



**SPECIAL CONDITIONS OF CONTRACT**

**BID NUMBER RT284-2-2019**

**SUPPLY AND DELIVERY OF HYPODERMIC SYRINGES, NEEDLES AND BLOODLETTING DEVICES AND  
RELATED ITEMS TO THE STATE FOR THE PERIOD ENDING 31 OCTOBER 2022**

**CLOSING DATE AND TIME OF BID: 12 MARCH 2021 @ 11h00**

**BID VALIDITY PERIOD: 180 DAYS**

**NATIONAL TREASURY**

**TRANSVERSAL CONTRACTING**



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### LIST OF ABBREVIATIONS

<b>BAC</b>	Bid Adjudication Committee
<b>BEC</b>	Bid Evaluation Committee
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>CPA</b>	Contract Price Adjustment
<b>CPI</b>	Consumer Price Index
<b>CSD</b>	Central Supplier Database
<b>EME</b>	Exempted Micro Enterprise
<b>ISO</b>	International Organization for Standardization
<b>NDoH</b>	National Department of Health
<b>NT</b>	National Treasury
<b>OCPO</b>	Office of the Chief Procurement Office
<b>PDoH</b>	Provincial Department of Health
<b>PPI</b>	Producer Price Index
<b>PPR 2017</b>	Preferential Procurement Regulation 2017
<b>QA</b>	Quality Assurance
<b>QSE</b>	Qualifying Small Enterprise
<b>RoE</b>	Rate of Exchange
<b>RSA</b>	Republic of South Africa
<b>SABS</b>	South African Bureau of Standards
<b>SANAS</b>	South African National Accreditation System
<b>SARS</b>	South African Revenue Service
<b>SSA</b>	State Security Agency
<b>SCC</b>	Special Conditions of Contract
<b>SCM</b>	Supply Chain Management
<b>STATS SA</b>	Statistics South Africa
<b>SBD</b>	Standard Bidding Document
<b>TCBD</b>	Transversal Contract Bidding Documents
<b>TC</b>	Transversal Contracts
<b>TIC</b>	Tender Information Centre
<b>VAT</b>	Value Added Tax



## LIST OF ANNEXURES

Annexure A – Pricing Schedule

Annexure B: - Detailed Technical Specification

Annexure C: - Stock Availability Report

Annexure D: - Sample submission Form

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Table 1: Returnable Bid Document Checklist

#	Document Name	Documents/ forms Included in the published bid document?	To be returned or submitted by bidder?
1	SBD 1: Invitation to Bid	Yes	Yes
2	SBD 4 Declaration of Interest	Yes	Yes
3	SBD 5 The National Industrial Participation Programme	Yes	Yes
4	SBD 6.1 Preference Points Claim Form	Yes	Yes
5	Original or certified copy of B-BBEE certificate or a sworn affidavit	No	Yes
6	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes
7	SBD 9 Certificate of Independent Bid Determination	Yes	Yes
8	TCBD 1 Authorisation Declaration	Yes	Yes
9	TCBD 1.1 (List of goods or services offered)	Yes	Yes
10	TCBD 1.2 Letter of undertaking Template	Yes	Yes
11	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No
12	SAHPRA Licence: Medical Devices Regulations (Company)	No	Yes
13	Annexure A - Pricing Schedule	Yes	Yes
14	Annexure C – Stock Availability Report	No	Yes
15	Test reports / Proof of submission	No	Yes
16	Other standard compliant certificate	No	Yes
17	Annexure B – Technical Specification	Yes	NO
18	Annexure D – Sample Submission Register (bring with samples)	Yes	Yes
19	Local Manufacturing supporting information	No	Yes
20	Company Profile	No	Yes
21	Special Conditions of Contract	Yes	Yes
22	General Condition of Contract	Yes	Yes
23	Central data Base Report (CSD)	No	Yes
24	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No

**#NB:** ALL THE PROSPECTIVE BIDDERS ARE REQUIRED TO RETURN THESE DOCUMENTS AS PER ABOVE SEQUENCE, Failure to submit documents which have been indicated that you must return may lead to disqualification.



## 1. INTRODUCTION

This bid is for the supply and delivery of hypodermic syringes, needles and bloodletting devices and related items to the State for the period ending 31 October 2022. This bid document is divided as follows:

- 1.1 Section A : Conditions of bid
- 1.1.1 Part 1 : Evaluation criteria consisting of 4 phases.
- 1.1.2 Part 2 : Other bid requirements
- 1.2 Section B : Conditions of Contract

## 2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 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) as well as the Preferential Procurement Policy Framework Act 2000 (PPFPA) 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 conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

## 3. BID INFORMATION SESSION

- 3.1 Briefing session will not be held for this bid. All issues relating to this bid must be forwarded in writing to [transversal.contracting3@treasury.gov.za](mailto:transversal.contracting3@treasury.gov.za). On the email, bidders must state the company name.
- 3.2 The closing date for receipt of all enquiries is **9 March 2021**. All enquiries beyond this closing date will not be considered.

## 4. SPECIFICATIONS AND SCOPE OF WORK

- 4.1 The detailed item specification is as per the attached Technical Specification (**see Annexure B**) with a total number of 22 lines items consisting of needles and syringes.
- 4.2 Bidders are also required to complete the stock availability report as per the attached **Annexure C**.



## SECTION A

### CONDITIONS OF BID

#### 5. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in four (4) phases as per the table below:

**Table 2: Evaluation Criteria**

PHASE I	PHASE II	PHASE III	PHASE V
<b>Pre -Qualifying Criteria</b>	<b>Compliance with mandatory and other standard bidding documents</b>	<b>Technical Compliance</b>	<b>Price and B-BBEE</b>
Regulation 4(1) (a) Level 1-8	Compliance with mandatory and other bid requirements	Compliance with technical specifications and requirements	Bids evaluated in terms of the 90/10 preference system

##### 5.1 PHASE I: PRE- QUALIFYING CRITERIA FOR PREFERENTIAL PROCUREMENT

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

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

5.1.2 Bidders are required to submit proof of B-BBEE status level of contributor. Proof includes original and valid B-BBEE status level verification certificates or certified copies thereof or a sworn affidavit signed by the EME representative and attested by Commissioner of oaths.

5.1.3 A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate. Bidders who submit individual BBEE certificates or Sworn affidavit will be disqualified.

5.1.4 Public entities and tertiary institutions must also submit their B-BBEE certificate

5.1.5 Non-compliance with the requirement for pre-qualification will invalidate the bid.



## 5.2 PHASE II: MANDATORY AND OTHER STANDARD BIDDING DOCUMENTS REQUIREMENTS

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

### 5.2.1 Standard Bidding Documents

The following standard bidding documents must be submitted with the bid at the closing date and time of bid.

- SBD 1 – Invitation to bid
- SBD 4 – Declaration of interest
- SBD 5 – The National Industrial Participation Programme
- SBD 6.1 – Preference Points Claimed (BBBEE)
- SBD 8 – Declaration of Past SCM Practices
- SBD 9– Certificate of Independent Bid Determination

### 5.2.2 South African Health Products Regulatory Authority (SAHPRA): Medical Devices and In Vitro Diagnostic Regulation

5.2.2.1 Where applicable, bidders must submit a Manufacturers, distributors and or wholesalers licence as per the Medical Devices and In Vitro Diagnostic regulations as referred to in Section 22C(1)(b) of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must submit a licence for the manufacturing, importing, exporting, distribution and or wholesaling of medical devices and IVDs, as issued by the South African Regulatory Authority at the closing date and time of bid.

5.2.2.2 Upon such time that medical devices are called up for registration, via publication in the Government Gazette, bidders, who have been licensed as medical device establishments must submit evidence of the approved registration certificate of the said medical device.

### 5.2.3 Authorisation Declaration

5.2.3.1 All bidders must complete the "Authorisation Declaration" (TCBD 1 and TCBD 1.1) in full for all relevant goods or services they are offering, sign it and submit it together with the bid response at the closing date and time of the bid invitation.

5.2.3.2 Any bidder who is sourcing goods or services from a third party must submit a valid Third-Party Undertaking (template provided as TCBD 1.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:

- List of items indicating, item description and brand/model name and or number





- Letter must be on the manufacturer's or third party's letter head, dated and signed.
- Have contact person's name, physical address, telephone, and email details.
- All information on the letter must be in English.

5.2.3.3 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and its Annexures 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 and or disqualify the bid.

5.2.3.4 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.

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

#### 5.2.4 Pricing Structure and Schedule

5.2.4.1 One National price is required, and prices quoted must be furnished on the basis of supply and delivery including VAT.

5.2.4.2 The pricing schedule (**see Annexure A**) 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.

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

5.2.4.4 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.

#### 5.2.5 Tax Compliance Requirements

5.2.5.1 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.

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

5.2.5.3 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.

5.2.5.4 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.



- 5.2.5.5 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.

### 5.3 PHASE III: TECHNICAL EVALUATION

#### 5.3.1 Standards/Specifications

- 5.3.1.1 Bidders are required to comply with the detailed technical specifications (**see Annexure B**) and non-compliance to the specification requirement will invalidate the items which the compliance is not adhered to.
- 5.3.1.2 The state reserves the right to consider products which has a justifiable specification deviation and improved technology which offers better functionality. The deviation to the specification is subject to the deviation not causing any harm clinically to the target population that the product is aimed at. This will therefore be decided upon based on the clinical expertise of the Bid Evaluation Committee.

#### 5.3.2 Stock availability report

- 5.3.2.1 The products on this tender are essential for the rollout implementation of Covid-19 vaccine programme and therefore it is highly critical for the bidders to declare their current stock availability (stock in hand, in RSA, ready to be delivered to end-users) and future stock in the pipelines.
- 5.3.2.2 In this regard, Bidders are required to complete and submit the stock availability report (**see Annexure C**) at the closing date and time of bid. Failure to submit the completed **Annexure C** may invalidate the items which the information is not provided as per the **Annexure C**.
- 5.3.2.3 Bidders may be held liable for any deliberate incorrect declaration of information with regards to stock availability. The State reserve the right to verify the information submitted as per the stock availability report form through notified/ unnotified site visit and in any form to confirm the information provided.

#### 5.3.3 Sterility Standards

- 5.3.3.1 Bidders must provide ISO17665-1:2006/ SANS 17665-1:2007 (previously ISO11134) and/or ISO11135 and/or EN Harmonizing standard for steam ISO11137 certificates to confirm the compliance of their sterilising facilities (physical buildings/structures where products are sterilised) to the prescribed requirements. This applies to all South African and international facilities where non-sterile products are sterilised. Failure to submit these documents will invalidate your bid.
- 5.3.3.2 SABS sterility is entrenched in the SABS' standards testing and is performed by SABS' Microbiology Division on sterile products only.
- 5.3.3.3 Bidders offering sterile products must submit a declaration of sterility for all items where sterility is a requirement in the item specification.



#### 5.3.4 Samples Submitted to a Testing Institution

- 5.3.4.1 Where a standard is indicated on the item specification, a sample must be submitted to a testing institution accredited 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.
- 5.3.4.2 Test reports must be submitted 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.
- 5.3.4.3 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 and submit with the bid before or on the closing date and time of the bid.
- 5.3.4.4 Equivalent standards compliance and valid certificate/ test report issued in terms of ISO, EN, FDA, CE, and EU standards will be acceptable for evaluation purpose if accompanied by a letter (proof) issued by the SANAS accredited testing institution that samples have been submitted for product testing as per 5.3.4.3 above. Should the relevant item be in consideration for award, a complying test report from a SANAS accredited institution will have to be submitted prior before the confirmation of award is made.
- 5.3.4.5 It is the responsibility of the bidder to ensure that the test reports are submitted to National Treasury as soon as obtained from the testing institution.
- 5.3.4.6 Bids not supported by test reports or proof of sample submission submitted with an equivalent standard compliance test report at time of evaluation will be disregarded in respect of the item (s) for which test reports are not submitted.
- 5.3.4.7 The procedures for sampling and testing for product compliance may differ and should be obtained from the relevant testing institution. The cost of compliance testing will be for the account of the prospective bidder.
- 5.3.4.8 A list of accredited institutions is available on the SANAS website <http://www.sanas.co.za>. 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
- 5.3.4.9 SANS, SABS, ISO AND CKS specifications are available at 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.



5.3.4.10 To purchase standards, obtain quotes or enquire about the availability of Standards, please contact Standards Sales at: **Postal Address:** Private Bag X191, Pretoria, 0001; **Physical Address:** 1 Dr Lategan Road, Groenkloof, Pretoria. **Contact person:** Mr Barnard Molatladi, Tel: 012 428 6812 **E-mail:** [barnard.molatladi@sabs.co.za](mailto:barnard.molatladi@sabs.co.za) **Website:** [www.sabs.co.za](http://www.sabs.co.za) and follow the "Search/Buy Standards" link

### 5.3.5 Samples Submitted for Visual Screening

5.3.5.1 Bidders must submit samples for the purpose of visual screening evaluation for items offered to verify compliance to specification during the evaluation phase. Non-compliance with this requirement will invalidate the bid for the item which samples is not submitted.

5.3.5.2 Bidders must submit with the sample (s), a completed and signed Sample Submission Form (**see Annexure D**), indicating which samples have been submitted for visual screening. Upon submitting the samples, bidders must ensure that they obtain a receipt copy as proof of sample submission.

5.3.5.3 Number of samples required for each item is indicated on the sample submission form. All samples offered must be submitted as follows:

**Venue:** Room 103, Floor 1, National Treasury, 240 Madiba Street, Pretoria, 0001.

**Date:** 12 March 2021

**Time:** 09:00 – 15:30

**Contact Person:** Ntombi Sidinile

**Email Address:** [ntombi.sidinile@treasury.gov.za](mailto:ntombi.sidinile@treasury.gov.za)

5.3.5.4 Where different sizes of the same product are called for against different item numbers, samples of each size must be submitted.

5.3.5.5 All samples submitted for visual screening, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period.

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

### 5.3.6 Marking of Samples

5.3.6.1 Samples must be clearly marked with the bid number, item number(s), and the bidder's name. These details must appear on an outer package of the product to make it easier to identify the product.

5.3.6.2 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. This detail must appear on a label attached to each individual item package.



- 5.3.6.3 Where applicable, packaging of samples submitted must be marked with Trade name or trademark of the manufacture and product code as relevant.
- 5.3.6.4 Where applicable, packaging of samples submitted must be marked with the expiry date, batch identification prefixed by the “LOT” the word “sterile” and the sterilisation method, Trade name or trademark of the manufacture and product code as relevant.
- 5.3.6.5 Failure to comply with this condition may invalidate the bid against the relevant item.

#### 5.4 PHASE IV: PRICE AND B-BBEE (90/10 CRITERIA)

##### 5.4.1 Response Field

Bidders are required to submit responsive bids by completing all the prices per line items they are bidding for, mandatory response fields and item questionnaires on the provided pricing schedule for the individual items. In this regard bidders' attention is drawn to the response field and price structure explanations and examples supplied in the document (TCBD-Response Field)

##### 5.4.2 Applicable Taxes

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

##### 5.4.3 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.

##### 5.4.4 Pricing Structure

- 5.4.4.1 The Pricing Schedule (**see Annexure A attached**) together with **Annexure C** (stock availability report) must be submitted in two forms, as hardcopy which must be included in the bid document and in an excel spreadsheet saved in a USB/memory stick at the closing date and time of bid. Both the hard copy and the excel version must be the same (replica).
- 5.4.4.2 The hardcopy version of the pricing schedule will be the legal document.
- 5.4.4.3 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.
- 5.4.4.4 Price structures that do not comply with the requirements of the above paragraph may invalidate the bid.

##### 5.4.5 Preferential Point System



5.4.5.1 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 in terms of which points are awarded to bidders based on:

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

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

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

Where

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

$P_t$  = Comparative price of bid under consideration

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

5.4.5.3 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:

**Table 3: 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

5.4.5.4 Bidders are required to complete the preference claim form SBD 6.1, and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or a sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.

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



- 5.4.5.6 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 an accredited verification agency or a sworn affidavit will be considered for preference points.
- 5.4.5.7 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.
- 5.4.5.8 The points scored will be rounded off to the nearest two (2) decimals.
- 5.4.5.9 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.
- 5.4.5.10 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.
- 5.4.5.11 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 5.4.5.12 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- 5.4.6 **Multiple Award**
- 5.4.6.1 The State reserves the right to award the same item to more than one supplier to address product availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.
- 5.4.6.2 The maximum number of bidders to be awarded on the same line item will be based on the capacity of the recommended bidders to deliver the required quantities.



## **6. PREFERENCE FOR LOCAL PRODUCED PRODUCTS**

- 6.1 The State reserves the right to consider and give preferences to locally produced products offered. Bidders are required to indicate on the pricing schedule where the products are manufactured, and also disclose on a separate sheet/document the manufacturing sites address, and the capacity per shift, month and yearly for each item manufactured.
- 6.2 In order to provide preference to local produced products, the definition of a locally produced product will be limited to at least conversion process being in the Republic of South Africa. Substantial supporting documents may be required at any point in time prior and post award of the contract. Due diligence, which include site visits, may be conducted in this regard.
- 6.3 With the above, this provision is made to allocate quantities to qualified local manufacturers who aims at contributing to the transformation initiation by developing a local industry for RT284-2-2019 items which will be sustainable and contribute to our local economy.
- Bids for products that qualify for this preference must comply with the following criteria:
- The site/s of manufacture and/or assembling of the product offered is located in South Africa;
  - Demonstrated capacity to service the required volumes is confirmed
  - Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
  - The product offered meet the minimum requirement as indicated above

## **7. RECOMMENDATION AND APPOINTMENT OF A PANEL OF BIDDERS**

- 7.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on the evaluation criteria stipulated above.
- 7.2 The award of the Contract is subject to meeting all the requirements of the bid.





## **8. PART 2: ADDITIONAL BID REQUIREMENT**

### **Introduction**

All bidders must comply with the requirements below as well as submit all required documents referred below. Unless the requirements specifically provide for mandatory compliance, the National Treasury reserves the right to disqualify a bid that does not comply with any of the requirements in clause 5.

## **9. COMPANY PROFILE**

9.1 Bidders are requested to submit company profile which includes, but is not limited, to the following: -

- Business structure and strategies; and
- Details of the bidder's directors/owners (Full name and surname and ID or passport number)
- Years of company existence and experience relevant to this bid.

9.2 The company profile must further include a shareholding portfolio with valid proof of registration of the company with CIPC. If by law registration with CIPC is not required, proof of ownership/shareholding must be provided.

## **10. TERMS AND CONDITIONS**

### **10.1 Third Party Agreements and Subcontractor Agreements**

10.1.1 No Agreement between the bidder and any third party will be binding to the State.

10.1.2 The bidder must declare as required in terms of SBD 6.1 its intention to subcontract voluntarily and the percentage of subcontracting thereof and must provide full description of subcontractor.

## **11. SUPPLIER DUE DILIGENCE**

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.

## **12. 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.



### **13. FRONTING**

- 13.1 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.
- 13.2 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 DTI, 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.

### **14. RIGHT OF AWARD**

The State reserves its following rights:

- To award the bid in part or in full.
- Not to make any award in this bid.
- Award the bid to more than one (1) bidder for the same item.
- Request further technical information from any bidder after the closing date.
- Verify information and documentation of the service provider.
- Not to accept any of the bids submitted.
- 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
- In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

### **15. NEGOTIATION**

The State reserves the right to negotiate with the preferred bidders in line with the legislative requirements.

### **16. SUBMISSION OF BIDS**

- 16.1 Bidders must respond to the bid as follows:



- 16.2 Submit hard copies at the National Treasury, 240 Madiba Street, Tender Information Centre (TIC), Deposit the bid in the tender box.
- 16.3 Bidders are requested to initial each page of the bid document on the bottom right hand corner.
- 16.4 Submit any bid queries via email to [transversal.contracting3@treasury.gov.za](mailto:transversal.contracting3@treasury.gov.za)
- 16.5 The hard copy of the bid response will serve as the legal bid document.
- 16.6 Bidders must submit the bid to TIC in the following format:
- i. One (1) original hard copy clearly marked as "original";
  - ii. One (1) memory stick or USB with all the documents on the original hard copy (with an excel pricing schedule) to the National Treasury (NT)): TIC by the closing date and time of the bid.
  - iii. Bidders must ensure that the USB is properly secured and marked with the bidder's name.
- 16.7 All soft copy data submitted must be an exact copy of the hard copy documents. Any discrepancies between the electronic bid copy and the hard copy, the hard copy will take precedence.
- 16.8 After completing the pricing schedule in the format provided, the pricing schedule must be printed, signed and submitted together with the other bid documents which will serve as the hard copy of the bid.
- 16.9 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.

## **17. LATE BIDS**

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

## **18. COMMUNICATION AND CONFIDENTIALITY**

- 18.1 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.
- 18.2 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).
- 18.3 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.



- 18.4 All communication between the bidder and the National Treasury Transversal Contracting office must be done in writing.

## **19. CONTACT DETAILS**

### **19.1 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.

### **19.2 Bid Enquiries**

All enquiries should be in writing to [transversal.contracting3@treasury.gov.za](mailto:transversal.contracting3@treasury.gov.za). The closing date for receipt of all enquiries is **2 April 2021**. All enquiries beyond the closing date will not be considered.

**SECTION B:****CONDITIONS OF CONTRACT****20. CONCLUSION OF CONTRACT**

- 20.1 The Contract between National Treasury and the preferred bidder/s (Service Provider) collectively referred to as the Parties shall come into effect after the service provider has been issued with an unconditional letter of acceptance to their bid.
- 20.2 The Service Provider (s) shall be appointed in terms of this bid..
- 20.3 The following will form part of the contract documents between the Parties in as far this RT284-2-2019 is concerned:
- i. Bid Documents;
  - ii. Letter of Appointment;
  - iii. Award Documents;
  - iv. Acknowledgement letter
- 20.4 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent.
- 20.5 For purpose of Section B, the term “service provider “shall refer to the preferred bidder appointed in terms of RT284-2-2019 contract.

**21. PARTICIPATING STATE INSTITUTIONS/DEPARTMENTS**

- 21.1 **Provincial Departments of Health:** Eastern Cape, Free State, Gauteng, Kwa-Zulu Natal, Mpumalanga, North West, and Western Cape and Limpopo.

**22. POST AWARD PARTICIPATION**

- 22.1 In terms of Treasury Regulation 16A6.5 the Accounting Authority may opt to participate in transversal contract 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 services during the tenure of the transversal term contract.
- 22.2 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.



22.3 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.

22.4 The link to the website is as follows:

<http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx>

## 23. CONTRACT PRICE ADJUSTMENT

### 23.1 Formula

23.1.1 Prices submitted for this bid will be regarded as non-firm and may be subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time.

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

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

**Table 4: Contract Price Adjustment Formula**

$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)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



## 23.2 Formula component definitions

### 23.2.1 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.

### 23.2.2 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 periods.

### 23.2.3 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.

**Table 5: 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	
<b>TOTAL (Cost components must add up to 100%)</b>	<b>100 100 %</b>



#### 23.2.4 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:

**Table 6: Applicable Indices/References**

Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance advice. <sup>1</sup>	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	Stats SA P0142.1 (PPI): Table 1 – For final manufactured goods	Rubber and Plastic Products <b>OR</b> indicate relevant index
D3 – Labour	Stats SA P0141 (CPI): Table E OR Labour agreement <sup>2</sup>	All Items OR Labour agreement to be provided
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Other	Specify	Documentary evidence to accompany claim

#### 23.2.5 Base index date

The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is **February 2021**

#### 23.2.6 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).

#### 23.2.7 Price adjustment periods

23.2.7.1 Price adjustment shall be applied on an annual basis at the anniversary of the transversal contract from closing date of bid date.

**Table 7: Price Adjustment Period**

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates from which adjusted prices will become effective
1st Adjustment	16 August 2022	July 2022	1 September 2021

<sup>1</sup> In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the escalation period.

<sup>2</sup> In the absence of a labour agreement, the labour cost component will be adjusted with CPI inflation.





### 23.2.8 Rates of exchange (RoE) – Base and average rates

- 23.2.8.1 In the event where material and/or finished products are imported the following will apply:
- 23.2.8.2 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 in below paragraph and the average RoE rate over the period under review indicated in below paragraph.
- 23.2.8.3 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.
- 23.2.8.4 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.
- 23.2.8.5 Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item (s) to South Africa currency is indicated in the table below.

**Table 8: CPA Rate of Exchange**

Currency Name	Rates of exchange: 1 Dec 2020 to 25 Feb 2021
US Dollar	R 14,9218

- 23.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period 1 Dec 2020 to 28 Feb 2021 using the Reserve Bank published rates for the specific currency. Visit [www.reservebank.co.za](http://www.reservebank.co.za) to obtain the relevant rates. Please refer to TCBD 2 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.
- 23.2.8.7 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:

**Table 9: Rate of Exchange Average Periods**

Adjustment	Average exchange rates for the period:
1st Adjustment	1 December 2021 to 28 February 2022

### 23.2.9 General

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



- 23.2.9.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 23.2.9.3 CPA application 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.
- 23.2.9.4 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.
- 23.2.9.5 Bidders are referred to the paragraph regarding counter conditions.
- 23.2.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 23.2.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

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

### **24.1 Delivery Basis**

- 24.1.1 Delivery of goods must be made in accordance with the instructions including specified delivery points appearing on the official order forms issued by purchasing institutions.
- 24.1.2 Suppliers must deliver complete orders as appearing on the official order form issued and no partial orders / delivery will be accepted by the State.
- 24.1.3 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been effected.
- 24.1.4 In respect of items awarded to them, contractors must adhere strictly to the delivery lead times quoted in their bids.
- 24.1.5 Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense
- 24.1.6 Firm lead times for delivery must be quoted for the duration of the transversal contract period.
- 24.1.7 Transit and storage conditions applicable to relevant product must be adhered to.
- 24.1.8 The state reserves the right to negotiate delivery lead times

### **24.2 Quantities**

- 24.2.1 The quantities reflected in the bid are estimated quantities and no guarantee is given or implied as to the actual quantity which will be procured during the contract period.
- 24.2.2 The State reserves the right to negotiate with bidder's adjustment of their minimum order quantities prior to award of the bid.

### **24.3 Orders**



- 24.3.1 Suppliers should note that each individual purchasing institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 24.3.2 Suppliers 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).
- 24.3.3 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.
- 24.3.4 The State is under no obligation to accept any quantity which is in excess of the ordered quantity.

## **25. PACKAGING AND LABELLING**

### **25.1 Packaging**

- 25.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.
- 25.1.2 Packaging must be suitable for further dispatch, storage and stacking according to Good Wholesaling Practice and Good Distribution Practice.
- 25.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
- 25.1.4 The packing must be uniform for the duration of the contract period. All products must be packed in acceptable containers, specifically developed for the product.
- 25.1.5 The number of units in the unit pack, shelf pack and shipper pack must be completed in the Bid Response Document.
- 25.1.6 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.
- 25.1.7 Where the contents of the shipper pack represents a standard supply quantity of an item, the following must be adhered to:
- Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering
  - The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.
- 25.1.8 Where the contents of a shipper pack represents a non-standard supply quantity, the following must be adhered to:
- Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering.
  - The shipper pack must contain only one product, mixing of multiple items in a single shipper is



not allowed.

- The outer packaging must be clearly marked as a "Part Box".

25.1.9 Suppliers must ensure that products delivered are received in good order at the point of delivery.

## 25.2 Labelling

25.2.1 All containers, packing and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.

25.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes:

- Proprietary name (if applicable)
- Number of units in pack (e.g. for bulk packs 20 administration sets)
- Batch number
- Expiry date
- Storage conditions
- Barcode

## 26. PRODUCT ADHERANCE / BRAND CHANGE

26.1 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.

26.2 In the event that the brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The contractor is required to submit supporting documents from the manufacturer substantiating the changes.

26.3 It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item.

26.4 Furthermore, contractors are to take note that the price of the new brand should not be higher from the current contract price of the original model.

26.5 Contractors are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from National Treasury.



## **27. SECURITY AND CONFIDENTIALITY INFORMATION**

- 27.1 All successful contractors may be subject to a State Security Agency (SSA) clearance process which will be facilitated by National Treasury.
- 27.2 The State may enforce section 23 (termination for default) of General Condition of Contract in a case where the contractor's clearance has a negative outcome.
- 27.3 The Supplier will regard all information which he/she obtains or is entrusted with concerning the participating department or its members whilst executing the contract, as confidential, secret or top secret.
- 27.4 The Supplier, his/her employees, sub-contractors, or agents may not make any such information obtained or entrusted with to any other person or to the media.

## **28. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES**

### **28.1 Contract Administration**

- 28.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on [Transversal.Contracting3@treasury.gov.za](mailto:Transversal.Contracting3@treasury.gov.za).
- 28.1.2 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.

### **28.2 Supplier Performance Management**

- 28.2.1 Supplier performance management will be the responsibility of the End-Users and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.
- 28.2.2 Supplier performance rating Form will be instituted, and every contractor must complete it to ensure good performance.
- 28.2.3 End-user State institutions are required to report to National Treasury on where contractor's performance is not satisfactory.
- 28.2.4 Successful suppliers will have their performance scored. National Treasury will provide a template which will be used to measure overall performance in terms of the contract. Services providers who score the unacceptable performance rating may not be awarded future contract of the same bid.



## **29. POST AWARD MONITORING AND REPORTING**

- 29.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contract issues related to RT284-2-2109.
- 29.2 All successful bidders are required to submit historical value and volume reports via e-mail on a quarterly basis to: [Ntombi.Sidinile@treasury.gov.za](mailto:Ntombi.Sidinile@treasury.gov.za)

## **30. TERMINATION**

- 30.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- The service provider decides to transfer the contract or cede the contract;
  - The service provider does not honour contractual obligations including submission of information;
  - The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;
  - The service provider enters into settlement arrangements with their creditors;
  - The service provider commits an act of insolvency;
  - In the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.
  - There is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.
  - Overall poor performance rating during the contract period

**THE END**