SPECIAL CONDITIONS OF CONTRACT

BID NUMBER RT 74-2020

SUPPLY, DELIVERY AND INSTALLATION OF PREFABRICATED ADJUSTABLE SHELVING, STEEL RACKING, DESIGNING OF MEZZANINE FLOORING, HIGH DENSITY MOBILE FILING SYSTEMS TO THE STATE

FOR THE PERIOD

1 JUNE 2020 TO 31 MAY 2023

NON-COMPULSORY BRIEFING SESSION: 18 MARCH 2020

AT 10:00 - 12:00

NATIONAL TREASURY, 240 MADIBA STREET, BOARD ROOM 0103(1st Floor)

CLOSING DATE AND TIME OF BID: 09 APRIL 2020 @ 11h00

BID VALIDITY PERIOD: 120 DAYS

National Treasury

Transversal Contracting

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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BQRC	Bid Quality Review Committee
B-BBEE	Broad-Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempted Micro Enterprise
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PPR 2017	Preferential Procurement Regulation 2017
QSE	Qualified Small Enterprise
RoE	Rate of Exchange
RSA	Republic of South Africa
SLA	Service Level Agreement
SABS	South African Bureau of Standards
SANAS	South African National Accreditation System
SARS	South African Revenue Service
SSA	State Security Agency
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SBD	Standard Bidding Document
SSA	State Security Agency
TCBD	Transversal Contract Bidding Documents
TC	Transversal Contracts
TIC	Tender Information Centre
VAT	Value Added Tax

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LIST OF ANNEXURES

Annexure A: Pricing Schedule

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Table 1: Returnable Bid Document Checklist

#	Document Name	Included in the published bid document?	To be returned by bidder?
1	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes
2	SBD 4 Declaration of Interest	Yes	Yes
3	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes
4	SBD 9 Certificate of Independent Bid Determination	Yes	Yes
5	TCBD 1 Authorisation Declaration	Yes	Yes
6	TCBD 1.1 (List of goods or services offered)	Yes	Yes
7	TCBD 1.2 Authorisation Letter	Yes	Yes
8	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No
9	CSD full report and not summarized	No	Yes
10	Shareholding portfolio by proof of registration of the company with CIPRO/CIPC	No	Yes
11	Fully Signed General Condition of Contract	Yes	Yes
12	Fully Signed Special Conditions of Contract	Yes	Yes
13	Original and valid B-BBEE status level verification certificate or a certified copy thereof or an original sworn affidavit	No	Yes
14	SBD 6.1 Preference Points Claim Form	Yes	Yes
15	Pricing Schedule: Annexure A	Yes	Yes
16	Proposed Subcontracting Plan and Agreement	No	Yes
17	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No
18	SBD 6.2 Declaration Certificate for Local production and content for designated Sectors	Yes	Yes
19	Annexures for Local Content	Yes	Yes

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Name of the document that must be submitted (Compliance)	Non-submission will result in disqualification?
SBD 1- Invitation to Bid	YES – Please complete and sign the supplied form.
Central Supplier Database registration	YES – Please submit CSD registration number or CSD report to prove registration.
SBD 4- Declaration of Interest	YES – Please complete and sign the supplied form.
SBD 6.1- Preference Point Claim Form	YES – Generally non-submission will lead to a zero score for B-BBEE, however, due to pre-qualification criteria it is a requirement that this document is provided to prove the B-BBEE status level contributor.
SBD 6.2 Declaration Certificate for Local production and content for designated Sectors	YES – Please complete and sign the supplied form.
Annexures for Local Content	YES – Please complete and sign the supplied form.
SBD 8- Declaration of Bidder's Past Supply Management Practices	YES – Please complete and sign the supplied form.
SBD 9- Certificate of Independent Bid Determination	YES – Please complete and sign the supplied form.
TCBD 1 – Authorisation Declaration	YES – Bidders sourcing products from a third party must submit the authorisation declaration letter and capability report of the third party.
TCBD 1.2- Authorisation Letter	YES – If the bidder is sourcing products from a third party, the letter of supply arrangement detailing the list of items must be submitted.
General Conditions of Contract	YES - Bidders must sign every page and familiarise themselves with the content of the document
Special Conditions of Contract	YES - Bidders must sign every page and familiarise themselves with the content of the document.
Pricing Schedule: Annexure A	YES – Please complete the price schedule electronically and submit a signed hard copy with the bid at the closing date and time.

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B-BBEE Certificate	YES – Please submit original and valid B-BBEE status level verification certificate or a certified copy thereof or an original sworn affidavit.
Sub-contracting	**YES** - Please submit a proposed plan for sub-contracting to EME or QSE which is at least 51% owned by black people AND Original and valid B-BBEE status level verification certificate or a certified copy thereof or an original sworn affidavit. AND Subcontracting agreement between the main bidder and the subcontractor.

 # ALL THE PROSPECTIVE BIDDERS ARE REQUIRED TO RETURN THESE DOCUMENTS AS PER ABOVE SEQUENCE

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1. INTRODUCTION

This bid is for the supply, delivery and installation of prefabricated adjustable shelving, steel racking, mezzanine flooring and high-density mobile filing system to the state for the period of 36 (thirty-six) months commencing on 1 June 2020 to 31 May 2023.

This bid document is divided as follows:

1.1	Section A	:	Conditions of bid
1.1.1	Part 1	:	Evaluation criteria consisting of 3 phases
1.1.2	Part 2	:	Bid requirements
1.2	Section B	:	Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

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

3. BID INFORMATION SESSION

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

Venue : National Treasury, 240 Madiba Street, Pretoria, Room 0103 (1st Floor)

Date : 18 March 2020

Time : 10h00 -12h00

Parking : Van Erkom (Karabo Parking), entrance to the parking area is in Francis Baard Street.

Please take the ticket at the boom gate and stamp it at the reception on the ground floor on your departure after the meeting.

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

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

3.4 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to transversal.contracting6@treasury.gov.za before the briefing session. The closing date for receipt of all enquiries is **27 March 2020**. All enquiries beyond this closing date will not be considered.

4. SPECIFICATIONS AND SCOPE OF WORK

4.1 A bid will be considered responsive if it addresses and scope of work summarised below. A bid that does not address the scope of work will be disqualified and considered non-responsive.

Product Type
Clip Type Shelving
Bolted Type Shelving
Beaded Side Shelving
Steel Racking (heavy duty) clip on steel shelves slats
Steel Racking (heavy duty) wooden shelves slats
Mezzanine flooring Egg rate or open Steel planking
Mezzanine Flooring closed Steel planking
Mobile Filing system
Filing Cupboards: Designated Sector
Filing Cabinets: Designated Sector

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5. END-USER REQUIREMENTS

5.1 All the relevant products (as indicated in the item descriptions) must comply with the following standards / specification which are obtainable from South African Bureau of Standards (SABS).

i. SANS 1528-3 – Storage Units
ii. CKS 370 –Adjustable Steel Shelving
iii. SABS – SATS 1286:2011 – Office Furniture

5.2 Obtaining of such standards/specifications will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of Standards, please contact Standards Sales at:

Postal Address: Private Bag X191, Pretoria, 0001

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria

Tel:(012) 428 6883, Fax: (012) 428 6928, E-mail: sales@sabs.co.za

Website: www.sabs.co.za and follow the “Search/Buy Standards” link

5.3 Items must comply with specifications as stated in the bid document.

5.4 **Bidders must ensure that only new items are supplied**.

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SECTION A

CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in three (3) phases as per the table below:

Table 3: Evaluation criteria

Phase I	Phase II	Phase III
Pre -Qualifying Criteria	**Compliance with mandatory and other standard bidding documents**	**Price and B-BBEE**
Regulation 4(1) (a)	Compliance with mandatory and other bid requirements	Bids evaluated in terms of the 90/10 preference system

6.1 **Phase I: Pre- Qualifying Criteria for Preferential Procurement**

6.1.1 Bidders must be a minimum B-BBEE status level contributor from level 1(one) to 5 (five) as per Regulation 4(1)(a) of Preferential Procurement Regulations, 2017.

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

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

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

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6.2 **Phase II: Mandatory and Other Standard Bidding Documents Requirements**

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

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

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

6.2.1.3 Bidders must submit a proposed subcontracting plan covering downstream activities such as transportation, installation, maintenance, input material and assembling.

6.2.1.4 Bidders must submit proof of the subcontracting agreement.

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

6.2.2 **Filing Cupboards & Filing Cabinets: Only locally produced goods with a minimum of 100% threshold for local production and content will be considered for this bid**.

6.2.2.1 The bidder must complete the declaration certificate for Local Production and Content together with Local Content Declaration Summary Schedule.

6.2.2.2 The declaration certificate for Local Production and Content together with Local Content Declaration Summary Schedule must be signed and submitted together with the bid at the closing date and time of the bid.

6.2.2.3 **Bidders may not sub-contract in such a manner that the local production and content of the overall value of the is reduced to below the stipulated threshold of 100%.**

6.2.3 The organ of state will make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in clause 6.2.1.1.

6.2.4 A bid that fails to meet 6.1.1 and 6.2.1 will not proceed to **Phase III.**

6.2.5 **For Filing Cupboards and Filing Cabinet**, a bid that fails to meet 6.1.1, 6.2.1 and 6.2.3 will not proceed to **Phase III.**

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Name of the Document that must be submitted (Mandatory)	Non –submission will result in disqualification
Original and valid B-BBEE status level verification certificate or certified copies thereof or an original Sworn Affidavit signed by the EME representative and attested by a Commissioner of oaths	Proof of B-BBEE status level of contributor as per Preferential Procurement Policy Act,2000: Preferential Procurement Regulations,2017 means- a) The B-BBEE status level certificate issued by an authorised body or person; b) An original sworn affidavit as prescribed by the B-BBEE Codes of Good Practice.
Sub-contracting	Bidder must submit a sub-contracting plan accompanied by an Original and valid B-BBEE status level verification certificates or certified copies thereof or an original sworn affidavit of a sub-contractor. Proposed subcontracting agreement between the main bidder and the subcontractor.
Filing Cupboards & Filing Cabinets SBD 6.2 Declaration Certificate for Local production and content for designated Sectors and Annexures for Local Content	Bidders must complete and sign the supplied form and subimt together with the bid at the closing date and time.
Name of the document that must be submitted (Compliance)	**Non-submission will result in disqualification**
SBD 1: Invitation to Bid	Please complete, sign the supplied form and submit with the bid at the closing date and time.
Central Supplier Database Registration Report	Please submit CSD registration number or CSD report to prove registration with the bid at the closing date and time.
Pricing Schedule	Please complete excel pricing schedule, sign and submit a copy with the bid at the closing date and time.
SBD 4: Declaration of Interest	Please complete, sign the supplied form and submit with the bid at the closing date and time.

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TCBD 1 Authorization Declaration	Please complete, sign the supplied form and submit with the bid at the closing date and time.
TCBD 1.2 Authorisation Declaration	Bidders must submit a signed authorisation letter in a letter head of the manufacturer or distributer, with contactable references and list of items.
SBD 6.1: Preference Point Claim Form	Generally non-submission will lead to a zero score for B-BBEE, however, **due to pre-qualification criteria it is a requirement that this document is provided to prove the B-BBEE status level contributor.**
SBD 8: Declaration of Bidder's Past Supply Management Practices	Please complete and sign the provided form with the bid at the closing date and time.
SBD 9: Certificate of Independent Bid Determination	Please complete and sign the provided form with the bid at the closing date and time.
General Conditions of Contract	Bidders must sign every page and submit with the bid at the closing date and time.
Special Conditions of Contract	Bidders must sign every page and submit with the bid at the closing date and time.

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6.2.6 **Authorisation Declaration**

Any bidder who is sourcing goods or services from a third (3rd) party must complete the "Authorisation Declaration" (TCBD 1) in full for all relevant goods or services, sign it and submit it together with the bid response at the closing date and time of the bid invitation.

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

6.2.6.2 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third (3rd) party will be binding on the State.

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

6.2.7 **Tax Compliance Requirements**

6.2.7.1 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.

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

6.2.7.3 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.

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

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

6.3 Phase III: Price and B-BBEE (90/10 Criteria)

6.3.1 Response Field

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

6.3.2 Applicable Taxes

All bid prices must be inclusive of all applicable taxes.

Failure to comply with this condition will invalidate the bid.

6.3.3 Value Added Tax

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

6.3.4 Pricing Structure

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

6.3.4.2 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. 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.

6.3.4.3 The bidder must ensure that it completes in full for the line items they are bidding for, signs and submits the **PRICING SCHEDULE** attached herein referred to as **Annexure A** failing which the bid will be deemed non-responsive and shall therefore be disqualified.

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

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6.3.4.5 Price structures that do not comply with the requirements of 6.3.4.3 above may invalidate the bid.

6.3.5 **Preferential Point System**

6.3.6 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:

i. The bid price (Maximum of 90 points)

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

6.3.6.1 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

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

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Table 2: Preference Point System

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

6.3.6.3 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 an original sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.

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

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

6.3.6.6 Failure on the part of the bidder to comply with the above paragraphs will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).

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

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

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

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

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

6.3.6.12 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points in line with Regulation 11 of the Preferential Procurement Regulation (PPR).

6.4 **Recommendation and appointment of a panel of bidders**

6.4.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on phase I, phase II, and phase III, the Contract Manager will compile a memo which will be presented to the Bid Adjudication Committee for award and approval.

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

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7. PART 2: ADDITIONAL BID REQUIREMENT

7.1 Introduction

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

7.2 Company Financial Statements

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

Company financial statements are required for contract management to view the supplier financial status for monitoring purposes.

7.3 Company Profile

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

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

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

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8. TERMS AND CONDITIONS

8.1 Third Party Agreements and Subcontractor Agreements

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

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

8.2 Supplier Due Diligence

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

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

8.3 Counter Conditions

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

8.4 Fronting

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

8.4.2 The NT, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on

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Complex Structures and Transactions and Fronting, issued by the DTI, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NT may invalidate the bid / contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

8.5 **Right of Award**

The State reserves its following rights;

8.5.1 To award the bid in part or in full;

8.5.2 Not to make any award in this bid;

8.5.3 Award the bid to more than one (1) bidder for the same item;

8.5.4 Request further technical information from any bidder after the closing date;

8.5.5 Verify information and documentation of the service provider;

8.5.6 Not to accept any of the bids submitted;

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

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

8.6 **Multiple Award**

The State reserves the right to issue multiple awards, to ensure availability of service. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

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The following shall be taken into consideration when contemplating a multiple award:

8.6.1 Capacity to meet the expected demand according to the end-user requirements;

8.6.2 Mitigation of risk if the item is unavailable.

9. NEGOTIATION

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

10. SUBMISSION OF BIDS

10.1 Bidders must respond to the bid as follows:

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

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

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

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

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

i. One (1) original hard copy clearly marked as “original”;

ii. One (1) memory stick or USB with all the documents on the original hard copy and a soft copy of the pricing schedule to the National Treasury (NT)): TIC by the closing date and time of the bid.

iii. Bidders must ensure that the USB is properly secured.

10.4 Non-compliance with 10.1 and 10.3 above may invalidate the bidder’s response.

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

10.6 After completing the pricing schedule electronically, the electronic version of the pricing schedule must be printed, signed and submitted together with the other bid documents which will serve as the card copy of the bid.

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

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

10.9 The bid will accessible on the below listed links:
https://etenders.treasury.gov.za/content/advertised-tenders
http://www.treasury.gov.za/divisions/ocpo/ostb/CurrentTenders.aspx

10.10 **Late Bids**

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

11. COMMUNICATION AND CONFIDENTIALITY

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

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

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

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

12. CONTACT DETAILS

12.1 General

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

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

12.2 Bid Enquiries

All enquiries should be in writing to transversal.contracting6@treasury.gov.za. The closing date for receipt of all enquiries is **27 March 2020**. All enquiries beyond the closing date will not be considered.

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SECTION B:

CONDITIONS OF CONTRACT

13. CONCLUSION OF CONTRACT AND SLA

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

13.2 It is a requirement that the preferred bidder (s) and the end user State institutions sign a Service Level Agreement (SLA) within thirty (30) days upon receipt of order. National Treasury shall terminate the Contract with the Service Provider that fails to sign the SLA without justifiable grounds.

13.3 The Service Provider (s) shall be 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 the services have changed in terms of this transversal contract, such SLA shall be deemed not to be in terms of this RT74-2020 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT74-2020 transversal contract.

13.4 The following will form part of the Contract documents between the Parties in as far this RT74-2020 is concerned:

i. Bid Documents;
ii. Letter of Appointment;
iii. Award Documents;
iv. SLA
v. General Conditions of Contract

In the event that there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to their service delivery:

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i. General Conditions of Contract

ii. Special Conditions of Contract; and

iii. SLA

In the event where there is customer-based SLA, the SLA will prevail on the above.

13.5 For purpose of Section B, the term “service provider “shall refer to the preferred bidder appointed in terms of this RT74-2020.

14. PARTICIPATING STATE INSTITUTIONS

i. Department of Home Affairs;

ii. Department of Mineral Resources;

iii. Department of Monitoring and Evaluation;

iv. Department of Justice and Constitutional Development;

v. Department of Correctional Services;

vi. National School of Governance;

vii. South Africa Police Service;

viii. Western Cape Provincial Department of Health;

ix. South African National Parks

x. Independent Electoral Commission

xi. Small Enterprise Finance Agency

xii. Department of Basic Education

15. POST AWARD PARTICIPATION

15.1 In terms of Treasury Regulation 16A6.5 the Accounting Authority may opt to participate in transversal contract facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract facilitated by the relevant treasury, the accounting officer or accounting authority may not solicit bids for the same or similar product or services during the tenure of the transversal term contract.

15.2 The participating letter will be customised to allow participation on completion and signing thereof as the transversal contract is arranged by means of a competitive

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bidding process by NT, subject to an electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.

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

16. CONTRACT PRICE ADJUSTMENT

16.1 Formula

16.1.1 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.

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

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

Table 3 : Contract Price Adjustment Formula

$Pa = (1-V)Pt\left(D1\frac{R1t}{R1o} + D2\frac{R2t}{R2o} + D3\frac{R3t}{R3o} + \ldots\ldots + Dn\frac{Rnt}{Rno}\right) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85)
D1 – Dn	=	Each factor (or percentage) of the bid price, e.g. material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%)
R1t – Rnt	=	End Index. Index figure obtained from the index at the end of each adjustment period

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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

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16.2 Formula component definitions

16.2.1 Adjustable amount

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

16.2.2 Fixed portion

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

16.2.3 Cost components and proportions

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

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

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

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Table 4: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Local Raw Material	
D2 – Labour	
D3 – Transport	
D4 – Electricity, Gas and Water	
D5 – Other	
TOTAL (Cost components must add up to 100%)	**100 %**

16.2.4 **Applicable indices / references**

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

Table 5: Applicable Indices

Cost component	Index Publication	Index Reference
D1 –Local Raw Materia	SEIFSA Index publication PO141 Table E	Table E-A: Domestic Steel Price Index (cold rolled)
D2 - Labour	SEIFSA index publication	Table C-4: SEIFSA index of actual wage rates
D3 – Transport	SEIFSA index publication	Table L-2: Road Freight Costs
D4 – Electricity, gas and water	SEIFSA index publication	Table K: Statistics SA index for electricity, gas and water
D5- Other	Specify	Documentary evidence to accompany claim

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16.2.5 **Base Index Date**

The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is **March 2020.**

16.2.6 **End Index Date**

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

16.2.7 **Price Adjustment Periods**

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

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

Table 6: Contract Price Adjustment Periods

Adjustment	CPA application to reach National Treasury at the following dates	End Index Date	Dates until which adjusted prices will be effective	Dates from which adjusted price will become effective
1st Adjustment	1 April 2021	March 2020	31 May 2021	01 June 2021
2nd Adjustment	1 April 2022	March 2022	31 May 2022	01 June 2022

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

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

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

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

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

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

Table 7: CPA Rate of Exchange

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

16.2.8.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period 1 January 2019 – 30 June 2019 using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 2 (Procedure to download historical exchange rates from the Reserve Bank website for instructions.

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

16.2.9 **General**

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

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

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

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

16.2.9.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

17. DELIVERY, QUANTITIES AND ORDERS

17.1 Delivery Basis

17.1.1 Bidders must adhere to firm lead times for delivery as quoted for the duration of the contract period.

17.1.2 Transit and storage conditions applicable to relevant product must be adhered to.

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

17.1.4 The following pre-award product compliance procedures will apply:

All the relevant products (as indicated in the item descriptions) must comply with the following standards / specifications which are obtainable from South African Bureau of Standards (SABS)

i. SANS 1528-3: Storage Units

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ii. CKS 370: Adjustable Steel Shelving

iii. SABS – SATS 1286:2011 – Office Furniture

17.1.5 Obtaining of such standards/ specification will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of Standards, please contact Standards Sales at:
Postal Address: Private Bag X191, Pretoria, 0001
Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria
Website: www.sabs.co.za and follow the "Search/Buy Standards" link.

17.1.6 The SABS approved technical specification number 1286:2011 is accessible on http:/www.thedti.gov.za/industrial development/ip.jsp at no cost.
Items must comply with specification as stated in the bid document.

17.2 **Quantities**

17.2.1 No quantities are reflected in this bid as orders will be placed on the basis of an 'as and when required" and no guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period.

17.2.2 Orders will be placed by participating State institutions and they will also be responsible for the payment to bidders for the equipment delivered and/or services rendered.

17.3 **Orders**

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

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

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

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

17.4 **Delivery Adherence**

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

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

17.4.3 In respect of items awarded Suppliers must adhere strictly to the delivery lead times quoted in their bids.

17.4.4 Supplier are required to deliver the goods at the required stores, off-load the goods from the trucks at the designated area as indicated on the official order form.

18. SECURITY AND CONFIDENTIALITY INFORMATION

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

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

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

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

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19. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

19.1 Contract Administration

19.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on transversal.contracting6@treasury.gov.za.

19.1.2 Suppliers must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the transversal contract. Full particulars of such circumstances as well as the period of delay must be furnished.

19.2 Contract Performance Management

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

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

19.2.3 End-user State institutions are required to report to National Treasury on quarterly orders including values of the orders to ascertain if the steel shelving needs are being fulfilled by the transversal contract.

19.3 Post Award Monitoring and Reporting

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

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

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19.4 **Historical data**

All successful bidders are required to submit historical value and volume reports via e-mail on a quarterly basis to: transversal.contracting6@treasury.gov.za.

20. TERMINATION

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

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

20.1.2 the service provider does not honour contractual obligations including submission of information;

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

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

20.1.5 the service provider commits an act of insolvency;

20.1.6 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.

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

20.3 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 have failed to remedy such breach within three (3) months calendar day's written notice to remedy such non-compliance.

20.4 Notwithstanding the provisions above, either Party may terminate this Contract by giving the other Party 30 (thirty) days' written notice to that effect.

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