



**national treasury**

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**TRANVERSAL CONTRACTING**

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Ref: RT3-2022

To: Participants and Suppliers

**AMENDMENT 6**

**EXCESSIVE TONER USAGE**

**TRANSVERSAL CONTRACT RT3-2022 FOR THE SUPPLY, DELIVERY, INSTALLATION, COMMISSIONING AND MAINTENANCE OF OFFICE AUTOMATION SOLUTIONS TO THE STATE FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2026**

RT3-2022 is based on an operational lease that is built on a shared risk reward model. The conditions of the transversal contract allow for Suppliers to point out excessive uses and Participants will be required to re-reimburse the Supplier. This is informed by Participants that abuse the system which such a nature must be exposed and payments for excessive toner usage be effected.

Copy Charge Print Coverage is defined on the Master Transversal Agreement as the number of pages a printer can produce before needing another cartridge replacement where these page yield ratings are based on standard prints ranging within 5%-to-7%-page coverage.

Clause 6.13 of the Master Transversal Agreement indicates that print within the copy charge print coverage based on industry standard falling between 5% and 7% (five and seven percent), depending on the Office Automation Solution standards of each Original Equipment Manufacturer (OEM). Where Participants prints at coverage factors well above the OEM Office Automation Solution standards leading to significantly higher costs shall pay the Supplier for the excessive print coverage.

To reiterate the transversal contract conditions, the Special Conditions of Contract stated as follows:

*“Section 22.3 that consumables such as toner cartridges will be supplied by the Supplier and replaced by the Participant to eliminate any downtime. The toner cartridges are covered on the cost per copy and therefore Suppliers should not charge Participants for additional toner cartridges”*

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*“Section 22.5 stated that bidders at the time must carefully estimate and calculate the projected consumable usage (toner/ink) over the period of the transversal contract, since that directly influences the cost per copy on the transversal contract”*

*“Section 22.7 stated that to mitigate the risk for Suppliers, the State will allow bidders to bill Participants for "excess toner usage" only if extended volumes are printed”, and*

*“Section 22.8 Therefore, any excess toner usage may be recovered from a Participant where documentary proof in the form of coverage and print volume reports may be required from the Supplier for the Participant’s payment approval”*

**An example demonstrating higher print coverage factors:**

If an OEM quotes an office automation solution standard in terms of toner yield of 20,000 prints at a 5% coverage factor, a 1% increase in coverage factor represents a 20% increase in toner utilised per print. This means a 20% reduction in toner yield, resulting in 16,000 prints. As a Supplier must add its margin from the OEM as an example of 20% on the actual all-in cost per print, a 1% increase in coverage factor eliminates all of a Suppliers’ margin on that toner but the idea for Suppliers is to work on the average yield in fulfilling Section 22.8 of the Special Conditions of Contract. In addition to fulfilling Section 22.8 of the Special Conditions of Contract, based on the average yield factor, a Supplier’s toner yield can be calculated for each relevant category on the transversal contract.

Kind Regards,

**KWANELE MTEMBU  
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