



SPECIAL CONDITIONS OF CONTRACT

BID NUMBER: RT14-2019

**SUPPLY AND DELIVERY OF TOILET PAPER, PAPER TOWELS, FACIAL TISSUE,
DISPOSABLE WIPES, AND PAPER SERVIETTES TO THE STATE FOR THE PERIOD
1 OCTOBER 2019 TO 30 SEPTEMBER 2022**

CLOSING DATE AND TIME OF BID: 19 JUNE 2019 @ 11h00

BID VALIDITY PERIOD: 120 DAYS (15 OCTOBER 2019)

**NATIONAL TREASURY
TRANSVERSAL CONTRACTING**



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ABBREVIATIONS

BAC	: Bid Adjudication Committee
B-BBEE	: Broad-Based Black Economic Empowerment
CPA	: Contract Price Adjustment
ISO	: International Organisation for Standardisation
OCPO	: Office of the Chief Procurement Officer
QC	: Quality Control
ROE	: Rate of Exchange
SABS	: South African Bureau of Standards
SANAS	: South African National Accreditation System
SBD	: Standard Bidding Document
STATS SA	: Statistics South Africa
TCBD	: Transversal Contract Bidding Document
VAT	: Value- Added Tax
WHO	: World Health Organisation

**BID DOCUMENT CHECK LIST**

The table below indicates the documents that are included in the published bid document as well as the documents that must be returned and or submitted by the bidder with the bid at the closing date and time.

The bidder can use this checklist to ensure that all required documents are duly filled in, signed and returned.

NO.	DOCUMENT NAME	Included in the published bid document?	To be returned by bidder?
1	SBD 1 Invitation to bid	Y	Y
2	Central Supplier Database Report		Y
3	SBD 4 Declaration of interest	Y	Y
4	SBD 6 (1): Preference Points Claimed (BBBEE)	Y	Y
5	Certified BBBEE Certificate or sworn affidavit		Y
6	SBD 5: National Industrial Participation Programme (NIPP)	Y	Y
7	SBD 8: Declaration of Past SCM Practices	Y	Y
8	SBD 9: Certificate of Independent Bid Determination	Y	Y
9	TCBD 1: Authorisation Declaration	Y	Y
10	Special Conditions of Contract	Y	Y
11	General Conditions of Contract	Y	Y
12	Electronic and Hard Copy Pricing Schedule	Y	Y
13	Cost components as part of pricing document		Y
14	SABS Notice of valid mark or Test report(s)		Y
15	Sub-Contracting document (<i>if applicable</i>)		Y
16	Manufacturing Capacity (<i>if applicable</i>)		Y
17	Composition Labels		Y



NO.	DOCUMENT NAME	Included in the published bid document?	To be returned by bidder?
18	TCBD 5 – ISS Terms and Conditions	Y	N
19	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Y	N
20	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Y	N
21	TCBD 4 – Procedure for electronic bidding (To be read for information purposes only)	Y	N
22	TCBD 2 – SARB data download instructions (To be read for information purposes only)	Y	N
23	Local Economic Development		Y
24	Company profile		Y



SECTION A

1. LEGISLATIVE AND REGULATORY FRAMEWORK

This bid and all contracts emanating there from will be subject to the 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). The Special Conditions of Contract (SCC) are supplementary to that of the General Conditions of Contract (GCC). Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

2. BID INFORMATION/BRIEFING SESSION

3.2 A non-compulsory information session will be held at:

Venue: National Treasury, 240 Madiba Street, Pretoria, 0001, Room 901, 1st Floor

Date: 27 May 2019

Time: 10:00 to 11:00

3.2 For proper facilitation and coordination, Bidders are required to book a seat by email to transversal.contracting1@treasury.gov.za on or before 24 May 2019 @ 15:00.

3. EVALUATION CRITERIA

The evaluation process will be conducted in phases as follows:

Phase I	Phase II	Phase II	Phase IV
Pre-qualification	Mandatory and other bid requirements	Technical Compliance	Price and B-BBEE
Compliance with Pre-qualification	Compliance with mandatory and other bid requirements. SBD forms must be completed and signed.	Compliance to technical (sample evaluation)	Bids evaluated in terms of the 80/20 or 90/10 preference system



3.1 PHASE I: PPPFA PREQUALIFICATION CRITERIA

3.1.1. It is a condition of this bid that only one or more of the following bidders may respond to this bid:

3.1.1.1. A bidder having a B-BBEE status level of contributor 1 to 8. Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit at the closing date and time of the bid in order to prove compliance.;
or

3.1.1.2. A bidder subcontracting a minimum of 30% to an EME or QSE which is at least 51% owned by black people.

- i) Bidders are required to provide the details of sub-contractor(s) in line with SBD 6.1 which include the activities/business to be provided by the subcontractor(s). Furthermore, to indicate the measure of how the 30% of sub-contracting is calculated to substantiate the option of subcontracting a minimum of 30%.
- ii) The State reserves the right to accept or reject the detailed measure referred to in paragraph 3.1.1.2 (i) above.
- iii) In a case where the state reject the detailed measure referred to in paragraph 3.1.1.2 (i) above, non-compliant contributors in terms of B-BBEE status level will automatically be regarded as an unacceptable bid,
- iv) In the event that a bidder is successful, additional documents will be required for submission prior to award. E.g. Bidders are required to submit a formal signed memorandum of understanding, subcontracting agreements, B-BBEE certificates, CSD numbers, etc,

3.1.2. Failure to meet the pre-qualification criteria will invalidate the bid submitted.

3.1.3. All sub-contracted suppliers must be registered on the Central Supplier Database.

3.1.4. The state reserves the right to accept a bid from a bidder who does not meet the pre-qualification criteria, this will only take place in instances where security of supply is negatively affected and the bidder in question is the only viable option. This provision will only apply on a line item level.

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



3.2 PHASE 2: MANDATORY BID DOCUMENTS AND OTHER BID REQUIREMENTS

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

1.1.2. RETURNABLE DOCUMENTS AND MANDATORY REQUIREMENTS

Name of the document that must be submitted	Non-submission and incomplete returnable documents may result in disqualification?
Invitation to Bid – SBD 1	YES – complete and sign the supplied form
Pricing Schedule	YES – complete the price schedule electronically and submit a hard copy with the bid at the closing date and time.
Declaration of Interest – SBD 4	YES – complete and sign the supplied form.
National Industrial Participation Programme- SBD 5	YES – complete and sign the supplied form
Preference Point Claim Form – SBD 6.1	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.
Certified BBBEE Certificate or sworn affidavit	YES - due to pre-qualification criteria it is a requirement that the BBBEE certificate or sworn affidavit be provided to prove the B-BBEE status level.
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	YES – complete and sign the supplied form
Certificate of Independent Bid Determination – SBD 9	YES – complete and sign the supplied form
TCBD 1 – Authorisation Declaration	YES – Bidders sourcing products from a third party must submit the authorisation declaration form and the letter of authorisation from the third party.
Name of the document that must be submitted	Non-submission of mandatory documents will result in immediate disqualification?



Name of the document that must be submitted	Non-submission and incomplete returnable documents may result in disqualification?
Test Report	YES – Please submit the valid test report on each line item that requires test report

1.1.3. AUTHORISATION DECLARATION

- 3.2.3.1. Any bidder who is sourcing goods or services from a third party must complete the “Authorisation Declaration” (TCBD 1) in full for all relevant items/goods or services sign it and submit it together with the bid documents at the closing date and time of the bid.
- 3.2.3.2. 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 document.
- 3.2.3.3. 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.
- 3.2.3.4. An authorisation declaration with conditional arrangements will not be accepted. Bidders must ensure that all arrangements are agreed to before submitting a bid.
- 3.2.3.5. 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.

1.1.4. TAX COMPLIANCE REQUIREMENTS

- 3.2.4.1. It is a condition of this bid that the tax matters of a successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder’s tax obligations.
- 3.2.4.2. The Tax Compliance status requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 3.2.4.3. It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the tenure of the contract disclose the bidder’s tax compliance status and by submitting this bid such confirmation is deemed to have been granted;
- 3.2.4.4. Bidders are required to be registered on the Central Supplier Database and the state shall verify the bidder’s



tax compliance status through the Central Supplier Database.

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

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

1.1.5. Once a bid has complied with all mandatory and other bid requirements, it will further be evaluated on

PHASE 3: Technical compliance

3.3 PHASE III: TECHNICAL COMPLIANCE

This phase entails the evaluation of bids for technical compliance with reference to line item requirements

3.3.1. South African National Standards and/or Private Specifications

a) Items must comply with standards / specifications as stated in the bid document.

b) Bidders must enquire at the following institutions for the relevant standards. A list of accredited institutions is available on the SANAS website <http://www.sanas.co.za> or <http://www.sanas.co.za/contact.php>

3.3.2. South African Bureau of Standards:

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:

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" link

3.3.3. South African National Accreditation System (SANAS):

The contact details of SANAS are as follows: Postal Address: Private Bag x 23, Sunnyside, Pretoria, 0132; Physical Address: The DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, 0002, Tel: 012-394 3760, Fax: 012-3940526



3.3.4. Marking and submission of samples

The following requirements for the marking and submission of samples are applicable to samples that are submitted for visual screening as well as for samples submitted to testing institutions.

- a) Samples must be placed in suitable containers and be clearly marked with **hang tag(s)** on the outside with the bid number, item number(s), and the bidder's name. This detail must appear on a label attached to each individual item package. For ease of handling during evaluation process, laminating stickers or loose papers should not be submitted with the sample as the identity of the sample can be misplaced.
- b) All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period.
- c) Failure to comply with this condition may invalidate the bid against the relevant item.

3.3.5. Samples submitted for visual screening

3.3.5.1. Samples must be submitted for the purpose of visual screening of products offered for compliance to specification during the evaluation phase.

3.3.5.2. Bidders must submit the samples for each item offered for physical evaluation

3.3.5.3. All bidders, including current contractors, are required to submit samples for visual screening.

3.3.5.4. All samples submitted for visual screening must be a true representation of the product which will be supplied. Samples of all items awarded against this bid will be retained for the duration of the contract period

3.3.5.5. Unsuccessful bidders who have submitted samples must collect such items within 3 months of the commencement of the contract. Samples not collected within this 3-month period will be disposed of at the discretion of the State.

3.3.5.6. Bids not supported by samples will invalidate the bid for the item(s) for which samples are not submitted.

3.3.5.7. Sample will ONLY be accepted on the stipulated date and time. No late samples will be accepted.

3.3.5.8. SAMPLES must be submitted to:

Venue : National Treasury, 240 Madiba Street, Pretoria

Date : 18, 19 and 20 June 2019



Time : From 9h00 to 16h00

Contact Person : Mulatedzi Raudzingana

Contact details : (012) 395-6521

3.3.5.9. To avoid delays and queues on the days of sample submissions, bidders must either call or send an email to request a time slot to submit their samples.

3.3.6. Test reports/Testing of Samples

3.3.6.1. Items must comply with standards as stated in the bid documents.

3.3.6.2. Where a product bears a valid SABS mark, samples need not be submitted to the SABS for testing. In this instance, a valid, certified copy of SABS' notification to the company that its product is eligible to bear the SABS mark must be submitted with bid documents.

3.3.6.3. Where a product bear a CKS or SANS Standard, bidders must submit valid test report(s) from a testing institution accredited by SANAS at the closing date and time of the bid as per item specification. Certificates and test reports must not be older than 12 months.

3.3.6.4. Test reports must be submitted with the bid at closing date and time of bid proving that the relevant item(s) complies with the specification after inspection and testing of the samples by a SANAS accredited or recognized institution. The Test reports must not be older than twelve (12) months at the closing date of the bid.

3.3.6.5. In the event that a test report cannot be obtained from the testing institution prior to the closing date and time of the bid, the bidder must obtain proof (issued by the testing institution) that the sample had been submitted to the testing institution for testing before or on the closing date and time of the bid. Such proof must be submitted with the bid at closing date and time of the bid. In this case, the test report must be submitted to National Treasury before evaluation by the Bid Evaluation Committee.

3.3.6.6. Bids not supported by test reports at time of evaluation may be disregarded in respect of the item (s) for which test reports are not submitted.

3.3.6.7. The procedures for sampling and testing for product compliance may differ and should be obtained from the relevant testing institution. The cost of compliance testing will be for the account of the prospective bidder.

3.3.6.8. All bidders, including current contractors are required to submit samples at a testing institution for testing.

3.3.6.9. It is the responsibility of the bidder to ensure that the report is submitted to National Treasury within the



stipulated timelines. All reports must be delivered to Noni Myeni at National Treasury 240 Madiba Street, Pretoria, or sent via email to transversal.contracting1@treasury.gov.za

3.3.6.10. Failure to comply with this condition will invalidate the bid in respect of the item for which a test report is not submitted.

3.3.7. Once a bid has complied with technical compliance (sample evaluation), it would further be evaluated on **PHASE 4: price and B-BBEE.**

3.4 PHASE 4: PREFERENCE POINT SYSTEM AND PRICE

3.4.1 PREFERENCE POINT SYSTEM

3.4.1.1. In terms of regulation 6 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 90/20-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 90 points)
- B-BBEE status level of contributor (maximum 10 points)

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

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

3.4.1.3. A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	6
4	5



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

- 3.4.1.4. Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate **or a certified copy** thereof or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point. Failure to submit the valid original or certified copy will result in zero score/non-compliant contributor.
- 3.4.1.5. The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 3.4.1.6. Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act no. 69 of 1984)) or an accredited verification agency or a sworn affidavit will be considered for preference points.
- 3.4.1.7. Failure on the part of the bidder to comply with the paragraphs above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 3.4.1.8. 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.
- 3.4.1.9. The points scored will be rounded off to the nearest 2 decimals.
- 3.4.1.10. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE.
- 3.4.1.11. However, when functionality is part of the evaluation process and two or more bidders have scored equal points including equal preference points for B-BBEE, the contract will be awarded to the bidder scoring the highest for functionality.



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

3.4.1.13. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

3.4.2 VALUE ADDED TAX

All bid prices must be inclusive of 15% Value-Added Tax. Failure to comply with this condition will invalidate the bid.

3.4.3 APPLICABLE TAXES

All bid prices must be inclusive of all applicable taxes. Failure to comply with this condition will invalidate the bid.

3.4.4 PRICING STRUCTURE AND SCHEDULE

3.4.4.1. Pricing Structure

- i. One National price is required per item and prices quoted must be furnished on the basis of supply and delivery including vat. This is also applicable to item that are used by more than one end user department irrespective of colour.
- ii. The yearly prices must be all inclusive. This means, all direct and indirect related costs must be included in the prices and must be firm for the period of one year.
- iii. The pricing schedule will be accessible from the e-procurement system. All prices must be submitted online.
- iv. Conditional discounts offered will not be taken into consideration during evaluation.

3.4.4.2. Pricing Schedule

- i) Bidders must submit price schedule electronically via the electronic response system to facilitate the speedy evaluation of bid responses. Electronic bids must be submitted on or before the closing date and time of bid on the National Treasury's Transversal contracting supplier portal accessed on the following link: https://ww1.gcommerce.gov.za/NT_PROD/ISS/Portaldefault.aspx



- ii) After completing the pricing schedule electronically, the electronic version of the pricing schedule must be printed and submitted together with the remaining bid documents which will serve as the hard copy of the bid.
- iii) Bidders are required to inform National Treasury of any problems experienced regarding electronic submission prior to closing date and time of bid.

3.4.4.3. Support on electronic submission of bids and technical assistance

- i) Training sessions are provided every Monday from 14h00 to 16h00 at National Treasury, 240 Madiba Street, Pretoria.
- ii) Bidders must send an e-mail to transversal.contracting1@treasury.gov.za to book their seats and confirm availability.
- iii) The manual with detailed instructions can be downloaded from this link: https://ww1.gcommerce.gov.za/NT_PROD/ISS/SupplierWizard20160818.pdf and follow the “How to complete bids” section.
- iv) Bidders who are not registered on Central Procurement Portal for Government must contact SITA at the following details for assistance:
 - 1.2. Tel: 0800 611 201
 - 1.3. Email: gcommerce@sita.co.za
- v) Failure to adhere to the above conditions may invalidate your bid.

3.4.5. COST COMPONENTS AND PROPORTIONS

3.4.5.1. The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components.

3.4.5.2. Bidders are requested to submit the cost breakdown of their 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 by submitting the cost components with a bid documents issued with the bid. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.



Cost Component	% Contribution	Indices
Imported Raw Material / Finished product (if applicable)		Supplier / Manufacturer invoice(s) and remittance advice. ^[1]
Local Raw Material / Finished product (if applicable)		STATS SA P0142.1 (PPI) Table 1
Labour		STATS SA P0141 (CPI), Table E OR Labour agreement ^[2]
Transport		STATS SA P0141 (CPI) Table E
Housing and utilities		STATS SA P0141 (CPI) Table E
Other		STATS SA Table E
TOTAL (Cost components must add up to 100%)	100 %	Specify

3.4.5.3. Percentage weighted contribution – List % weighted contribution for each cost elements must add up to 100%.

3.4.5.4. Indices – List measurable indices/factors that contribute to cost escalation.

4. LOCAL ECONOMIC DEVELOPMENT

- 4.1. Local economic development forms part of main agenda of the State, particularly in the textile and clothing sector. The firm's capacity and individual skills, and economic transformation, are critical elements of sustainable economic growth.
- 4.2. Bidders to submit their bids at the closing date and time with documentation that clearly demonstrates their strategic plan to support local economic development imperatives and socio-economic objectives. Such objectives may include:
- SMME development,
 - Transfer of skills
 - Broad Based Black Economic Empowerment,
 - Employment creation, and
 - Support for, and participation of locally owned and operated firms in the supply chain (particularly QSE and EME's).

^[1] In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.

^[2] In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



- 4.3. Bidders ensure that the plans are implementable and sustainable for the duration of the contract. Bidders are required to report periodically on the success, challenges and opportunities of the initiative with the intention of ensuring meaningful interventions. The state will monitor the progress during the contract life cycle.
- 4.4. Bidders should to propose to the state how the sector can be improved and enhanced to ensure achievement of socio economic objectives within the industry. Indicate achievable initiatives that the state can consider particularly empowering black and small medium enterprises and micro enterprises.
- 4.5. Bidders who will use third party suppliers are encouraged to share these requirements to strengthen their bid submission as it will be used for motivation to the Bid Adjudication Committee.
- 4.6. This information would be critical for motivation to be submitted to Bid Adjudication Committee. Bidders are encouraged to share their plans.

5. MANUFACTURING CAPABILITY AND INFORMATION

- 5.1. Bidders are to disclose if they have manufacturing capability on **company classification** on SBD 6.1 and through an annexure provide information regarding their sites and products produced per site.

6. RESPONSIVE BIDS

- 6.1. Bidders are required to submit responsive bids by completing all the prices, mandatory response fields and item questionnaires on the provided pricing schedule for the individual items. In this regard bidder's attention is drawn to the response field and price structure explanations and examples supplied in the bid document (TCBD 6 – Response Field Explanations).
- 6.2. Non-compliance with this condition may invalidate the bid for the item(s) concerned.

7. SUBMISSION OF BIDS

7.1. RETURNABLE DOCUMENTS

- 7.1.1. All returnable documents (SBDs, Test report, etc.) must be submitted with the bid at the closing date and time of the bid in a hard copy format.
- 7.1.2. Besides submitting a price schedule electronically through the electronic response system, bidders must still submit a hard copy of the bid document on or before the closing date and time to National Treasury: Tender Information Centre. The hard copy of the bid response will serve as the legal bid document.



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

7.2. FORMAT AND SUBMISSION OF BIDS

In order to simplify the evaluation process, Bidders are required to submit their bids in the following manner:-

SECTION	REQUIRED DOCUMENTS
Section 1	Standard bidding documents, CSD report and original/certified BBBEE certificate or sworn affidavit
Section 2	Bidder and/or third party's Test report (s) and registration certificate
Section 3	Authorisation Declaration and item list
Section 4	List of Sample(s)
Section 5	Pricing Schedule and Item Questionnaire (including cost breakdown per item)
Section 6	Any other information (e.g Company profile, Local economic development submission etc.)

8. LATE BIDS

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

9. COUNTER CONDITIONS

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.

10. FRONTING

- 10.1. 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 condemn any form of fronting.
- 10.2. 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 bid documents.
- 10.3. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the bidder / contractor to prove that fronting does not exist.



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

11. SUPPLIER DUE DILIGENCE

- 11.1. The State reserves the right to conduct supplier due diligence prior to award or at any time during the evaluation process. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid
- 11.2. The State also reserves a right to conduct supplier due diligence during the contract period. Information submitted by the contractor will be verified and any misrepresentation thereof the state reserves a right to institute remedial actions available.
- 11.3. Due diligence may include preannounced or no-announce site visits.

12. COMMUNICATION

- 12.1. Transversal Contracting may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.
- 12.2. Any communication to any government 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.
- 12.3. All communication between the bidder and the Transversal Contracting Office must be done in writing.

13. CONTACT DETAILS

13.1. GENERAL

Chief Directorate: Transversal Contracting, National Treasury, Private Bag x115, Pretoria, 0001

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

13.2. BID & SAMPLE ENQUIRIES

Contract Manager: Mulatedzi Raudzingana

Transversal Contracting, Office of the Chief Procurement Officer, National Treasury

Tel: (012) 395 6704

E-mail: [transversal.contracting1@treasury.gov.za/](mailto:transversal.contracting1@treasury.gov.za)



SECTION B

14. CONTRACT PERIOD

The contract period shall be for a period of 36 months commencing on 1 October 2019 to 30 September 2022.

15. PARTICIPATING GOVERNMENT DEPARTMENTS / INSTITUTIONS

15.1. Government Departments / Institutions who will participate in this contract are:

Government Departments / Institutions
Arts and Culture
Bophelong Psychiatric Hospital (North West Province)
Department of Higher Education and Training
Department of Agriculture, Forestry and Fisheries
Department: Public Service and Administration
Department of Transport and Public Works Western Cape
Parliament of RSA
Home Affairs
Magalies Water
South Africa National Parks
Civilian Secretariat for Police Service
Eastern Cape Department of Health
Cooperative Governance and Traditional Affairs
Western Cape Department of Community Safety
Mpumalanga Health
Independent Communications Authority of SA (ICASA)
Department of Cooperative Governance
Department of Higher Education and Training
Agricultural Research Council (ARC)

15.2. Post award participation

15.2.1. In terms of Treasury Regulation 16A6.6 the accounting officer or accounting authority may, on behalf of the department, constitutional institution or public entity, participate in any bidding process by any other organ of state, subject to the written approval of such organ of state and the relevant contractors.



16. AWARD CONDITIONS

The State reserves the right to award contracts to more than one contractor for the same item.

16.1. Multiple Award

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

16.1.2. The maximum number of items to be awarded will be at the discretion of the Bid Evaluation Committee.

16.1.3. The following will be taken into consideration when awarding through a multiple or split award:

- a. Capacity to meet volume demand as per bid requirements
- b. Estimated volume to be supplied
- c. Risk to departments if the item is not available
- d. Source of the finished product, raw material and manufacturing site
- e. Previous performance of the bidder

17. NEGOTIATIONS

The State reserves the right to negotiate with the bidders prior to award and with the successful bidder(s) post award.

18. NON-COMMITMENT

The State reserves the right:

18.1. not to award, to award in part or in full.

18.2. not to accept any of the bids submitted.

18.3. The State reserves the right 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.

18.4. To cancel and/or terminate the bid process at any stage, including after the closing date and/or after presentations have been made, and/or after bids have been evaluated and/or after the preferred bidder(s) have been notified of their status as such

18.5. To cancel and/or terminate the contract or part thereof, post the awards with consultation with the service provider if is deemed necessary.



- 18.6. To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).
- 18.7. To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid.
- 18.8. To award a bid based on which bidder is offering the best value for money, even if such bid is not the lowest price.
- 18.9. In the event that an incorrect award has been made or an error occurred during pre and post award, the State reserves the right to remedy the matter in any manner it may deem fit.



SECTION C

19. ROLES AND RESPONSIBILITIES

19.1. CONTRACT ADMINISTRATION

19.1.1. The administration and facilitation of the contract will be the responsibility of National Treasury, Transversal Contracting and all correspondence in this regard must be directed to the following address:

The Chief Directorate: OCPO: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001,
Attention: Mulatedzi Raudzingana – transversal.contracting1@treasury.gov.za .

19.1.2. Contractors must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished to Mulatedzi Raudzingana – email: transversal.contracting1@treasury.gov.za and Tel: 012 395 6704.

19.2. SUPPLIER PERFORMANCE MANAGEMENT

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

19.3. PLACEMENT OF ORDERS AND PAYMENTS

Orders will be placed by participating departments who will be responsible for the payment to contractors for goods delivered and/or services rendered

20. ORDERS AND DELIVERY

20.1. ORDERS

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

20.1.2. Contractors 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).

20.1.3. 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 contractor deviate from the orders issued by the purchasing institutions.



20.1.4. Purchasing institution may request that contractor submit a sample to the purchasing institution for the approval before mass production related to that order is finalised. The cost of this sample is the that contractor

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

20.2. DELIVERY

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

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

20.2.3. In respect of items awarded to them, contractors must adhere strictly to the delivery lead times quoted in their bids.

20.2.4. Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.

20.2.5. Where applicable, all equipment is to be supplied with operating manuals/information brochures in an English language.

20.3. DELIVERY BASIS

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

20.3.2. Transit and storage condition applicable to the relevant products must be adhered to.

21. QUANTITIES AND MINIMUM ORDERS QUANTITIES

21.1. QUANTITIES

21.1.1. The quantities reflected in the bid forms are estimated quantities and no guarantee is given or implied as to the actual quantity which will be procured during the contract period.

21.1.2. The quantity indicated against each item represents the total estimated off-take of all participating departments and however not guaranteed. The numbers may increase or decrease in a particular year.

21.1.3. If quantities substantially increase during the year due to new participation request from user departments, reserves the rights to renegotiate the prices



21.2. MINIMUM ORDER QUANTITY

- 21.2.1. Bidders are required to indicate the minimum order quantity that is allowable per order. In the event that the end user department requires less than the stipulated minimum order quantity, acceptable resolution should be found between all parties including National Treasury.
- 21.2.2. Proposed minimum order quantities should facilitate delivery directly to facilities. The state reserves the right to negotiate minimum order quantities where they are deemed unfavourable. Where consensus regarding minimum order quantities cannot be reached the bid may not be awarded

22. CONTINUITY OF SUPPLY

22.1. Contracted suppliers must:

22.1.1. maintain sufficient stock to meet demand throughout the duration of the contract;

22.1.2. inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:

- a) industrial action,
- b) manufacturing pipeline
- c) any other supply challenges.

22.1.3. official communication relating to continuity of supply must be directed to the National Treasury, Transversal Contracting as well as affected user department;

22.1.4. this official communication must include detail of corrective actions taken by contracted supplier to ensure continuity of supply.

23. QUALITY

23.1. Where specific specifications and/ or standards are applicable on materials and supplies, the quality of products shall not be less than the requirements of the latest edition of such specifications and/or standards.

23.2. If the delivered supplies are not in accordance with the contract requirements, the cost of inspections, tests and analysis done by an independent testing facility shall be paid by the contractor.

23.3. Bidder's attention is drawn to paragraph 8 of the General Conditions of Contract regarding inspection, tests and analysis.



24. PRODUCT ADHERANCE / BRAND CHANGE

- 24.1. In the event where a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract period.
- 24.2. In the event that the brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The contractor is required to submit supporting documents from the manufacturer substantiating the changes
- 24.3. It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item. The quality of the product must not be lower than the initial awarded product.
- 24.4. Furthermore, contractors are to take note that the price of the new brand should not be higher from the current contract price of the original product.
- 24.5. Contractors are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from National Treasury.

25. CONTRACT PRICE ADJUSTMENT

25.1. Formula

- 25.1.1. 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.
- 25.1.2. Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 25.1.3. The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

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



$(1-V)P_t$	=	Adjustable portion of the bid price (85% or 0.85).
$D_1 - D_n$	=	Each factor (or percentage) of the bid price, e.g., material, labour, transport, overheads, etc. The total of the various factors (or percentages) $D_1 - D_n$ must add up to 1 (or 100%).
$R_{1t} - R_{nt}$	=	End Index. Index figure obtained from the index at the end of each adjustment period.
$R_{1o} - R_{no}$	=	Base Index. Index figure at the time of bidding.
VP_t	=	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.

25.2. Formula component definitions

25.2.1. Adjustable amount

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

25.2.2. Fixed portion

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

25.2.3. Cost components and proportions

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



- c) In a case where the same cost components are applicable to all items offered, please fill out the cost components documents attached with the bid other than cost components must be indicated on each line item when finalising pricing schedule:

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

25.2.4. 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:

Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance advice. ^[1]	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	STATS SA P0142.1 (PPI) Table 1	Paper & Paper Products OR Documentary evidence to accompany claim
D3 - Labour	STATS SA P0141 (CPI), Table E OR Labour agreement ^[2]	Table E - All Items OR Labour agreement to be provided
D4 – Transport	STATS SA P0141 (CPI) Table E	Table E - Transport – Other Running Cost
D5 – House and utilities	STATS SA Table E	Table E – Housing and utilities headlines
D6 – Other	Specify	Documentary evidence to accompany application

^[1] In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.

^[2] In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



25.2.5. 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 **May 2019**.

25.2.6. 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).

25.2.7. Price Adjustment Periods

Adjustment to contract prices must be applied for at the following dates:

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates from which adjusted prices will become effective
1 st Adjustment	1 August 2020	June 2020	01 September 2020
2 nd Adjustment	3 August 2021	June 2021	01 September 2021

25.2.8. Rates of Exchange (RoE) – Base and Average rates

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

- a. The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate (refer paragraph 25.2.5) and the average RoE rate over the period under review indicated in paragraph (d) below.
- b. 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 (paragraph 25.2.5) for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph (f) below for the later invoice.
- c. The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph 25.2.5 above and at the predetermined dates indicated in paragraph 25.2.7 above.
- d. 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.



Currency	Rates of exchange 12 month average for the period 31 May 2018 to 30 April 2019
US Dollar	13.4576
Pound Sterling	17.7658
Euro	15.7211
Yen	0.4970

- e. Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period 31 May 2018 to 30 April 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.
- f. Contract price adjustments due to rate of exchange variations are based on average exchange rates as published by the Reserve Bank for the periods indicated hereunder:

Adjustment	Average exchange rates for the period:
1 st Adjustment	01 October 2019 to 31 September 2020
2 nd Adjustment	01 October 2020 to 31 September 2021

25.3. General

- 25.3.1. Unless prior approval has been obtained from Transversal Contracting, no adjustment in contract prices will be made.
- 25.3.2. Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 25.3.3. CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 25.3.4. In the event where the supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting's verification, Transversal Contracting will consult with the supplier to resolve the differences. The state reserves the right to negotiate amended contract prices at any stage prior to the final notification to end users.
- 25.3.5. An electronic price adjustment calculator will be available on request from Transversal Contracting.



26. BREACH OF CONTRACT

- 26.1. The State reserves the right to terminate the contract(s) for not honouring contract(s) obligations including submission of information

27. PACKAGING

- 27.1. It must be packed in a suitable plastic or boxes with clearly mark the products before distribution to end users

28. MERGERS, TAKE OVERS AND CHANGES IN SUPPLIER DETAILS

- 28.1. Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the National Treasury writing 30 days prior to such event of relevant details.
- 28.2. The state reserves the right to agree to the transfer of contractual obligations to the new supplier under the prevailing conditions of contract or to cancel the contract.
- 28.3. A contracted supplier must inform the National treasury within 14 days of any changes of address, name, contact or banking details.

29. THIRD PARTIES

- 29.1. User departments will not make a payment to or consult with a third party.
- 29.2. No third party is entitled to put an account of a user department on hold.

30. POST AWARD REPORTING AND SUPPLIER PERFORMANCE REVIEWS

National Treasury will conduct meetings with the end users and contractors to discuss Transversal Contracting issues.

31. SUPPLIER PERFORMANCE

- 31.1. Contracted suppliers must notify the National Treasury of any unforeseeable circumstances that may adversely affect supply against the contract
- 31.2. The National Treasury, in collaboration with the other Participating end-use departments, will monitor the performance of contracted suppliers and maintain a scorecard for compliance to the terms of this contract as follows:
- a) Compliance to delivery lead times;
 - b) Percentage of orders supplied in full first time;



- c) Compliance with reporting requirements according to reporting schedule.
- d) Attendance of compulsory quarterly meetings:

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

32. HISTORICAL DATA

All successful bidders are required to submit historical value and volume reports via e-mail on a six (6) monthly basis to Mulatedzi Raudzingana and email to: transversal.contracting1@treasury.gov.za

Period	Period for which information must be submitted	Report must be submitted before this dates
1	1 October 2019 – 31 March 2020	15 April 2020
2	1 April 2020 – 30 September 2020	15 October 2020
3	1 October 2020 – 31 March 2021	15 April 2021
4	1 April 2021 – 30 September 2021	15 October 2021
5	1 October 2021 – 31 March 2022	15 April 2022
6	1 April 2021 – 30 September 2021	15 October 2022