SPECIAL CONDITIONS OF CONTRACT

RT 24-2013ME

SUPPLY AND DELIVERY OF HOSPITAL WARD AND THEATRE FURNITURE AND WARD REQUIREMENTS TO THE STATE FOR THE PERIOD 1 OCTOBER 2013 TO 30 SEPTEMBER 2015

CLOSING DATE AND TIME OF BID:
28 May 2013 at 11h00

BID VALIDITY PERIOD: 120 DAYS

NATIONAL TREASURY
CONTRACT MANAGEMENT

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ABBREVIATIONS

BAC	:	Bid Adjudication Committee
B-BBEE	:	Broad-Based Black Economic Empowerment
CPA	:	Contract Price Adjustment
CPI	:	Consumer Price Index
ISO	:	International Organisation for Standardisation
PPI	:	Producer Price Index
ROE	:	Rates of Exchange
SABS	:	South African Bureau of Standards
SANAS	:	South African National Accreditation System
SBD	:	Standard Bidding Document
SEIFSA	:	Steel and Engineering Industries Federation of South Africa
STATS SA	:	Statistics South Africa
TCBD	:	Transversal Contract Bidding Document
VAT	:	Value- Added Tax

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 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

2.1 Preference Point System

2.1.1 In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2011 (Act 5 of 2011), 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)
- B-BBEE status level of contributor (maximum 10 points)

2.1.2 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

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

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

2.1.4 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 at the closing date and time of the bid in order to claim the B-BBEE status level point.

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

2.1.6 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 will be considered for preference points.

2.1.7 Failure on the part of the bidder to comply with paragraphs 2.1.4 and 2.1.6 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).

2.1.8 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.

2.1.9 The points scored will be rounded off to the nearest 2 decimals.

2.1.10 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.

2.1.11 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.

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

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

3 RESPONSE FIELDS

3.1 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).

3.2 Non-compliance with this condition may invalidate the bid for the item(s) concerned.

4 AUTHORISATION DECLARATION

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

4.2 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 documents.

4.3 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.

4.4 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.

5 TAX CLEARANCE CERTIFICATE

5.1 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. Please refer to SBD2 – Tax Clearance Certificate Requirements.

5.2 Copies and/or certified copies of the Tax Clearance Certificate will not be acceptable.

5.3 Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid.

6 VALUE ADDED TAX

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

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

7 SUBMISSION OF BIDS

7.1 Bidders must submit the bid in hard copy format (paper document) to National Treasury: Tender Information Centre before the closing date and time. The hard copy of the bid response will serve as the legal bid document. The bid must be addressed to the National Treasury: Tender Information Centre.

7.2 Each bid should be submitted in a separate, sealed envelope or suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly endorsed.

7.3 Bidders are encouraged to bid electronically via the electronic response system to facilitate the speedy evaluation of bid responses. Electronic bids must also be submitted before the closing date and time. Besides responding electronically through the electronic response system, the

bidder is still required to submit a hard copy of the bid document before the closing date and time. In the event that a hard copy of the bid document is not received on or before the closing date and time, the bid will be invalidated.

7.4 All electronic data submitted must be an exact copy of the hard copy document. Any discrepancies between the electronic data and the hard copy may invalidate the bid for the item in question.

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. 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 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

The State reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits.

12 COMMUNICATION

12.1 Contract Management 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 Contract Management Office must be done in writing.

13 CONTACT DETAILS

13.1 ***General***

Chief Directorate: Contract Management, National Treasury, Private Bag x115, Pretoria, 0001

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

13.2 ***Bid Enquiries***

Contract Manager: Lebo Molefe / Balekile Ngalo

Contract Management, National Treasury

Tel: (012) 315 – 5452 /395-6533

Fax: (012) 315 – 5058

E-mail:lebo.molefe@treasury.gov.za / balekile.ngalo@treasury.gov.za

13.3 ***Specification / Technical Enquiries***

Name: Terrence Downes

Department: National Health Department

Tel: (012) 395 8283

Fax: 086 632 2540

E-mail: DowneT@health.gov.za

13.4 ***Sample Enquiries***

Name: Lebo Molefe / Balekile Ngalo

Department: National Treasury

Tel: (012) 315 5452 / 395-6533

Fax: (012) 315 5058

E-mail: lebo.molefe@treasury.gov.za / balekile.ngalo@treasury.gov.za

13.5 ***Sample Submitted To Testing Institution***

Enquiries: Koketso Malekutu / Dion Kgopa
Tel: (012) 428 6984 / (0121) 428 6661
E-mail: Koketso.Malekutu@sabs.co.za / dion.kgopa@sabs.co.za

SECTION B

14 CONTRACT PERIOD

The contract period shall be for a period of 24 months commencing on 1 October 2013 to 30 September 2015.

15 PARTICIPATING GOVERNMENT DEPARTMENTS / INSTITUTIONS

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

Provincial Departments

Provincial Departments of Health: Free State, Limpopo, Mpumalanga, KwaZulu Natal, Gauteng, North West, Western Cape and Eastern Cape.

Department of Defence

Department of Correctional Services

15.2 Post award participation

15.2.1 In terms of Treasury Regulation 16A6.6 and Municipal Supply Chain Management Regulation 32, an Accounting Officer/Accounting Authority may, on behalf of the department, constitutional institution, public entity, Municipality or Municipal Entity, request to participate in transversal term contracts contract arranged by means of a competitive bidding process by National Treasury, subject to written approval by the BAC for Transversal Contracts and relevant contractors.

15.2.2 The abovementioned provision for post award participation will only apply during the first six months of the contract period. No application after this period will be considered.

16 AWARD CONDITIONS

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

16.2 Split Award

The following formula will be used for the purpose of splitting contracts between two contractors:

Category	Difference between points	Recommended percentage split
A	Equal points	50/50
B	0,1 – 5 %	70/30
C	5,1 – 10 %	80/20

16.3 Multiple Award

16.3.1 For multiple award of the same item to various contractors (more than two), the volume will be proportionately allocated based on total points, provided that the difference in total points between the highest and lowest recommended bidders do not exceed 10 %.

16.4 Items Grouped as a Series

16.4.1 All items that are grouped as a series in specification shall be regarded as a group series and be evaluated and awarded accordingly.

16.4.2 Bidders are required to offer prices for all items specified with the series. Non-compliance with the abovementioned special conditions will invalidate the bid for the item/s concerned.

16.4.3 Bidders must take note that the allocation of points will be per category (group award).

17 BID INFORMATION SESSION

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

National Treasury, 240 Madiba Street, Pretoria.
Date: 14 May 2013
Time: 10H30
Venue: Room 0103

17.2 This session will provide bidders with an opportunity to obtain clarity on certain aspects of the process as set out in this document and to address any substantial issues they might have.

18 Information / documentation required for this bid

18.1.1 Product information documents (e.g. catalogues, operating manuals, instruction leaflets, etc.), in at least the English language, must accompany the bid documents.

18.1.2 It is the responsibility of the bidder to provide the participating departments with adequate information on all products.

19 PRICING STRUCTURE

19.1 Prices quoted must be furnished on the basis of "delivered into store" country-wide.

19.2 Bids must be for the supply ex duty paid stocks held in the Republic of South Africa during the contract period.

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

20 CONTRACT PRICE ADJUSTMENTS

20.1 ***Formula***

20.1.1 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.

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

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

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

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.

20.2 ***Formula component definitions***

20.2.1 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.

20.2.2 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.

20.2.3 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. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Successful bidders that are direct importers of raw material / finished 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.

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 %**

20.2.4 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)	SEIFSA OR supplier / manufacturer invoice(s) and remittance advice.2	Table E-A OR Documentary evidence to accompany claim
D3 - Labour	SEIFSA OR Supplier / Manufacturer invoice(s) 3	Table C-3 Rates AA to DDD OR Labour agreement to be provided
D4 – Transport	SEIFSA	Table L-2, index of road

[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 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.

[3] Same as footnote 1.

	OR Labour agreement4	freight costs
D5 – Other	Specify	Documentary evidence to accompany claim

20.2.5 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 month is **April 2013**

20.2.6 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).

20.2.7 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**
1st Adjustment	5 Nov 2013	Sep 2013	2 Dec 2013	31 May 2014
2nd Adjustment	5 May 2014	Mar 2014	1 June 2014	30 Nov 2014
3rd Adjustment	5 Nov 2014	Sep 2014	1 Dec 2014	31 May 2015
4th Adjustment	5 May 2015	Mar 2015	1 June 2015	30 Sep 2015

20.3 ***Rates of Exchange (RoE) – Base and Average rates***

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

20.3.1 The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate (refer paragraph 19.3.4) and the average RoE rate over the period under review indicated in paragraph 19.3.6 below.

20.3.2 In the event where the RoE adjustment goes hand in hand with a material/product price

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

increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate (paragraph 19.3.4) for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph 19.3.6 below for the later invoice.

20.3.3 The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph 19.2.3 and 19.2.4 above and at the predetermined dates indicated in paragraph 19.2.7 above.

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

Currency	**Rates of exchange SARB as at 26 April 2013: 12:00**
US Dollar	9.1508
Pound Sterling	14.1621
Euro	11.1304
Yen	.0927

20.3.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the rate of exchange using the Reserve Bank published rates for the specific currency at 12:00 on the date of advertisement of the bid. (26 April 2013)

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

Adjustment	**Average exchange rates for the period:**
1st Adjustment	26 April 2013 to 31 October 2013
2nd Adjustment	1 November 2013 to 30 April 2014
3rd Adjustment	2 May 2014 to 31 October 2014
4th Adjustment	1 November 2014 to 30 April 2015

20.4 ***General***

20.4.1 Unless prior approval has been obtained from Contract Management, no adjustment in contract prices will be made.

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

20.4.3 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.

20.4.4 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.

20.4.5 Bidders are referred to paragraph 9 of the Special Conditions regarding Counter Conditions.

20.4.6 An electronic price adjustment calculator will be available on request from Contract Management.

21 PRE-AWARD PRODUCT COMPLIANCE PROCEDURES

The following pre-award product compliance procedures will apply:

21.1 ***Standards / Specifications***

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

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

Postal Address: Private Bag X191, Pretoria, 0001

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria

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

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

21.1.3 *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

A list of institutions is available on the SANAS website http://www.sanas.co.za/ or http://www.sanas.co.za/contact.php

21.2 ***Samples submitted to Testing Institutions***

21.2.1 Where a standard is indicated, a sample must be submitted to a testing institution accredited or recognised by SANAS at the closing date and time of bid. The purpose is to obtain a test report for the items being offered in the bid.

21.2.2 Test reports must be submitted with the bid at closing time and date 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 twenty four (24) months at the closing date of the bid.

21.2.3 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 reports must be submitted to National Treasury: Contract Management by 12 July 2013 (16h00).

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

21.2.5 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.

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

21.2.7 ***PRODUCTS FOR TESTING***

a. Stainless steel

For any item in the bid containing stainless steel, the bidder shall submit proof of compliance (test report) to certify that the material conforms to the standard. The bidder shall submit a 100 x 100 mm plate of the stainless steel used in the item to a SANAS accredited/recognised institution for testing. All stainless steel shall conform to 18/8, type 304 stainless steel

b. Nylon/epoxy coating

For any item in the bid that contains nylon/epoxy coated mild steel the bidder shall submit proof of compliance (test report) to certify that the material conforms to the standard. The standard is specified in SANS 778 paragraph 5.2. The bidder shall submit two 150 x 100 mm plates of the mild steel used in the item to a SANAS accredited/recognised institution for testing.

c. Mattresses and covers

Bidders must submit proof of compliance (test report) to certify that the mattresses comply with SANS 640 and SANS 1291-1 (type 2) from a SANAS accredited/recognised institution.

d. Castors

For any item in the bid that is mounted on castors the bidder shall submit proof of compliance (test report) to certify that the castors comply with SANS 621 or equivalent standard with the exception of clause 3.6 that is replaced with the following: “Swivel bearings shall be of the ball or other low friction hard-wearing type”

Where castors are fitted into steel tubular legs, the tube shall be of wall thickness not less than 2,0mm and castors shall be fixed to the tube by one of the following methods:

- Solid plug (long) complying with SANS 621 subsection 3.5.6 or

- Screwed into 35mm long sleeves welded into the tubular members and locked in an acceptable manner
- Rubber or plastic expanding sleeves for fitting castors are not acceptable

21.3 ***Samples submitted for visual screening***

21.3.1 SAMPLES must not be submitted to NATIONAL TREASURY: CONTRACT MANAGEMENT. Bidders will be informed of the date when the evaluation/recommendation team will require the samples to be submitted.

21.3.2 In order to frame meaningful recommendations, it is imperative that samples of all items offered, be submitted for evaluation. Where different sizes of the same product are called for against different item numbers, samples of each size must be submitted.

21.3.3 Bids not supported by samples will be disregarded in respect of the items for which samples are not submitted for evaluation.

21.3.4 Bidders or a representative of the company must be present and collect all samples after the evaluation process. National Treasury will not take any responsibility for samples left unattended or not collected after the evaluation.

21.3.5 All samples submitted for visual screening must be a true representation of the product which will be supplied.

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

21.4 ***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.

21.4.1 Samples must be placed in suitable containers and be clearly marked on the outside with the

bid number, item number(s), and the bidder's name.

21.4.2 All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period.

21.4.3 Failure to comply with this condition may invalidate the bid against the relevant item.

22 QUALITY

22.1 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 DELIVERY AND QUANTITIES

23.1 ***Delivery Basis***

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

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

23.2 ***Quantities***

23.2.1 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.

23.2.2 The quantity indicated against each item represents the total estimated off-take of all participating departments.

24 LOCAL PRODUCTION AND CONTENT

24.1 Regulation 9 of the Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act no 5 of 2000 provides for the designation of sectors in line with national development and industrial policies for local production.

24.2 To give effect to the above requirement the furniture products sector has been designated for local production and content of which mattresses has a minimum threshold of 80%.

24.3 Only the South African Bureau of Standards (SABS) approved technical specification number

SATS 1286:2011 must be used to calculate local content. The technical specification and the Guidance on the calculation of local content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all bidders on the dti's website http://www.dti.gov.za/industrial_development/ip.jsp at no cost.

24.4 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula:

$$LC = (1 - X/Y) * 100$$

Where

X is the imported content in Rand

Y is the bid price in Rand excluding value added tax (VAT)

24.5 Prices referred to in the determination of X must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid.

24.6 The Declaration Certificate for Local Production and Content (SBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, signed and submitted with the bidding documents at the closing date and time of the bid. The rates of exchange used by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy against the requirements of paragraph 23.4 above.

24.7 A bid may be disqualified if the above-mentioned Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation, and the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

24.8 A contract awarded in relation to a designated sector, may not be sub-contracted in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

25 PACKING

25.1 ***General***

25.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers, which will be acceptable for further dispatch.

25.1.2 The packing of the goods to be supplied must be uniform for the duration of the contract period, i.e.:

- The number of units 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.
- All products must be packed in acceptable containers, where applicable, specifically developed for the product.

25.2 ***Containers***

25.2.1 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.

SECTION C

26 ROLES AND RESPONSIBILITIES

26.1 ***Contract Administration***

26.1.1 The administration and facilitation of the contract will be the responsibility of National Treasury, Contract Management 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

26.1.2 Contractors 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.

26.2 ***Supplier Performance Management***

26.2.1 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: Contract Management must be informed for corrective action.

26.3 ***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.

27 ORDERS AND DELIVERY

27.1 ***Orders***

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

27.1.2 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).

27.1.3 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.

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

27.2 ***Delivery Adherence***

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

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

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

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

27.2.5 Where applicable, all equipment is to be supplied with Operating Manuals/Information Brochures in at least the English Language.

28 PRODUCT ADHERANCE / BRAND CHANGE

28.1 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.

28.2 In the event that the brand is discontinued, National Treasury, Contract Management must be notified of such an occurrence.

28.3 Contractors are not allowed to deliver a different brand other than the brand awarded to them

prior to an approval of brand change from National Treasury, Contract Management.

29 POST-AWARD PRODUCT COMPLIANCE PROCEDURES

The following post-award product compliance procedures will apply:

30 QUALITY ADHERANCE

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

30.2 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 defrayed by the contractor.

30.3 In the event that medical devices supplied during the contract period are reported by the end user(s) to be defective, samples from the batch supplied to the end user(s) shall be submitted by the end user(s) to the SANAS accredited or recognized testing agency for testing:

- The samples tested shall be compared to the reference sample originally submitted to the SANAS accredited or recognized testing agency for the bid.
- Should the defective sample differ from the reference sample, the contractor shall be responsible for the cost of testing.
- Should the defective sample not differ from the reference sample, the end user(s) shall be responsible for the cost of testing.

31 END-USER TRAINING

31.1 It is a condition of bid that the successful bidder must be able to provide relevant training on the equipment supplied within 30 days of delivery. Training should be provided at no additional cost.

32 POST AWARD REPORTING

32.1 ***Historical Data***

All successful bidders are required to submit historical value and volume reports via e-mail on

a six (6) monthly basis to:

For this purpose electronic templates will be supplied to successful bidders.

Period	Dates at which reports must be submitted	Actual quantities delivered for period
1	6 December 2013	1 June 2013 – 31 November 2013
2	6 June 2014	1 December 2013 – 31 May 2014
3	5 December 2014	1 June 2014 – 31 November 2014
4	6 June 2015	1 December 2014 –31 May 2015

END