SPECIAL CONDITIONS OF CONTRACT

RT81-2024

SUPPLY AND DELIVERY OF BUILDING MATERIAL TO THE STATE FOR A PERIOD OF 36 MONTHS

NON-COMPULSORY BRIEFING SESSION TO BE HELD ON THE 12 JANUARY 2023 ON MICROSOFT TEAMS

CLOSING DATE AND TIME OF BID

2 FEBRUARY 2024 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting

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LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
NT	National Treasury
OCPO	Office of the Chief Procurement Office
PPR 2022	Preferential Procurement Regulation 2022
RSA	Republic of South Africa
SLA	Service Level Agreement
SABS	South African Bureau of Standards
SARS	South African Revenue Service
SCC	Special Conditions of Contract
SBD	Standard Bidding Document
TCBD	Transversal Contract Bidding Documents
TC	Transversal Contracts
TIC	Tender Information Centre
VAT	Value Added Tax

LIST OF ANNEXURES

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DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Historically Disadvantaged Individuals	South African citizen: i) Who, due to the apartheid policy that had been in place, had no franchise in national elections before the introduction of the constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (the interim Constitution) and/or ii) Who is female; and/or iii) Who has a disability. Provided that a person who obtained South African citizenship on or after the coming to effect of the interim Constitution, is deemed not to be an HDI.

Table 1: Bid Document Checklist and Returnable Documents

#	Document Name[1]	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
PHASE 1: MANDATORY REQUIREMENTS				
MANDATORY DOCUMENTS				
1.	Conformation to the Technical Specification	Yes	Yes	
2.	Pricing Schedule	Yes	Yes	
PHASE 2: ADMINISTRATIVE AND LEGISLATION REQUIREMENTS				
STANDARD BIDDING DOCUMENTS				
3.	SBD 1 Invitation to Bid	Yes	Yes	
4.	Proof of authority must be submitted as per SBD 1 e.g., company resolution for the capacity under which this bid is signed	No	Yes	
5.	SBD 4 Declaration of Interest	Yes	Yes	
6.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
7.	Full CSD report	No	Yes	
OTHER DOCUMENTS				
8.	Company Registration CIPC documents	No	Yes	
9.	General Condition of Contract fully Signed and initialed on every page	Yes	Yes	
10.	Special Conditions of Contract fully Signed and	Yes	Yes	

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

#	Document Name[1]	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
	initialed on every page			
PHASE 3: TECHNICAL REQUIREMENTS				
11.	TCD 13 Authorization Declaration	Yes	Yes	
12.	TCD 13.1 List of goods or services offered	Yes	Yes	
13.	TCD 13.2 Letter of undertaking	Yes	Yes	
PHASE 4: PRICE & SPECIFIC GOALS				
14.	Pricing Schedule	Yes	Yes	
15.	Proof of Specific Goals requirements	No	Yes	
16.	Annexure C Local Content Declaration	Yes	Yes	
17.	Cost Breakdown	Yes	Yes	

SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

1.1 This bid is for the supply, and delivery of building material to the state for the period of thirty-six (36) months.

1.2 This bid document is structured as follows:

1.2.1	Section A	:	Introduction and Terms of Reference
1.2.2	Section B	:	Conditions of Bid
1.2.2.1	Part 1	:	Evaluation Criteria
1.2.2.2	Part 2	:	Additional Bid Requirements
1.2.2.3	Part 3	:	Recommendation and Appointment of Bidders
1.2.3	Section C	:	Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2022 regulations.

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

3. DURATION OF TRANSVERSAL CONTRACT

3.1 The transversal contract shall be for a period of thirty-six (36) months.

4. BRIEFING SESSION

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

Venue: Microsoft Teams. **RT81- 2024: Non-Compulsory Briefing session** .

Date : 12 January 2024

Time : 10:00

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

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

formally after the briefing session.

5. TERMS OF REFERENCE

5.1 TECHNICAL SPECIFICATIONS

5.1.1 The State requires to appoint service providers to supply and delivery of building material to the state for the period of thirty-six (36) months.

Table 2: Summary of Technical Specifications Categories

Category Description	Category Numbers
Masonry Material	54 items
Carpentry Material	82 items
Electrical Material	376 items
Paint Material	59 items
Plumbing Material	286 items

5.1.2 **Masonry Material**

5.1.2.1 Masonry is a construction material and technique that involves the use of individual units (such as bricks, stones, or concrete blocks) that are bound together with mortar to form a larger structure. Masonry materials are the basic components used to create masonry structures.

5.1.3 **Carpentry Material**

5.1.3.1 Carpentry materials are the basic building components and supplies used in carpentry, which is the skilled trade of working with wood to construct, install, and repair structures and items. These materials can vary depending on the specific project, but some common carpentry materials.

5.1.4 **Electrical Material**

5.1.4.1 Electrical materials refer to the components, devices, and equipment used in electrical systems and installations. These materials are essential for the generation, distribution, control, and utilization of electrical power. They can include a wide range of items and devices that are used in residential, commercial, and industrial electrical applications.

5.1.5 **Paint Material**

5.1.5.1 Paint materials refer to the various components and substances used to create paint, which is a liquid or semi-liquid material applied to surfaces to provide colour, protection, and a decorative finish. Paint is used in a wide range of applications, including home improvement, construction, automotive refinishing, industrial coatings, and artistic endeavours.

5.1.6 **Plumbing I Material**

5.1.6.1 Plumbing materials refer to the components and fixtures used in the construction, installation, and maintenance of plumbing systems. Plumbing systems are responsible for the distribution of water, the removal of wastewater, and the conveyance of gases, and they are essential in buildings, homes, and industrial facilities. Plumbing materials can vary depending on the type of plumbing system and its intended use.

SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Mandatory Requirements	**Legislation and other standard bidding Requirements**	**Technical Requirements**	**Price and Specific Goals**
Compliance with mandatory bid requirements	Compliance with legislative and other bid requirement	Compliance to the item technical specifications	Bids evaluated in terms of the 90/10 preference system

6.2 PHASE 1: MANDATORY REQUIREMENTS

6.2.1 Bidders must submit all required documents hereunder with the bid document at the closing date and time of the bid.

6.2.2 During this evaluation phase, bidders' responses will be evaluated based on the document submitted under mandatory requirements. Any bid that does not meet these mandatory requirements will be considered non-responsive and will be disqualified.

6.2.2.1 **Pricing Schedule**

a) Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule for the individual items and all required forms.

b) Non-submission of the pricing schedule will invalidate the bid.

6.2.2.2 **Specification Compliance document per item**

a) The bidder must indicate compliance to the compliance specification document (Annexure 4-8).

6.2.2.3 Failure to submit will invalidate the bid.

6.2.3 Only bidders who have complied with Phase 1 mandatory requirements will be evaluated in Phase 2

6.2.4 **PHASE 2: ADMINISTRATIVE AND LEGISLATION REQUIREMENTS**

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

6.2.4.1 **SBD 1** invitation form to bid.

6.2.4.2 **SBD 4** bidder's disclosure.

6.2.4.3 **SBD 6.1** preference points claim form.

6.2.4.4 **Company Registration and Organogram**

6.2.4.5 Shareholding portfolio by **proof of registration of the company** with Companies Intellectual Property Commission. An additional document detailing the shareholding of the bidder in an **organogram** format in support of the proof of company registration must be submitted by bidders at the closing date and time.

6.2.5 **Conditions of Contract**

6.2.5.1 **General Condition of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.

6.2.5.2 **Special Conditions of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.

6.2.5.3 Non-submission of the required documents may result in disqualification**.**

6.3 **PHASE 3: TECHNICAL REQUIREMENTS**

6.3.1 **TCD 13 Authorization Declaration**

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

6.3.1.2 Any bidder who is sourcing goods or services from a third party must submit a valid Third-Party Undertaking (template provided as TCD 13.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:

a) List of item(s) number, item description and brand/model name and number,

b) Letter must be on the original manufacturer's and or third-party undertaking letter head, dated

and signed,

c) Have contact person's name, physical and postal address, telephone, and email details, and

d) All information on the letter must be in English.

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

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

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

6.4 PHASE 4: PRICE AND SPECIFIC GOALS

6.4.1 Pricing Structure

6.4.1.1 Prices quoted for all categories must be furnished based on supply and delivery.

6.4.1.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule as a response on how much the items offered will be charged. **No submission of the Pricing Schedule will invalidate the bid response**.

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

6.4.1.4 The pricing evaluation will be in terms of regulation 5 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.

6.4.1.5 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

6.4.2 **Applicable Taxes**

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

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

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

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

6.4.3 **Points Scored for Specific Goals**

6.4.3.1 The following formular will be used to calculate the points for specific goals:

$$PSSG = MPA\ X \frac{POE}{100}$$

Where,

PSSG = Points scored for specific goals

MPA = Maximum points allocated for a specific goal

POE = Percentage of equity ownership by an HDI

6.4.4 **Proof of equity ownership and related matters**

6.4.4.1 The specific goals contemplated in paragraph 6.4.3.1 above must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

6.4.4.2 In the event that the percentage of ownership contemplated in paragraph 6.4.3.1 above changes after the closing date of the tender, the tenderer must notify the Office and such tenderer will not be eligible for any preference points.

6.4.4.3 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.4.4.4 all claims made for specific goals must be considered according to the following criteria:

a) equity in private companies must be based on the percentage of equity ownership, and

b) preference points may not be awarded to public companies and tertiary institutions.

6.4.4.5 equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust,

6.4.4.6 documentation to substantiate the validity of the credentials of the trustees contemplated in paragraph 6.5.4.5 above must be submitted to the Office.

6.4.4.7 A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.

6.4.4.8 A tenderer must submit proof of its ownership.

6.4.4.9 A tenderer who does not submit proof of their ownership may not be disqualified from the bidding process, but they score points out of 80/90 for price and zero (0) points out of 20/10 for specific goals.

6.4.4.10 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.4.5 **Responsive Bids**

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

6.4.6 **Specific Goals**

6.4.6.1 A maximum of 10 points may be awarded to a tenderer for the specific goals specified for the tender in accordance with the table below:

Table 4: Preference Point System

GOALS	POINTS
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections prior to the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA,1993 (Act 200 of 1993), ("the Interim Constitution") and or	5
Other specific goals (goals of the RDP- plus local manufacture) -Local Manufacturing (locally produced product)	5
Total Points	10

6.4.6.2 The points scored for the specific goals must be added to the points scored for price and the total must be rounded off to the nearest two (2) decimals places.

6.4.6.3 Subject to section2(1)(f) of the Act, the contract must be awarded to the tender scoring the highest

points.

6.4.6.4 Failure on the part of the bidder to claim points for specific goals will give the bidder a score of zero (0).

6.4.7 **Cost Breakdown**

6.4.7.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. Bidders will not be allowed to change the cost breakdown of price during the tenure of the transversal contract.

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

Example:

Table 5: Example of Cost Breakdown

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

7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 TERMS AND CONDITIONS

7.1.1 Counter Conditions

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

7.1.1.2 The National Treasury reserves the right to change or supplement any information or to issue any

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

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

7.1.2 **Fronting**

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

7.1.2.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry and Competition, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist.

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

7.1.3 **Right Of Award**

7.1.3.1 The State reserves its following rights -

a) To award the bid in part or in full,

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

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

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

e) Not to accept any of the bids submitted,

f) 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

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

7.2 **THIRD PARTY AGREEMENTS AND SUB-CONTRACTOR AGREEMENTS**

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

7.2.1.2 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.

7.2.1.3 The bidder must declare its intention to subcontract and the percentage of subcontracting thereof and must provide full description of subcontractor.

7.3 SUBMISSION OF BIDS

7.3.1 PHYSICAL AND HARDCOPY BID SUBMISSION

7.3.1.1 Bidders to submit one (1) original hard replica copy by the closing date and time at the Tender Information Centre (TIC) situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria.

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

7.3.1.3 The Technical Specifications and Pricing Schedule (Annexure 3) should be in an XLSX excel sheet format and not any other format in a memory stick.

7.3.1.4 Non-compliance with hardcopy replica submissions may invalidate the bidder's response.

7.3.1.5 Bidders must submit the bid at Tender Information Centre (TIC) situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria in the following format:

a) One (1) original hard copy clearly marked as "original";

b) One (1) duplicate electronic copy (The Technical Specification and Pricing Schedule to be in an XLSX excel sheet format) on a memory stick to the National Treasury (NT)): TIC by the closing date and time of the bid invitation.

c) All memory sticks should be clearly marked with the bid number and bidder's name.

d) Non-compliance with submission format above may invalidate the bidder's response.

e) Any discrepancies between the electronic bid copy and the hard copy may invalidate the bid response for the above-mentioned items and/or services in question.

f) Submit all bid queries via email to demand.acquisition3@treasury.gov.za.

7.4 COMMUNICATION AND CONFIDENTIALITY

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

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

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

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

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

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

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

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

7.5 CONTACT DETAILS

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

7.5.2 **Bid Enquiries:-** All enquiries should be in writing to demand.acquisition3@treasury.gov.za The closing date for receipt of all enquiries is 19 January 2024. All enquiries beyond the closing date will not be considered.

8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

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

8.1.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the master transversal agreement to supply and delivery of building materials to the state for a period of 36 months.

8.2 **Tax Compliance Requirements**

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

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

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

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

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

9. NEGOTIATIONS

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

10. BIDDER DUE DILIGENCE

10.1.1 The State reserves the right to:

10.1.1.1 Conduct due diligence during the evaluation process to determine the ability of the bidder to honour contractual obligations that might emanate from this tendering process. The due diligence is not only limited to the bidder but to all parties the bidder might have confirmed to do business with for the fulfilment of the contract that might be awarded.

10.1.1.2 conduct 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.

10.1.1.3 conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.

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

11. MULTIPLE AWARD

11.1.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

SECTION C: CONDITIONS OF CONTRACT

12. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT

12.1 The Master Transversal Agreement between National Treasury and the Supplier(s)[2] collectively referred to as Parties shall come into effect after the Supplier(s) have been issued with an unconditional letter of acceptance of their bids.

12.2 It is a requirement that the Supplier(s) and the participating State institution(s) sign a Participation Agreement.

12.3 The preferred bidder(s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. If the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the good and/or services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT81-2024 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of the RT81-2024 transversal contract.

12.4 The following will form part of the Master Transversal Agreement documents between the Parties in as far as RT81-2024 is concerned:

12.4.1 Bid Documents,

12.4.2 Award Letters,

12.4.3 Contract Circular and its annexures,

12.4.4 Master Transversal Agreement, and

12.4.5 Participation Agreement.

12.5 If there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to goods and/or service -related matters:

12.5.1 Participation Agreement,

12.5.2 Master Transversal Agreement, and

12.5.3 Bid documents.

12.6 If there is any contradiction relation to all other matters,

12.6.1 Master Transversal Agreement,

[2] For section C of this Special Conditions of Contract, awarded bidders are referred to Suppliers.

12.6.2 Participation Agreement,

12.6.3 Service Request, and

12.6.4 Bid documents.

13. PARTICIPATING STATE INSTITUTIONS

13.1 SOUTH AFRICAN POLICE SERVICES

14. POST AWARD PARTICIPATION

14.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government are all welcome to participate on the transversal contract.

14.2 The participating letter will be customised to allow participation on completion and signing thereof as the transversal contract is arranged by means of a competitive bidding process by National Treasury.

14.3 Supplier(s) will be notified of new participants; the list of participants will be published on the website. Model change, price adjustments and any other transversal contract information will be published on the website for both the benefit of Supplier(s) and Participants.

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

14.5 Public entities listed in schedule 2, 3B and 3D to the PFMA, may participate in transversal term contract facilitated by the relevant treasury through approval from their accounting authorities.

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

15. STANDARDS/SPECIFICATIONS

15.1 Bidders are required to comply with the detailed technical specifications (Annexure 4-8) and non-compliance to the specification requirement will invalidate the items which the compliance is not adhered to.

15.2 SABS SANS 50197:

15.3 SANS 1058.

15.4 SABS 967:

15.5 SABS1266, /SABS 890-1, SABS IEC 60929, SABS 1250, SABS IEC 61347-1, SABS1464-22, SABS 1088, SABS 1464-1, SABS 1279, SABS 14645, SABS 1119, SABS 1278, SABS IEC 60598-1, SABS IEC 8039, SABS 1464-2, VC 8039 SABS 1479

15.6 SANS 60598-1

15.7 SABS 1411-1, SABS 1411-2, SABS 141 1 -3, SABS 141 1-5, SABS 141 1 -6

15.8 SABS 1507. SABS 1547 and SABS 1661.

15.9 SABS 1663

15.10 SABS 950

15.11 SABS 1065-1

15.12 SABS 1062-2

15.13 SABS IEC 60614-2-5

15.14 SABS 808

15.15 SABS 1213

15.16 SABS codes: 1507, 1502-1, 1502-2 or 1574

15.17 SABS 767-1

15.18 SABS 156

15.19 SABS 152

15.20 SABS 1085

15.21 IEC 60670

16. SOUTH AFRICAN BUREAU OF STANDARDS (SABS):

16.1 SANS, SABS, ISO AND CKS specifications are available from South African Bureau of Standards Office's countrywide. Obtaining of such standards will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales at:

16.2 Email: 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"

17. DELIVERY AND SERVICE REQUEST

17.1 **Delivery requirements**

17.2 No delivery must take place without the service provider being in possession of a duly completed Written or electronic order.

17.3 The contractor must ensure that deliveries are only handed over and accepted by duly authorised personnel.

17.4 The contractor must ensure that all delivery notes are duly signed by authorized personnel.

17.5 For a delivery note to be regarded as duly signed, the following information must be reflected on the delivery note in neat and legible handwriting:

a) signature of authorised personnel with full particulars (initials, surname, rank, and PERSAL number); and

b) Date and time of receipt of the delivery.

17.6 **Ordering requirements**

17.6.1 The Written order will be submitted to the contractor per any of the facsimile numbers as contemplated in the contract.

17.6.2 The electronic order will be submitted to the contractor per any of the e-mail numbers as contemplated in the contract.

17.6.3 The SAPS, through a specific SAPS Garage, will submit a written or electronic order to the contractor to provide the SAPS with the required Parts.

17.7 **Invoices**

17.8 The contractor must verify all information on the invoice and must ensure that all information is correct and corresponds with the information detailed in the written or electronic order before the delivery of the Parts.

17.9 The contractor shall ensure and verify that each invoice reflects at least the following information:

17.9.1 detailed description of the item/s;

17.9.2 item code/s;

17.9.3 quantity;

17.9.4 price; and

17.9.5 Order number.

17.9.6 Invoices must be delivered simultaneously with the delivery of the Parts and must only be handed over to duly authorised personnel of the SAPS.

17.10 **Warranty**

17.11 The contractor must indicate on each order, invoice warranty, and guarantee applicable on each part / item supplied on the contract.

17.12 The contractor shall notify SAPS of the forfeiting of any possible warrantees or guarantees on parts supplied.

18. PRODUCT ADHERENCE / BRAND CHANGE

18.1 If a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract

period. No alternative will be accepted within the first year of the contract. Alternative brand will only be done on a six-month basis.

18.2 If the brand is discontinued and or replaced with a new brand, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The service provider is required to submit supporting documents from the manufacturer substantiating the changes.

18.3 No approval will be granted without a letter from a manufacturer.

18.4 It must be noted that the new brand will be required to undergo the evaluation process before receiving approval for the brand change issued by the National Treasury. The new brand must adhere to the technical specifications for the item.

18.5 Furthermore, service providers are to take note that the price of the new brand should not be higher than the current contract price of the original brand.

18.6 Service providers are not allowed to deliver new brands other than the brand awarded to them before the approval of brand change from the National Treasury.

18.7 The National Treasury reserves the right not to approve any brand change applications.

19. INSURANCE AND INDEMNITY

19.1 The contractor is responsible for the safekeeping of the parts and bears the risk of loss of the parts up until delivery is confirmed.

19.2 After delivery, the state will indemnify itself of any loss.

20. INSPECTION AND AUDIT

20.1 The state reserves the right to inspect and audit any document pertaining to this SLA. This may also include queries and complaints. The contractor shall provide any assistance that may be required in this regard, free of charge. The cost of inspections and audits shall be borne by the SAPS.

20.2 The state reserves the right to conduct performance and financial audits on the status of the contract, and the contractor shall provide any assistance that may be required in this regard, free of charge.

20.3 Should any audit or inspection reveal that the contractor has not complied with any of the terms of this contract.

21. TRANSVERSAL CONTRACT PRICE ADJUSTMENT

21.1 Formula

21.1.1 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.

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

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

The indicative calculator that will be used for transversal contract price adjustment is shown on Table 7:

Table 6: Indicative Transversal Contract Price Adjustment Calculator

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

21.2 **Formula component definitions**

21.2.1 **Adjustable amount**

21.2.1.1 The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is 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.

21.2.2 **Fixed portion**

21.2.2.1 The fixed portion represents the 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 transversal contract period.

21.2.3 **Cost components and proportions**

21.2.3.1 The cost components of the transversal 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 transversal contract price of each of these cost components. In this bid the following cost components will be used to calculate transversal contract price adjustments.

21.2.3.2 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 transversal contract.

Table 7: Transversal Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Imported Raw Material / Finished item (if applicable)	30%
D2 - Local Raw Material / Finished item (if applicable)	20%
D3 - Labour	15%
D4 – Transport	30%
D5 – Other	5%
TOTAL (Cost components must add up to 100%)	**100 %**

21.3 **Applicable indices / references**

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

Table 8: Indicative Indices

Cost Component	Index Publication	Index Reference

D1- Imported Raw Material/Finished Product (If Applicable)	Imported Raw Material/Finished Product (If Applicable)	Supplier /Manufacturer invoice (s) and remittance advice,
D2- Local Raw Material/Finished product (if Applicable)	STATS SA P0142.1- Producer Price Index OR Supplier / Manufacturer 3invoice(s)	Supplier/Manufacturer invoice(s) and remittance advice
D3-Transport	STATS SA CPI P0141 Table E	Transport
D4 – Labour	STATS SA CPI P0141 Table E OR Labour Agreement	All items OR Labour Agreement
D5- Other	Supporting Documents	Supporting Documents

21.4 **Base Index Date**

21.4.1 The base index date applicable to the calculator is defined as the date at which the price adjustment starts. In this bid the base index date is **December 2023.**

21.5 **End Index Date**

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

21.6 **Transversal Contract Price Adjustment Periods**

21.6.1 Transversal Contract Price adjustments shall be applied on an annual basis. Transversal Contract Price adjustment periods will be as follows:

Table 9: Price Adjustment Periods

[3] *Same as footnote 1*

Adjustment	Submission Date	End Index Date	Dates from which adjusted prices will become effective
1st Adjustment	1 February 2025	December 2025	1 April 2025
2nd Adjustment	1 February 2026	December 2026	1 April 2026

21.7 **General**

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

21.7.2 Applications for transversal contract price adjustment must be accompanied by documentary evidence in support of any adjustment.

21.7.3 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.

21.7.4 Transversal contract price adjustment 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.

21.7.5 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.

21.7.6 Bidders are referred to the paragraph regarding counter conditions.

21.7.7 An electronic transversal contract price adjustment calculator will be available on request from Transversal Contracting.

21.7.8 The State reserves the right to negotiate a transversal contract price adjustment or not to grant any transversal contract price adjustment.

22. DELAYS AND/OR UNSATISFACTORY PERFORMANCE

22.1.1 The contractor 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.

22.1.2 In a case where a contractor is unable to deliver or honour the contract, the provisions of paragraph 21.2 of the General Conditions of contract must be followed.

23. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

23.1 Contract Administration

23.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to TCcontracts2@treasury.gov.za

23.1.2 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.

23.2 Contract Performance Management

23.2.1 Contract performance management will be the responsibility of Participants and where Supplier performance disputes cannot be resolved between the Supplier and the Participant, National Treasury: Transversal Contracting must be informed for corrective action.

23.2.2 The reporting template for Participants to effect contract performance management will be provided post award.

23.3 Procurement Guideline

23.3.1 The procurement guideline will guide on the operational functioning of the transversal contract for both Participants and Suppliers to ensure effective implementation and equal opportunities for Suppliers.

23.4 Post Award Reporting

23.4.1 Suppliers will be expected to report on the implementation of the transversal contract on a quarterly basis.

23.4.2 A reporting template will be provided post-award of the transversal contract.

23.4.2.1 National Treasury may conduct implementation meetings with either the Participants and/or Suppliers to discuss any transversal contracting implementation matters.

23.4.2.2 All supplier performance reports must be submitted to: TCcontracts2@treasury.gov.za.

24. RISK MANAGEMENT

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

24.1.2 The contractor shall report in writing to the state any suspected irregularities involving an official, or any other person immediately upon the suspicion arising.

24.1.3 In terms of the operations of this contract, the contractor shall:

24.1.4 Take adequate steps (including rotation of staff where practical) to minimize the risk of collusion among

its staff and/ or government officials.

24.1.5 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.

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

24.1.7 The contractor shall be liable for all costs or damages incurred by the state where:

24.1.8 Costs or damages are a result of irregularities involving the staff of the contractor.

24.1.9 Where preventative and detective safeguards failed.

24.2 **Product support**

24.2.1 In a case where the state requires product support regarding the operations of parts or tools, that support must be provide to the state at no additional cost.

24.2.2 In a case where the contractor is not the manufacture of the product, the contractor will be expected to have arrangements with the manufacture to provide product support to the state.

24.2.3 Such product support may be but not limited to the following:

a) Broachers

b) Presentations

c) Information sessions

d) Invitation to product launches.

25. DISPUTE RESOLUTION

25.1 In the event of any dispute arising from this contract, the Parties shall make every effort to settle such dispute amicably within a period of 7 (seven) days.

25.2 If the Parties (the contractor and end-user institution) are not capable of settling the dispute amicably, within a period of 7 (seven) days, such dispute shall be elevated to the National Treasury.

25.3 Should the dispute still remain unresolved by the National Treasury, the dispute will be adjudicated by the competent Court with jurisdiction to hear the matter.

26. TERMINATION

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

26.1.1 The service provider decides to transfer the contract or cede the contract;

26.1.2 The service provider does not honour contractual obligations including submission of information;

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

26.1.3 The service provider enters settlement arrangements with their creditors;

26.1.4 The service provider commits an act of insolvency;

26.1.4.1 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.

26.1.4.2 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.

26.1.4.3 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 fourteen (14) calendar day's written notice to remedy such non-compliance.

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

END