tick Yes if document is submitted
PHASE 1: PRE-QUALIFICATION EVALUATION CRITERIA				
1.	Valid B-BBEE status level contributor verification certificate issued by SANAS accredited institution OR Certified original Copy, valid sworn-affidavit OR valid B-BBEE affidavits issued by CIPC.	No	Yes	
PHASE 2: ADMINISTRATION REQUIREMENTS EVALUATION				
2.	SBD 1 – Invitation to Bid	Yes	Yes	
3.	Proof of authority to sign the bid	No	Yes	
4.	CSD full report	No	Yes	
5.	Written Confirmation to disclose tax status	No	Yes	
6.	SBD 4 – Declaration by bidder	Yes	Yes	
7.	SBD 5 – National Industrial Participation Programme	Yes	Yes	
8.	SBD 6.1 – Preference Points Claim Form	Yes	Yes	
PHASE 3: MANDATORY REQUIREMENTS EVALUATION				
9.	Annexure B: Pricing Schedule	Yes	Yes	
10.	SAHPRA License	No	Yes	
PHASE 4: TECHNICAL COMPLIANCE EVALUATION				
11.	Annexure A: Technical Specification	No	Yes	
12.	TCD 13 Authorization Declaration	Yes	Yes	
13.	TCD 13.1 List of items	Yes	Yes	
14.	Letter of undertaking (as per TCD 13.2 template)	Yes	Yes	
15.	Quality assurance certificate ISO 9001 or ISO 13485	No	Yes	
16.	Test Report(s) or Proof of submission	No	Yes	
17.	Local Production and Content for designated sector – SBD 6.2	Yes	Yes	
PHASE 5: PRICE & B-BBEE				

[1] Table 1 is provided as guidance to assist bidders with documents that must be returned with the bid. The list is not exhaustive, and it is the responsibility of the bidder to provide all required documents as per the provision of each clause in this bid

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#	Document Name[1]	Included in the published bid document?	To be returned by bidder?	Bidder may tick Yes if document is submitted
18.	Annexure C - Cost Breakdown	Yes	Yes	
OTHER DOCUMENTS REQUIRED				
19.	Company Profile	No	Yes	
20.	CIPC Company Registration Documents	No	Yes	
21.	Special Conditions of Contract	Yes	Yes	
22.	General Condition of Contract	Yes	Yes	
23.	TCD 14 – Historical Exchange Rate	Yes	No	

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SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

1.1 This bid is for the supply and delivery of medical examination and surgical gloves to the State for a period of 36 months.

1.2 This bid document is structured as follows:

1.2.1	Section A	:	Introduction and Terms of Reference
1.2.2	Section B	:	Conditions of Bid
1.2.2.1	Part 1	:	Evaluation Criteria
1.2.2.2	Part 2	:	Recommendations
1.2.2.3	Part 3	:	Additional Bid Requirements
1.2.3	Section C	:	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) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 regulations

2.2 The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

3. DURATION OF TRANSVERSAL CONTRACT

3.1 The transversal contract shall be for a period of 36 months.

4. BRIEFING SESSION

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

Venue :	Virtual Microsoft Teams meeting.
Please click on this link:	RT76-2023 Briefing session link
Date :	8 December 2023
Time :	10h00 to 12h00

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

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

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formally after the briefing session.

5. TERMS OF REFERENCE

5.1 TECHNICAL SPECIFICATIONS

5.1.1 The RT76-2023 bid is for the supply and delivery of medical examination and surgical gloves to the State for a period of 36 months. The bid has twelve (12) categories as summarized below.

Table 2: Summary of Technical Specifications Categories

#	CATEGORY	# OF ITEMS
A	**EXAMINATION GLOVES**	
1	Latex gloves	16
2	Non-latex gloves	16
B	**SURGICAL GLOVES**	
5	Latex gloves	16
6	Non-latex gloves	29
TOTAL		**77**

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SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Pre-Qualification Criteria	Administration Requirements	Mandatory requirements	Technical Compliance	Price and B-BBEE
Bidders will be assessed if they are B-BBEE Level 1 to 8 compliant	Compliance to the Administration documents requirements	Compliance with mandatory requirements	Compliance to the item technical specifications	Bids evaluated in terms of the 90/10 preference points system

6.1.1 The State may conduct due diligence during any of the evaluation phases to confirm the information submitted by the bidder and any misrepresentation by the bidder may disqualify the bid thereof.

6.2 PHASE 1: PRE-QUALIFICATION EVAUATION CRITERIA

6.2.1 It is a condition of this bid that only the bidders having a B-BBEE status level contributor 1 to 8 may respond to this bid:

6.2.2 Bidders are required to submit proof of B-BBEE status level of contributor. Proof includes valid B-BBEE status level verification certificates or certified copies thereof or a sworn affidavit signed by the EME/QSE representative and attested by Commissioner of oaths, or BBBEE affidavit issued by Companies and Intellectual Property Commission (CIPC).

6.2.3 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 affidavits will be disqualified.

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

6.3 PHASE 2: ADMINISTRATION AND LEGISLATION REQUIREMENTS EVALUATION

6.3.1 Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government as per section 2 of Practice Note No SCM 1 of 2003 regarding bid documentation for supply chain management. It is also a requirement for bidders to submit the other documents as detailed below.

6.3.1.1 **SBD 1 –** Invitation form to bid.

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6.3.1.2 **Proof of Authority –** This is a company resolution for the capacity under which this bid is signed as per SBD 1

6.3.1.3 **SBD 4 –** Bidders Disclosure

6.3.1.4 **SBD 5 –** The National Industrial Participation Programme

6.3.1.5 **SBD 6.1 –** Preference points claim form.

6.3.1.6 **Central Supplier Database –** A full Central Supplier Database report and not summarized must be submitted preferably the document must be downloaded at the last week prior to closing date and time of bid.

6.3.1.7 **Written Confirmation to disclose tax status –** It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.

6.4 PHASE 3: MANDATORY REQUIREMENTS EVALUATION

6.4.1 During this phase bidders' response will be evaluated based on the mandatory requirement. These are the documents to be submitted for evaluation. Bidders' must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with all the mandatory criteria will be disqualified.

6.4.2 South African Health Products Regulatory Authority (SAHPRA) Requirement

6.4.2.1 Medical examination and surgical gloves are classified as medical devices. Bidders are required to adhere to Medicines and Related Substances Amendment Act, No. 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and its Regulations on Medical Devices and IVD. Non-compliance with these conditions may invalidate the bid.

6.4.2.2 Manufacturers, distributors, and wholesalers, as referred to Section 22C(1)(b) of the original Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must obtain a licence for the manufacturing, importing, exporting, distribution, and wholesaling of medical devices and IVDs, as issued by SAHPRA.

6.4.2.3 Bidders must submit with the bid, on or before the closing date and time of bid approved medical device and IVDs establishment licence

6.4.2.4 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.

6.4.2.5 Evidence of application made to the South African Regulatory Authority, to register the said medical

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device (in the form of an Acknowledgement Letter received from the South African Regulatory Authority) will be required during the contract period if applicable.

6.4.3 **Pricing Structure and Schedule**

6.4.3.1 The pricing schedule **(see Annexure B)** provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. All pricing offered must be on a national level.

6.4.3.2 Bidders are required to complete a mandatory Pricing Schedule Annexure B as a response on how much the items offered will be charged. No submission of the Pricing Schedule will invalidate the bid response.

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

6.5 PHASE 4: TECHNICAL SPECIFICATION COMPLIANCE

6.5.1 During this phase bidders' response will be evaluated based on technical requirements including meeting the local production and content threshold. Non-compliance to all the evaluation requirements below will result in disqualification of line-item being evaluated.

6.5.2 **Standards/Specifications**

6.5.2.1 Items must comply with technical specification (**Annexure A**) as stated in the bid document of each item. The technical specification as per the pricing schedule is a summary description and the attached **Annexure A** is the detailed technical Specification of all the items. Non-compliance to the technical specification requirement will invalidate the items which the compliance is not adhered to.

6.5.2.2 In case of deviation from the technical specification, the State may consider products which has a reasonable deviation of at least 10% in terms of sizes for items indicated on the technical specification This is subject to the deviation not causing any clinically and functional harm to the target population and users that the product is aimed at and that the functional output of the item technical specification is achieved. This will therefore be decided upon based on the clinical judgement and expertise of the Bid Evaluation Committee.

6.5.3 **Authorization Declaration**

6.5.3.1 All bidders must complete the Authorisation Declaration (TCD 13 and 13.1) for all relevant goods or services.

6.5.3.2 Any bidder who is sourcing goods or services from a third party must submit a valid Third-Party Undertaking (template provided as TCD 13.2) in full for all relevant goods or services. The letter of

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undertaking must include but not limited to the following:

a) List of item(s) numbers, item description and brand/model name and number,
b) Letter must be on the original manufacturer's and or third-party undertaking letter head, dated and signed,
c) Have contact person's name, physical and postal address, telephone, and email details, and
d) Letter must not be older than 30 days at the closing date and time of bid
e) All information on the letter must be in English.

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

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

6.5.3.5 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.

6.5.4 **Sterility Standards**

6.5.4.1 Bidders offering sterile products must submit a declaration of sterility for all items where sterility is a requirement in the item specification. Products packaging must indicate sterile on the label of the product

6.5.5 **Quality Assurance Requirements**

6.5.5.1 Bidders must submit at the closing date and time of bid, valid quality assurance certificates ISO 13485 to confirm compliance. The holder of the certificates must be the original manufacturer of the finished product. Failure to submit these documents will invalidate your bid.

6.5.5.2 Where specific technical specifications and/ or standards, e.g., SABS, SANS, EU, ADA, CKS, BP, BPC, USP, USNE, EP, ISO, or DIN, are applicable on materials and supplies, the quality of products shall not be less than the requirements of the latest edition of such technical specifications and/or standards.

6.5.6 **Test Reports from SANAS Accredited Institutions**

6.5.6.1 Where the item technical specification indicates a standard, bidders are required to submit a test report issued by a SANAS accredited institutions to proof compliance with the relevant standard indicated on the item technical specification. The test reports must not be older than eighteen (18) months at the closing date of the bid. Failure to submit a compliant test report will results to disqualification for the relevant item.

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

6.5.6.3 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 issued by the SANAS accredited institution that the sample had been submitted for testing on or before the closing date and time of the bid.

6.5.6.4 Where a bidder has submitted a letter from a SANAS accredited institution, bidders are required to submit the test report as soon as it is issued by the relevant institution. It is the responsibility of the bidder to ensure that the test reports are submitted to National Treasury as soon as the test report is issued.

6.5.6.5 In an event where a bidder has submitted a letter from a SANAS accredited institution confirming that samples have submitted for testing, by submitting this bid, bidders are giving a consent to National Treasury to engage with a SANAS accredited institution to verify that bidders have submitted the samples for testing and National Treasury may request such test reports directly from a SANAS accredited institution.

6.5.6.6 Bids not supported by test reports will be disregarded in respect of the item (s) for which test reports are not submitted during evaluation including bidders who failed to submit the test report immediately after it has been issued by the testing institution.

6.5.6.7 For more information to obtain the relevant standards, bidders must enquire at South African Bureau of Standards (SABS) 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 SABS Standards Sales as follows:

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria, **Contact person:** Ms Wilheminah Moshobane, Tel: 012 428 6057/6694, **E-mail:** wilheminah.moshobanei@sabs.co.za, **Website:** www.sabs.co.za and follow the "Search/Buy Standards" link

6.5.7 **Samples submission for Visual Screening Evaluation**

6.5.7.1 All items must comply with technical specification as provided in this bid as stated in the technical specification detail of each item. Failure to comply will invalidate the items concerned.

6.5.7.2 Bidders are required to submit samples for visual screening evaluation for all items offered to verify compliance with technical specifications. Failure to submit the samples as required will invalidate the bid for the items which samples are not submitted.

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6.5.7.3 **Sample Submission –**

a) National Treasury will send a schedule indicating a date, time, place, and venue to short listed bidders to submit samples for the evaluation. Bidders' attention is drawn to the fact that a schedule for sample submission may be forwarded to bidders at a short notice of at least two weeks prior to the date of sample submission. The request to submit samples may be immediately after the closing date and therefore bidders are required to be ready to submit the samples from the closing date of the bid.

b) It is a responsibility of the bidder to ensure that correct contact details are provided in the bid document and to ensure that samples are submitted on time, at the correct venue.

c) Where different sizes of the same item are called for against different item numbers, samples of each size must be submitted.

d) All samples submitted must be a true representation of the product which will be supplied during the contract period. Must be in the in the original pack and comply to labelling requirements.

e) All samples must be in original packaging for sample evaluation. Samples that are not in original packaging will not be disqualified.

f) The quantity of samples required for each item is indicated on the **Annexure A Technical Specification.**

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

a) Samples must be clearly marked on the outside with the bid number, bid item number, and the bidder's name. This detail must appear on a label attached to each individual box.

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

6.5.7.5 **Collection of all samples –**

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

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6.6 PHASE 5: PRICE AND B-BBEE

6.6.1 Pricing Schedule and structure requirements

6.6.1.1 Prices quoted must be furnished on the basis of "delivered to State facility" country-wide inclusive of VAT.

6.6.1.2 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. Bidders are required to complete a mandatory Pricing Schedule as a response on how much the items offered will be charged.

6.6.1.3 Due diligence on market related pricing reasonability may be conducted. The State reserve the right to disqualify bid offers in which are under quoted and or are above market value. In this case, the bidder may be required to submit supporting documentations to the State to proof that the pricing is not under quoted or above market value.

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

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

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

6.6.2 Preferential Point System

6.6.2.1 The pricing evaluation will be in terms 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 based on:

a) The bid price (Maximum of 90 points)

b) B-BBEE status level of contributor (maximum 10 points)

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

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

Where,

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

6.6.2.3 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:

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Table 4: 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

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

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

6.6.2.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level verification documents will be considered for preference points.

6.6.2.7 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.

6.6.2.8 Failure on the part of the bidder to claim points for B-BBEE status level of contribution will give the bidder a score of zero (0).

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

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

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

6.6.3 **Applicable Taxes**

6.6.3.1 All bid prices must be inclusive of all applicable taxes.

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

6.6.3.3 Failure to comply with this condition may invalidate the bid.

6.6.4 **Cost Breakdown**

6.6.4.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the

bid response. The cost breakdown submitted will be utilized during the price adjustment considerations.

6.6.4.2 Bidders should itemise the cost of each item into various components which are cost-drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a percentage of the total cost.

6.6.4.3 For Example:

Table 5: Example of Cost Breakdown

Cost-driver	% Total Cost
Imported raw material	30%
Local raw material	20%
Labour	15%
Transport	30%
Other (Indicate)	5%
Total price of item	**100%**

6.6.5 **TCD 14 Historical Exchange Rates**

6.6.5.1 In terms of cost price adjustment, bidders should make use of relevant currency for the items offered by calculating the average for the period **1 May 2022 to 31 October 2022** using the Reserve Bank published rates for the specific currency. Bidders are to visit https://www.resbank.co.za/ to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.

6.6.6 **Responsive Bids**

6.6.6.1 Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule **(Annexure B)** for the individual items and all required forms. Non-submission of the pricing schedule **(Annexure B)** will invalidate the bid response.

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7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 COMPANY REGISTRATION AND ORGANOGRAM

7.1.1 Shareholding portfolio by proof of registration of the company with Companies Intellectual Property Commission (or use abbreviation if already abbreviated above – delete statement). An additional document detailing the shareholding of the bidder in an organogram format in support of the proof of company registration must be submitted.

7.1.2 If by law registration with CIPC is not required, proof of ownership/shareholding must be provided

7.2 COMPANY PROFILE

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

7.2.1.1 Business structure and strategies; and

7.2.1.2 Details of the bidder's directors/owners (Full name and surname and ID or passport number)

7.2.1.3 Years of company existence and experience relevant to this bid.

7.3 TERMS AND CONDITIONS OF BID

7.3.1 **Counter Conditions**

7.3.1.1 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.

7.3.1.2 The National Treasury reserves the right to change or supplement any information or to issue any addendum to this bid before the closing date and time. The National Treasury and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

7.3.1.3 If the National Treasury exercises its right to change or supplement information in terms of the above clause, it may seek amended bid documents from all bidders.

7.3.2 **Fronting**

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

7.3.2.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the

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Department of Trade, Industry and Competition, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist.

7.3.2.3 Failure to do so by the bidder within a period of fourteen (14) days from date of notification by National Treasury 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 National Treasury may have against the bidder concerned.

7.4 SUBMISSION OF BIDS

7.4.1 PHYSICAL AND HARDCOPY BID SUBMISSION

7.4.1.1 Bidders are required to submit hard copies at the National Treasury, 240 Madiba Street, TIC, Deposit the bid in the tender box.

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

7.4.1.3 Bidders' attention is drawn to the sequential submission format as per the checklist on Table 1.

7.4.1.4 Bidders must submit the bid at TIC situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria in the following format:

a. One (1) original hard copy

b. One (1) memory stick or USB with all the documents on the original hard copy and an excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.

7.4.1.5 All documents on the USB submitted must be an exact copy of the hard copy documents. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.

7.4.1.6 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.

7.4.1.7 Submit all bid queries via email to TCcontract1@treasury.gov.za.

7.5 LATE BIDS

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

7.6 COMMUNICATION AND CONFIDENTIALITY

7.6.1 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 transversal contract, or to extend the validity period of the bid, if necessary.

 Initials_____

7.6.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.

7.6.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current, or complete.

7.6.4 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 National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the National Treasury an opportunity to consider what corrective action is necessary (if any).

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

7.6.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.

7.6.7 No representations made by or on behalf of the National Treasury in relation to this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).

7.6.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to this bid.

7.7 CONTACT DETAILS

7.7.1 **General: -** National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001. Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria

7.7.2 **Bid Enquiries: -** All enquiries should be in writing to TCcontract1@treasury.gov.za. The closing date for receipt of all enquiries is **9 December 2022**. All enquiries beyond the closing date will not be considered.

 Initials_____

8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

8.1 Once the evaluation process is complete there will be a recommendation report by the BEC to the Bid Adjudication Committee (BAC) who has the authority to either support (approve) or not support (not approve) the recommendation/s and appointment/s.

8.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the master transversal agreement for the supply and delivery of radiographic materials of this bid and unsuccessful bidder(s) will be informed accordingly. The following paragraphs will be applicable when making a recommendation:

8.3 Preference for Local Produced Products

8.3.1 For the items which are not part of the designation sector, the State reserves the right to consider and give preferences to locally produced products offered as per Preferential Procurement Policy Framework revised regulation, Paragraph 8.4 (a). Bidders are required to indicate on the pricing schedule the products manufacturers details.

8.3.2 In order to give preference to local produced products, the definition of a locally produced product will be limited to at least conversion process (substantiated value add) being in the Republic of South Africa. Substantial supporting documents may be required at any point in time prior and post award of the contract. Due diligence, which include site visits, may be conducted in this regard. The follows aspect must be complied to:

a) The site/s of manufacture and/or assembling of the product offered is in South Africa.
b) Demonstrated capacity to service the required volumes is confirmed.
c) Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
d) The product offered meet the minimum requirement as per technical specification requirements.

8.3.3 Bidders are therefore required to submit SBD 6.2 and its annexure for this purpose for items applicable to this clause. Items which are claimed to be manufactured locally and the SBD 6.2 and its annexures is not submitted will not be considered as locally being manufactured. Exemption letter from the DTIC for the material which are being imported is therefore not required for items falling in this clause.

8.4 Tax Compliance Requirements

8.4.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

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

8.4.3 Bidders are required to be registered on the Central Supplier Database (CSD) and National Treasury shall verify the bidder's tax compliance status through the CSD or through SARS.

8.4.4 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.

8.5 **Multiple Award**

7.3.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Benchmarking will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements. The maximum number of bidders per item to be awarded will be at the discretion of BEC.

8.6 **Negotiations**

8.6.1 The State reserves the right to negotiate with the shortlisted bidders prior or post award. The terms and conditions for negotiations will be communicated to the shortlisted bidders prior to invitation to negotiations. This phase is meant to ensure value for money is achieved through the measure of quality that will assess the monetary cost of the items or services against the quality and or benefits of that item or services.

8.7 **Due Diligence**

8.7.1 The State reserves the right to conduct due diligence during the evaluation phases, 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.

8.7.2 Where applicable, the BEC reserves the right to subject item samples to applicable clinical evaluations, applications, or test at any State facility to verify compliance with the technical specifications. This will be arranged with the bidder.

8.8 **Right of Award**

8.8.1 The State reserves its following rights -

8.8.1.1 To award the bid in part or in full,

8.8.1.2 Not to make any award in this bid or accept any bids submitted,

8.8.1.3 Request further technical information from any bidder after the closing date,

8.8.1.4 Verify information and documentation of the bidder(s),

8.8.1.5 Not to accept any of the bids submitted,

8.8.1.6 To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award, and

8.8.1.7 If an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

 Initials_____

SECTION C: CONDITIONS OF CONTRACT

9. CONCLUSION OF CONTRACT

9.1 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.

9.2 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 RT76-2023 is concerned:

9.2.1 Bid Documents

9.2.2 Letter of Appointment

9.2.3 Award Documents

9.2.4 Acknowledgement letter

9.3 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 RT76-2023 transversal contract

10. PARTICIPATING STATE INSTITUTIONS

10.1 The following institution will be participating on the contract for RT76-2023:

10.1.1 **National Departments:** Department of Defence and Department of Correctional Services

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

11. POST AWARD PARTICIPATION

11.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government may send an application to National Treasury post award to request participate on the transversal contract.

11.2 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions and public entities listed in schedule 1, 3A and 3C to the PFMA may opt to participate in a transversal contract facilitated by the relevant treasury.

11.3 Regulation 32 of the Municipal SCM Regulations provides that a Supply Chain Management policy may allow the accounting officer to procure goods or services for a municipality or municipal entity under a contract secured by another organ of the state.

 Initials_____

12. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

12.1 Contract Administration

12.1.1 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 TCcontract1@treasury.gov.za.

12.1.2 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.

12.2 Supplier Performance Management

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

12.2.2 Supplier performance rating Form (to be provided for by National Treasury after the bid award) will be instituted, and every supplier must complete it to ensure good performance.

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

12.2.4 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 transversal contract. Suppliers who score the unacceptable performance rating may not be awarded future contract of the same bid and may have the transversal contract terminated prior to the end of transversal contract period.

13. CONTRACT PRICE ADJUSTMENT

13.1 Formula

13.1.1 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.

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

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

 Initials_____

Table 6: 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

13.2 **Formula component definitions**

13.2.1 **Adjustable amount**

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

13.2.2 **Fixed portion**

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

13.2.3 **Cost components and proportions**

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

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

 Initials_____

13.2.3.3 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 7 - Contract Price Adjustment Cost Components

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

13.2.4 **Applicable indices/references**

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

Table 8: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice.[2]	Documentary evidence to accompany claim and ROE
D2 - Local Finished product (if applicable):	Specify (STATS SA Index	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour agreement[3]	Table E - All Items (CPI Headline) OR Labour agreement to be provided/ Regulated Pricing Adjustment
D4 – Transport	Stats SA P0141 (CPI): Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

[2] *In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.*

[3] *In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.*

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13.2.5 **Base index date**

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

13.2.6 **End index date**

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

13.2.7 **Price adjustment periods**

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

Table 9: 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	10 February 2024	December 2023	1 March 2024
2nd Adjustment	15 February 2025	December 2024	1 March 2025

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

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

13.2.8.2 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.

13.2.8.3 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.

13.2.8.4 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.

13.2.8.5 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.

 Initials_____

Table 10: CPA Rate of Exchange

Currency Name	Rates of exchange:1 May 2022 to 31 October 2022
US Dollar	**16,8211**
Euro	**17,1317**
Pound	**19,9711**

13.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 May 2022 to 31 October 2022** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 14 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

13.2.8.7 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 11: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1st Adjustment	1 July 2023 to 31 December 2023
2nd Adjustment	1 July 2024 to 31 December 2024

13.2.9 **General**

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

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

13.2.9.3 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.

13.2.9.4 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.

13.2.9.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

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14. DELIVERY AND QUANTITIES

14.1 **Delivery Basis**

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

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

14.2 **Quantities**

14.2.1 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.

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

15. PLACEMENT OF ORDERS AND PAYMENTS

15.1 Orders will be placed by participating institutions who will be responsible for the payment to suppliers for goods delivered and/or services rendered.

16. CONTINUITY OF SUPPLY

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

16.1.1 Industrial action,

16.1.2 Manufacturing pipeline

16.1.3 Any other supply challenges.

16.2 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:

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

16.2.2 The item(s) are urgently required and not immediately available;

16.2.3 In the case of an emergency.

17. SHELF LIFE

 Initials_____

17.1 All products must have a shelf-life of at least 18 months' years on manufacturing and all products must have a remaining shelf life of at least 12 months upon delivery.

17.2 Participating Institutions may, without prejudice, decline to accept product with a shelf-life of less than 12 months years.

17.3 Suppliers 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.

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

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

18. PACKAGING AND LABELLING

18.1 **Packaging**

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

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

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

18.1.4 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.

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

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

18.1.6.1 Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering

18.1.6.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.

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

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18.1.7.1 Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering.

18.1.7.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.

18.1.7.3 The outer packaging must be clearly marked as a "Part Box".

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

18.2 **Labelling**

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

18.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes packaging in at least English language:

Table 12: Labelling details

#	Details
1.	Proprietary name (if applicable)
2.	Name of the product
3.	A Product code as relevant
4.	The trade name or trademark of the manufacturer
5.	Size of the product
6.	Quantity of the contents
7.	Name of manufacturer
8.	Date of manufacture
9.	Name and address of importer/distributor (if not manufacturer)
10.	Expiry date (Where applicable)
11.	Batch/lot number. Products must have the same batch/lot number on the outer box as on the inner box.

18.3 **Barcodes**

18.3.1 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.

18.3.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the brand name, batch number and expiry date.

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19. PRODUCT ADHERANCE / BRAND CHANGE

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

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

19.3 It must be noted that the new model/ brand will be required to undergo the evaluation process prior to receiving approval of the model change issued by National Treasury. The new model must adhere to the technical specification for the item.

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

19.5 Suppliers are not allowed to deliver a new equipment models/brand other than the model/brand awarded to them prior to an approval of model/brand change from National Treasury.

19.6 National Treasury reserve the right not to approve any model change applications.

20. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS

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

20.2 **Assignments of Contract**

20.2.1 Assignment of contract refers to the transfer of rights and obligations in a contract from an assigner to an assignee. The effect of this is that the service provider appointed through a competitive bidding process transfers the contract in its entirety that is, the obligation (the responsibility of rendering the services) and the right (of receiving payment for service rendered) to a third party that did not participate in the bidding process or a bidder that participated in the bidding process but was not successful.

20.2.2 Assignment of contracts is therefore not allowed as it will be contrary to principles of section 217 of the Constitution particularly, fairness, transparency, and competitiveness.

20.3 **Cession of Contracts**

20.3.1 Cession refers to the transfer of only the rights a service provider has in terms of a contract from it to a third party. cession will be limited only to those cession agreements in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding

 Initials_____

to businesses and entities (State Institution).

20.3.1.1 The written request for cession must be by the service provider and not a third party; and the written request by the service provider must be accompanied by the cession agreement.

20.4 **Changes in the Service Provider Contact Details**

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

21. POST AWARD PRODUCT COMPLIANCE PROCEDURES

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

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

22. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS

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

22.2 All suppliers must ensure registration on all participating institutions within 30 days of accepting the award.

22.3 Suppliers must ensure that they register with all the participating institutions the items which they have been awarded for in the contract. Suppliers must take note that the participating institutions have different systems that they use internally to capture awarded contract information including that of awarded suppliers

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

23. MONITORING

23.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Provincial Health Departments, and National Department of Health or by a service provider appointed by the State to determine continuous compliance to the product and terms of contract. The Participating Institutions, will monitor the performance of contracted suppliers and maintain a report for compliance to the terms of this contract as follows:

23.1.1 Compliance to delivery lead times

23.1.2 Percentage of orders supplied in full first time

23.1.3 Compliance with reporting requirements according to reporting schedule.

23.1.4 Attendance of compulsory meeting: The National Treasury compulsory meetings with suppliers to review supplier performance. The schedules of the meetings will be sent to successful bidders.

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

23.3 National Treasury will conduct meetings with the Participating Institutions and Suppliers to discuss transversal contracting issues.

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

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

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

23.7 All successful Suppliers are required to submit historical value and volume reports via e-mail on a quarterly basis to: TCcontracts1@treasury.gov.za

23.8 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

24. TERMINATION

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

24.1.1 The Supplier decides to transfer the contract or cede the contract

24.1.2 The supplier does not honour contractual obligations including submission of information

24.1.3 The supplier is provisionally or finally liquidated, making it impossible for the supplier to perform its functions in terms of this transversal contract

24.1.4 The supplier enters into settlement arrangements with their creditors

24.1.5 The supplier commits an act of insolvency

24.1.6 In the event that the supplier is a member of an unincorporated joint venture or consortium and the membership of such joint venture or consortium changes.

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

24.1.8 Overall poor performance rating during the contract period

END

 Initials_____