SPECIAL CONDITIONS OF CONTRACT

RT275-2020

SUPPLY AND DELIVERY OF SPEECH THERAPY, ASSISTIVE DEVICES AND ACCESSORIES TO THE STATE FOR THE PERIOD

1 MARCH 2020 TO 28 FEBRUARY 2023

NON-COMPULSORY BRIEFING SESSION: 15 OCTOBER 2019 AT 11H00

NATIONAL TREASURY, 240 MADIBA STREET, BOARD ROOM 0103

CLOSING DATE AND TIME OF BID

04 NOVEMBER 2019 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting

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LIST OF ABBREVIATIONS

AAC	Augmentative and Alternative Communication Devices
BAC	Bid Adjudication Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CSD	Central Supplier Database
DTI	Department of Trade and Industry
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
OEM	Original Equipment Manufacturer
PA	Participation Agreement
PPPFA	Preferential Procurement Policy Framework Act
RoE	Rate of Exchange
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
SLT	Speech & Language Therapists
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TIC	Tender Information Centre
VAT	Value Added Tax

LIST OF ANNEXURES

Annexure 1 : SBD Forms (separate attachments)
Annexure 2 : Technical Specification & Pricing Schedule (separate attachment)
Annexure 3 : Black Economic Empowerment Plan (separate attachment)
Annexure 4 : Cost Breakdown (separate attachment)

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Table 1: Bid Document Checklist and Returnables

#	Document Name	Mandatory and Non-Mandatory documents	Included in the published bid document?	To be returned by bidder?
	PHASE 1 : ADMINISTRATIVE COMPLIANCE			
1	Standard Bidding Document (SBD) 1: Invitation to Bid	Mandatory	Yes	Yes
2	SBD 4 Declaration of Interest	Mandatory	Yes	Yes
3	SBD 5 National Industrial Participation Program	Mandatory	Yes	Yes
4	SBD 8 Declaration of Bidder's Past SCM Practices	Mandatory	Yes	Yes
5	SBD 9 Certificate of Independent Bid Determination	Mandatory	Yes	Yes
6	Proof of authority must be submitted e.g. company resolution for the capacity under which this bid is signed	Non-Mandatory	No	Yes
7	Written confirmation for disclosing tax status by SARS	Non-Mandatory	No	Yes
8	List of current State institutions clients including orders received and contract values per Province	Non-Mandatory	No	Yes
9	Shareholding portfolio by proof of registration of the company with CIPRO/CIPC	Non-Mandatory	No	Yes
10	CSD full report and not summarized	Non-Mandatory	No	Yes
11	General Condition of Contract Fully Signed and initialed on every page	Non-Mandatory	Yes	Yes
12	Special Conditions of Contract Fully Signed and initialed on every page	Non-Mandatory	Yes	Yes
13	SITA Certificate for all information technology devices offered by bidders **(Category 4 and 5)**	Mandatory	No	Yes
	PHASE 2 : SAMPLES			
14	Specific Samples to be communicated during evaluation (**not submitted at closing date**)	Mandatory	No	Yes
15	TCBD 1 Authorization Declaration	Mandatory	Yes	Yes
16	Approval letter indicating the distributor/sub-distributor or re-seller of assistive devices is approved to supply the assistive devices	Non-Mandatory	No	Yes
17	OEM brochure for each assistive device offered, the brochure must be clearly labeled with the product number of the assistive device being offered according to Annexure 3	Non-Mandatory	No	Yes
18	Technical specification sheet for assistive devices	Mandatory	No	Yes
19	Detailed Technical Specification **(Annexure 2)**	Non-Mandatory	Yes	No
20	Cleaning operating manual of the devices	Non-Mandatory	No	Yes
21	Where applicable, bidders offering sterile products must submit a declaration of sterility	Non-Mandatory	No	Yes
	PHASE 3 : PRICE AND B-BBEE			
22	Original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit	Non-Mandatory	No	Yes
23	SBD 6.1 Preference Points Claim Form	Mandatory	Yes	Yes
24	Pricing Schedule **(Annexure 2)**	Mandatory	Yes	Yes
25	Cost breakdown **(Annexure 4)**	Non-Mandatory	Yes	Yes
26	TCBD 2 Historical Exchange Rates	Non-Mandatory	Yes	No
27	Black economic empowerment plan **(Annexure 3)**	Non-Mandatory	Yes	Yes

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SECTION A

1. INTRODUCTION

This bid is for the supply and delivery of speech therapy, assistive devices and accessories to the State for a period of thirty-six (36) months commencing on 1 March 2020 to 28 February 2023.

This bid document is divided as follows:

1.1	Section A		
1.2	Section B	:	Conditions of bid
1.2.1	Part 1	:	Evaluation criteria consisting four (4) phases
1.2.2	Part 2	:	Bid requirements
1.3	Section C	:	Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 regulations. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However where the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

This bid is subject to all applicable industry related legislation, particularly the legislation stated below:

2.1 Health Professions Act 56 of 1974 (as amended).
2.2 National Health Act 61 of 2003.
2.3 The Protection of Personal Information Act.

3. BID INFORMATION SESSION

3.1 A non-compulsory information session will be held as follows:

Venue : National Treasury, 240 Madiba Street, Pretoria, Room 0103 (1st Floor)

Date : 15 October 2019

Time : Session 1 from 09h00 to 11h00

Session 2 from 11h15 to 13h15

Session 3 from 13h30 to 15h30

Note! : All prospective bidders must confirm attendance via email at transversal.contracting2@treasury.gov.za by 10 October 2019 at 16h00. The office

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will respond in writing with a time slot to prospective bidders individually by 11 October 2019.

3.2 Parking : No parking is available within National Treasury. Bidders are advised to utilise the private public parking at Sammy Marks Square corner Lillian Ngoyi and Madiba Streets.

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

3.4 The state reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

3.5 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to transversal.contracting2@treasury.gov.za before the briefing session. Post-briefing session questions are also welcome up until **25 October 2019**. All enquiries beyond this closing date will not be considered.

4. SPECIFICATIONS AND SCOPE OF SERVICES

Communication is a basic human right. Communication and language skills are the root of cognitive and social-emotional development. Each conversation, each opportunity to add new words to word bank or use words in different ways, is critical, not only for school adjustment and performance, but also for parent-child relationships and relationships with peers, friends, teachers, and community at large. Research overwhelmingly supports the connection of communication and language to reading and math success and it also shows that social and emotional skills can be traced directly to language skills.

Assessing speech and language is multi-faceted. Speech-Language Therapists (SLTs) assess three (3) different components of speech and three (3) different components of language. Speech is articulation (how sounds are pronounced), voice (how vocal cords are used) and fluency. Language is expressive (what one says), receptive (what is understood) and pragmatic (social communication). Questions about a child's development in any of these areas of speech or language, the first step is a screening by a SLT, then a more comprehensive evaluation will determine if therapy is warranted and the areas of concentration.

4.1 **The main objective of procuring speech therapy materials, assistive devices (solutions) and accessories:**

4.1.1 The provision of assistive tools will assist therapists in enhancing skills that will allow individuals to communicate more effectively.

4.1.2 Improving coordination of muscles through strengthening and coordination exercises, sound repetition and imitation.

4.1.3 Improving communication between the brain and the body through visual and auditory aids such as mirrors and tape recorders.

4.1.4 Enhancing the learning of language through language stimulation and the use of language through positive reinforcement.

4.1.5 Improving communication by helping the affected individual alternative ways to communicate which might include gestures, signing or augmentative devices (note use of these alternate forms of communication will serve to enhance development, not impair it).

4.2 **Users of the Commodity**

Health institutions such as hospitals and clinics prescribe this commodity for home use or to conduct medical procedures and therapy to patients. The health professionals who require these products include therapist, audiologist, surgeons, physicians etc.

Patients who are being administered with these products include those who are affected by cancer (mostly throat); cerebrovascular incident, paralysis and any person whose daily communication needs are not met by naturally, including young children who are delayed in their speech development.

Education institutions procure these products for the purpose of supporting children to access education curriculum and for social interaction in schools and home environment. Education institution procures mostly Augmentative and Alternative Communication Devices (AAC) devices for learners whom are non-verbal or have limited verbal output.

Other State institutions procure these products for the purpose of enabling employees of the State to access tools of trade to perform their duties.

A bid that does not address the specifications may be disqualified and considered non-responsive. A bid will be considered responsive if it addresses the specifications as per the bid requirements.

4.3 **The supply and delivery of speech therapy, assistive devices and accessories to the State summarised:**

4.3.1 **ASSISTIVE DEVICES (SOLUTIONS): PATIENT/END-USER**

4.3.1.1	Category 1	:	Low-technology Assistive Devices
4.3.1.2	Category 2	:	Communication and Assistive Devices
4.3.1.3	Category 3	:	Assistive Accessories
4.3.1.4	Category 4	:	ICT-based Devices and Solutions
4.3.1.5	Category 5	:	Assistive Software

4.3.2 **AAC THERAPY DEVICES (SOLUTIONS)**

4.3.2.1	Category 6	:	Feeding and oral motor
4.3.2.2	Category 7	:	Laryngectomy
4.3.2.3	Category 8	:	Tracheostomy

4.3.3 **THERAPY TOOLS & RESOURCES**

4.3.3.1	Category 9	:	Assessment tools
4.3.3.2	Category 10	:	Therapy Resources

4.3.4 **SERVICES**

4.3.4.1	Category 11	:	Assistive Services

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4.3.5 AAC Low, high technology devices, accessories, and software

AAC includes all forms of communication (other than oral speech) that is used to express thoughts, needs, wants, and ideas. We all use AAC when we make facial expressions or gestures, use symbols or pictures, or to write. People with severe speech or language problems rely on AAC to supplement existing speech or to replace speech that is not functional.
The AAC group consists of five (5) sub-commodities that are of low-technology and high technology devices, AAC accessories, mobile and computer applications. These assistive devices are for education, work and social environments and they are forms of communication that enhance or replace verbal output (voice) for paediatrics and adults.

They may include electronic based devices using visual displays with voice output which can provide a range of message services. Adaptations are often needed in order for these devices to be accessible for all patients (visual, motor, auditory difficulties). Outcomes of implementing AAC include reintegration into society, improving quality of life and enhancing educational and employment opportunities.

4.3.6 Voice Prostheses and Accessories (Laryngectomy and Tracheostomy)

The voice prosthesis is an artificial device, usually made of silicone that is used to help laryngectomized (caused mostly by cancer) patients to speak. During a total laryngectomy, the entire larynx (voice box) is removed and the trachea (windpipe) and oesophagus (food pipe) are separated from each other.
During this operation an opening between the food pipe and the windpipe can be created (primary puncture). The voice prosthesis is placed in this opening. It then becomes possible to speak by occluding the stoma and blowing the air from the lungs through the inside of the voice prosthesis and through the throat, creating a voice sound.

The back end of the prosthesis sits at the food pipe. To avoid food, drinks, or saliva from coming through the prosthesis and into the lungs, the prosthesis has a small flap at the back. There are two ways of inserting the voice prosthesis: Through the mouth and throat (retrograde manner) with the help of a guide wire or directly through the tracheostomy (anterograde) manner. Nowadays, most voice prosthesis are placed anterograde, through the stoma.

4.3.7 Dysphagia (feeding and swallowing difficulty) Resources and Consumables

Difficulty in swallowing is called dysphagia. It is usually a sign of a problem with the throat or oesophagus, the muscular tube that moves food and liquids from the back of the mouth to the stomach. Dysphagia may occur after a stroke, throat and mouth cancer, gastroesophageal reflux disease (GERD), or as a symptom of several different neurological disorders. There are two (2) types of problems that can make it hard for food and liquids to travel down the oesophagus. The muscles and nerves that help move food through the throat and oesophagus are not working right or something is blocking the throat or oesophagus. Medical doctors and Speech-Language Pathologists (SLPs) who evaluate and treat swallowing disorders use a variety of tests that allow them to look at the stages of the swallowing process.

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These resources are required to assist patients with oral dysphagia to improve oral motor control for swallowing as well as prevent aspiration. This will help decrease length of hospital stay, readmissions and improved quality of life.

4.3.4 **Speech, Language & Communication Resources and Consumables**

Speech and language therapy assessments are used widely by speech and language therapists to assess clients in hospitals and school settings. Although it is important that while formal and standardised tests have a very important role, they should not be used in isolation. Cultural differences, limited language exposure, and a variety of other factors can influence the learning of language skills. A fully comprehensive assessment of a pupil will include:

4.3.4.1 Involvement of the child, client, family, caregiver;

4.3.4.2 Informal measures such as observation, discussion, questionnaires, checklists; and

4.3.4.3 Account taken of a range of contexts: the classroom, playground and home as well as clinical setting to ensure that client's functional communication ability is judged.

4.3.8 **Other specification and scope of services considerations**

4.3.8.1 Where applicable, products which are grouped in a series as per product specifications will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the series group.

4.3.8.2 The specifications and scope of services represent minimum requirements. Any product offer that provides equivalent performance or capabilities, or exceeds the stated requirements, will be acceptable, subject to Bid Evaluation Committee (BEC) decision. Product examples listed are for clarity purposes only, not to be brand-specific.

4.3.8.3 A ten-percent (10%) deviation will be allowed on certain mandatory numerical specifications, e.g. weight, dimensions and other figures. Products that fall within this range in terms of technologynical specifications may be accepted, despite being below spec. The BEC reserves the right to make the final decision in any such matters.

4.3.8.4 Alternative/additional products may be offered against each line. This can be done by copying the line in the spread-sheet, keeping the line number and description the same, and adding the appropriate product details and price.

4.3.8.5 Offers must be for complete, working solutions complying with all stated requirements. Offers not adhering to these requirements may be disqualified.

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SECTION B

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

The details of the evaluations phases are outlined below:

Table 2: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Mandatory and other bid requirements	**Technical Compliance & Visual Screening**	**Price and B-BBEE**	**Recommendation and Appointment**
Compliance with mandatory and other bid requirements	Compliance to the product specification	Bids evaluated in terms of the 80/20 or 90/10 preference system	Recommendation and appointment of bidders

5.1 Phase 1: Mandatory Requirements and Other Bid Requirements (Administrative Compliance)

During this phase bidders' responses will be evaluated based on the mandatory and other bid requirements (administrative) as listed above on Table 1 Bid Document Checklist and Returnables. These are the documents to be submitted for administrative evaluation. Bidders' must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with all the mandatory criteria may be disqualified.

5.1.1 **SBD 1** which is the invitation to bid form.

5.1.2 **SBD 4** which is the declaration of interest form.

5.1.3 **SBD 5** which is the national industrial participation program which is applicable to all government procurement contracts that have an imported content equal to or exceeding US$ 10 million or other currency equivalent to US$ 10 million.

5.1.4 **SBD 8** which is the declaration of bidder's past SCM practices.

5.1.5 **SBD 9** which is the certificate of independent bid determination.

5.1.6 **Proof of authority** which is a company resolution for the capacity under which this bid is signed.

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

5.1.7.1 **Tax Compliance Requirements**

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

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5.1.7.3 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.

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

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

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

5.1.8 Current suppliers and not new potential bidders to provide a **list of current State institutions clients including orders received and contract values** per Province up to 30 September 2019.

5.1.9 Shareholding portfolio by **proof of registration of the company** with CIPRO/CIPC. An additional document detailing the shareholding of the bidder in an organogram format in support of the proof of company registration.

5.1.10 **CSD full report** and not summarized as at 1 November to 4 November 2019.

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

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

5.1.13 **Certification of Information Technology Devices by State Information Technology Agency (SITA)** **(Applicable to Categories 4 and 5)**

5.1.13.1 All bidders should ensure that any information technology devices on this transversal contract must be certified by SITA **prior** to closing date and time. These are products on Category 4 and 5 and a certificate or proof of submission thereof by SITA should be submitted with the bid at the closing date and time.

5.1.13.2 SITA has a transversal contract for personal computing devices including laptops and tablets, therefore the procurement of pure laptops or tablets (unbundled) should be from SITA.

5.1.13.3 On RT2752020 the procurement of laptops or tablets should only be as a bundled solution that includes the tablet, connectivity and maintenance/support. No procument of unbundled laptops or tablets should be from the RT275-2020 transversal contract.

5.1.13.4 Bidders can refer to www.sita.co.za/prodcert.htm for details on the equipment certification process, as well as the required documents. Product certification contact details are as follows:
SITA Contact Details:
Contact person : Izak de Villiers
Telephone number : (012) 482 2749
Email : izak.devilliers@sita.co.za

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5.2 Phase 2 Technical Specification Compliance & Sample Visual Screening

5.2.1 Products must comply with technical specification as stated in this bid document for each product. The specification as per the pricing schedule (attached as **Annexure 2**) is a summary description and the detailed technical specification of all the products is incorporated in **Annexure 2**. None compliance to the specification requirement may invalidate the products which the compliance is not adhered to.

5.2.2 Specific **Samples** to be communicated during evaluation and **not to be submitted at closing date** and time. A schedule indicating the venue, date and time for the submission of samples for visual screening will be forwarded to all bidders who have qualified on Phase 2 prior to the date and time of visual screening.

5.2.3 In order to frame meaningful recommendations, it is imperative that the required samples of products offered, be submitted for visual screening.

5.2.4 Where different sizes of the same product are called for against different product numbers, a reference sample must be submitted.

5.2.5 All samples submitted for visual screening must be a true representation of the product which will be supplied during the tenure of the transversal contract.

5.2.6 Bids not supported by samples and brochures/manuals/ technical specifications may invalidate the bid for the product(s) for which samples and technical specifications are not submitted.

5.2.7 **Marking of Samples**

The following requirements for the marking and submission of samples are applicable to samples that are submitted for visual screening:

5.2.7.1 Samples must be placed in suitable packaging and be clearly marked on the outside with the bid number, product number(s), the bidder's name and contact details (telephone and cell).

5.2.7.2 All samples must be a true representation of the product that will be supplied during the tenure of the transversal contract.

5.2.7.3 Failure to comply with this condition may invalidate the bid against the relevant product(s).

5.2.8 **TCBD 1 Authorization Declaration**

5.2.8.1 Any bidder who is sourcing goods or services from a third (3rd) 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 response at the closing date and time of the bid invitation.

5.2.8.2 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 this bid document.

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5.2.8.3 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 (3rd) party will be binding on the State.

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

5.2.9 **Approval letter** indicating the distributor/sub-distributor or re-seller of assistive devices is approved by the Original Equipment Manufacturer (OEM) to supply the assistive devices.

5.2.10 Bidders must submit **brochures/manuals** for each assistive device offered, the brochure must be clearly labelled with the product number of the assistive device being offered according to **Annexure 2**.

5.2.11 Bidders must also submit the **technical specification sheet** for assistive devices offered indicating how the assistive device complies with technical specification.

5.2.12 Detailed **Technical Specification (Annexure 2)** is provided for bidders to know the required technical specification for all products required.

5.2.13 Bidders to submit the **cleaning operating manual** of the assistive devices. Should the cleaning operating manual be part of the main brochure or manual, bidders are to indicate as such.

5.2.14 Where applicable, bidders offering sterile products must submit a **declaration of sterility** for those products offered.

5.3 Phase 3: Price and B-BBEE

5.3.1 Pricing schedule and structure requirements

5.3.1.1 One National price as indicated on the technical specification and pricing schedule **(Annexure 2)** is required and prices quoted must be furnished on the basis of supply and delivery of speech assistive devices and accessories to the State inclusive of Value Added Tax.

5.3.1.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof.

5.3.1.3 Conditional discounts offered will not be taken into consideration during evaluation.

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

5.3.1.5 Due to the complexity of individual assistive needs, assessment, design and implementation of solutions will require pricing of services beyond the product price in the original bid and therefore the bid aims to ensure cost effectiveness of assistive solutions.

5.3.1.6 Submit pricing for all optional accessories and consumables that are compatible to the products offered, indicating which product they relate to **(Annexure 2, Section 3: Options, accessories and consumables)**

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5.3.2 **Value Added Tax**

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

Failure to comply with this condition may invalidate the bid.

5.3.3 **Applicable Taxes**

All bid prices must be inclusive of all applicable taxes.

Failure to comply with this condition may invalidate the bid.

5.3.4 **Cost Breakdown**

5.3.4.1 Bidders are requested to submit the cost breakdown **(Annexure 4)** of their pricing including the profit mark-up for each product offered. Should the cost breakdown be the same for all products on the bid response, the bidder must indicate clearly in the bid response. Bidders will not be allowed to change the cost breakdown of price during the tenure of the transversal contract.

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

Example:

Table 3: Example of Cost Breakdown

Cost-driver	Rand value	% of Total Cost
Imported raw material	R 300.00	30%
Local raw material	R 200.00	20%
Labour	R 150.00	15%
Transport	R 300.00	30%
Other	R 50.00	5%
Total price of product	R 1000.00	100%

5.3.5 **TCBD 2 Historical Exchange Rates**

5.3.5.1 In terms of cost price adjustment, bidders should make use of any relevant currency for the products offered by calculating the average for the period 1 April 2019 – 30 September 2019 using the Reserve Bank published rates for the specific currency. Bidders are to 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.

5.3.6 For all products offered, bidders are required to submit a **separate annexure as a price list** of all the optional accessories and consumables that are compatible to the products offered.

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5.3.7 **B-BBEE requirements** - An original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit must be submitted by bidders.

5.3.7.1 The National Treasury will exercise Regulation 3(a)(ii) of the Preferential Procurement Regulations 2017 if it is unclear which preference point system will be applicable and that either 80/20 or 90/10 preference point system will apply. The lowest acceptable tender will be used to determine the applicable preference point system on this bid.

5.3.7.2 In terms of regulation 7 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.

5.3.7.3 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

5.3.7.4 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:

Table 4: Preference Point System

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

5.3.7.5 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.

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

5.3.7.7 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 an accredited verification agency or a sworn affidavit will be considered for preference points.

5.3.7.8 Failure on the part of the bidder to comply with the above paragraphs will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).

5.3.7.9 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.

5.3.7.10 The points scored will be rounded off to the nearest two (2) decimals.

5.3.7.11 In the event that two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for B-BBEE.

5.3.7.12 However, when functionality is part of the evaluation process and two (2) or more bidders have scored equal points including equal preference points for B-BBEE, the awarded will be to the bidder scoring the highest for functionality.

5.3.7.13 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.

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

5.3.8 Bidders are required to complete **SBD 6.1 Preference Points Claim Form** 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.

5.3.9 Bidders are required to complete a mandatory **Pricing Schedule Annexure 2** as a response on how much the products offered will be charged. No submission of the Pricing Schedule will invalidate the bid response.

5.4 **Responsive Bids**

Bidders are required to submit responsive bids by completing all pricing and product information on the provided technical solution and pricing schedule **(Excel document - Annexure 2)** for the individual products and all required forms.

5.5 Black Economic Empowerment (BEE) is a racially selective programme launched by the South African government to redress the inequalities of Apartheid by giving black (African, Coloureds, Indians and Chinese) South African citizens economic privileges that are not available to Whites. It is a form of Affirmative action. Although race is the overriding factor, it includes measures such as **Employment Preference, skills development, ownership, management, socioeconomic development, and preferential procurement.** As part of this bid bidders are required to submit a **BLACK ECONOMIC**

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EMPOWERMENT PLAN and indicate how the bidder intends to contribute to the highlighted measures. The National Treasury reserves the right to negotiate and enforce any of the measures as will be feasible on this bid. Bidders are to complete Annexure 4 and submit by the closing date and time of the bid.

5.6 Phase 4 Recommendation and appointment of a panel of bidders

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

On approval of the recommendation and appointment(s), successful bidder(s) will sign an appointment letter together with master transversal contracts for the supply and delivery of speech therapy assistive devices and accessories of this bid and unsuccessful bidder(s) will be informed accordingly.

6. PART 2: ADDITIONAL BID REQUIREMENTS

6.1 Where applicable, all speech assistive devices and accessories must be supplied with operating manuals/information brochures written in English language.

6.2 Products must comply with standards / specifications as stated in the bid document. Failure to comply with this condition may invalidate the bid for the products concerned.

6.3 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.

6.4 NEGOTIATIONS

6.4.1 The State reserves the right to negotiate with the shortlisted bidders prior or post award. The terms and conditions for negotiations will be communicated to the shortlisted bidders prior to invitation to negations. This phase is meant to ensure value for money is achieved through the measure of quality that will assess the monetary cost of the items or services against the quality and or benefits of that item or services, taking into account subjective factors such as fit for purpose along with whole life costs as installation, training, maintenance, disposal and wastage where applicable.

7. STANDARDS / SPECIFICATIONS

Products must comply with standards / specifications as stated in the bid document. Failure to comply with this condition may invalidate your bid for the products concerned.

8. QUALITY

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.

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9. TERMS AND CONDITIONS

9.1 Supplier Due Diligence

9.1.1 The State reserves the right to conduct supplier due diligence prior to final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof.

9.1.2 The State also reserves the right to conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.

9.1.3 The BEC reserves the right to subject product samples to applicable clinical evaluations, applications or test at any State facility to verify compliance with the specifications. This will be arranged with the bidder.

9.2 Counter Conditions

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

9.2.2 The National Treasury (NT) reserves the right to change or supplement any information or to issue any addendum to this bid before the closing date and time. The NT and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

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

9.3 Fronting

9.3.1 The NT 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 NT does not support any form of fronting.

9.3.2 The NT, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NT may invalidate the bid / contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

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9.4 **Right of Award**

The State reserves its following rights;

9.4.1 To award the bid in part or in full;
9.4.2 Not to make any award in this bid or accept any bids submitted;
9.4.3 Award the bid to more than one (1) bidder for the same product (multiple-award);
9.4.4 Request further technical information from any bidder after the closing date;
9.4.5 Verify information and documentation of the bidder(s);
9.4.6 Not to accept any of the bids submitted;
9.4.7 To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award; and
9.4.8 In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

9.5 **Multiple Award**

The State reserves the right to award the same product to more than one bidder 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.

The following shall be taken into consideration when contemplating a multiple award:

9.5.1 Capacity to meet the expected demand according to the end-user requirements;
9.5.2 Mitigation of risk if the product is unavailable;
9.5.3 Past compliance of the bidder with contractual obligations; and
9.5.4 The maximum number of products to be awarded will be at the discretion of the BEC.

9.6 **Products Grouped as a Series**

9.6.1 Where applicable, products which are grouped in a series as per product specifications will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the series group.

9.6.2 Bidders are required to offer prices for all units of measure specified in the series, and for all products within a group series.

9.6.3 Bidders are required to offer prices of all the consumables, accessories, optional extras as required in the detailed product specifications on a separate list.

9.6.4 Non-compliance with the above-mentioned conditions may invalidate the bid for the product(s) concerned.

10. SUBMISSION OF BIDS

10.1 Bidders must respond to the bid as follows:

10.1.1 Submit hard copies and electronic copy at the Tender Information Centre (TIC); corner 240 Thabo Sehume and Madiba Streets, Pretoria.

10.1.2 Bidders are requested to initial each page of the bid document on the bottom right hand corner; and
10.1.3 Submit any bid queries via email to transversal.contracting2@treasury.gov.za.

10.2 Bidders must submit the bid to TIC in the following format:

10.2.1 One (1) original hard copy clearly marked as "original";
10.2.2 Two (2) duplicate hard copies clearly marked as "copies";
10.2.3 One (1) duplicate electronic copy (The Technical and Pricing Schedule to be in an XLSX excel sheet format) on either a CD/DVD/Memory stick to the National Treasury (NT)): TIC by the closing date and time of the bid invitation.
10.2.4 Non-compliance with 10.1 and 10.2 above may invalidate the bidder's response.
10.3 Any discrepancies between the electronic bid copy and the hard copy may invalidate the bid response for the above mentioned products and services in question. All CDs/DVDs/Memory sticks should be clearly marked with the bid number and bidder's name.

10.4 Bidders' attention is drawn to the sequential format as per the checklist on Table 1 above in which bid documents must be submitted.

10.5 **Late Bids**

Bids received after the closing date and time, at the TIC and according to 10.2 above will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.

11. COMMUNICATION AND CONFIDENTIALITY

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

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

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

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

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

11.6 All communication between the bidder and the NT TC office must be done in writing as per 12.2 below.

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

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

11.9 Samples required will be determined by the evaluation constraints and criteria for each category. Therefore bidders will be notified by the BEC during evaluation of which samples are required.

12. CONTACT DETAILS

12.1 General

National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001

Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria

12.2 Bid Enquiries

All enquiries should be in writing to transversal.contracting2@treasury.gov.za. The closing date for receipt of all enquiries is **25 October 2019**. All enquiries beyond the closing date will not be considered.

Transversal Contract and Samples	:	Ms Nancy Ravhandalala
	:	National Treasury

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SECTION C:

CONDITIONS OF CONTRACT

13. DELIVERY, QUANTITIES AND ORDERS

13.1 **Delivery Basis**

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

13.2 **Quantities**

No quantities are reflected in this bid as orders will be placed on the basis of an 'as and when required" and no guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period.

Orders will be placed by participating State institutions and they will also be responsible for the payment to bidders for the equipment delivered and/or services rendered.

13.3 **Orders**

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

13.3.2 Suppliers should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing institution(s).

13.3.3 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 Supplier deviate from the orders issued by the purchasing institutions.

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

13.4 **Delivery Adherence**

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

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

13.4.3 In respect of products awarded Suppliers must adhere strictly to the delivery lead times quoted in their bids.

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

13.4.5 Where applicable, all assistive devices are to be supplied with operating manuals/information brochures in an English language.

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14. PRODUCT REQUIREMENTS

14.1 All products offered must be of the latest approved model – bidders should state date of initial manufacture of the model range offered in the pricing schedule.

14.2 All parts must be supplied new; no second hand or refurbished parts will be accepted.

14.3 The expected lifespan where applicable of all products offered must be stated in the pricing schedule.

14.4 The bidder should ensure that the spare parts of the products are guaranteed to be available for the specified lifespan of the assistive devices.

15. PRODUCT ADHERENCE / BRAND CHANGE

15.1 In the event where a bidder offers a specific brand against a product and the product is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the transversal contract period.

15.2 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 Supplier is required to submit supporting documents from the manufacturer substantiating the changes.

15.3 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 product. The quality of the product must not be lower than the initial awarded product.

15.4 Furthermore, Suppliers are to take note that the price of the new brand should not be higher from the current transversal contract price of the original product.

15.5 Suppliers 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.

15.6 For all information technology products, the certification process by SITA should always be adhered to even for a model replacement.

16. CATALOGUE

Successful bidders will be required to compile a colour catalogue for all the products awarded within a period of four (4) weeks from transversal contract commencement which include list of products, contract product numbers, product description, product images, model number, brand name, unit prices and post warranty (where applicable) prices for the transversal contract period.

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17. PACKAGING

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

17.2 The packing of the products to be supplied must be uniform for the duration of the transversal contract period, i.e.:

17.2.1 All products must be packed in acceptable containers, where applicable, specifically developed for the product.
17.2.2 The conditions under which the product must be stored.
17.2.3 Where applicable, date of manufacture and expiry must be clearly shown.
17.2.4 Labels for consumable products must be clearly marked for occupational health and safety purposes.

18. SHELF LIFE

18.1 Where applicable against a product, upon delivery must have at least eighteen-months (18) months of shelf-life before date of expiry.

18.2 Suppliers must ensure an expiry date of eighteen-months (18) months from date of delivery, unless specified otherwise.

18.3 Suppliers may make written applications to the purchasing institution to deliver goods with a shorter shelf-life, provided such applications are accompanied by an undertaking that unused short- dated stock shall be unconditionally replaced before or after expiry.

18.4 Any delivery of short dated supplies without prior written approval must be collected by the respective Suppliers at their own cost.

18.5 Any participating institution may, without prejudice, decline written applications to deliver short dated stock.

19. WARRANTY / GUARANTEE

19.1 The minimum warranty period for electronic devices must not be less than a period of twenty-four (24) months from the date of delivery, unless where noted otherwise in the specifications.

19.2 During the warranty period, the quotation and transport/courier cost to repair the electronic device will be for the cost of the Supplier.

19.3 It is a requirement that the Supplier keeps record of the premises where the devices has been installed (where applicable) in order to keep such devices in good working order during the guarantee period.

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20. PRODUCT TRAINING

20.1 The technical specification (Annexure 2) defines the training requirements. At the delivery of the products, training should be provided to ensure optimal utilisation of the products at no cost. Additional training material such as videos or other means can be provided to the end-user.

20.2 The participating institutions must liaise with the Supplier regarding the arrangements of any training that might be required.

20.3 Each participating institution will be responsible for centrally coordinating the attendance and the arrangements of the venue.

20.4 Suppliers are required to provide product training annually (where applicable) to all participating institutions for the products awarded at no cost to the end users.

21. SUPPORT / PRODUCT DEMONSTRATION

21.1 Suppliers are required to provide online or telephonic support to end users in aiding the correct application of products.

21.2 Product information documents (e.g. catalogues, operating manuals, instruction leaflets, etc.), in at least the English language, must at all times be included with the product on delivery.

21.3 It is the responsibility of the Supplier to provide the participating institutions with adequate information on all products.

22. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT

22.1 The Master Transversal Agreement (MTA) between National Treasury and the preferred bidder(s) collectively referred to as the Parties shall come into effect after the preferred bidder(s) has been issued with an unconditional letter of acceptance to their bids.

22.2 It is a requirement that the preferred bidder (s) and the end user State institutions sign a Participation Agreement (PA) within thirty (30) days upon receipt of first order.

22.3 The preferred bidder(s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. In the event that the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT275-2020 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT275-2020 transversal contract.

22.4 The following will form part of the Master Transversal Agreement documents between the Parties in as far this RT275-2020 is concerned:

22.4.1 Bid Documents;

22.4.2 Letter of Appointment;

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22.4.3 Award Documents;
22.4.4 Master Transversal Agreement; and
22.4.5 Participation Agreement.

22.5 In the event that there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to service delivery:

22.5.1 Maintenance Schedule to the Participation Agreement
22.5.2 Participation Agreement
22.5.3 Master Transversal Agreement
22.5.4 Bid documents

22.6 Regarding all other matters;

22.6.1 Master Transversal Agreement
22.6.2 Participation Agreement
22.6.3 Maintenance Schedule
22.6.4 Bid documents

23. PARTICIPATING STATE INSTITUTIONS

23.1 National Departments.
23.2 Department of Defence.
23.3 Provincial Departments.
23.4 Provincial Departments of Health: Eastern Cape, Limpopo, Mpumalanga, Northern Cape, North West, Kwa-Zulu Natal, and Western Cape.
23.5 Provincial Departments of Education: Gauteng, Kwa-Zulu Natal, Northern Cape and Limpopo.

24. POST AWARD PARTICIPATION

24.1 In terms of Treasury Regulations 16.A6.5 the accounting officer or accounting authority may opt to participate in transversal contracts facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract facilitated by the relevant treasury, the accounting officer or accounting authority may not solicit bids for the same or similar product or service during the tenure of the transversal term contract.

24.2 The participating letter will be customised to allow participation on completion and signing thereof as the transversal contract is arranged by means of a competitive bidding process by NT, subject to an electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.

24.3 Bidder(s) will be notified of new participants and the list of participants will be published on the website together with any model changes, price adjustments and any other transversal contract information for the benefit of bidder(s) and participants.

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25. 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).

Table 5 : Contract Price Adjustment Formula

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

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

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 eighty-five percent (85%) of the original bid price. For example, if the bid price is R1000, then only R850 will be subject to adjustment.

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25.2.2 Fixed portion

The fixed portion represents those costs which will not change over the adjustment period and DOES NOT represents 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

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 product with their bid. Should the cost breakdown be the same for all products 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.

Table 6: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 - Local Raw Material / Finished product (if applicable)	
D2 – Labour	
D3 – Transport	
D4 – Electricity gas, steam and water	
D5 – Other	
TOTAL (Cost components must add up to 100%)	**100 %**

25.3 **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:

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Table 7: Applicable Indices

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)	Supplier / Manufacturer invoice(s)[2]	STATS SA Index /Documentary evidence to accompany claim e.g. Invoices
D3 - Labour	STATS SA P0141 (CPI) Table E OR Labour agreement[3]	Table E - All Products or OR Labour agreement to be provided
D4 – Transport	STATS SA P0141 (CPI) Table E	Table E - Transport – Other Running Cost
D5 – Other	Specify	Documentary evidence to accompany claim

25.4 **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 **October 2019.**

25.5 **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).

25.6 **Price Adjustment Periods**

Price adjustment shall be applied on an annual basis at the anniversary of the transversal contract from commencement date. The application must be send to National Treasury a month before the effective date of the new adjusted price.

[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] Same as footnote 1
[3] In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.

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Table 8: Contract Price Adjustment Periods

Adjustment	Average exchange rates for the period	CPA application to reach National Treasury at the following dates	Dates from which adjusted prices will become effective
1st Adjustment	Dec 2020	Feb 2021	1 March 2021
2nd Adjustment	Dec 2021	Feb 2022	1 March 2022

25.7 **Rates of Exchange (RoE) – Base and average rates**

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

25.7.1 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 in below paragraph and the average RoE rate over the period under review indicated in paragraph below.

25.7.2 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 for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph below for the later invoice.

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

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

Table 9: CPA Rate of Exchange

Currency	**Rates of exchange** (6 months average for the period)
US Dollar	14.53
Pound Sterling	18.27
Euro	16.24

25.7.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period 1 April 2019 – 30 September 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.

25.7.6 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 above.

25.8 **Forex**

The State will only be allowing the contract price adjustments on the intervals as indicated in this Special Conditions of Contract. Most of the products on this bid are imported and no extra ordinary

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price adjustment due to exchange rate fluctuations will be considered. Therefore, the supplier is advised to take forward cover and or foreign exchange hedging or whichever is applicable to be able to cover the foreign exchange risk.

25.9 **General**

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

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

25.9.3 Contract Price Adjustment (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.

25.9.4 In the event where the supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the supplier to resolve the differences.

25.9.5 Bidders are referred to the paragraph regarding counter conditions.

25.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.

25.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

26. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

26.1 **Contract Administration**

26.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to transversal.contracting2@treasury.gov.za.

26.1.2 Suppliers must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the transversal contract. Full particulars of such circumstances as well as the period of delay must be furnished.

26.2 **Contract Performance Management**

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

26.2.2 The details of how end-user State institutions should do contract performance management will be provided post award.

26.2.3 End-user State institutions are required to report to National Treasury on quarterly orders including values of the orders to ascertain if the speech therapy, assistive devices and accessories needs are being fulfilled by the transversal contract.

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26.3 **Breach of Contract**

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

26.4 **Post Award Monitoring and Reporting**

26.4.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contracting issues.

26.4.2 Reporting and bidder(s) meetings will be on a quarterly basis and will be scheduled post award.

26.5 **Historical data**

All successful bidders are required to submit historical value and volume reports via e-mail on a quarterly basis to: transversal.contracting2@treasury.gov.za

End

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