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**Special Requirements and Conditions of Contract**

**RT152-2011MF**

**SUPPLY AND DELIVERY OF PHOTOGRAPHIC, MICROGRAPHIC  
REPRODUCTION MATERIAL AND VIDEO TAPES TO THE STATE**

**FOR THE PERIOD 1 JULY 2011 to 30 JUNE 2013**

**VALIDITY PERIOD: 120 DAYS**

**National Treasury**

**Contract Management**

<p>C o n t r a c t   M a n a g e m e n t v e h i c l e s   a n d   s e r v i c e s   s e c t i o n</p>
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## 1. SPECIAL CONDITIONS OF CONTRACT

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 are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

## 2. EVALUATION CRITERIA

- a. In terms of regulation 4 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 90 points)
- Historically disadvantaged individuals as well as specific goals (maximum 10 points)

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

$$P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Rand value of bid under consideration

$P_{\min}$  = Rand value of lowest acceptable bid

- c. A maximum of 10 points may be awarded to a bidder for being a historically disadvantaged individual and/or subcontracting with a historically disadvantaged individual and/or achieving any of the specified goals stipulated in regulation 17 of the Preferential Procurement regulations. For this bid the maximum number of points that could be allocated to a bidder is indicated in paragraph 2.1. The State reserves the right to arrange contracts with more than one contractor.
- d. It is the Government's intention to promote the following goals with this bid, and the points to be allocated are indicated against each goal:

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## 2.1 POINTS

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	6
who is a female	1
Preference points for promotion of small business	3

- The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- Bidders are requested to complete the various preference claim forms in order to claim preference points.
- Only a bidder who has completed and signed the declaration part of the preference claim form will be considered for preference points.
- Contract Management may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- Points scored will be rounded off to the nearest 2 decimals.
- In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

## 3. PARTICIPATING DEPARTMENTS

The following departments will participate in this contract:

- South African National Defence Force: Air Force
- Department of Rural Development and Land Reform: Deeds Office &  
Media Production Unit
- Department of Higher Education & Training
- South African Police Services

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#### 4. CONTRACT PERIOD

The contract period shall be for a period of 24 months commencing on 1 July 2011 to 30 June 2013.

#### 5. RESPONSE FIELDS

It is imperative that bidders submit responsive bids by completing all the mandatory response fields and item questionnaires 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.

Non-compliance with this condition will invalidate the bid for the item/s concerned.

#### 6. VALUE ADDED TAX

All bid prices must be inclusive of 14% Value-Added Tax.

#### 7. TAX CLEARANCE CERTIFICATE

An original and valid Tax Clearance Certificate issued by the South African Revenue Services certifying that the taxes of the bidder are in order must be submitted at the closing date and time of bid. Failure to comply with this condition will invalidate the bid.

#### 8. DOCUMENTATION OF UNDERTAKING

- a. In the event of the bidder not being the actual manufacturer and will be sourcing the product(s) from another company, a letter from that company (ies) / supplier(s) confirming firm supply arrangement(s) including lead times in this regard, **must** accompany your bid at closing date and time
- b. The said company/manufacturer/supplier issuing such a letter must confirm that it has familiarised itself with the item description/specification and bid conditions and if the bid consist of more than one item, it should be clearly indicated in respect of which item(s) the supportive letter has been issued.
- c. It must be indicated in the letter that all the terms and conditions are mutually agreed upon.

## 9. CONTRACT ADMINISTRATION

- a. Successful bidders must advise the Chief Directorate: Contract Management, 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.
- b. The administration and facilitation of the contract will be the responsibility of Contract Management, National Treasury and all correspondence in this regard must be directed to the following address:

The Chief Directorate: Contract Management, National Treasury, Private Bag X115  
Pretoria, 0001

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

## 10. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the Special Conditions by bidders will result in the invalidation of such bids.

## 11. FRONTING

- a. 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.
- b. 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. 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. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in

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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.

## 12. PRODUCT COMPLIANCE

### 12.1 SAMPLES

- a. No samples must be sent to Contract Management, National Treasury.
- b. Two samples for each of the category groups mentioned below must be submitted for testing on or before closing date and time of the bid to:

SAPS: Criminal Record Centre  
Schoeman Street  
Pretoria

Colonel SH. Diko  
Tel: (012) 393 3826

#### Category Groups

152-02 Paper  
152-02 Batteries  
152-10 Tape splicing  
152-13 Adhesive transfer tapes  
152-16 Labels  
152-17 Photo mountings  
152-22 Adhesive transfer dispensers  
152-23 Tape photographic puller

- c. Bids not supported by samples will be disregarded in respect of items for which samples are required..
- d. Samples of the successful bidders will be retained for the contract period.
- e. 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 off at the discretion of the State.



- f. Failure to submit samples at South Africa Police Services: Criminal Record Centre will invalidate the bid.

### 13. PRICE QUALIFICATION AND CONTRACT PRICE ADJUSTMENT PROCEDURE

#### 13.1 Pricing Structure

- a. 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.
- b. Bidders should quote a delivered price.

#### 13.2 Price Adjustments

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

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

### 13.3 Formula component definitions

#### 13.3.1 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 (including VAT), then only R850 (incl. VAT) will be subject to adjustment.

#### 13.3.2 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.

#### 13.3.3 Cost components and proportions

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.

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.

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

Successful bidders that are direct importers of raw material / finished product can apply for RoE adjustment under cost element D1. If the successful bidder is not a direct importer of

raw material / finished product, cost component D1 would not be applicable and only local cost components (D2 - Dn) would be applicable.

#### 13.3.4 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. <sup>1</sup>	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	Specify relevant index OR Supplier / Manufacturer invoice(s) <sup>2</sup>	Reference to specific Index and table  OR Documentary evidence to accompany claim
D3 - Labour	CPI – PO 141, Table E OR Labour agreement <sup>3</sup>	All items  OR Labour agreement to be provided
D4 – Transport	CPI – PO 141, Table E	Transport – Other running cost
D5 – Other	Specify	Documentary evidence to

<sup>1</sup> 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 escalation period.

<sup>2</sup> Same as footnote 1.

<sup>3</sup> In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.

		accompany claim
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### 13.3.5 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 **February 2011**.

### 13.3.6 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 (Par. 13.3.7 – Price Adjustment Periods).

### 13.3.7 Price Adjustment Periods

Adjustment to contract prices may 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	Dates until which adjusted prices will be effective
1 <sup>st</sup> Adjustment	5 Aug 2011	Jun 2011	1 Sep 2011	28 Feb 2012
2 <sup>nd</sup> Adjustment	5 Feb 2012	Dec 2012	1 Mar 2012	30 Aug 2012
3 <sup>rd</sup> Adjustment	5 Aug 2012	June 2012	1 Sep 2012	28 Feb 2013
4 <sup>th</sup> Adjustment	5 Feb 2013	Dec 2013	1 Mar 2013	30 Jun 2013

## 13.4 Rates of Exchange (RoE) – Base and Average rates

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

- The formula described in par.14.2 will be used and ONLY the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate and the average RoE rate over the period under review indicated in paragraph (f) below.
- In the event where the RoE adjustment goes hand in hand with a material price increase, the material price (in foreign currency) will be converted to South African currency using the base rate for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph (f) below for the later invoice.
- The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph 14.3.3 above and at the predetermined dates indicated in paragraph 14.3.7 above.

- d. Rate(s) of exchange to be used in this bid in the conversion of the price of the item(s) to South African currency.

<b>Currency</b>	<b>Rates of exchange</b> 6 month average as at 11 February 2011 (11 August 2010 – 11 February 2011 )
US Dollar	
Pound Sterling	
Euro	
Yen	

- e. Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period 11 August 2010 to February 2011 using the Reserve Bank published rates for the specific currency. Visit [www.reservebank.co.za](http://www.reservebank.co.za) to obtain the relevant rates. Please refer to Form 34 for instructions on how to download information from the Reserve Bank website.
- 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:

<b>Adjustment</b>	<b>Average exchange rates for the period:</b>
1 <sup>st</sup> Adjustment	11 February 2011 to to 31 July 2011
2 <sup>nd</sup> Adjustment	1 August 2011 to 31 January 2012
3 <sup>rd</sup> Adjustment	1 February 2012 to 31 July 2012
4 <sup>th</sup> Adjustment	1 August 2012 to 31 January 2013

### 13.5 General

- a. Unless prior approval has been obtained from Contract Management, no adjustment in contract prices will be made.
- b. Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- c. 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.

- d. In the event where the supplier's CPA application, based on the above formula and parameters, differs from Contract Management's verification, Contract Management will consult with the supplier to resolve the differences.
- e. Bidders are referred to paragraph 10 of the Special Conditions regarding counter conditions.
- f. An electronic price adjustment calculator will be available on request from Contract Management.

## **14. QUANTITIES, ORDERS AND DELIVERY**

### **14.1 DELIVERY ADHERANCE**

- a. Delivery of products must be made in accordance with the instructions appearing on the official order forms emanating from the above-mentioned institutions placing the orders.
- b. All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been effected. No other documents must be attached.
- c. In respect of items awarded to them, contractors must adhere strictly to the delivery periods quoted by them in their bids. Delivery will be calculated based on calendar days.
- d. The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to.
- e. All invoices should be delivered/posted to reach the institution that placed the order timeously. The invoices should be original and accompanied by proof of delivery.
- f. Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.
- g. Prices quoted must be furnished on a basis of "delivered into the store" country-wide

### **14.2 QUANTITIES AND ORDERS**

- a. The ordered quantities are required for delivery to the participating departments.
- b. Suppliers should under no circumstances deviate from the orders issued by the departments.

- c. The State is under no obligation to purchase any stock, which is in excess of the indicated quantities of each item.
- d. Where different sizes are required the bidder must deliver different sizes simultaneously and not only one size per consignment.
- e. Bids must be for supply ex duty paid stocks held in the Republic of South Africa during the contract period.
- g. 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 ordered.
- h. The State also reserves the right to purchase its requirements elsewhere outside the contract if –
  - The minimum packing or minimum order quantity specified by the contractor be more than that of an institution's requirements
  - The item(s) are urgently required and not immediately available
  - An emergency arises

## 15. PACKAGING

- a. All deliveries made against this contract whether by road or rail are to be packed in containers, which are acceptable and specifically developed for the product. For further dispatch by rail attention is drawn to the requirements of the official tariff book of Transnet.
- b. The number of "PACK" items in the commercial packing must appear on the bid documents. The packing must be uniform for the duration of the contract period, i.e.:
  - The number of "PACK" items per commercial packing.
  - The number of commercial packing per carton.
  - The number of cartons per bulk packing.
  - The name and quantity of the contents and expiry date if applicable must appear clearly on the packing.
  - All containers, packing and cartons must be clearly labelled.

- Date of manufacture and expiry must be clearly shown
- Labels for consumables items must be clearly marked for occupational health and safety purposes.
- All products must be packed in acceptable containers, where applicable, specifically developed for the product.

### 15.1 CONTAINERS

Products are to be packed in suitable containers in such a manner as to ensure adequate protection against deterioration in storage from the effect of light and/or moisture.

### 15.2 SHELF-LIFE

Where applicable, products, upon delivery must have at least 18 months of shelf-life before date of expiry.

## 16. REPORTING

### 16.1 HISTORICAL DATA

Historical value and volume reports are required to be submitted on a six (6) monthly basis to National Treasury: Contract Management, by all successful bidders. Electronic templates will be supplied to successful bidders.

### 16.2 PERFORMANCE MEASURES

The following performance measures are applicable to this contract and should be submitted on a six monthly basis to Contract Management, National Treasury by all successful bidders. Electronic templates will be supplied to successful bidders.

#### 16.2.1 SUPPLIERS MEASURES

Delivery period adherence and quality adherence

#### 16.2.2 END USER MEASURES

- a. On time payment
- b. Actual quantities ordered vs. estimated quantities forecasted.

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c. On time order placement

Note: All reports are to be completed in six (6) monthly periods:

- 5 January 2012, 1 July 2012, and 5 January 2013

## **17. TECHNICAL BACKUP**

Bidders must guarantee that technical back up/support will be readily available during the contract period. The name and telephone number of contact persons should be indicated in a separate letter.

## **18. CONTACT DETAILS**

Chief Directorate: Contract Management, National Treasury, Private Bag x 115, Pretoria, 0001 or Physical address: 240 Vermeulen Street, cnr. Andries- and Vermeulen- Streets, Pretoria

George Mtemerewa Tel: (012) 395-6516 Fax :(012) 315-5400,

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