SPECIAL CONDITIONS OF CONTRACT

BID NUMBER RT284-2023

SUPPLY AND DELIVERY OF HYPODERMIC SYRINGES, NEEDLES AND BLOODLETTING DEVICES AND RELATED ITEMS TO THE STATE FOR THE PERIOD OF

36 MONTHS

CLOSING DATE AND TIME OF BID: 12 DECEMBER 2022 @ 11h00

BID VALIDITY PERIOD: 180 DAYS

NATIONAL TREASURY

TRANSVERSAL CONTRACTING

Table of Contents

LIST OF ABBREVIATIONS 4
DEFINITIONS 6
LIST OF ANNEXURES 7
LIST OF TABLES 7
SECTION A 10
1. INTRODUCTION 10
2. LEGISLATIVE AND REGULATORY FRAMEWORK 10
3. DURATION OF TRANSVERSAL CONTRACT 11
4. BID INFORMATION SESSION 11
5. TECHNICAL SPECIFICATIONS 12
SECTION B 14
CONDITIONS OF BID 14
6. PART 1: EVALUATION CRITERIA 14
6.1 PHASE I: PRE- QUALIFYING CRITERIA FOR PREFERENTIAL PROCUREMENT 14
6.2 PHASE II: LEGISLATIVE, OTHER RETURNABLE AND MANDATORY BID REQUIREMENTS 15
6.3 PHASE III EVALUATION: TECHNICAL COMPLIANCE AND SAMPLE EVALUATION 17
6.4 PHASE IV: PRICE AND B-BBEE (90/10 PREFERENCE POINT SYSTEM) 20
7. PART 2: ADDITIONAL BID REQUIREMENT 24
SECTION B: 29
CONDITIONS OF CONTRACT 29
8. CONCLUSION OF CONTRACT 29
9. PARTICIPATING ORGAN OF STATE 29
10. POST AWARD PARTICIPATION 30
11. DELIVERY BASIS 30
12. QUANTITIES 30
13. MINIMUM ORDER QUANTITY 30
14. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES 31
15. PRODUCT ADHERANCE / BRAND CHANGE 32
16. QUALITY ADHERANCE 33
17. PACKAGING 33
18. STANDARDS/SPECIFICATIONS 33
19. SOUTH AFRICAN BUREAU OF STANDARDS (SABS): 33
20. SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS): 34
21. POST AWARD REPORTING 34
22. CONTRACT PRICE ADJUSTMENT 34

CONFIDENTIAL

23. DELIVERY BASIS 39
24. ESTIMATED QUANTITIES 39
25. CONTINUITY OF SUPPLY 39
26. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS 39
27. POST AWARD PRODUCT COMPLIANCE PROCEDURES 40
28. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES 40
29. MONITORING 41
30. POST AWARD MONITORING AND REPORTING 41
31. TERMINATION 43

CONFIDENTIAL

LIST OF ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempt Micro Enterprises
ISO	International Organization for Standardization
NDoH	National Department of Health
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PDoH	Provincial Department of Health
PPPFA	Preferential Procurement Policy Framework Act
PPI	Producer Price Index
PPR	Preferential Procurement Regulations
QA	Quality Assurance
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
SA	South Africa
SABS	South African Bureau of Standards
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SANS	South African National Standards
SARB	South African Reserve Bank

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SARS	South African Revenue Service
SSA	State Security Agency
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
TCC	Tax Clearance Certificate
TC	Transversal Contracting
TCD	Transversal Contracting Document
TIC	Tender Information Centre
VAT	Value Added Tax
WHO	World Health Organisation

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DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Mandatory	A mandatory document in terms of the bid is a document that is required, obligatory, or compulsory. Non-submission means no further evaluation of the bidder.
Distributor	A natural or legal person who imports or exports a medical device or IVD which is on the register for medical devices or on the register for IVDs in its final from, wrapping and packaging, with a view to the medical devices or IVD being placed on the market under the natural or legal person's own name; and sells the medical device or IVD to a healthcare professional, healthcare institution, wholesaler or the user.
Manufacturer	Natural or legal person with the responsibility for the design, manufacture, packaging and labelling of a medica device or IVD before it is placed on the market under the natural or legal persons own name , or in the name of a firm or company , regardless of whether these operations are carried out by that person by himself or on his behalf by a third party or any other person who assembles, packages, reprocesses, fully refurbishes or labels one or more ready-made products or assigns to them their intended purpose as a medical device or IVD, with a view to their being placed on the market under the natural or legal person's own name, except a person who assembles or adapts medical devices or IVDs already on the market to their intended purpose for patients.

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LIST OF ANNEXURES

Annexure A – Technical Specification

Annexure B: Pricing Schedule

Annexure C: Sample Submission Register

LIST OF TABLES

Table 1: Returnable Bid Documents 8
Table 2: Items Categories 12
Table 3: Evaluation Criteria 14
Table 4: Preference Point System 22
Table 5: Cost Component 23
Table 6: Contract Price Adjustment Formula 34
Table 7: Contract Price Adjustment Cost Components 35
Table 8: Applicable Indices/References 36
Table 9: Price Adjustment Period 37
Table 10: CPA Rate of Exchange 37
Table 11: Rate of Exchange Average Period 38

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Table 1: Returnable Bid Documents

#	Document Name	Included in the published bid document?	To be returned by bidder
PHASE I: PRE-QUALIFICATION REQUIREMENTS			
1	valid Broad-Based Black Economic Empowerment (B-BBEE) status level verification certificate OR originally certified copy of the B-BBEE certificate OR original signed sworn affidavit OR originally certified copy of sworn affidavit OR Company Intellectual Property Commission B-BBEE certificate No copies of certified stamp will be accepted.	No	Yes
PHASE II: LEGISLATIVE REQUIREMENTS			
2	SBD 1: Invitation to Bid	Yes	Yes
3	Letter of Authority (As per SBD1)	Yes	Yes
4	Central Supplier Database Report (CSD report)	No	Yes
5	Tax Clearance Certificates Requirements	Yes	Yes
6	SBD 4 Bidder's Disclosure	Yes	Yes
7	SBD 5 National Industrial Participation Programme	Yes	Yes
8	SBD 6.1 Preference Points Claim Form	Yes	Yes
9	SBD 6.2 Declaration certificate for local production and content for designated sectors	Yes	Yes
10	**OTHER DOCUMENTS**		
11	Special Conditions of Contract	Yes	Yes
12	General Condition of Contract	Yes	Yes
13	Company Profile	No	Yes
MANDATORY REQUIREMENTS			
14	Annexure B - Pricing Schedule - Soft Copy (**Excel Format**) and Hard Copy Pricing Schedule	Yes	Yes (only items offered)
15	South African Health Products Regulatory Authority (SAHPRA) License	No	Yes
PHASE III: TECHNICAL SPECIFICATION AND SAMPLES EVALUATION			
16	Test Report(s) (where applicable) or Proof (issued by the testing institution) that the sample has been	No	Yes

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#	Document Name	Included in the published bid document?	To be returned by bidder
	submitted to the testing institution before the closing date		
17	Technical Specification and Sample Evaluation	Yes	Yes
18	Quality assurance certificate ISO 9001 or ISO 13485	No	Yes
19	Sterility certificate from the manufacturer	No	Yes
20	TCD 13 Authorisation Declaration Form	Yes	Yes
21	TCD 13.1 (List of goods or services offered)	Yes	Yes
22	TCD 13.2 Letter of undertaking/authorisation	Yes	Yes
23	Annexure C: Sample Submission Register	Yes	Yes
PHASE IV: PRICE AND BBBEE			
24	Annexure B- Pricing Schedule - Soft Copy (**Excel Format**) and Hard Copy Pricing Schedule	Yes	Yes (only items offered)
25	valid Broad-Based Black Economic Empowerment (B-BBEE) status level verification certificate OR originally certified copy of the B-BBEE certificate OR an original sworn affidavit OR originally certified copy of sworn affidavit OR Company Intellectual Property Commission B-BBEE certificate	Yes	Yes
26	TCD 14 Historical Exchange Rates	Yes	No
27	SBD 6.1 Preference Points Claim Form	Yes	Yes
28	Cost breakdown	Yes	Yes

#NB 1: All the prospective bidders are required to return these documents as per above sequence.

#NB 2: The above table for returnable documents is a guide only on how and which documents must be submitted.

#NB 3: It is the responsibility of the bidder to ensure that they read each paragraph in the Special Conditions of Contract and Bid to determine all documents required and templates must be completed and submitted accordingly.

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SECTION A

1. INTRODUCTION

1.1 This bid is for the supply and delivery of hypodermic syringes, needles and bloodletting devices and related items to the State for the period of thirty-six (36) months.

1.2 This bid document is divided as follows:

Section A	:	Introduction and Technical Specification
Section B	:	Conditions of Bid
Part 1	:	Evaluation criteria consisting of 4 phases.
Part 2	:	Other bid requirements
Section C	:	Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 This bid and all contract documents emanating thereof will be subjected 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 (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 conflict with the General Conditions of Contract (GCC), the Special Conditions of Contract prevail.

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

2.2.1 Medicines and Related Substances Act, 1965 (Act No. 101 of 1965).

2.3 **Standard Bidding Documents.** Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government as per section 3.6.3.1 regarding standardisation of bid policies and procedures. It is also a requirement for bidders to submit the other legislative documents as detailed below.

2.3.1 **SBD 1** Invitation to bid form.

2.3.2 **SBD 4** Bidder's Disclosure.

2.3.3 **SBD 5** National Industrial Participation Programme 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.

2.3.4 **SBD 6.1** Preference points claim form.

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2.3.5 **Proof of authority** Company Resolution for the capacity under which this bid is signed as per SBD 1.

2.4 Tax Compliance Requirements

2.4.1. 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.

2.4.2. The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit a bid.

2.4.3. 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.

2.4.4. Bidders are required to be registered on the CSD and National Treasury shall verify the bidder's tax compliance status through the CSD or through SARS.

2.4.5. 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.

2.4.6. **Central Supplier Database**. A full report and not summarized preferably as at the last week prior to closing date and time being 12 December 2022 period must be submitted by bidders.

3. DURATION OF TRANSVERSAL CONTRACT

The transversal contract shall be for a period of thirty-six (36) months.

4. BID INFORMATION SESSION

4.1 A non-compulsory virtual briefing session will be held as follows:

Venue : Microsoft Teams. Click here to join the meeting

The link to register and attend the briefing session is attached as RT284-2023: Supply and delivery of hypodermic syringes, needles and bloodletting devices and related items briefing session meeting

Date : 23 November 2022

Time : 10H00 to 12H00

4.2 The bid information 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.

4.3 The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

4.4 All bid enquiries must be communicated via email to Demand.Acquisition3@treasury.gov.za by no later than **2 December 2022**. Any enquiry communicated after the date indicated may not be responded to.

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5. TECHNICAL SPECIFICATIONS

5.1 Bidders must be able to Supply and Delivery of hypodermic syringes, needles and bloodletting devices and related items to the state for the period of 36 months as per the attached **Annexure A -Technical Specifications.**

5.2 All items are supported by detailed specifications and/or South African National Standards. Items must comply with standards and/or specification as stated in the bid document of each item. The specification as per the Annexure A is a summary description and the attached Private Specifications are detailed technical specification of all the items.

5.3 The state reserves the right to consider products which has a reasonable deviation to the specification subject to the deviation not damaging the brand of Participating State Institutions and pre-production sample. This will therefore be decided upon based on the visual sample screening and expertise of the Bid Evaluation Committee.

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

5.5 The categories for the items on the bid are laid out as follows:

Table 2: Items Categories

CATEGORY NAME	Number of Items
Biopsy Needles	3
Blood Collection Needles	2
Bloodletting Lancets	5
Bulb Syringe	1
Epidura Needles (Tuohy)	2
Epidural Needles (Caudal)	2
Hypodermic Needles	11
Hypodermic Syringes 2-Part	14
Hypodermic Syringes 3-Part	19
Insulin Syringes	12
Intravenous Cannula with introducer needle	7

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CATEGORY NAME	Number of Items
Insulated Echogenic Needle for Regional Anaesthesia with Shaft of 360º Ultrasound visible without nerve stimulator connector	2
Needle for non -palpable breast Lesion	1
Safety Blood Collection Needles	2
Safety Blood Collection Needles - pre attached to device	2
Spinal Needles Quicke Point	8
Spinal Needles Pencil Point	6
Syringes for Arterial Blood Collection	4
Tube Holder	1
Tuberculin Syringes	5
Total number of items	**109**

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SECTION B

CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

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

Table 3: Evaluation Criteria

PHASE I	PHASE II	PHASE III	PHASE IV
Pre -Qualifying Criteria	**Legislative Requirements and Mandatory Bid Requirements**	**Technical Specification and Samples Evaluation**	**Price and B-BBEE**
Regulation 4(1) (a) Level 1-8	Compliance with Legislative and Mandatory requirements	Compliance with technical specifications and Samples Evaluation	Bids evaluated in terms of the 90/10 preference system

6.1 PHASE I: PRE- QUALIFYING CRITERIA FOR PREFERENTIAL PROCUREMENT

It is a condition of this bid that pre-qualification criteria for preferential procurement are set according to Regulation 4(1)(a) of Preferential Procurement Policy Framework Act, 2000; Preferential Procurement Regulations, (PPR) 2017 that any one or two following bidders may respond to this bid:

6.1.1 A bidder having a B-BBEE status level contributor 1 to 8. To prove compliance, bidders are required to complete the preference claim form (SBD 6.1) and submit a valid B-BBEE status level verification certificate OR originally certified copy of the B-BBEE certificate OR originally signed sworn affidavit OR originally certified copy of sworn affidavit by the EME or QSE representative and attested by Commissioner of oaths OR valid B-BBEE affidavit issued by CIPC.

6.1.2 The BBBEE verification document must be submitted at the closing date and time of the bid.

6.1.3 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 BBBEE certificates or Sworn affidavit will be disqualified.

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

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6.1.5 Once a bid has complied with the pre-qualification criteria, it would further be evaluated on Phase II: Legislative and Mandatory bid requirements.

6.2 PHASE II: LEGISLATIVE, OTHER RETURNABLE AND MANDATORY BID REQUIREMENTS

6.2.1 Legislative (Standard Bidding Documents) and Other Returnable Bid Requirements

In this stage of evaluation, the process includes the verification of completeness of administrative compliance documents (standard bidding documents).

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

6.2.1.1 SBD 1 invitation form to bid.

6.2.1.2 SBD 4 bidder's disclosure.

6.2.1.3 SBD 5 National Industrial Participation Programme 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.

6.2.1.4 SBD 6.1 preference points claim form.

6.2.2 Tax Compliance Requirements

6.2.2.1 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.

6.2.2.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit a bid.

6.2.2.3 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.

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

6.2.2.5 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.

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6.2.3 Mandatory Bid Requirements

In this stage of evaluation, the process includes verification of mandatory bid requirements. Bidders are required to take cognisance of the mandatory bid requirements as clarification on these documents will not be allowed. Bidders who fail to comply with any of the following mandatory criteria will be disqualified.

Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid.

6.2.3.1 PRICING STRUCTURE REQUIREMENTS

a. The pricing schedule (see Annexure B) 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. All pricing offered must be on a national level.

b. Bidders are required to complete a mandatory Pricing Schedule Annexure B as a response on how much the items offered will be charged. Bids which the pricing schedule is not submitted will be disqualified.

c. Due diligence of market related pricing reasonability will be conducted. The State Reserve the right to disqualify bid offers in which there is no reasonable doubt that the bid offered is under quoted. In this case, the bidder will be required to submit supporting documentations.

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

e. Prices submitted for in 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.

f. Once a bid has complied with administrative/standard bid documents and mandatory and other returnable documents, it would further be evaluated on PHASE III: Technical Requirements

6.2.3.2 South African Health Products Regulatory Authority (SAHPRA) License

a. Bidders must submit a Manufacturer, or distributors or wholesalers license 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).

b. The license for the manufacturing, importing, exporting, distribution and /or wholesaling of medical devices and IVDs is issued by the South African Regulatory Authority at the closing date and time of bid.

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c. Bidders must submit with the bid, on or before the closing date and time of bid evidence of the approved medical device establishment license.

d. Failure to comply with this condition will invalidate the bid against the relevant item.

6.3 PHASE III EVALUATION: TECHNICAL COMPLIANCE AND SAMPLE EVALUATION

This phase entails the evaluation of bids for technical compliance with reference to line-item requirements. Non-compliance to all the evaluation criteria below will result in disqualification of line-item level. All items offered are verified for compliance in line with the following:

6.3.1 AUTHORISATION DECLARATION

6.3.1.1 All bidders **must** complete the "Authorisation Declaration" (TCD 13 and TCD 13.1) in full for all relevant goods or services they are offering, irrespective of whether third party is used or not. Bidders must sign and submit together with the bid response at the closing date and time of the bid invitation.

6.3.1.2 Any bidder who is not an original manufacturer of the items offered, must submit at the closing date and time of bid, a valid third-party **Letter of Undertaking/authorisation** (see template provided as TCD 13.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:

a) List of items indicating, item description and brand/model name and or number.
b) Letter must be on the manufacturer's or third party's letter head, dated and signed.
c) Have contact person's name, physical address, telephone, and email details.
d) All information on the letter must be in English.

6.3.1.3 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.

6.3.1.4 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.

6.3.1.5 An authorisation declaration with conditional arrangements will not be accepted. Bidders must ensure that all arrangements are agreed to before submitting a bid and are in line with the special conditions of contract.

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

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6.3.2 Quality Assurance Certificate

6.3.2.1 Bidders must submit at the closing date and time of bid, a valid quality assurance certificate ISO 9001 or ISO 13485 to confirm compliance. The holder of the certificate/s must be the bidder or the manufacturer of the product. Failure to submit these documents will invalidate your bid.

6.3.3 Sterility Standards

6.3.3.1 Bidders must provide sterility certificate from the manufacturer. 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.

6.3.3.2 SABS sterility is entrenched in the SABS' standards testing and is performed by SABS' Microbiology Division on sterile products only.

6.3.3.3 Bidders offering sterile products must submit a declaration of sterility for all items where sterility is a requirement in the item specification.

6.3.4 TEST REPORTS

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

6.3.4.2 In the event that a test report cannot be obtained from the testing institution prior to the closing date and time of the bid, the bidder must obtain proof (issued by the testing institution) that the sample had been submitted to the testing institution for testing before or on the closing date and time of the bid. Such proof must be submitted with the bid at closing date and time of the bid. In this case, the test report must be submitted to National Treasury before evaluation by the Bid Evaluation Committee of which is normally two (2) weeks after the closing date of the bid.

6.3.4.3 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 6.3.4.2 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.

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

6.3.4.5 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.

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

6.3.4.7 Bidders must ensure that items that requires test report are supported by a valid test report. All items offered will be verified against this requirement. Bidders must submit valid test reports from SANAS/equivalent accredited institutions for all the items offered that requires test report as per paragraph 6.3.4.1. Bidders are required to pay attention to specification list Annexure A as not all items require test report.

6.3.4.8 If bidder will submit an offer for item that requires test and fail to submit the test report for the applicable item will result in the disqualification of the item offered.

6.3.5 SAMPLE SUBMISSION FOR VISUAL SCREENING

6.3.5.1 **ONLY SHORTLISTED** bidders will be required to submit samples for the items offered at the venue, date, and time indicated below. Failure to submit samples will invalidate the items which the samples are not submitted.

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

6.3.5.3 Bidders must submit the samples for each item offered for visual screening.

6.3.5.4 Representative sample should be submitted where different sizes and colour of the same product are called for against different item numbers, only one sample must be submitted but recorded/labelled accordingly to indicate all the item numbers represented.

6.3.5.5 Shortlisted bidders, including current contractors, are required to submit samples for visual screening.

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

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

6.3.5.8 ONLY Bidders who will meet the prequalification phase will be required to submit the samples. Samples will ONLY be accepted on the stipulated date and time to be communicated by the office. No late samples will be accepted.

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6.3.5.9 SAMPLES will be submitted at the following address:

Venue : National Treasury. 240 Madiba Street, Pretoria

Date and Time: This information will be communicated ONLY with the shortlisted bidders

6.3.5.10 **Marking of samples to be submitted for Visual Screen Evaluation**

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

a) Samples must be placed in suitable containers and be clearly marked with a HANG TAG(S) on the outside with the bid number, item number(s), and the bidder's name. This detail must appear on a label attached to each individual item package.

b) For ease of handling during evaluation process, laminating stickers or lose papers should not be submitted with the sample as the identity of the sample can be misplaced.

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

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

6.3.5.11 **Collection of all samples –**

a) If practical for samples to be collected, bidders will be informed of the date, time, and place where samples may be collected. If samples have not been collected by the bidder after National Treasury have issued a request to bidders to collect the samples, the samples will be disposed of at the discretion of National Treasury.

6.3.5.12 Once a bidder has complied with technical compliance (sample evaluation on item level), it would further be evaluated on PHASE IV: Price and B-BBEE

6.4 PHASE IV: PRICE AND B-BBEE (90/10 PREFERENCE POINT SYSTEM)

6.4.1 RESPONSIVE BIDS

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 6-Response Field).

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6.4.2 **APPLICABLE TAXES**

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

6.4.3 **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.

6.4.4 **PRICING STRUCTURE**

6.4.4.1 The Pricing Schedule (see Annexure B attached) 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.

6.4.4.2 The pricing schedule will be accessible from the e-tender portal and National Treasury website. All prices must be submitted as **soft copies (excel spreadsheet using USB and hard copy in the file).** All price submitted as soft copy (excel – USB) and hardcopy in file must contain the same information. **NO PDF price schedule will be accepted.**

6.4.4.3 In a case where there is a legal dispute, the hardcopy version of the pricing schedule will be the legal document.

6.4.4.4 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.

6.4.4.5 Price structures that do not comply with the requirements of the above paragraph may invalidate the bid.

6.4.4.6 One National price is required per item and prices quoted must be furnished based on the supply and delivery including Value Added Tax. This is also applicable to same item that are used by more than one end user department irrespective of colour.

6.4.4.7 Conditional discounts offered will not be used for evaluation purposes.

6.4.4.8 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. Please refer to the attached full item description specification.

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6.4.5 **PREFERENTIAL POINT SYSTEM**

6.4.5.1 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)

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

$$Ps = 90\left(1-\frac{Pt-P\min}{P\min}\right)$$

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

6.4.5.3 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 4: Preference Point System

B-BBEE Status Level of Contributor	Number of Points for the 90/10 system
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1

6.4.5.4 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 original sworn affidavit or originally certified copy of sworn affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point. Failure to submit the valid original or certified copy will result in zero score/non-compliant contributor.

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

6.4.5.6 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.

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

6.4.5.8 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

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

6.4.5.10 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.

6.4.5.11 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.

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

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

6.4.6 COST COMPONENTS AND PROPORTIONS

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

6.4.6.2 Bidders are requested to submit the cost breakdown of their bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document by submitting the cost components with the pricing schedule. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Table 5: Cost Component

Cost Component	% Contribution	Indices
Imported Raw Material / Finished product (if applicable		Supplier/Manufacturer invoice(s) and remittance advice.

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Cost Component	% Contribution	Indices
Local Raw Material / Finished product (if applicable		Stats SA P0142.1 (PPI) Table 1 - PPI for final manufactured goods
Labour		Stats SA PO141 (CPI) OR Labour agreement
Transport		Stats SA P0141 (CPI) Table E
Other		
TOTAL (Cost components must add up to 100%)	**100 %**	

6.4.6.3 Percentage weighted contribution – List % weighted contribution for each cost element must add up to 100%.

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

6.4.6.5 All prices are subject to negotiation prior to signing on an anniversary of the contract

7. PART 2: ADDITIONAL BID REQUIREMENT

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 6.

7.1 COMPANY PROFILE

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

a) Business structure and strategies; and

b) Details of the bidder's directors/owners (Full name and surname and ID or passport number)

c) Years of company existence and experience relevant to this bid.

7.1.2 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.

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7.1.3 Latest Audited Annual Financial Statements (if submitted a B-BBEE Sworn Affidavit) or management accounts.

7.2 SUPPLIER DUE DILIGENCE

7.2.1 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.

7.3 COUNTER CONDITIONS

7.3.1 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.

7.4 FRONTING

7.4.1 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.

7.4.2 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.

7.5 RIGHT OF AWARD/NON-COMMITMENT

7.5.1 The State reserves its following rights:

a) To award in part or in full.

b) Not to accept any of the bids submitted. Not to make any award of this bid.

c) 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.

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

e) To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

f) To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid.

g) To award a bid based on which bidder is offering the best value for money, even if such bid is not the lowest price.

h) In the event that an incorrect award has been made or an error occurred during evaluation and adjudication phase, the State reserves the right to remedy the matter in any manner it may deem fit.

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

j) Request further technical information from any bidder after the closing date.

k) Verify information and documentation of the service provider

7.6 NEGOTIATION

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

7.7 MULTIPLE AWARD

7.7.1 The State reserves the right to award the same line item to more than one bidder to address product availability, compatibility and to provide to for various ranges in equipment's. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

7.7.2 The maximum number of bidders to be awarded will be at the discretion of the Bid Evaluation Committee. The following will be taken into consideration when awarding through a multiple award:

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

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7.8 RECOMMENDATION AND APPOINTMENT OF BIDDERS

7.8.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on the evaluation criteria stipulated above.

7.8.2 The award of the Contract is subject to meeting all the requirements of the bid.

7.9 SUBMISSION OF BIDS

7.9.1 Bidders must respond to the bid with returnable documents as follows:

7.9.2 All returnable documents (SBDs, capability report, etc.) must be submitted with the bid at the closing date and time of the bid in a hard copy format.

7.9.3 Bidders must submit an exact replica of both the soft copy (USB only) and hard copy of the bid document on or before the closing date and time to National Treasury: Tender Information Centre 240 Madiba Street, Pretoria 0001.

a. One (1) original hard copy
b. One (1) memory stick or USB with all the documents of the original hard copy and an excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.
c. The hard copy of the bid response will serve as the legal bid document and must be accompanied by USB including the exact replica of the hard copy. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence. The exact replica of the hard copy will serve as duplicate of the entire bid document submission that assist with handling and evaluation of documents or if disputes may arise.

7.9.4 Bidders **must not PDF the pricing schedule** to allow easy evaluation process.

7.9.5 In order to simplify the evaluation process, Bidders are required to neatly subdivide their bid documents and submit in the following manner: -

7.9.6 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.

7.9.7 **#NB:** Bid document are required to be submitted in the order as indicated on Table 1 – Returnable Documents Check list

7.10 LATE BIDS

7.10.1 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.

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7.11 COMMUNICATION AND CONFIDENTIALITY

7.11.1 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.

7.11.2 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).

7.11.3 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.

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

7.12 CONTACT DETAILS

7.12.1 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.

7.12.2 Bid Enquiries

All enquiries should be in writing to the Contract Manager and send to: Demand.Acquisition3@treasury.gov.za . The closing date for receipt of all enquiries is **2 December 2022** at 16h00. All enquiries beyond the closing date will not be considered.

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SECTION B:

CONDITIONS OF CONTRACT

8. CONCLUSION OF CONTRACT

8.1 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.

8.2 The Service Provider (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties in as far this RT284-2023 is concerned:

a) Bid Documents;
b) Letter of Appointment;
c) Award Documents;
d) Acknowledgement letter

8.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent. For purpose of Section B, the term "service provider "shall refer to the preferred bidder appointed in terms of RT284-2023 transversal contract.

8.4 The contract period will be for thirty-six (36) months.

9. PARTICIPATING ORGAN OF STATE

9.1 Organ of State who will participate in this contract are:

NATIONAL DEPARTMENTS
Department of Correctional Services
National Department of Health
Department of Defence
PROVINCIAL DEPARTMENTS
Free State Department of Health
Limpopo Department of Health

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10. POST AWARD PARTICIPATION

10.1 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.

10.2 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.

10.3 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.

11. DELIVERY BASIS

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

11.2 Transit and storage conditions applicable to the relevant products must be adhered to.

12. QUANTITIES

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

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

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

13. MINIMUM ORDER QUANTITY

13.1 Bidders are required to indicate the minimum order quantity that is allowable per order. In the event that the end user department requires less than the stipulated minimum order quantity, acceptable resolution should be found between all parties including National Treasury.

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14. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

14.1 CONTRACT ADMINISTRATION

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

14.1.2 The Chief Directorate: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001, Attention:Demand.Acquisition3@treasury.gov.za.

14.1.3 Contractors must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be submitted to this email: Demand.Acquisition3@treasury.gov.za.

14.2 SUPPLIER PERFORMANCE MANAGEMENT

14.2.1 Supplier performance management will be the responsibility of the Participating State Institutions and where supplier performance disputes cannot be resolved between the Supplier and the relevant Participating Institution, National Treasury: Transversal Contracting must be contacted for corrective actions.

14.2.2 A Supplier performance rating form will be instituted, issued to bidders continuously from the commencement of the contract until expiry and every contractor must complete it to ensure good performance.

14.2.3 End-user/Participating State Institutions are required to report to National Treasury on where supplier's performance is not satisfactory.

14.2.4 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 and may have the contract terminated prior to the end of contract period.

14.2.5 Service Providers Performance is based on the roles stipulated on the scope of work and as well as the service level agreement.

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14.3 PLACEMENT OF ORDERS AND PAYMENTS

14.3.1 Orders will be placed by participating organ of state who will be responsible for the payment to contractors for goods delivered and/or services rendered.

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

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

14.3.4 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the contractor deviate from the orders issued by the purchasing institutions.

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

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

14.4 DELIVERY

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

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

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

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

15. PRODUCT ADHERANCE / BRAND CHANGE

15.1.1 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.

15.1.2 In the event that the brand is discontinued and or replaced with a new brand, National Treasury, Transversal Contracting must be notified by both the appointed supplier and participating state institution 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.

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15.1.3 It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item. The quality of the product must not be lower than the initial awarded product.

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

15.1.5 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.

15.2 National Treasury reserve the right not to approve any change of specification/brand.

16. QUALITY ADHERANCE

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

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

17. PACKAGING

17.1 All deliveries made against this transversal contract, in all modes of transport, are to be packed in suitable packaging before distribution to end users as per their requirements.

18. STANDARDS/SPECIFICATIONS

18.1 Bidders are required to comply with the detailed technical specifications (see Annexure A) and non-compliance to the specification requirement will invalidate the items which the compliance is not adhered to.

19. SOUTH AFRICAN BUREAU OF STANDARDS (SABS):

19.1 SANS, SABS, ISO AND CKS specifications are available from South African Bureau of Standards Office's countrywide. Obtaining of such standards will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales at:

19.2 Email: Postal Address: Private Bag X191, Pretoria, 0001; Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Tel: (012) 428 6883, Fax: (012) 428 6928, E-mail: sales@sabs.co.za Website: www.sabs.co.za and follow the "Search/Buy Standards" link

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20. SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS):

20.1 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 3726, Fax: 012-3940526.

21. POST AWARD REPORTING

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

22. CONTRACT PRICE ADJUSTMENT

22.1 Formula

22.1.1 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.

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

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

Table 6: Contract Price Adjustment Formula

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

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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

22.2 Formula component definitions

22.2.1 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.

22.2.2 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.

22.2.3 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 7: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Imported Raw Material / Finished product	
D2 - Local Raw Material / Finished product (if applicable)	
D3 – Labour	
D4 – Transport	
D5 – Overheads	

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D6 – Other	
TOTAL (Cost components must add up to 100%)	**100**

22.2.4 **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 8: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Supplier / Manufacturer invoice(s) and remittance advice.[1]	Documentary evidence to accompany claim
D2 - Local Finished product (if applicable):	Stats SA P0142.1 (PPI): Table 1 - PPI for final manufactured goods	Rubber and plastic products
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour agreement[2]	Table E - All Items (CPI Headline) OR Labour agreement to be provided/ Regulated Pricing Adjustment.
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

22.2.5 **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 **11 November 2022.**

[1] *In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.*
[2] *In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.*

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22.2.6 **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).

22.2.7 **Price adjustment periods**

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

Table 9: 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	**01 April 2024**	**May 2024**	**01 May 2024**
2nd Adjustment	**01 April 2025**	**May 2025**	**01 May 2025**

22.2.8 **Rates of exchange (RoE) – Base and average rates**

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

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

22.2.8.2 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.

22.2.8.3 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.

22.2.8.4 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 10: CPA Rate of Exchange

Currency Name	Rates of exchange: 01 December 2021 to 31 December 2022
US Dollar	
Pound Sterling	

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Yen	
Euro	
Yuan	

22.2.8.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **01 November 2021 to 31 October 2022** 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.

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

Table 11: Rate of Exchange Average Period

Adjustment	Average exchange rates for the period:
1st Adjustment	
2nd Adjustment	

22.2.9 **General**

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

22.2.9.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.

22.2.9.3 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.

22.2.9.4 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.

22.2.9.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

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23. DELIVERY BASIS

23.1 Firm lead times for delivery must be quoted for the duration of the contract period. Lead times for delivery of all products on transversal contract shall not exceed eight (3) weeks. Delivery period exceeding the prescribed maximum eight (3) weeks may be cancelled without notice.

23.2 Lead times for delivery of all items offered on transversal contract shall not exceed three (3) weeks/ 21 days.

24. ESTIMATED QUANTITIES

24.1 No guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period are estimated.

24.2 Orders will be placed by participating State institutions, and they will also be responsible for the payment to Suppliers for the products delivered and/or services rendered.

25. CONTINUITY OF SUPPLY

25.1 The contractor must maintain sufficient stock to meet demand throughout the duration of the contract and inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:

a. Industrial action,

b. Manufacturing pipeline

c. Any other supply challenges.

25.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the National Treasury reserves the right to purchase outside of the contract in order to meet its requirements if:

a. The contracted supplier fails to perform in terms of the contract.

b. The item(s) are urgently required and not immediately available, in the case of an emergency.

26. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS

26.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform National Treasury in writing 90 days prior to such event of relevant details.

26.2 **Assignments of Contract**

26.2.1 Assignment of contract refers to the transfer of rights and obligations in a contract from an assigner to an assignee. The effect of this is that the service provider appointed through a competitive bidding

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process transfers the contract in its entirety that is, the obligation (the responsibility of rendering the services) and the right (of receiving payment for service rendered) to a third party that did not participate in the bidding process or a bidder that participated in the bidding process but was not successful.

26.2.2 Assignment of contracts is therefore not allowed as it will be contrary to principles of section 217 of the Constitution particularly, fairness, transparency, and competitiveness.

26.3 **Cession of Contracts**

26.3.1 Cession refers to the transfer of only the rights a service provider has in terms of a contract from it to a third party. cession will be limited only to those cession agreements in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding to businesses and entities (State Institution).

26.3.2 The written request for cession must be by the service provider and not a third party; and the written request by the service provider must be accompanied by the cession agreement.

26.4 **Changes in the Service Provider Contact Details**

26.4.1 A contracted supplier must inform the National Treasury within 7 days of any changes of address, name, and or contact details.

27. POST AWARD PRODUCT COMPLIANCE PROCEDURES

27.1 Successful bidders must ensure that the product confirms to the specification and its relevant quality standards throughout the contract period. Where the is a justified concern regarding the quality of the product, the State reserve the right to request the bidder (at own cost) to submit product for testing to confirm compliancy to the relevant item specification and requirements at the SANAS accredited institution.

27.2 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.

27.3 The State reserve the right to conduct any sample or site inspection directly or through a third party appointed by the state.

28. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

28.1 Successful bidders must ensure continuous compliance with all statutory requirements which may affect their complying status on Central Supplier Database managed by National Treasury.

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28.2 All contracted suppliers must ensure registration on all participating institutions/department's supplier databases within 30 days of accepting the award and submit proof thereof to the National Treasury.

28.3 Failure to meet this requirement will result in inability to process orders and payments for goods.

29. MONITORING

29.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Participating Institutions or by a service provider appointed to determine continuous compliance to the product and terms of contract. The National Treasury, in collaboration with the other Participating Authorities, will monitor the performance of contracted suppliers and maintain a scorecard for compliance to the terms of this contract as follows:

a. Compliance to delivery lead times;

b. Percentage of orders supplied in full first time;

c. Compliance with reporting requirements according to reporting schedule.

d. Attendance of compulsory quarterly meetings: The National Treasury may hold quarterly meetings with suppliers to review the next quarter's demand, as well as supplier performance.

29.2 The state may conduct random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).

29.3 National Treasury will conduct meetings with the participating State institutions and Suppliers to discuss transversal contracting issues.

29.4 The National Treasury may request Participating Authorities to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.

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

29.6 Reporting and Supplier(s) meetings will be on a six-monthly basis and will be scheduled post award.

29.7 All successful Suppliers are required to submit historical value and volume reports via e-mail on a quarterly basis to: Demand.Acquisition3@treasury.gov.za

29.8 Detailed reporting requirements from successful bidders will be provided by National Treasury.

30. POST AWARD MONITORING AND REPORTING

30.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contract issues related to RT284-2023.

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30.2 All successful bidders are required to submit historical value and volume reports via e-mail on a quarterly basis to: Demand.Acquisition3@treasury.gov.za

Period	Period for which information must be submitted	Duration
1	1 May 2023 – 31 July 2023	1st Report
2	1 August 2023 – 31 October 2023	2nd Report
3	1 November 2023 – 31 January 2024	3rd Report
4	1 February 2024 – 30 April 2024	4th Report
5	1 May 2024 – 31 July 2024	5th Report
6	1 August 2024 – 31 October 2024	6th Report
7	1 November 2024 – 31 January 2025	7th Report
8	1 February 2025 – 30 April 2025	8th Report
9	1 May 2025 – 31 July 2025	9th Report
10	1 August 2025 – 31 October 2025	10th Report
11	1 November 2025 – 31 January 2026	11th Report
12	1 February 2026 – 30 April 2026	12th Report

31. TERMINATION

31.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –

a. The service provider decides to transfer the contract or cede the contract;

b. The service provider does not honour contractual obligations including submission of information;

c. The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;

d. The service provider enters into settlement arrangements with their creditors;

e. The service provider commits an act of insolvency;

f. 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;

g. 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;

h. Overall poor performance rating during the contract period.

THE END

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