**SPECIAL CONDITIONS OF CONTRACT**

**BID NUMBER RT68-2021_RA**

# APPOINTMENT OF CONTRACTOR FOR THE PROVISION OF FINANCE AND ADMINISTRATION OF SUBSIDISED VEHICLES FOR A PERIOD OF FIVE (5) YEARS

**CLOSING DATE AND TIME OF BID: 08 JUNE 2021 @ 11H00**

**BID VALIDITY PERIOD: 150 DAYS**

**NATIONAL TREASURY**

**TRANSVERSAL CONTRACTING**

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## DEFINITIONS

i) **Accounting Officer** – bears the same meaning as defined in the Public Finance Management Act (PFMA) or the Municipal Finance Management Act (PFMA/MFMA)

ii) **Consortium / Joint Venture** – an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.

iii) **Contractor / Service Provider** – the successful bidder who is awarded the contract to maintain and administer the required and specified services to the State.

iv) **Driver / Owner** – an official / employee in possession of a valid unendorsed driver's license for whom a subsidized vehicle was approved

v) **End user department** – any State entity, National or Provincial department that have been approved to utilize this contract and have signed the required mandatory documents with the Contractor.

vi) **Entity –** any other end user of the contract that is not a national or provincial department but are approved by National Treasury to partake in the contract, such as a municipality.

vii) **Fleet Responsibility Manager / Fleet Manager** – an official designated by the Accounting Officer or Chief Financial Officer to assume accountability for a fleet of vehicles.

viii) **Merchant / Supplier** – any legal entity which contracts with the Contractor to provide goods or services to the State.

ix) **National Department** – means a department listed in Schedule 1 to the Public Service Act, Act 1 of 1994, excluding the Office of a Premier.

x) **Provincial Department** – The Office of a Premier listed in Schedule 1 to the Public Service Act, Act 1 of 1994 and a provincial department listed in Schedule 2 to the Public Service Act, Act 1 of 1994.

xi) **Road side assistance** - means any assistance rendered to the driver of a subsidized vehicle when the vehicle suffered a mechanical failure that leaves the driver stranded. Such assistance can include the towing of the vehicle or repair of the vehicle on the side of the road.

xii) **Service Plan/Maintenance Plan/Motor Plan** – a service as that can be optionally procured during the purchasing of the vehicle that will cover all cost in terms of normal services or maintenance as set out in the vehicle's owner manual or handbook up until a specified kilometres or time period.

xiii) **Spares / Parts** – a part fitted to a vehicle ensuring that the vehicle is fully operational and functional, and has to be replaced due to the malfunction thereof. The fitment of non-OEM approved spares will need to be done in consultation with the relevant client driver / owner of the vehicle without

jeopardizing any warrantees of guarantees in terms of the vehicle.

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

xv) **Transport Officer / Controller / Control Officer** – an officer appointed by the Accounting Officer in writing to, inter alia, administer the department's State vehicles either at a sub-office within a region, within a region or within a department.

## LIST OF ABBREVIATIONS

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

## LIST OF ANNEXURES

Annexure A: Transport Handbook 1 of 2017

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

Annexure C: Declaration of Undertaking

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Table 1: Returnable Documents & Mandatory Requirements

Table 2: Evaluation Phases

Table 3: B-BBEE Status Level of Contributor & Number of Points

Table 4: Price Adjustment Formula

Table 5: Cost Components

Table 6: Cost Components and Indices

Table 7: Price Adjustment Periods

Table 8: Penalty Schedule

**Returnable documents and mandatory requirements**

| No | Name of the Document that must be submitted (Mandatory) | Included in the published bid document? | To be returned by the bidder? | Non –submission will result in disqualification? |
|---|---|---|---|---|
| 1 | SBD 1 –Invitation to Bid | Yes | Yes | **YES** – Please complete and sign the supplied form |
| 2 | CSD Report (Tax Compliance Requirements) | No | Yes | **YES** – the state will use the CSD to verify tax clearance requirements |
| 3 | Central Supplier Database registration | No | Yes | **YES** – Please submit CSD registration number or CSD report to prove registration |
| 4 | Pricing Schedule | Yes | Yes | **YES** – Please complete the price schedule as issued and submit. The price schedule must be submitted both in hard copy and soft copy (Excel) with the bid at the closing date and time. |
| 5 | Valid Certified B-BBEE status level verification certificate or a sworn affidavit | No | Yes | **YES –** Please submit the document due to pre-qualification criteria requirement that this document must be provided to prove the B-BBEE status level contribution. |
| 6 | SBD 4– Declaration of Interest | Yes | Yes | **YES** – Please complete and sign the supplied form. |
| 7 | SBD 6.1–Preference Point Claim Form | Yes | Yes | **YES** – Generally non-submission will lead to a zero score for B-BBEE, however, due to it forming part of the pre-qualification criteria it is a requirement that this document is provided to prove the B-BBEE status level contributor. |
| 8 | SBD 8 – Declaration of Bidder's Past Supply Chain Management Practices | Yes | Yes | **YES** – Please complete and sign the supplied form |
| 9 | SBD 9 – Certificate of Independent Bid Determination | Yes | Yes | **YES** – Please complete and sign the supplied form |
| 10 | General Conditions of Contract | Yes | No | **NO –** Bidders must only familiarise themselves with the content of the document. |
| 11 | Special Conditions of Contract | Yes | No | **NO** - Bidders must only familiarise themselves with the content of the document. |
| 12 | TCBD 1 – Authorization Declaration | Yes | Yes | **YES** – Bidders must submit the authorisation declaration. |
| 13 | Implementation Plan | No | Yes | **YES** – The bidder needs to submit a contract implementation plan. |
| 14 | National Credit Regulator Certificate | No | Yes | **YES** – Current and Valid NCR certificate alternatively a letter confirming registration |

| No | Name of the Document that must be submitted (Mandatory) | Included in the published bid document? | To be returned by the bidder? | Non –submission will result in disqualification? |
|---|---|---|---|---|
| 15 | Proof of registration with the Financial Sector Conduct Authority | No | Yes | **YES** – Current and valid FSCA certificate or alternatively a letter confirming registration |
| 16 | Compliance with Administrator registration with relevant financial authorities (Financial Advisory and Intermediary Services Act) | No | Yes | **YES** – bidders must provide a register of implementation team or representatives in terms of the Financial Advisory and Intermediary Services Act;- Annexure C must also be submitted as declaration for this purpose. |
| 17 | Professional indemnity cover of for the project | No | Yes | **YES** – Valid proof of cover with a minimum amount of R10 million to be provided or a quotation from a relevant insurance company |
| 18 | Proof of minimum R500 Million funding availability | No | Yes | **YES** – Original and verifiable guarantee from the bidder or confirmation letter from financier |
| 19 | Annexure C: Declaration of undertaking | Yes | Yes | **YES** – bidder must submit a declaration of undertaking issued with the bid |
| 20 | History of similar work | No | Yes | **YES** – The bidder must submit proof of similar projects, with references and contact details. |
| 21 | Cost components | Yes | Yes | **NO –** bidder must submit the completed cost component document should the standard cost components detailed in the Special Conditions of Contract be different with the bidder. |
| 22 | Read me CSD supplier leaflet | Yes | No | **NO** – This is for information purposes |
| 23 | Read me CSD fact sheet | Yes | No | **NO** – This is for information purposes |

Table 1

# SECTION A

## 1. SPECIAL CONDITIONS OF CONTRACT OUTLINE.

**1.1** This bid document is divided as follows:

1.1.1 Section A: Conditions of bid

1.1.2 Part 1 : Evaluation criteria

1.1.3 Part 2 : Additional bid requirements

1.1.4 Part 3: End-User requirements

1.1.5 Section B: Conditions of Contract

## 2. LEGISLATIVE AND REGULATORY FRAMEWORK

**2.1** This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations.

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

**2.3 Tax compliance requirement**

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

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

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

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

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

2.3.6 The state will not award a bid to any bidder whose tax matters are not in order

**2.4 Standard Bidding Documents**

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

2.4.1 SBD 1 – Invitation to bid

2.4.2 SBD 4 – Declaration of interest

2.4.3 SBD 5 – The National Industrial Participation Programme

2.4.4 SBD 6.1 – Preference Points Claimed (BBBEE)

2.4.5 SBD 8 – Declaration of Past SCM Practices

2.4.6 SBD 9– Certificate of Independent Bid Determination

**2.5** This Contract is subject to all applicable industry related legislation, particularly the legislation stated below. Contravention of any provision of the below mentioned legislation as well as the following legislation may result in disqualification of this bid or termination of Contract in the event that the contravention occurs after the contract award:

2.5.1 Financial Advisory & Intermediary Services Act, Act 37 of 2002 and its Regulation

2.5.2 Banks Act, 1990 Act No. 94 of 1990 Act 13 of 2002 and its Regulation;

2.5.3 Provisions of the Protection of Personal Information Act, Act no 4 of 2013 and its Regulation;

## 3. BID INFORMATION SESSION

**3.1** Non-compulsory bid information session will be held virtually on Microsoft Teams under the following details:

Date: 20 May 2021

Time: 10:00

Link: Click here to join the meeting

## 4. SCOPE OF WORK

**4.1** The State requires to appoint a contractor to provide finance and administration for the Subsidized Motor Transport Scheme.

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

## 5. SUMMARY OF REQUIREMENTS

**5.1** Only bidders that comply with the relevant Financial Sector Conduct Authority registration requirements will be considered as per the Financial Services Laws General Amendment Act 45 of 2013.

**5.2** The State requires a service provider to finance and administer all Subsidized Vehicles procured under Scheme A of the Subsidized Motor Transport Scheme.

**5.3** In order for the appointed Contractor to execute the required services as set out in this contract, they will need to share information with other service providers appointed in terms of other Subsidized Vehicle Contracts. This includes, but is not limited to contract RT62 for the Maintenance of Subsidized Vehicles, contract RT57 for the Procurement of Subsidized Vehicles and contract RT58 for the Insurance of Subsidized Vehicles.

**5.4** The same requirement for the sharing of information is applicable to other contractors appointed in terms of the Subsidized Vehicle Scheme.

**5.5** The Contractor will need to ensure that every agreement signed by any official partaking in the scheme will allow for the sharing of information submitted during the application process with other service providers and government for the single purpose of executing the contract.

**5.6** The functions required from the Contractor in terms of this contract can be summarized into the following functions:

5.6.1 The administration of the Subsidized Vehicle application process

5.6.2 To ensure that the affordability and National Credit Act requirements are met in terms of the official that applies for the Subsidized Vehicle.

5.6.3 To ensure that the requirements as set out by the Department of Transport in terms of accessories and affordability calculations are met.

5.6.4 To place the vehicle order with the RT57 supplier, monitor the delivery process and ensure that the ordered vehicle is delivered.

5.6.5 To finance the Subsidized Vehicle

5.6.6 To ensure payment to the motor vehicle manufacturers and suppliers is within the required 30 days of the vehicle being delivered.

5.6.7 To ensure that the correct deductions and allowances are loaded for the officials on the government payroll systems and that these are managed.

5.6.8 Communication of the correct information to the various role players within the scheme including SMS's and emails.

**5.7** Apart from the above functions, the appointed service provider will need to assist government in the application and enforcement of the current Subsidized Motor Transport Handbook. (Transport Handbook 1 of 2017, Annexure A).

# PART 1: EVALUATION CRITERIA

## 6. EVALUATION CRITERIA

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

| Phase 1 | Phase 2 | Phase 3 | Phase 4 |
|---|---|---|---|
| **Pre-Qualification Criteria** | **Mandatory Requirements and Other Bid requirements** | **Capacity and capability** | **Price and B-BBEE** |
| Regulation 4 | Compliance with mandatory and other bid requirements | As proven by the bidder in their bid submission in a format providing previous experience with references. | Bids evaluated in terms of the 90/10 preference system |

**Table 2**

### 6.2 PHASE 1: PRE - QUALIFICATION CRITERIA

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

6.2.1.1 A bidder having a B-BBEE status level contributor 1 to 4. Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy or sworn affidavit at the closing date and time of the bid in order to prove compliance.

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

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

### 6.3 PHASE 2: MANDATORY REQUIREMENTS AND OTHER BID REQUIREMENTS

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

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

6.3.3 **STANDARD BIDDING DOCUMENTS AND RETURNABLE DOCUMENTS**

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

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

6.3.4 **IMPLEMENTATION PLAN**

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

6.3.4.2 Upon completion of the implementation plan, the full contract with the delivery of all the required services as set out in this document will need to commence. Should circumstances permit, the implementation process may commence after the award of the contract even if such a date is earlier than 01 October 2021

6.3.4.3 The implementation plan should not take longer than three (3) months to execute.

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

6.3.4.5 The Contractor shall furnish a detailed implementation plan as part of the bid documents that includes steps, timeframes and responsibilities of the various parties, based on the assumption that the contract shall commence 01 October 2021.

6.3.4.6 The three-month implementation plan should include reference to the physical presence required in all the provinces. The Contractor will be required to submit evidence in the form of a municipal account or rental agreement after three months of the contract being awarded.

6.3.4.7 All vehicles where the applications were already received by the current contractor will not form part of the implementation of the new contract but will be finalized by the existing service provider.

6.3.5 **NATIONAL CREDIT REGULATOR CERTIFICATE**

6.3.5.1 It is a requirement of this bid that bidders be registered with the National Credit Regulator

6.3.5.2 Bidders must submit a current and valid NCR certificate or letter confirming registration issued by the National Credit Regulator.

6.3.6 **PROOF OF REGISTRATION WITH THE FINANCIAL SECTOR CONDUCT AUTHORITY**

6.3.6.1 It is a requirement of this bid that bidders be registered with the Financial Sector Conduct Authority (FSCA) as a financial services provider.

6.3.6.2 Bidders must submit current and valid FSCA certificate, a letter confirming registration or FSP number confirming registration with FSCA.

6.3.7 **COMPLIANCE WITH REPRESENTATIVES OF AUTHORISED FINANCIAL SERVICE PROVIDER REQUIREMENTS (Financial Advisory and Intermediary Services Act)**

6.3.7.1 It is a requirement of this bid that the implementing team or representatives of the bidder are in compliance with representatives of authorized financial service provider requirements with the relevant financial authorities.

6.3.7.2 Bidders are required to provide a register of implementation team or representatives with the bid to ensure that the implementing team or representatives of the bidder are in compliance with representatives of authorized financial service provider requirements.

6.3.7.3 Bidders must provide, a declaration of undertaking form that implementation team or representatives (at least one representative) are in compliance with representatives of authorized financial service provider requirements and Annexure C attached in this bid must be used to provide such an undertaking.

6.3.8 **PROOF OF PROFESSIONAL INDEMNITY COVER**

6.3.8.1 It is a requirement of this bid that bidders provide professional indemnity cover for the project.

6.3.8.2 Bidders must provide proof of cover with a minimum amount of R10 million cover issued by a registered insurance company or a quotation from a relevant insurance company.

6.3.9 **PROOF OF FUNDING AVAILABILITY**

6.3.9.1 It is a requirement of this bid that bidders have a minimum R500 million funding available.

6.3.9.2 Bidders must provide proof of such fund availability. In a case where the bidder will be receiving funding from a financier, a confirmation letter for funding from the financier must be submitted with the bid at the closing date and time.

6.3.9.3 The confirmation letter must include but not limited to the following:

a) The confirmation Letter must be on the original financier's letter head, dated and signed

b) The confirmation letter must have the contact's name, physical and postal address, telephone, and email details and the capacity which a person is signing the letter.

c) The confirmation letter must confirm the availability of a minimum of R500 million funding.

d) The confirmation letter must confirm that the agreement will be for the full RT68-2021_RA contract period between the contractor and the financier.

6.3.9.4 The state reserves the right to confirm the contents of the confirmation letter with the bidder and/or financier to ensure that funding is adequately addressed.

6.3.9.5 Failure to submit the confirmation letter will invalidate the bid.

6.3.9.6 This requirement will not be applicable where the bidder is a registered bank in terms of the Banks Act.

6.3.10 **AUTHORISATION DECLARATION**

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

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

6.3.10.3 The State reserves the right to verify any information supplied by the bidder in the Authorization Declaration and should the information be found to be false or incorrect, the State reserves its right to exercise any of the remedies available to it, including disqualifying the bidder and or restricting the bidder.

6.3.10.4 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. Failure to render the service in line with the contractual terms of this, contract may lead to the contract being terminated and the bidder being restricted from doing business with the State.

6.3.10.5 The authorization declaration must include but not limited to the following:

a) The authorization declaration must be on the original third party's letter head, dated and signed

b) The authorization declaration must have the contact's name, physical and postal address, telephone, and email details and the capacity which a person is signing the authorization declaration.

6.3.10.6 Failure to submit the authorization declaration will invalidate the bid.

6.3.11 Once a bid has complied with mandatory requirements and other bid requirements, it would further be evaluated on PHASE 3: Capacity and capability.

## 6.4 PHASE 3: CAPACITY AND CAPABILITY

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

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

6.4.3 **Information Technology (IT) Requirements**

6.4.3.1 It is a requirement of this bid that Annexure C be filled out and submitted with the bid at the closing date and time. Non-submission or incomplete Annexure C issued with the bid may render the bid non-responsive and therefore lead to disqualification of the bid.

6.4.3.2 ***Collection of premiums***

a) It is a requirement of this bid that bidders be able to administer the collection of premiums on government's Persal and Persol systems. Bidders must provide proof that their system will be able to interface and/or interact with Persal and Persol systems.

b) Bidders are expected to provide the name of the system and the entity/company that owns the system and how it is able to interact and /or interface with government's Persal and Persol systems.

6.4.3.3 ***System requirements relating to ordering, delivery and reporting requirements***

a) It is a requirement of this bid that bidders be able to provide a system that will be able to manage the process workflow of ordering, delivery of vehicles and reporting.

b) Bidders a required to provide an undertaking that their system will be able to meet all requirements stated above.

6.4.3.4 Bidders must be able to provide a demonstration regarding the system provided.

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

6.4.4 **Provincial offices**

6.4.4.1 It is a requirement of this bid that a successful bidder have offices in all provinces.

6.4.4.2 Bidders must make an undertaking that they are in a position to set up provincial offices in all provinces within a period of three (3) months from the commencement of the contract. **Annexure C** attached in this bid must be used to provide such an undertaking.

6.4.5 **History of similar work**

6.4.5.1 Bidders must be able to demonstrate that they have experience of similar work in financing a group scheme with any type of premium collection process that was conducted before.

6.4.5.2 Bidders must submit at least one (1) contactable references where similar work was conducted and contact details of such references.

6.4.5.3 The contactable reference must include the following:

a) The bidder was once awarded a contract to finance vehicles,

b) The institution the contract was awarded

c) The number of vehicles financed; and

d) The period of the contract.

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

6.4.7 Once a bid has complied with PHASE 3: Capacity and capability requirements, it would further be evaluated on PHASE 4: Price and B-BBBEE.

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

6.5.1 **APPLICABLE TAXES**

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

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

6.5.2 **VALUE ADDED TAX**

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

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

6.5.3 **PRICING STRUCTURE AND SCHEDULE**

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

6.5.3.2 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.

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

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

6.5.3.5 Bidders must ensure that it completes in full, and submits the EXCEL PRICING SPREAD SHEET attached in this bid, failing which the bid will be deemed non responsive and shall therefore be disqualified.

6.5.3.6 The EXCEL PRICING SPREAD must be converted into a Portable Document Format (PDF) and submitted with the bid at the closing date and time. This PDF document must be similar to the EXCEL PRICING SPREAD SHEET submitted.

6.5.3.7 The interest rate submitted for this bid must be completed on the field provided in the pricing schedule supplied with the bid. Price structures that do not comply with this requirement will invalidate the bid.

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

6.5.3.9 Prices submitted for this bid must be completed on the fields provided on the price schedule supplied with the bid.

6.5.3.10 Pricing structures that do not comply with this requirement will invalidate the bid.

6.5.3.11 All pricing submitted must adhere to the requirements as set out in the National Credit Act.

6.5.4 **PREFERENCE POINT SYSTEM**

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

a) The bid price (maximum 90 points)

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

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

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

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

6.5.4.3 A maximum of 10 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

| 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 |

**Table 3**

6.5.4.4 Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level points.

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

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

6.5.4.7 Failure on the part of the bidder to comply with the paragraphs above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0). As the this bid has a pre-qualification criteria, non-submission of original and valid B-BBEE status level verification certificate or a certified copy or sworn affidavit at the closing date and time of the bid to prove compliance with pre-qualification criteria will lead to the disqualification of the bid.

6.5.4.8 The State may, before a bid is adjudicated, require a bidder to substantiate claims it has made with regards to preference points.

6.5.4.9 The points scored will be rounded off to the nearest 2 decimals. In the event that two or more bids have scored equal total points, the Contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE.

6.5.4.10 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

6.5.5 **RECOMMENDATION AND AWARD**

6.5.5.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on phase 1, phase 2, phase 3 and phase 4.

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

# PART 2: ADDITIONAL BID REQUIREMENTS

## 7. ADHERENCE TO REQUIREMENTS

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

## 8. THIRD PARTY AGREEMENTS AND SUB-SERVICE PROVIDER AGREEMENTS

**8.1** No agreement between the bidder and any third party will be binding to the State.

**8.2** In the event that bidder intends using sub-contractors to execute the Contract or part thereof, the bidder must note that it shall remain responsible and accountable for the completion of the work or delivery of services requirements as per Regulation 12 of the PPR 2017.

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

## 9. SUPPLIER DUE DILIGENCE

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

## 10. COUNTER CONDITIONS

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

## 11. FRONTING

**11.1** The National Treasury supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background, the National Treasury condemns any form of fronting.

**11.2** The National Treasury, in ensuring that bidders conduct themselves in an honest manner may, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents.

**11.3** Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the bidder / service provider to prove that fronting does not exist.

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

## 12. RIGHT OF AWARD

**12.1** The state reserves its following rights-:

12.1.1 to award the bid in part or in full;

12.1.2 not to make any award in this bid;

12.1.3 request further technical information from any bidder after the closing date; or

12.1.4 verify information and documentation of the respective bidder;

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

12.1.6 in the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

## 13. AWARD CONDITIONS

**13.1** For the purpose of procuring finance and administration for the subsidized motor transport fleet, the State will appoint one service provider to fulfill all the requirements of the contract.

## 14. NEGOTIATIONS

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

## 15. SUBMISSION OF BIDS

**15.1 Hard copy and Submission of Bids**

15.1.1 The bidder must submit at least two hard copies of the bid document together with a memory stick on or before the closing date and time to National Treasury: Bid Information Centre. The hard copy of the bid response will serve as the legal bid document.

15.1.2 The bidder must submit at least two hard copies of the bid document of which only the original must include the pricing together with a memory stick on or before the closing date and time to National Treasury: Bid Information Centre.

15.1.3 ***The pricing schedule on a memory stick that will be submitted must not be a PDF but be on excel format***.

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

15.1.5 Each bid should be submitted in a separate, sealed envelope or suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly endorsed.

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

**15.2 Conflict of interest in submission of bids**

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

## 16. LATE BIDS

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

## 17. BID COMMUNICATION AND CLARIFICATION

**17.1** National Treasury may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the Contract, or to extend the validity period of the bid, if necessary.

**17.2** All communication between the bidder and the Contract Management Office must be done in writing.

## 18. CONTACT DETAILS

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

Transversal Contracting, OCPO-National Treasury, Private Bag x115, Pretoria, 0001
Physical address: 240 Madiba Street, cnr. Thabo Sehume - and Madiba Streets, Pretoria

**Bid Enquiries**

Tel: 012 395 6521 / 012 395 6600

E-mail: transversal.contracting5@treasury.gov.za

**Specification / Technical Enquiries**

Mr Andries Schoeman/ Mr Mlungisi Maphanga

Department: National Department of Transport

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

Tel: 012 309 3117/ 012 309 3895

# PART 3: END-USER REQUIREMENTS

## 19. INTRODUCTION TO REQUIREMENTS

**19.1** The State requires an all-inclusive service for the administration, financing and the provision of credit life cover for all users to the contract.

**19.2** Only bidders that comply with the relevant Financial Sector Conduct Authority registration requirements will be considered as per the Financial Services Laws General Amendment Act 45 of 2013.

**19.3** The State requires a service provider to Finance and administer all Subsidized Vehicles procured under Scheme A of the Subsidized Motor Transport Scheme.

**19.4** In order for the appointed Contractor to execute the required services as set out in this contract, they will need to share information with other service providers appointed in terms of Subsidized Vehicle Contracts. This includes contract RT62 for the Maintenance of Subsidized Vehicles, contract RT57 for the procurement of Subsidized Vehicles and contract RT58 for the Insurance of Subsidized Vehicles. The same requirement for the sharing of information is applicable to other contractors appointed in terms of the Subsidized Vehicle Scheme.

**19.5** The Contractor will need to ensure that every agreement signed by any official partaking in the scheme will allow the sharing of information submitted during the application process with the service providers as listed above, and government for the single purpose of executing the contract.

**19.6** The functions required from the Contractor in terms of this contract can be summarized into the following functions:

19.6.1 The administration of the Subsidized vehicle application process

19.6.2 To ensure that the affordability and the requirements of the National Credit Act are met by the official that applies for the Subsidized Vehicles.

19.6.3 To ensure that the requirements as set out by the Department of Transport in terms of accessories and affordability calculations are met.

19.6.4 To finance the Subsidized Vehicle.

19.6.5 To ensure that payments to the motor vehicle manufacturers and suppliers are within the required 30 days of the vehicle being delivered.

19.6.6 To ensure that the correct deductions and allowances are loaded for the officials on the government payroll systems and that these are managed.

19.6.7 To ensure that there's correct and efficient communications to the various role players within the scheme including SMS's and emails during the various phases of the application process.

19.6.8 Apart from the above functions, the appointed service provider must assist government in the application and enforcement of the regulations of the current Subsidized Motor Transport Scheme (Subsidized Motor Transport Handbook 1 of 2017 or as amended,)

## 20. TASK DIRECTIVES / REQUIREMENTS

**20.1** The end user requirements cover the general aspects of the bid that is required from all appointed contractors.

**20.2** The appointed contractor will provide administration services, financing and credit life cover for participants to the Subsidized Motor Transport Scheme.

## 21. APPOINTMENT OF END USER REPRESENTATIVES

**21.1** The Coordinating Committee of Government Motor Transport manages all government fleet related matters and contracts on a national level. The committee consist of representatives from all provincial transport departments and some national users such as SAPS, SANDF and Correctional Services.

**21.2** Within each province, the provincial department of transport chairs a provincial transport officers meeting, where all departments in the province are represented. The National Department of Transport chairs the transport officers' forum for all national departments.

**21.3** Each department has appointed transport officers that represents their respective departments at the provincial / national transport officers meeting.

**21.4** Transport Officers are responsible for the day to day interaction with the contractor to ensure that the required services are rendered to the end user department.

**21.5** The appointed contractors shall within reasonable time make all relevant documents, writings and technical data available to CCGMT members and transport officers and render them with the required assistance to perform their functions in line with this contract.

**21.6** The appointed contractor shall appoint its own representatives to whom all queries or correspondence regarding work carried out in terms of this contract shall be directed.

**21.7** All correspondence not of a confidential nature, may be made by telephone and, if so, shall be followed by confirmation in writing either by letter, e-mail within a period of 48 hours thereafter.

**21.8** The appointed contractor shall indicate the persons appointed to act as representative between the participating department and the appointed contractors.

## 22. CAPACITY

**22.1** Over and above capacity requirements provided for in phase 3 of the evaluation criteria, bidders must observe the following capacity requirements for the implementation of the ensuing contract:

22.1.1 The bidder must ensure that it has the required number of staff employed to provide the services that the bid is submitted for, and that the appointed staff have the required levels of knowledge and skills to ensure that government's fleet is managed effectively and efficiently in terms of the services as set out in this document.

22.1.2 Should more than one company combine in the submission of one bid or where services are subcontracted, the roles and responsibilities of each company should be clearly be clearly defined in the bid submission.

22.1.3 The bidders must demonstrate that it has the capability to collect the capital premiums on a monthly basis through the government payroll systems. Should the service of submitting the payment files to payroll systems for the collection of the capital premium be outsourced, the bidder must include any such agreements that it may have or will enter into with a third party as part of its bid submission.

## 23. FINANCIAL CONSIDERATIONS

**23.1** All pricing submitted must be reflected in the pricing schedule. The State will not authorize any payments for any amounts that are not reflected in terms of the pricing schedule.

**23.2** The bidder should not include in their bid submission any additional pricing or fee structures that are not included in the pricing schedule.

**23.3** All pricing submitted must adhere to the requirements as set out in the National Credit Act.

**23.4** The contractor will be allowed to quote for an additional administration fee, in line with the requirements of this bid as set out in the pricing schedule.

## 24. CREDIT COVER

**24.1** As part of the finance agreement, the contractor shall provide credit cover insurance to an official that finance a vehicle through the Subsidized Motor Transport Scheme as specified in the National Credit Act. This cover should include, death and permanent disability.

**24.2** Such cover shall be compulsory to the official and will be 100% subsidized by the State.

**24.3** The RT68 Contractor will be required to collect an annual premium upfront at the start of the financial year. This premium will need to be calculated based on the principal debt and the

amount quoted per R1, 000. 00 borrowed. This will be reduced annually, based on reduction of the principal debt.

**24.4** A schedule of all calculations and amounts to be deducted needs to be submitted to the end user departments for record and audit purposes.

**24.5** Should an official resign or a contract be terminated prior to the end of the financial year, a pro-rata repayment will need to be made for the remainder of the period, unless the policy needed to pay out.

## 25. CONTRACT INITIATION FEE / ONCE OF ADMINISTRATION FEE

**25.1** In line with the requirements as set out in the National Credit Act, the contractor shall be allowed to add a once of initiation fee to the finance agreement at the start of the agreement.

## 26. MONTHLY ADMINISTRATION FEE

**26.1** The Contractor will be allowed to claim a monthly administration fee in line with the provisions as made in the National Credit Act.

**26.2** The Contractor shall ensure that all applications as received from the end user departments are verified against specimen signatures to ensure the authenticity of all vehicle applications.

## 27. GOVERNMENT PAYROLL SYSTEMS

**27.1** Government is making use of the Persal and Persol payroll systems and the contractor wil be required to ensure that they meet the requirements for interaction with these payroll systems to ensure the submission of allowances and deductions.

**27.2** The Contractor shall ensure that all capital deductions are made from the payroll account of the individual

**27.3** The bidder must prove that the system they are making use of will be able to accommodate the payment of the 60% capital allowance by the State, the deduction of the actual amount payable by the official as well as the other requirements defined under this contract

**27.4** The contractor will ensure and make provision for the relevant audit processes required by the government's payroll systems.

**27.5** The bidder must indicate the capability of its system to interact/ interface with the government's payroll systems. Should this function be outsourced, the agreement or possible agreement with such a company will need to be provided. A copy or an example the credit cover agreement must be provided.

## 28. FINANCE EXCLUSIONS

**28.1** The following, for the purpose of this contract does not need to be financed by the Contractor.

28.1.1 Any application where the official cannot afford the vehicle that he/she applied for in terms of the affordability calculation as required by the National Credit Act.

28.1.2 Any application that cannot be approved based on the results of the ITC enquiry due to non-payment or bad debt from the official.

28.1.3 Any transaction where the required authorization has not been granted by the end user department.

28.1.4 Any transaction or possible transaction where the contractor has reason to suspect any fraudulent activity.

## 29. MANAGEMENT OF INFORMATION: RT58 INSURANCE OF SUBSIDIZED VEHICLES

**29.1** The Contractor will need to obtain and provide information to and from the contractor appointed in terms of contract RT58 for the insurance of Subsidized Vehicles. The current contract expires on 31 December 2025. It is therefore possible that the Contractor will need to engage or implement a new system should a new contractor be appointed.

**29.2** The Contractor will need to ensure that confirmation of insurance is received from the RT58 service provider. Such a confirmation can be electronically or as otherwise agreed to but needs to be documented for audit purposes.

**29.3** The amount of the vehicle to be insured and all other vehicle related information as well as the personal details of the official, department and contact details should be provided to the RT58 service provider on a regular basis and in the file format as required by the RT58 service provider or otherwise agreed to prior to the official taking delivery of the vehicle.

**29.4** The RT58 service provider needs to be notified within 24 hours of any terminations of agreements that the Contractor may be aware of. Such notification shall be in the prescribed format as required by the RT58 service provider or as otherwise agreed to. As per the contract RT58 for the Insurance of the Subsidized Vehicle, the vehicle will remain insured for the remainder of the calendar month in which the agreement was terminated.

**29.5** The RT58 service provider will communicate any information related to vehicles written off to the Contractor as well as ensure that the outstanding amount is settled.

**29.6** The Contractor shall provide the service provider appointed in terms of the RT58 Insurance Contract with the correct reference or account number for the settlement of the vehicle account should the vehicle be written off.

## 30. MANAGEMENT OF INFORMATION: RT62 MAINTENANCE OF SUBSIDIZED VEHICLES

**30.1** The Contractor needs to provide the following information to the service provider appointed in terms of contract RT62 for the Maintenance of Subsidized Vehicles:

**30.2** All vehicle related information as captured through the execution of this contract.

**30.3** All information related to the official, including ID numbers, Peral or Persol numbers, contact details and any other information as required by the maintenance service provider for the execution of the contract.

## 31. MANAGEMENT OF INFORMATION: RT57 VEHICLE PROCUREMENT CONTRACT

**31.1** The suppliers in terms of contract RT57 for the procurement of vehicles can change throughout the finance contract period. The Contractor need to obtain the following information from suppliers on contract RT57, the government vehicle procurement contract:

31.1.1 The Financial Service Provider appointed in terms of contract RT68 will be required to verify the prices invoiced by the suppliers appointed in terms of contract RT57 for the supply of motor vehicles prior to drawing up the financial agreement with the official. Should a financial agreement be drawn up at an incorrect price, the RT68 service provider will be responsible for the cost that will be incurred in redrawing the financial agreement.

31.1.2 All relevant banking details and account information for the payment of vehicles as supplied under the Subsidized Motor Transport Scheme and financed by the Contractor appointed in terms of this contract.

31.1.3 All vehicle types, models and accessories available from the suppliers on contract RT57, vehicle procurement contract

31.1.4 The prices of vehicles and the subsequent price adjustments on a four monthly basis as managed by the Section: Contracts Management at National Treasury.

31.1.5 The dealership networks of all suppliers on contract RT57 where vehicles are to be delivered.

31.1.6 The process for the placement of a vehicle order and the method thereof such as email and verification processes.

31.1.7 The process for the confirmation of a vehicle order by the supplier on contract RT57 once the vehicle order has been placed stipulating whether such confirmation shall be done via fax or email. The contractor needs to ensure that the process is at all times documented

31.1.8 The number of phases that needs to be completed by the manufacturer to build the vehicle. These phases do not need to be the same number of phases for the relevant suppliers but must be numbered. For example: A vehicle in phase 4 of a 12 phase manufacturing process will therefore be communicated as phase 4 of 12, should the vehicle be in phase 4 of a 16 phase manufacturing process it will be communicated as phase 4 of 16. The Contractor will need to ensure that the various suppliers in terms of contract RT57 notify them within at least 24 hrs of a vehicle moving from one phase in the manufacturing process to the next.

31.1.9 The last phase in which a vehicle order can be cancelled or amended.

31.1.10 Anticipated time frames for the vehicle to be transported from the manufacturing or assembly plant to the relevant dealerships.

31.1.11 Arrival of the vehicle at the dealership

## 32. END USER COMMUNICATION REQUIREMENTS

**32.1** The contractor is required to communicate to the official and the Transport Officer via SMS or email (as preferred) in terms of the following:

32.1.1 Upon receiving the application from the official.

32.1.2 The Contractor shall communicate the results of the ITC and affordability checks to the official. Should the application not be successful because of the results of the ITC and affordability checks, the recourse to be taken by the official will need to be communicated.

32.1.3 When the vehicle order is sent back to the department for verification, the official needs to be notified.

32.1.4 Upon receiving the rectified/verified order back from the end user department the actual vehicle to be ordered needs to be communicated to the official as well as the recourse to be taken by the official should the vehicle order not be correct.

32.1.5 Once the vehicle order has been placed with the vehicle manufacturer or supplier in terms of contract RT57, the official needs to be notified.

32.1.6 The Contractor will need to notify the official for the duration of the manufacturing process by making reference to the various vehicle-manufacturing phases. (See Management of information: RT57 Vehicle Procurement Contract). Such communication shall include whether

the vehicle order can still be cancelled or not, if it is delivered or any other action that may be required from the official or in what phase of the manufacturing process the vehicle is.

32.1.7 The official will be notified of the vehicle delivery at the dealership and request the official to inspect the vehicle as well as the relevant details to ensure that the vehicle finance contract is signed.

32.1.8 Should the interest rate change during the contract period, the official will need to be notified, including the revised amount to be deducted via the government's payroll system.

32.1.9 All the above communication will need to be done in accordance with the applicable legislation and the official need to have the option not to receive the SMS's.

32.1.10 Should the contractor outsource this function a copy of the proposed agreement must be submitted as part of the bid document.

## 33. CONTRACTING PARTIES

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

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

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

# SECTION B: CONDITIONS OF CONTRACT

## 34. CONCLUSION OF CONTRACT AND SLA

**34.1** The Contract between National Treasury and the preferred bidder (Service Provider) collectively referred to as the Parties shall come into effect after the Service Provider has been issued with an Unconditional letter of Acceptance to their bid.

**34.2** It is a requirement that the Service Provider and the National Department of Transport signs a SLA after award of this Contract. National Treasury shall terminate the Contract with the Service Provider that fails to sign the SLA without justifiable grounds.

**34.3** The Service Provider shall be the bidder appointed in terms of this bid. The parties must ensure that the terms and conditions of the SLA do not contradict the provisions of this bid document. In the event that the terms of the SLA contradict the provisions of this bid document to the extent that the duration, pricing as well as services have changed in terms of this Contract, such SLA shall be deemed not to be in terms of this RT68-2021_RA. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT68-2021_RA.

**34.4** The following will form part of the Contract documents between the parties in as far as this RT68 is concerned: -

34.4.1 Bid Documents;

34.4.2 Letter of appointment;

34.4.3 Award Documents (Covering Letter, Contract Circular, Special Conditions of Contract and General Conditions of Contract);

34.4.4 SLA;

**34.5** For purposes of Section B, the term “service provider” shall refer to the preferred bidder appointed in term of this RT68-2021_RA.

## 35. PROVINCIAL OFFICES

**35.1** Over and above provincial offices requirements in phase 3 of the evaluation criteria, the following provincial offices conditions must be met:

35.1.1 Failure by the service provider to appoint a dedicated individual for this contract per province can be construed as breach of contract and will allow the State to take the required action.

35.1.2 The dedicated service consultants must at least be able to perform the following tasks:

35.1.3 Assist departments and resolve issues that arise with the day-to-day operation of the contract;

35.1.4 Pro-actively analyse the State's fleet management costs as well as administration and provide fleet management advice and assistance to the State;

35.1.5 Assist Departmental Transport Control Officers and Transport Officers on the reports generated;

35.1.6 Act as nodal point for the collection of all documents related to the finance and administration processed of the contract.

35.1.7 Obtain knowledge of the State's business principles and accordingly assist with the optimization of its fleet. Consequently, the Contractor will be contractually required throughout the contract period to provide recommendations in order to optimally manage the fleet size and cost.

35.1.8 Assist with the processes related to the affordability calculations, contract signing and delivery processes of the vehicles.

35.1.9 During the first three (3) months of the contract, the contractor must submit proof of provincial offices by means of a form or municipal rates account, lease agreement or any other documentation that may serve as proof of having a provincial office.

35.1.10 Contractors must provide the functions that will be performed in these offices as well as the number of staff at these locations and their level of expertise.

35.1.11 Offices will be required in Polokwane, Nelspruit, Mafikeng, Bloemfontein, Kimberley, Cape Town, Pietermaritzburg, East London/ Bisho, Johannesburg and Pretoria

## 36. CONSULTANCY FUNCTION

**36.1** The Contractor must participate in State forums held on a monthly basis as coordinated by the Provincial Transport departments or when requested to do so. Pro-active participation and reporting at these sessions is a requirement.

**36.2** The Contractor shall present a critical evaluation of the State fleet on at least a quarterly basis. The presentation, in a format and manner to be agreed upon with the National Department of Transport must deal with and shall not be limited to aspects such as vehicles utilisation, fuel and maintenance control, loss control, vehicle selection, risk management, fleet composition and any new technology designed to curb abuse and recommendations to improve the overall service.

## 37. COLLECTION OF PREMIUMS

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

**37.2** The Contractor shall not penalise or implement any measures against any official due to its failure

to collect premiums. This includes interest or listing officials at the National Credit Regulator.

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

## 38. PAYMENT OF RT57 SUPPLIERS

**38.1** The contractor should take note that not all the suppliers on RT57 follow the same processes for the issuing of invoices. Some of the OEM's issue invoices upon the vehicle being dispatched from the factory and others only when the vehicles are received by the dealerships.

**38.2** The contractor will be required to establish processes with each of the RT57 suppliers to ensure that:

38.2.1 Payments to the suppliers are done within the required period of 30 days as per the PFMA.

38.2.2 That re-allocations are minimized by doing another credit check on the individual prior to the vehicle being dispatched by the RT57 supplier.

## 39. EQUIPMENT AND MATERIALS

**39.1** The Contractor shall provide all equipment, materials, sundry items stationery, incur any delivery charges, postage, telephone, facsimile, photocopy costs and the like that may be required for purposes of the contract, as part of the cost of the contract.

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

**39.3** The "driver's handbook" should also be issued to all officials partaking in the Subsidized Motor Transport Scheme as well as all departmental transport officers.

**39.4** Equipment can also include any stickers related to towing service contact details and or maintenance call centres as supplied by the contractors appointed in terms of contract RT62 for the Maintenance of Subsidized vehicles or RT58 for the Insurance of Subsidized Vehicles.

## 40. END USER TRAINING

**40.1** During the period of the contract, the Service provider shall provide training on an ad-hoc basis countrywide to government officials as per consultation with the State or Provincial Transport departments.

**40.2** Continuous training will need to be provided at different levels to accommodate administrational, operational staff and managers.

**40.3** Regular training courses shall address all related systems, processes and fleet management principles and procedures, which have bearing on this contract and can include the following:

40.3.1 General fleet management concepts;

40.3.2 The purpose and method of accessing management reports;

40.3.3 The implications of any system changes;

40.3.4 Risk management

**40.4** The training programs will be finalized with the successful bidders within 3 months' post award. The Service provider shall provide the State with a manual on systems and procedures relating to the contract.

**40.5** Training will have to be provided online/ virtual and should be accessible to all end users of the contract. Where required, the end user department can request for training to be provided onsite.

**40.6** This training shall be provided to the State as part of the contract and at no additional cost to the State.

**40.7** The Service provider shall provide a competent dedicated training officer to facilitate and provide training at the premises of the various users of this contract on a continuous basis from the commencement of the contract. This shall be provided for all nominated State officials on the "best practices" within the practice of fleet management at no additional cost to the State.

**40.8** The Service provider shall provide detailed reporting on all training undertaken. This will include information such as the type of training provided, names of the officials trained, dates of training and venues.

## 41. USER SATISFACTION SURVEY

**41.1** The Service provider must conduct an annual web based user satisfaction survey aimed at measuring the satisfaction of users with the services provided by contractor. It must include a proposed user satisfaction index and a schedule of user satisfaction criteria. The survey will test user satisfaction levels in respect of the services provided via a representative sample and cross-section of users.

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

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

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

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

41.5.1 RT57 Suppliers

41.5.2 Government user departments

41.5.3 Provincial Departments of Transport

## 42. RELATED CONTRACTS

**42.1** The effectiveness and efficiency of the Subsidized Motor Transport Scheme requires the service provider appointed in terms of RT68 for the Financing of Subsidized Vehicles to work together in the sharing of information and the development of systems with the other service providers appointed in relation with the Subsidized Motor Transport Scheme to ensure seamless flow of information between them and the relevant end users. Other vehicle related contracts in terms of the Subsidized Vehicle Scheme are listed below.

### 42.2 RT57 – Vehicle procurement contract

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

42.2.2 The contractors appointed for the Insurance of Subsidized Vehicles and the Maintenance of Subsidized Vehicle obtains the information for the database of the appointed service provider for the Financing of Subsidized Vehicles.

### 42.3 RT62 – Maintenance of Subsidized Vehicles

42.3.1 The contractor appointed in terms of contract RT68 for the financing of the subsidized motor vehicles will be required to provide information to the contractor appointed in terms of contract RT62 for the Maintenance of Subsidized Vehicles. It is the responsibility of the contractor appointed in terms of Contract RT62 to maintain all subsidized vehicles on the scheme and administer all fuel claim processes.

### 42.4 RT58 – Insurance of Subsidized Vehicles

42.4.1 The Finance Service provider will be required to confirm insurance with the service provider appointed in terms of RT58 as well as provide this service provider with information to compile their database.

42.4.2 Interaction with the RT58 Insurance Service provider will be required in the event of a total loss of a vehicle.

## 43. CURRENT PROCESSES

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

**43.2** The official applies within his/her department for a subsidized vehicle. This application is not vehicle specific but for a type of vehicle such as a sedan or a light delivery vehicle with a specific engine category.

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

**43.4** After the department has approved the application for the subsidized vehicle, the application will be sent to the Finance Service Provider appointed in terms of contract RT68. The Finance Service Provider will do the credit and affordability checks as required by the National Credit Act.

**43.5** Once the applications has been approved, the finance service provider will send the application back to the end user department for verification of the vehicle make and model as ordered by the official.

**43.6** Upon verification, the application will be returned to the finance service provider that will place the vehicle order with the relevant supplier in terms of contract RT57 for the Procurement of vehicles.

**43.7** The RT68 contractor will need to do a revised credit check once they are notified by the supplier on contract RT57 that the vehicle is ready to be dispatched. This is required due to the possible

change in the credit profile of the official or a possible increase in the price of the vehicle due to the RT57 price adjustments every four months.

**43.8** Once the RT68 contractor can ensure that an agreement can be entered into with the official, must the vehicle be dispatched to the dealership.

**43.9** The supplier in terms of contract RT57 will deliver the vehicle to the identified dealership and invoice the Finance Service Provider accordingly.

**43.10** The official will do an inspection of the vehicle. Upon inspecting the vehicle, the finance service provider will register the vehicle and request the official to sign the finance agreement with the finance service provider.

**43.11** When the official signs the finance agreement and take delivery of the vehicle, the following processes will commence:

43.11.1 The Finance Service Provider is required to pay the vehicle supplier as per contract RT57.

43.11.2 The Finance Service Provider needs to instate the monthly allowances and deductions from the official's salary for the payment of the capital of the vehicle.

43.11.3 The vehicle is insured with immediate effect as per contract RT58.

43.11.4 The collection of the insurance premiums is instated.

43.11.5 The Maintenance Service provider appointed in terms of the RT62 contract is responsible for any maintenance required on the vehicle.

43.11.6 The Maintenance service provider needs to instate the allowances and deductions for the maintenance premiums through the government's payroll systems.

43.11.7 The Maintenance service provider needs to process all fuel claims and log the payments thereof through the government's payroll systems.

43.11.8 Once the vehicle has reached the required kilometers (160 000km), or the required time period elapses as set out in the finance agreement (32/36/42/48/60 months) or for any other reasons such as the resignation from government by the official, the official passing away or the official being promoted the vehicle is withdrawn from the scheme.

43.11.9 Apart from the above functions, the appointed service provider will need to assist government in the application and enforcement of the current Subsidized Motor Transport Policy. (Subsidized Motor Transport Handbook 1 of 2019, Annexure A) which is subject to amendments by The National Department of Transport.

## 44. RELEVANT STATISTICS AND ESTIMATED QUANTITIES

**44.1** Please note that these statistics must be utilized for the sole purpose of preparation for this bid and that it is only a guideline in terms of the volumes of this contract. The State does not guarantee that the number of vehicles in the fleet at the time of implementation will be the same as indicated in this document. It is merely an estimate to be used in the compilation of the bids.

**44.2** The State does not and shall not guarantee the fleet size or any other statistics provided as part of this bid as contracted by the State.

**44.3** The Service provider is required to obtain knowledge of the State's business principles and accordingly assist with the optimization of its fleet. Consequently, the Service provider will be contractually required throughout the contract period to provide recommendations to optimally manage the fleet size and cost.

**44.4** The statistics provided to assist the bidders in the compilation of their bids are attached to this document as Annexure B.

## 45. PARTICIPATING GOVERNMENT DEPARTMENTS / INSTITUTIONS

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

## 46. POST AWARD PARTICIPATION

**46.1** The State reserves the right to allow any State Institution to participate in this Contract post award, on condition that such end users make use of the government Persol and Persal I systems as provided for under this contract.

## 47. CONTRACT PRICE ADJUSTMENTS

**47.1 Formula**

47.1.1 Prices submitted for this bid will be regarded as non-firm and subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time. The price will only be adjusted for the administration fee on the contract for all new finance contracts entered into.

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

47.1.3 The following price adjustment formula will be applicable for calculating Contract price adjustments (CPA).

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

**Table 4**

## 47.2 Formula component definitions

### 47.2.1 Adjustable amount

47.2.1.1 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.

### 47.2.2 Fixed portion

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

47.2.3 **Cost components and proportions**

47.2.3.1 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.

47.2.3.2 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.

47.2.3.3 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.

| Cost Component | % Contribution |
|---|---|
| D1- CPI Financial services | 100% |
| TOTAL (Cost components must add up to 100%) | 100 % |

**Table 5**

47.2.4 **Applicable indices / references**

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

| Cost component | Index Publication | Index Reference |
|---|---|---|
| Financial Services | STATS SA Statistical release P0141 (CPI Publication) | Table E financial services |

**Table 6**

47.2.5 **Base Index Date**

47.2.5.1 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 **MAY 2021**

47.2.6 **End Index Date**

47.2.6.1 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).

47.2.7 **Price Adjustment Periods**

47.2.7.1 Adjustment will be applied on yearly basis:

| Adjustment | CPA application to reach the office at the following dates | End Index Date | Dates *from* which adjusted prices will become effective |
|---|---|---|---|
| 1 | 01 September 2022 | July 2022 | 1 October 2022 |
| 2 | 01 September 2023 | July 2023 | 1 October 2023 |
| 3 | 02 September 2024 | July 2024 | 1 October 2024 |
| 4 | 01 September 2025 | July 2025 | 1 October 2025 |

**Table 7**

**47.3 General**

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

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

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

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

47.3.5 Bidders are referred to part 2 of the Special Conditions regarding Counter Conditions.

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

## 48. DELAYS AND/OR UNSATISFACTORY PERFORMANCE

**48.1** The service provider shall, at all times, ensure that it renders the services in accordance with the provisions of this Contract and within the delivery times or periods as agreed to between the parties.

**48.2** This bid is issued with a penalty schedule to manage service failures at any time during the performance of the services, by the service provider, its agents or subcontractor(s). Potential bidders are requested to familiarize themselves with the penalty schedule.

## 49. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

### 49.1 Contract Administration

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

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

### 49.2 Supplier Performance Management

49.2.1 Supplier performance management will be the responsibility of the National Department of Transport through the Coordinating Committee for Government Motor Transport (CCGMT) and where supplier performance disputes cannot be resolved between the service provider and the relevant purchasing institution, National Treasury: Transversal Contracting must be informed for corrective action.

## 50. POST AWARD SERVICE COMPLIANCE

**50.1** The service provider shall ensure that the NCR and FSCA certificates remain valid for the duration of the contract. It remains the responsibility of the service provider to ensure that it provides the Transversal Contracting office at National Treasury with a valid certificate within 30

(thirty) days from the date of expiry of such a certificate or within the time agreed to with the State failing which the service provider shall be in breach of contract.

**50.2** The State reserves its right to terminate the contract should the service provider fail to remedy such breach as per the provisions of this contract.

## 51. QUALITY ASSURANCE

**51.1** The service provider must ensure that its services comply with all applicable legislation with particular reference to clause 2 at all times during the contract period.

## 52. INSPECTION AND AUDIT

**52.1** The State reserves the right to inspect and audit any document pertaining to this contract within five years of the date of expiry of the contract. This may also include queries and complaints. The contractor shall provide any assistance free of charge that may be required in this regard.

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

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

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

## 53. INSURANCE AND INDEMNITY

**53.1** The contractor must obtain sufficient professional indemnity insurance to indemnify the State against any claim of whatever nature and however arising out of any willful or negligent action or omission of the contractor, its employees, subcontractors, and assignees.

**53.2** In the event that any legal action, based on the willful or negligent action or omission of the contractor, its employees, subcontractors and assignees, is brought against the State, the State shall be entitled, inclusive, to recover from the contractor the legal fees and disbursements on an attorney-client scale.

## 54. SECURITY AND CONFIDENTIALITY OF DATA

**54.1** The Service provider undertakes to disclose information related to or generated through this contract only to the parties stipulated in the contract, both during the contract period and subsequent. Information may only be disclosed to outside sources with the prior, written approval

from the National Department of Transport or the Provincial Transport Departments where applicable.

**54.2** The Service provider shall ensure that all information made available online to end users of the contract is secured by the use of usernames and passwords and will allow individuals to reset the passwords in a way that is user friendly.

**54.3** To protect the database relating to State's fleet contract, the Service provider shall have in place, and shall maintain, suitable back-up procedures and system recovery plans to protect data. The Service provider shall back-up all electronic data on a daily basis. Any costs associated with the recapture and processing of data for whatever reason shall be borne by the contractor.

**54.4** In the event that the system recovery plan needs to be implemented, the service provider will need to ensure that operational capability is restored within a period of 12 hours, with full access to reporting and all other requirements of the contract within a period of 48 hours.

**54.5** A successful bidder shall be subject to a SSA clearance process which will be facilitated by the State. Should the service provider's clearance have a negative outcome, the State shall terminate this contract with immediate effect.

## 55. RISK MANAGEMENT

**55.1** The contractor's systems and procedures shall incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions.

**55.2** The Service provider shall report in writing to the State any suspected irregularities involving an official, or any other person immediately upon the suspicion arising.

**55.3** The Service provider shall be required to be involved in establishing a risk management unit that will work closely with the appropriate authorities.

**55.4** In terms of the operations of this contract, the service provider shall:

55.4.1 Take adequate steps (including rotation of staff where practical) to minimize the risk of collusion among its staff, merchants and/ or government officials.

55.4.2 Either provide or ensure that vehicles of the State, when delivered to the dealership or merchant, be covered for any damage of whatever nature or cause until the vehicle is collected by an official designated by the State to do so.

55.4.3 Assist the State in investigating such irregularities by providing any information and/ or evidence that it may have. The information provided shall be sufficient to enable the State to institute

investigations and / or take corrective action or institute disciplinary action against employees in the employment of The State.

55.4.4 Avail any of its staff at no additional cost to the State to assist in any investigations, disciplinary or criminal actions.

**55.5** The Service provider shall be liable for all costs or damages incurred by the state where:

55.5.1 Costs or damages are a result of irregularities involving the staff of the Service provider.

55.5.2 Where preventative and detective safeguards failed.

55.5.3 Where any fraud can be proven, the service provider has the right to recover any losses from individuals involved and institute the required criminal proceedings.

## 56. CHANGE CONTROL

**56.1** Should the State require to amend any of the services as set out in these special conditions, add additional related services, or need to establish or specify the levels of a required service, or need to make any other arrangements to streamline the deliverables as set out in this contract, the following will apply (*This does not include any changes to the scope of the contract.*):

56.1.1 A request shall be made by the contractor to the National Department of Transport for any change control requests.

56.1.2 The Department of Transport shall be responsible for approving all change controls that are operational in nature after consultation with the appointed contractor.

56.1.3 Should the requested changes have any impact in terms of the pricing as included in the pricing schedule attached to this contract or in any other way, a submission shall be made by Department of Transport to the section: Contract Management at National Treasury.

56.1.4 Once approval has been granted by Department of Transport or the Section: Contract Management at National Treasury, the changes will be signed off by both parties prior to implementation.

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

**56.2** Format of change control:

56.2.1 Each request for a change control shall have a date and be individually numbered in terms of the year and the request number i.e. Change Control 1 of 2021.

56.2.2 The request shall provide the current contents of the contract, the recommended changes to

be made, the reasons for such changes and the financial implications thereof.

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

## 57. REPORTING AND THE COLLECTION OF INFORMATION

**57.1** It is the responsibility of the Contractor to supply accurate and relevant management information on a continuous basis to allow for the management of the fleet's requirements. Given this fact, the Contractor shall have and maintain an IT system that allows the State to access and retrieve accurate and relevant management information from the Contractor within 24 hours.

**57.2** In the event of termination or breach of contract, the Contractor shall provide its entire database containing the up-to-date information in respect of the State's fleet contract, in electronic format, within 24 (twenty-four) hours of such termination or breach to the State. The cost of such transfer of information will be for the account of the Contractor.

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

**57.4** The Contractor must have proven IT capability to provide management reports in hard copy and electronically from the date of the award of the contract.

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

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

57.6.1 The entire fleet.

57.6.2 The fleet per province.

57.6.3 The fleet per department.

57.6.4 The fleet per district or operating area,

57.6.5 Per category/ type of vehicle  Per vehicle and per end user/driver

57.6.6 The system shall allow for the printing of on-line reports by all parties who have authorised access to reports.

57.6.7 The user departments/provinces or divisions should first approve the electronic format of reports prior to it being distributed.

57.6.8 Should any other operational information as recorded by the Service Provider be required by the end user department a request can be made, through the National Department of Transport to include the information in the reporting.

**57.7** Reports and reporting systems shall be user friendly:

**57.8** Each report shall have a narrative heading which indicates the nature of the report and clearly identifies the information required and for which level it is applicable. (Province, Department District etc.)

**57.9** The reports / data required in an electronic format and hard copy shall be easily accessible through an efficient, user friendly menu system compatible with at least Microsoft Windows operating system;

**57.10** The Contractor must supply the State with access to a system/application in order for the state to analyse electronic downloaded data where required;

**57.11** All reports must be exportable to at least a Microsoft Windows application;

**57.12** The purpose of, and suggested usage for, each report shall be documented in"help" manuals and shall be addressed during training sessions conducted by the Contractor throughout the contract;

**57.13** Printed reports that are required monthly and shall be delivered within 7 (seven) working days of the cut-off date of that month;

**57.14** The contractor is required to capture the following information on its system:

**57.15** **<u>In terms of the official:</u>**

57.15.1 Name and surname

57.15.2 Government payroll number (Persal or Persol)

57.15.3 Contact details of the official

57.15.4 Province or National government

57.15.5 End user department

57.15.6 Region / District

57.15.7 Contact details of the Departmental Transport Officer

57.15.8 Finance Service Provider account number

57.15.9 Contract start date

57.15.10 Contract end date

57.15.11 ID number

57.15.12 Contract early termination date

57.15.13 Reason for early termination

**57.16 <u>In terms of the vehicle:</u>**

57.16.1 Vehicle registration number

57.16.2 Engine number

57.16.3 VIN number (Chassis Number)

57.16.4 Vehicle make

57.16.5 Vehicle model

57.16.6 Vehicle type

57.16.7 Approved accessories fitted to the vehicle

57.16.8 Non-approved accessories fitted to the vehicle

**57.17 <u>In terms of premium collection</u>**

57.17.1 Government payroll centre

57.17.2 Government payroll centre number

57.17.3 Vehicle category as approved by end user department

57.17.4 Actual vehicle category

57.17.5 Approved rate for capital reimbursement

57.17.6 Approved amount for capital reimbursement

57.17.7 Total kilometes travelled to date

**57.18 <u>In terms of maintenance</u>**

57.18.1 Service intervals

57.18.2 Applicable service plans

57.18.3 Approved vehicle maintenance category

57.18.4 Actual vehicle maintenance category

57.18.5 Billing amount

57.18.6 Warrantee of vehicle

57.18.7 Number of tyres allowed

**57.19 Administration information**

57.19.1 Date of order received

57.19.2 Date of Credit check completed

57.19.3 Date of communication to end user department

57.19.4 Date of vehicle confirmation received

57.19.5 Date of vehicle order placed

57.19.6 Date of vehicle delivered at dealership

57.19.7 Date of vehicle inspection

57.19.8 Date of vehicle collection by official

**57.20** In terms of other information Any other operational information that may reasonably be required

**57.21** The minimum required management reports as identified by the end users of the contract must be provided by the Contractor are required at the stated frequency, in the stated form and to the stated parties. Information supplied in the relevant reports should be sufficient to enable the State to institute investigations or take corrective action. The user departments can request a report on any combination of the following information as set out below as this information is essential for the deliverables stated in this contract.

**57.22** The bidder is required to indicate where, when and with what regularity the data as set out herein will be captured and what measures will be taken to ensure the accuracy of the data.

**57.23** The bidder is also required to ensure that the ability to report on the data as set out above and the flexibility of its system is illustrated in their submission by way of providing examples of current reports or proposed reports with the relevant headings and subsequent information.

## 58. VEHICLE FINANCE AND RELATED PROCESSES

**58.1** The Contractor will be required to manage the vehicle ordering process to ensure that:

58.1.1 All the requirements in terms of the National Credit Act for the financing of the vehicle are met,

58.1.2 That the supplier of the vehicle in terms of the RT57 vehicle procurement contract is paid,

58.1.3 That the vehicle instalments are deducted from the government payroll system

58.1.4 That the allowances payable by government are loaded correctly onto the government payroll system.

## 59. MANAGEMENT OF THE VEHICLE ORDERING PROCESS

**59.1** The official applies within his/her end user department for approval of the subsidized vehicle. Once such approval has been granted, the vehicle of choice is selected by the individual from the RT57 contract for the procurement of vehicles. This application specifies the category for which the official will qualify, also referred to as the benchmark, in terms of the type of vehicle and the engine size. It also forms the basis for the capital contribution to be made by government.

**59.2** The current processes have been implemented to manage the Subsidized Motor Transport Scheme. The contractor will need to fulfil their role in terms of these processes as well as introduce modifications and improvements on the current systems whilst at the same time ensuring that all control measures as implemented remains intact. The typical life cycle of a vehicle ordered through the Subsidized Motor Transport Scheme can be summarized in the following steps:

**59.3** The official applies within his/her department for a subsidized vehicle through the government application form (Z81). This application is not vehicle specific but for a certain type of vehicle such as a sedan or a light delivery vehicle with a specific engine category. The end user department will approve such an application based on the fact that the official adheres to the minimum requirements for the participation to the scheme as well as the most economical solution for the provision of appropriate transport as set out in Subsidized Motor Transport Handbook 1 of 2017. The approved vehicle category will form the basis for the payment of all allowances to the official. To assist with this process, the contractor will have to provide a web based calculator and ordering system. This system should allow officials to:

**59.4** Compare various vehicle options with each other, including the various government contributions and subsidies.

**59.5** Provide an electronic Z81 application form that can be utilized by officials as part of their application process to indicate the contribution by government and by the official.

**59.6** Include a list of accessories and make a provision for accessories to be included in the quotation

**59.7** After the department has approved the application for the subsidized vehicle, the application will be sent to the Contractor. The official will select a vehicle of his/her personal choice from the RT57 contract that will need to be ordered by the Contractor. The contractor will do the credit

and affordability checks as required by the National Credit Act prior to approving the application based on the actual vehicle selected by the official. For the purpose of the affordability check the amount to be contributed by government (the capital allowance) will need to be "ring fenced" and treated as additional income.

**59.8** The Contractor will be required to add a disclaimer to the application form in which the official states that they will retain a good credit standing up until the vehicle is delivered.

**59.9** Once the application has been approved, the Contractor will send the application back to the end user department for verification of the vehicle make and model as ordered by the official. For the purpose of this contract, the contractor will apply for a vehicle in four colours as specified by the official in the application process, should a vehicle in any of these colours become available, the official will need to take delivery of the vehicle.

**59.10** Should the application not be approved, the Contractor will need to notify the official as well as inform the official of the steps to be taken to rectify the application should it be possible Upon verification by the official of the make and model of the vehicle, the application will be sent back to the Contractor that will place the vehicle order with the relevant supplier in terms of contract RT57 for the procurement of vehicles.

**59.11** The RT68 contractor will need to do an additional credit check, prior to the vehicle being dispatched from the RT57 supplier to reduce any re-allocations of vehicles where a vehicle cannot be delivered due to an increase in the vehicle price or a change in the credit profile of the individual.

**59.12** The supplier in terms of contract RT57 will deliver the vehicle to the identified dealership and invoice the Finance Service Provider accordingly.

**59.13** The official will do an inspection of the vehicle prior to signing the finance agreement.

**59.14** The RT68 contractor will need to ensure that the signing of the contract is convenient for the official and will need to either implement a system where the official can electronically sign for the vehicle or sign the agreement at the place and time that the vehicle will be delivered. The contractor cannot expect officials to travel in excess of 100km just to sign the finance agreement.

**59.15** When the official signs the finance agreement and take delivery of the vehicle, the following processes are started:

59.15.1 The Finance Service Provider is required to pay the vehicle supplier as per contract RT57.

59.15.2 The Finance Service Provider needs to instate the monthly deductions from the official's salary

for the payment of the capital of the vehicle.

59.15.3 The agreement to ensure cover for the amount in the event of the official passing away or immediate disability needs to be affected.

59.15.4 The vehicle is insured with immediate effect as per contract RT58.

59.15.5 The collection of the insurance premiums is instated.

59.15.6 The Maintenance Service provider appointed in terms of contract RT62 for the Maintenance of Subsidized Vehicles will be responsible for any maintenance required on the vehicle.

59.15.7 The Maintenance service provider needs to instate the deductions for the maintenance premiums through the government's payroll systems.

59.15.8 The Maintenance service provider needs to process all fuel claims and log the payments thereof through the government's payroll systems.

**59.16** Once the vehicle has reached the required kilometers (160 000km), or the required time period elapses as set out in the finance agreement (32/36/42/48/60 months) or for any other reasons such as the resignation from government by the official, the official passing away or the official being promoted; the vehicle is withdrawn from the scheme.

**59.17** The contractor will need to ensure that processes are in place to deal with the early terminations of agreements such as may be required where the official resigns from government, the official passes away or for any other reason as allowed in the Subsidized Motor Transport Handbook.

**59.18** The bidder needs to indicate how the process as set out in the Special Conditions will be managed, what control measures will be implemented and that the requirements as set out will be met by submitting a process flow, indicating the form of communication between the relevant role players and the regularity thereof.

## 60. FINANCE INCLUSIONS

**60.1** The Contractor shall ensure that the full amount of the vehicle including all accessories is financed. Such financing shall be done in line with the requirements as contained in the National Credit Act with the due considerations to the required ITC verifications as well as the affordability calculations.

**60.2** The contractor shall ensure that all correct invoices as received from the various service providers under contract RT57 will be paid within the 30 days as prescribed in the PFMA.

**60.3** The RT68 contractor will be responsible for any interest levied for late payments to the RT57

service providers in the event that:

60.3.1 Such late payments were caused by failure to inform the official in time that the vehicle needs to be collected.

60.3.2 Any delay in payments to the RT57 service provider due to faulty or insufficient processes of the RT68 contractor.

**60.4** In the eventuality that a vehicle cannot be delivered to the official that applied for the vehicle due to the official passing away, being transferred, promoted or any other reason, the contractor will be responsible for re-allocating the vehicle to any other official within the scheme that is willing to take delivery of the vehicle and that qualifies for the vehicle in terms of the Subsidized Motor Transport Handbook.

**60.5** The contractor must ensure that this re-allocation is done within the required 30 days of the date of invoice. The contractor will be responsible for the payment of any interest incurred on such a vehicle.

**60.6** Should the contractor not be in a position to re-allocate the vehicle 75 days after invoice, the specific case will be taken up with the relevant motor manufacturer and The National Department of Transport.

**60.7** Based on the outcome of this process a method of disposal will be determined to ensure that the disposal will happen within 90 days of the date of invoice. The contractor shall be responsible for any losses incurred.

**60.8** The contractor should make provisions for possible transportation of vehicles within the relevant province in order to re-allocate the vehicles when the vehicle cannot be allocated at the initial place of delivery.

## 61. CAPITAL ALLOWANCE CALCULATION

**61.1** The Contractor will be required to load the calculated capital deduction onto the government payroll system. The capital allowance to be loaded on the government payroll system will be 60% of all approved accessories as well as 60% of the benchmark.

**61.2** The benchmark is calculated by the service provider and approved by the National Department of Transport, based on the average vehicle price, per category of the RT57. The benchmark is updated once every four (4) months based on the increases and decreases of vehicle prices on contract RT57.

**61.3** The Contractor, apart from ensuring that the correct amount is loaded on the government payroll systems for each official, will consider the amount of this capital allowance as additional income when calculating the affordability. Should the contractor appointed in terms of contract RT68 load the incorrect amount, all cost incurred to rectify the amount will be for the cost of the RT68 service provider.

## 62. ACTUAL CAPITAL TO BE COLLECTED

**62.1** The contractor, along with the amount loaded on the government payroll system per official, will be required to load the actual amount to be deducted from the salary of the official towards the payment of the vehicle.

**62.2** This capital to be collected will be based on the amount of the actual vehicle price and the actual cost of any accessories added by the official as well as all other costs specified within this document.

**62.3** Once the contractor has loaded the allowance onto the government payroll systems, it will be the responsibility of the contractor to ensure that the payment of the actual vehicle instalment is received on a monthly basis.

## 63. ACCESSORIES

**63.1** Government will contribute 60% towards all approved accessories. The calculated 60% will need to be included in the allowance to be loaded onto the government payroll system. The full amount for the procurement of the approved accessory will need to be added to the amount to be deducted from the official through the government payroll system.

**63.2** Should the accessory not be approved and therefore not be subsidized by the end user department, the cost thereof will be for the account of the official. Should the affordability of the official allow for it, the contractor can finance the accessory.

## 64. VEHICLE REGISTRATION FEE

**64.1** The once off vehicle registration fee of the new vehicle will be paid for by the contractor and the amount charged thereof financed over the contract period. The Contractor will not be allowed to add any profit margin or administration fee to the registration fee.

## 65. POST AWARD REPORTING

**65.1** The service provider shall ensure that they submits all reports every six (6) months through e-mail to: Transversal Contracting, OCPO National Treasury: tranversal.contracting5@treasury.gov.za

**65.2** For this purpose; electronic templates as well as reporting schedules will be supplied to service provider by the State.

## 66. REPORTING AND FEEDBACK MEETINGS

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

## 67. TERMINATION

**67.1** The State shall be entitled to terminate this agreement or any category if one or more of the following occur:

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

67.1.2 the service provider enters into settlement arrangements with their creditors;

67.1.3 the service provider commits an act of insolvency;

67.1.4 in the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes;

**67.2** The State reserves its right to terminate the contract in the event that there is a change in ownership of the service provider that has the effect that the over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.

**67.3** Either Party may terminate this contract for breach in the event that the other party fails to comply with any of its obligations in terms of this contract, and having failed to remedy such breach within 14 (fourteen) calendar day's written notice to remedy such non-compliance.

**67.4** Notwithstanding the provisions above, either party may terminate this contract by giving the other party a 30 (thirty) days written notice to that effect.

## 68. SYSTEMS ENHANCEMENT

**68.1** The Contractor shall constantly seek to enhance its systems and shall evaluate any new technology designed to curb fraud and abuse. The Contractor's management information systems shall throughout the contract period have the capability to be enhanced / customised or provide for newly specified reporting in order to accommodate the State's changing business requirements, which may include a transition from the current payroll systems in use to a new system during the contract period.

**68.2** The State shall be consulted before any significant changes to systems are affected and such enhancements should further not change any of the requirements of the State.

**68.3** Should the State at any time require the use of any new technology in the market that has not been included within this specification, such can be sourced on the request of The State in line with the Change Control procedures as set out in this specification.

## 69. CALL CENTRE FACILITY

**69.1** A call centre facility must be implemented by the contractor at no additional cost to the State for the logging, answering and resolution of queries. The call centre facility needs to fulfil the following requirements:

69.1.1 Operated on all business days from 07:30 to 17:00.excluding weekends and public holidays. The call centre number may be diverted to a cell phone, this will however only be allowed, where the staff member has full access to the systems of the contractor.

69.1.2 A shared call option will need to be made available for departments and officials contacting the Service Provider.

69.1.3 All calls between The State and the Contractor will need to be recorded for quality and training purposes and the State should have access to such recordings within 48hrs of an incident occurring.

69.1.4 The contractor shall ensure that 98% of all calls be attended to within 1 (one) minute in person. An automated telephone answering service does not constitute a call being “attended to”

69.1.5 Call centre operators must at least be conversant in English and in at least one of the other official languages.

69.1.6 The call centre function must be performed to address the needs of each specific province / user that partakes in the contract. The bidder will need to establish provincial offices to support the call centre and would need to assist the provinces with the daily management of the contract. This includes applications, vehicle orders, payment inquiries and needs to fulfil the requirements of the relevant end user departments.

69.1.7 The call centre will need to be fully functional at the time of the commencement of the contract.

69.1.8 The contractor shall be capable of generating meaningful electronic call centre reports for feedback to the State (This will include, but are not limited to: average call waiting time, call duration, calls dropped etc.) – This information will need to be available per province and for the country as a whole and would need to be reported on, on a monthly basis within the first

seven days of the month either in electronic or in hard copy format as preferred by the individual clients and should only be relevant to calls logged by users of this contract.

69.1.9 The contractor must submit proof that it does have access to a call centre facility or that such a facility can be established within the implementation period of the contract conforming to the requirements of the Special Conditions of contract RT68-2021_RA. The contractor must submit information in terms of the current or anticipated call centre capabilities in terms of volume and service levels as well as the capability to generate the reports as required and the system to be used. Should this function be outsourced to any other company, the outsourced agreement must be supplied

## 70. COPYRIGHT AND OWNERSHIP OF DOCUMENTS AND DATA

**70.1** All documents and information produced by the contractor, including its employees and agents, in the fulfilment of the terms of this contract shall be and remain the sole property of the State. Any and all copyrights and ownership of documents shall vest with the State.

**70.2** The contractor, including its employees and agents, shall, on oral or written request from the State, submit any documentation and materials to the State within 24 hours of such request.

**70.3** The State is, and remains, the sole owner of all data generated by the execution of this contract. The contractor shall provide the data to the State or a third party only upon written request in paper and/or electronic format, upon approval from the National Department of Transport or the Provincial Transport Departments where applicable.

**70.4** All data generated through the execution of the contract remains the property of the State. The contractor shall endeavor to make all data available to the state upon conclusion of the contract. Such data should be made available in the prescribed format and if requested to do so, transfer all data to an independent or any other third party as nominated by the State.

## 71. CONTRACT LEAD OUT PROCESSES

**71.1** The contract lead out processes will commence on the last day of the contract. All information and data transfer needs to be done within a period of 30 days where required.

**71.2** The Contractor shall make the following data as generated during the execution of the contract or as received from previous contractors available to the State or any other third party as nominated by the State in the agreed upon format:

71.2.1 All data shall be made available electronically in a mutually agreed format.

71.2.2 Detailed transaction data per vehicle

71.2.3 All life to date data per vehicle to be made available to the new contractor or any other party as nominated by the state, with clear explanations of every data field.

71.2.4 List of all user departments, including contact details

71.2.5 All process flows as developed by the contractor during the contract period as approved by the Department of Transport.

71.2.6 All information and data transfer need to be done within a period of 30 days.

**71.3** As part of the lead out process, orders already received from the end user departments will need to be processed.

**71.4** At the end of the contract period, the Contractor shall assist the State by providing all information that will assist in the transition between the current contractor and the new contractor, where required.

**71.5** The contractor will need to ensure that all services as set out within this contract are rendered to all officials for the full duration of every individual finance contract. Even if such a contract commences on 30 September 2026.

**71.6** The contractor will be required to do a full audit at the end of the contract period to ensure accurate collections were made throughout the contract period.

## 72. PENALTIES

**72.1** Failure to render the services as set out in this contract to the acceptable levels, will either constitute a breach in contract that will lead to termination of the contract or the levying of penalties for the rendering of substandard services.

**72.2** The acceptable level for all services in the contract is set out in in the penalty schedule.

**72.3** The feasible timeframes will be negotiated with the contractor, prior to signing the service level schedule, but not the penalty amount.

**72.4** The following process will be applicable for departments to levy penalties for the non-delivery of services or the delivery of substandard services to the end user departments as per penalty schedule:

43.2.1 The end user department shall send a letter to the contractor, copying the National Department of Transport, quoting the relevant clause of the service level schedule, the service that was not rendered along with all supporting documentation substantiating the claim.

43.2.2 The contractor will have seven (7) working days to respond to the claim in writing should they

not be in agreement of the service failure and provide any substantiating documents in their response.

43.2.3 The end user department will have seven working days to either agree with the claim of the contractor that the penalty should not be levied or confirm the penalty in writing. Any disputes will be referred to the National Department of Transport.

43.2.4 Upon agreement of the penalty, the contractor shall pay the full amount for all penalties issued within 30 days. In addition, the end user department shall be provided with a full report on all penalties where the process was concluded and corresponding to the amount as reflected as paid..

**72.5** In the event that the contractor provides information in which it claims that the service was delivered, the end user department will have seven working days to either agree with the claim of the contractor or issue a letter to the contractor that the service failure needs to be rectified in line with the requirements of the service level schedule.

**72.6** Should the contractor not rectify the service failure within the required timeframe, the end user department shall confirm the penalty in writing. Any disputes will be referred to the National Department of Transport who will be regarded as the mediator/arbitrator of such disputes.

**72.7** Upon agreement of the penalty, the Contractor shall pay the full amount of the penalty within 30 days of it being finalized and provide a report to the end user department. Failure to do so will attract interest on the outstanding amount, until such payment is received.

**72.8** Consistent or continuous failure by a service provider to rectify specific service failures can constitute a breach of contract and can lead to contract termination.

**72.9** The same process will apply for all penalties issued by the National Department of Transport with the exception that all amounts will be directly paid to the National Department of Transport.

## 73. CHANNELS OF COMMUNICATION

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

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

**73.3** For operational queries, the Contractor shall communicate with the relevant department, the Provincial Departments of Transport or if necessary, the National Department of Transport.

## 74. PENALTY SCHEDULE

| No | No & Name of Section | Contractors Responsibility | Penalty Applicable | Category |
|---|---|---|---|---|
| 1 | 42. Current processes | Ordering of an incorrect vehicle | The contractor shall be liable for all cost to re-allocate the vehicle to another participant in the scheme as well as pay R10 000 to the end user department if the vehicle was already delivered to the dealership. | National Department of Transport |
| 2 | 6 (6.3.7) Financial Considerations | Non- availability of funding | R 1 000 000 for every week that funding is not available and accessible to ensure vehicle delivery | National Department of Transport |
| 3 | 38. Payment of RT57 suppliers | The contractor shall ensure that the RT57 service providers are paid within the required 30 days | The contractor shall be liable for all interest payable to the RT57 contractor. In addition, the contractor will need to pay R10 000 for each instance (vehicle) in which the 30 day payment was not made in time. | National Department of Transport |
| 4 | 54. Security and Confidentiality of Data | Security and Confidentiality of Data | An amount of R10 000 will be payable should operational capability not be restored in 24 hours and full operations within 48 hours | National Department of Transport |
| 5 | 69. Call Centre | Call center needs to be available 99% of the time. | R5000 for every percentage or part thereof below the 99% threshold | National Department of Transport |
| 6 | 69. Call Centre | The contractor shall ensure that 95% of all calls be attended to within 1 (one) minute in person. | R5000 for every percentage or part thereof below the 95% threshold | National Department of Transport |

| No | No & Name of Section | Contractors Responsibility | Penalty Applicable | Category |
|---|---|---|---|---|
| 7 | 69. Call Centre | The Contractor will be penalized for every call not answered within 5 minutes. | R1000 for every call not answered within 5 minutes | National Department of Transport |
| 8 | 35. Provincial Offices | Provincial Offices | An amount equal to R50,000.00 will be payable for each month that the contractor does not have a provincial office that meets the requirements | Provincial Department of Transport / National Department of Transport |
| 9 | 57. Reporting and collection of information | Non- availability of online reporting | R10 000.00 if reporting is not restored within 72 hours and R5 000.00 for every 24 hours thereafter | National Department of Transport |
| 10 | 59. Management of the vehicle ordering process | Non- availability of online application and ordering system | R10 000.00 if reporting is not restored within 72 hours and R5 000.00 for every 24 hours thereafter | National Department of Transport |
| 11 | 24. Credit Cover | Non- availability of credit cover (life cover) | R20 000 for every week that a credit cover policy is not available. | National Department of Transport |

**Table 8**

**END**