



SPECIAL CONDITIONS OF CONTRACT

RT44-2020

APPOINTMENT OF ACCREDITED VERIFICATION AGENCIES FOR THE PROVISION OF ANNUAL B-BBEE VERIFICATION AUDIT SERVICE TO THE STATE

1 JUNE 2021 TO 31 MAY 2024

CLOSING DATE AND TIME OF BID

30 APRIL 2021 AT 11H00

BID VALIDITY PERIOD: 120 DAYS

National Treasury

Transversal Contracting



Table of Contents

LIST OF ABBREVIATIONS.....	3
LIST OF ANNEXURES.....	4
1. INTRODUCTION	7
2. LEGISLATIVE AND REGULATORY FRAMEWORK	7
3. BID INFORMATION SESSION	8
4. SPECIFICATIONS AND SCOPE OF SERVICES	9
SECTION A	10
CONDITIONS OF BID	10
5. PART 1: EVALUATION CRITERIA.....	10
6. PART 2: ADDITIONAL BID REQUIREMENT	17
7. TERMS AND CONDITIONS	18
8. NEGOTIATION	20
9. SUBMISSION OF BIDS.....	20
10. COMMUNICATION AND CONFIDENTIALITY	21
11. CONTACT DETAILS	22
SECTION B:.....	23
CONDITIONS OF CONTRACT	23
12. CONCLUSION OF CONTRACT AND SLA	23
13. PARTICIPATING STATE INSTITUTIONS	24
14. POST AWARD PARTICIPATION.....	24
15. CONTRACT PRICE ADJUSTMENT	25
16. SECURITY AND CONFIDENTIALITY INFORMATION	29
17. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES	29
18. TERMINATION	31



LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee-
BQRC	Bid Quality Review Committee
B-BBEE	Broad -Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CSD	Central Supplier Database
EME	Exempted Micro Enterprise
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations, 2017
QSE	Qualifying Small Enterprise
RSA	Republic of South Africa
SLA	Service Level Agreement
SANAS	South African National Accreditation System
SANS	South African National Standards
SARB	South African Reserve Bank
SARS	South African Revenue Service
SSA	State Security Agency
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TIC	Tender Information Centre
VAT	Value Added Tax



LIST OF ANNEXURES

Annexure 1: Special Conditions of Contract

Annexure 2: Pricing Schedule

Annexure 3: Briefing Session Presentation

LIST OF TABLES

Table 1: Evaluation Criteria	8
Table 2: Returnable Bid Document Checklist	9
Table 3: Functionality Evaluation	16
Table 4: Preference Point System	25
Table 5: Contract Price Adjustment Formula	27
Table 6: Contract Price Adjustment Cost Components	27
Table 7: Applicable Indices	28
Table 8: Contract Price Adjustment Periods	27

**Table 1: Returnable Bid Document Checklist**

#	Document Name	Included in the bid document?	To be returned by bidder?
1	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid.
2	SBD 4 Declaration of Interest	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
3	SBD 8 Declaration of Bidder's Past SCM Practises	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
4	SBD 9 Certificate of Independent Bid Determination	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
5	TCBD 1 Authorisation Declaration	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
6	TCBD 1.1 List of Goods or services offered	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
7	TCBD 1.2 Authorisation Letter : Third Party	Yes	Yes , Complete in full, sign the supplied form and submit at the closing date and time of bid
8	TCBD 6 – Response Field Explanation (To be read for information purposes only)	Yes	No
9	CSD full report	No	Yes
10	Shareholding portfolio by proof of registration of the company with CIPRO/CIPC	No	Yes
11	Financial Statement/Confirmation letter from an audit	No	Yes
12	Company Profile	No	Yes
13	Fully Signed General Condition of Contract	Yes	Yes, Bidders must sign every page and submit at the closing date and time of the bid
14	Fully Signed Special Conditions of Contract	Yes	Yes, Bidders must sign every page and submit at the closing date and time of the bid
15	Original and valid B-BBEE status level verification certificate or a certified copy thereof or valid	No	Yes



#	Document Name	Included in the bid document?	To be returned by bidder?
	and originally signed sworn affidavit		
16	SBD 6.1 Preference Points Claim Form	Yes	Yes
17	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No
Mandatory Document		Non –submission will result in disqualification	
Original and valid B-BBEE status level verification certificate OR certified copies thereof OR Valid and originally signed sworn affidavit		Bidders are required to submit proof of B-BBEE Status Level of contributor. Proof includes original and valid B-BBEE Status Level verification certificate or certified copies thereof (The certificate will be identified by a SANAS Io and a unique VBA number). OR EME or QSE is required to submit a sworn affidavit which is signed by the company representative and attested by commissioner of oaths confirming their annual total revenue and level of black ownership. OR EME is required to submit an originally certified B-BBEE certificate issued by CIPC.	
Valid Certificate of Accreditation		Bidder must submit a valid copy of certificate of accreditation which indicates the facility accreditation number from SANAS.	
Trade Reference letter		Bidders must submit reference letters with contactable references and the number of years in the letterhead of the third party.	
Key Staff Curriculum Vitae		Bidders must submit summarised Curriculum Vitae clearly indicating the type and years of experience of the key staff / analyst/ project manager who will be involved in the B-BBEE assessment and verification project	
Execution Plan		Bidders must submit execution plan on how the assessment will be conducted with critical milestones .	
Pricing Schedule – Annexure 2		Please complete excel pricing schedule electronically and submit a signed hard copy with the bid at the closing date and time.	

ALL THE PROSPECTIVE BIDDERS ARE REQUIRED TO RETURN THESE DOCUMENTS AS PER ABOVE SEQUENCE



1. INTRODUCTION

This bid is for the appointment of accredited verification agencies for provision of annual B-BBEE verification audit service to the State for a period of three (3) years commencing on 1 June 2021 to 31 May 2024.

This bid document is divided as follows:

- 1.1 Section A : Conditions of bid
 - 1.1.1 Part 1 : Evaluation criteria
 - 1.1.2 Part 2 : 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 General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 2.2 This contract is subject to all applicable industry related legislation, particularly the legislation stated below. Contravention of any provision of the below mentioned legislation as well as the following legislation may result in disqualification of this bid or termination of Contract in the event that the contravention occurs after the contract award: -
 - i. Broad -Based Black Economic Empowerment Act 53 of 2003;
 - ii. Sector Codes of Good Practice;
 - iii. Preferential Procurement Policy Framework Act, (No.5 of 2000);
 - iv. Broad-Based Black Economic Empowerment Amendment Act, (No.46 of 2013);
 - v. Broad-Based Black Economic Empowerment Regulations 2016.



3. BID INFORMATION SESSION

- 3.1 The Briefing Session Presentation will provide the bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.
- 3.2 Briefing session presentation attached as Annexure 3.
- 3.3 A non-compulsory information session will be held virtually
Date: **14 April 2021**
Venue: Virtual Online- Microsoft Teams at **10h00-12h00**
- 3.4 The Briefing Session Presentation will be made available on the following link:

<https://etenders.treasury.gov.za/content/advertised-tenders>
<https://www.treasury.gov.za/divisions/ocpo/ostb.CurrentTenders.aspx>
- 3.5 The state reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.
- 3.6 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to Phumzile.Mtsweni@treasury.gov.za before the briefing session. The closing date for receipt of all enquiries is **23 April 2021**. All enquiries beyond this closing date will not be considered.



4. SPECIFICATIONS AND SCOPE OF SERVICES

- 4.1 A bid will be considered responsive if it addresses and scope of services summarised below. A bid that does not address the scope of services will be disqualified and considered non-responsive.
- 4.2 Provision of partial or full audit to determine the organisations Black Economic Empowerment compliance levels.
- 4.3 The Bidder will be required to provide the following services:
- 4.3.1 B-BBEE verification planning and completion of documentation;
- 4.3.2 Evidence gathering in accordance to Amended Codes or Sector Codes;
- 4.3.3 Verification of evidence and the calculation of the B-BBEE compliancy level;
- 4.3.4 Assist with Completion of Compliance Report;
- 4.3.5 Issuing of a B-BBEE Certificate;
- 4.3.6 Provide advisory services on bridging the gaps on non-compliance.
- 4.3.7 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to Phumzile.Mtsweni@treasury.gov.za before the briefing session. The closing date for receipt of all enquiries is **23 April 2021**. All enquiries beyond this closing date will not be considered



SECTION A

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in three (3) phases as per the table below:

Table 2: Evaluation criteria

Phase I	Phase II	Phase III	Phase IV
Pre-qualifying criteria	Compliance with mandatory and other standard bidding documents	Functionality	Price and B-BBEE
Regulation 4(1)(a)	Compliance with mandatory and other bid requirements	Minimum threshold is 66,67%	Bids evaluated in terms of the 90/20 or 80/20 preference system

5.1 Phase I: Pre- Qualifying Criteria for Preferential Procurement

5.1.1 B-BBEE status Level Contributor (Level 1- 4)

Bidders must be a minimum B-BBEE status level contributor from level 1(one) to 4 (four) as per Regulation 4(1)(a) of Preferential Procurement Regulations, 2017.

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 an original 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.

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



- 5.1.5 A bid that fails to meet the pre-qualifying criteria as stipulated in paragraph 5.1.1 is an unacceptable bid and will be disqualified.

5.2 **Phase II: Mandatory and Other Standard Bidding Documents Requirements**

Bidders must submit 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 at the closing date and time of the bid will be disqualified.

5.2.1 **South African National Accreditation System Accreditation**

- 5.2.1.1 Bidders must provide a valid copy of certificate of accreditation which indicate the facility accreditation number from SANAS.

- 5.2.1.2 Failure to submit a valid copy of accreditation certificate will invalidate the bid.

5.2.2 **Authorisation Declaration**

- 5.2.2.1 Any bidder who is sourcing goods or services from a third (3rd) party must complete the "Authorisation Declaration" (TCBD 1) in full for all relevant goods or services, sign it and submit it together with the bid response at the closing date and time of the bid invitation.

- 5.2.2.2 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in this bid document.

- 5.2.2.3 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third (3rd) party will be binding on the State.

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



5.2.3 Tax Compliance Requirements

- 5.2.3.1 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.
- 5.2.3.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.
- 5.2.3.3 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.
- 5.2.3.4 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.
- 5.2.3.5 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: Functionality

During this evaluation phase, bidder's must score a minimum of 66,67% to be regarded as responsive. This phase will be scored and bidders that score less than 66,67% in respect of functionality will be regarded as non-responsive and will not be evaluated further.

**Table 3: Functionality Evaluation**

Criteria	Measure	Rating Scale	Weight
1. Trade Reference Letter	<p>Bidders must submit recent reference letter/s not older than 5 years with contactable reference in the letterhead of the third party. The reference letter should indicate the number of B-BBEE assessments and verification in the public and private sector:</p> <p>Bidders with 0 to 1 project = 0 Bidders with +1 to 4 projects = 10 Bidders with +4 to 7 projects = 20 Bidders with more than 7 projects = 30</p>	<p>0 points = 0 10 points = 1 20 points = 2 30 points = 3</p>	30
2. Key Staff	<p>Bidders must submit summarised Curriculum Vitae clearly indicating the type and years of experience of the key staff / analyst/ project manager who will be involved in the B-BBEE assessment and verification project:</p> <p>Key Staff Personnel with 0 to 2 years' experience in B-BBEE verification services = 5 points Key Staff Personnel with +2 to 4 years' experience in B-BBEE verification services = 10 points Key Staff Personnel with +4 to 6 years' experience in B-BBEE verification services = 15 points Key Staff Personnel with +6 to 8 years' experience in B-BBEE verification services = 20 points Key Staff Personnel with +8 to 10 years' experience in B-BBEE verification services = 25 points Key Staff Personnel with +10 years' experience in B-BBEE verification services = 30 points</p>	<p>0 points = 0 5 -10 points = 1 15-20 points = 2 25-30 points = 3</p>	30
Execution Plan	<p>Bidders must submit execution plan on how the assessment will be conducted with critical milestones:</p> <p>Bidder submitted the execution plan without the verification process to be followed and milestones = 0 Bidder submitted the execution plan with milestones and no verification process = 1 Bidder submitted the execution plan with verification process to be followed and no milestones = 2 Bidder submitted the execution plan with the verification process to be followed and milestones = 3</p>	<p>0 points = 0 1 point = 1 2 points = 2 3 points = 3</p>	40
Functionality Threshold is 66.67%			100

5.3.1 A bid that does not meet the minimum threshold of 66,67% shall be regarded as non-responsive and will be disqualified.



5.4 **Phase IV: Price and B-BBEE (90/10 or 80/20 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 service fee must be inclusive of all costs, i.e. travelling cost, labour, accommodation, parking and any other related costs.

5.4.4.2 No other amount will be paid to the appointed agency i.e. service provider other than the service fee.

5.4.4.3 Advisory service fee must be priced in accordance with the DPSA guide on consultancy rate. This fee must be inclusive of all costs, i.e. travelling cost, labour, accommodation, parking and any other related costs.

5.4.4.4 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid as follows:

5.4.4.4.1 Municipal Category A – Metro Municipalities

5.4.4.4.2 Municipal Category B1 – Secondary Cities

5.4.4.4.3 Municipal Category B2 – Large Towns

5.4.4.4.4 Municipal Category B3 – Small Towns

5.4.4.4.5 Municipal Category B4 – Mainly Rural

5.4.4.4.6 Municipal Category C1 – District Municipality without water billing services

5.4.4.4.7 Municipal Category C2 – District Municipality with water billing services



- 5.4.4.5 It is not compulsory for bidders to bid for all categories. However, it is compulsory to submit an offer for advisory services. Non-Compliance will lead to your bid being disqualified.
- 5.4.4.6 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. The prices quoted must be inclusive of all applicable taxes. The bid price offered for service is deemed to be as advertised in the item specification.
- 5.4.4.7 The bidder must ensure that it completes in full for the line items they are bidding for signs and submit the **PRICING SCHEDULE** attached herein referred to as **Annexure 2** failing which the bid will be deemed non-responsive and shall therefore be disqualified.
- 5.4.4.8 After completing the pricing schedule electronically, the electronic version of the pricing schedule must be printed, signed and submitted together with the other bid documents which will serve as the card copy of the bid.
- 5.4.4.9 Price structure that do not comply with the requirements of 5.4.4.5 above may invalidate the bid.

5.4.5 **Preferential Point System**

- 5.4.5.1 In terms of regulation 6 or 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 or 80/20 preference point system in terms of which points are awarded to bidders on the basis of:

- i. The bid price (Maximum of 90 or 80 points)
- ii. B-BBEE status level of contributor (maximum 10 or 20 points)

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

$$P_s = 90 \text{ or } 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

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 or 20 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	Number of Points for the 80/20 system
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	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 an original sworn affidavit will be considered for preference points.
- 5.4.5.7 Failure on the part of the bidder to comply with the above paragraphs will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 5.4.5.8 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.



- 5.4.5.9 The points scored will be rounded off to the nearest two (2) decimals.
- 5.4.5.10 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.
- 5.4.5.11 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.
- 5.4.5.12 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 5.4.5.13 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points in line with Regulation 11 of the Preferential Procurement Regulation (PPR).

5.5 Recommendation and appointment of a panel of bidders

- 5.5.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on phase I, phase II, phase III, and phase IV, the Contract Manager will compile a memo which will be presented to the Bid Adjudication Committee for award and approval.
- 5.5.2 The award of the Contract is subject to meeting all the requirements of the bid.

6. PART 2: ADDITIONAL BID REQUIREMENT

6.1 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.

6.2 Company Financial Statements

The bidder must submit a copy of the bidder's audited financial statement for the last two years. Alternatively, bidders shall submit confirmation from the bidder's auditor



that the bidder is a going concern, with the bid documents at date the closing and time of the bid.

6.3 **Company Profile**

The bidder must submit a company profile which includes, but is not limited, to the following: -

- i. Business Structure
- ii. Business Functions
- iii. Details of the bidder's directors/owners (Full name and surname and ID or passport number)

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.

7. **TERMS AND CONDITIONS**

7.1 **Supplier Due Diligence**

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

7.2 **Counter Conditions**

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

7.3 **Fronting**

- 7.3.1 The NT supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the NT does not support any form of fronting.



7.3.2 The NT, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the 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.

7.4 **Right of Award**

The State reserves its following rights;

- 7.4.1 To award the bid in part or in full;
- 7.4.2 Not to make any award in this bid;
- 7.4.3 Award the bid to more than one (1) bidder for the same item;
- 7.4.4 Request further technical information from any bidder after the closing date;
- 7.4.5 Verify information and documentation of the service provider;
- 7.4.6 Not to accept any of the bids submitted;
- 7.4.7 To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award; and
- 7.4.8 In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.
- 7.4.9 In terms of MBD 4: Person in service of the state are not allowed to do business with the state.



7.5 Multiple Award

The State reserves the right to issue multiple awards, to ensure availability of service. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

7.5.1 The maximum number of bidders to be awarded will be at the discretion of the Bid Evaluation Committee.

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

7.5.2.1 Capacity to meet the expected demand according to the end-user requirements;

7.5.2.2 Mitigation of risk if the item is unavailable.

8. NEGOTIATION

The State reserves the right to negotiate with the preferred bidders prior to award and with the successful bidders(s) post award.

9. SUBMISSION OF BIDS

9.1 Bidders must respond to the bid as follows:

9.1.1 Submit hard copies at the **National Treasury, 240 Madiba Street, Tender Information Centre (TIC), Deposit the bid in the tender box.**

9.1.2 Bidders are requested to initial each page of the bid document on the bottom right hand corner; and

9.1.3 Submit any bid queries via email to Phumzile.Mtsweni@treasury.gov.za.

9.2 The hard copy of the bid response will serve as the legal bid document.

9.3 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 and a soft copy of the 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.



- 9.4 Non-compliance with paragraph 9.3 above may invalidate the bidder's response.
- 9.5 All electronic 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.
- 9.6 After completing the pricing schedule electronically, the electronic version of the pricing schedule must be printed, signed and submitted together with the other bid documents which will serve as the card copy of the bid.
- 9.7 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.
- 9.8 In the event that a hard copy of the bid document and the electronic response are not received on or before the closing date and time, the bid will be invalidated.
- 9.9 **Late Bids**
- Bids received after the closing date and time, at the TIC and according to 9 above will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.

10. COMMUNICATION AND CONFIDENTIALITY

- 10.1 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.
- 10.2 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).



- 10.3 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.
- 10.4 All communication between the bidder and the National Treasury Transversal Contracting office must be done in writing.

11. CONTACT DETAILS

11.1 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.

11.2 Bid Enquiries

All enquiries should be in writing to Phumzile.Mtsweni@treasury.gov.za. The closing date for receipt of all enquiries is **23 April 2021**. All enquiries beyond the closing date will not be considered.

**SECTION B:****CONDITIONS OF CONTRACT****12. CONCLUSION OF CONTRACT AND SLA**

- 12.1 The Master Transversal Agreement (MTA) between National Treasury and the preferred bidder(s) collectively referred to as the Parties shall come into effect after the preferred bidder(s) has been issued with an unconditional letter of acceptance to their bid.
- 12.2 It is a requirement that the preferred bidder (s) and the end user State institutions sign a Participation Agreement (PA) within thirty (30) days upon receipt of order.
- 12.3 The preferred bidder (s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. In the event that the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT44-2020 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of this RT44-2020 transversal contract.
- 12.4 The following will form part of the Contract documents between the Parties in as far this RT44-2020 is concerned:
- 12.4.1 Bid Documents;
 - 12.4.2 Letter of Appointment;
 - 12.4.3 Award Documents;
 - 12.4.4 Master Transversal Agreement and;
 - 12.4.5 Participation Agreement
- 12.5 In the event that there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to their service delivery:
- 12.5.1 Special Condition of Contract Service;
 - 12.5.2 Participating Agreement;
 - 12.5.3 Master Transversal Agreement and;
 - 12.5.4 Bid documents.
- 12.6 Regarding all other matters



- 12.6.1 Master Transversal Agreement;
- 12.6.2 Participation Agreement;
- 12.6.3 Service Level Agreement and;
- 12.6.4 Bid Documents.

13. PARTICIPATING STATE INSTITUTIONS

- i. City of Cape Town;
- ii. Hessequa Local Municipality;
- iii. Overstand Municipality;
- iv. Swartland Municipality;
- v. Drankenstein Municipality;
- vi. Cape Agulhas Municipality;
- vii. Gauteng: Office of the Premier; and
- viii. Eastern Cape: Department of Cooperative Governance and Traditional Affairs

14. POST AWARD PARTICIPATION

- 14.1 Treasury Regulation 16A6.5 provides that "The Accounting Officer or 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.
- 14.2 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 National Treasury subject to an electronic (e.g. e-mail, NOT written approval/consent) acceptance by the Contract Manager or a delegate from TC.
- 14.3 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.



15. CONTRACT PRICE ADJUSTMENT

15.1 Formula

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

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

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

TABLE 5: CONTRACT PRICE ADJUSTMENT FORMULA

$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + + Dn \frac{Rnt}{Rno} \right) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85)
D1 – Dn	=	Each factor (or percentage) of the bid price, e.g. material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%)
R1t – Rnt	=	End Index. Index figure obtained from the index at the end of each adjustment period
R1o – Rno	=	Base Index. Index figure at the time of bidding
VPt	=	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment



15.2 **Formula component definitions**

15.2.1 **Adjustable amount**

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

15.2.2 **Fixed portion**

The fixed portion represents those costs which will not change over the adjustment period and DOES NOT represents the profit margin. In this bid the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract period.

15.2.3 **Cost components and proportions**

The cost components of the contract price usually constitute the cost of materials (raw material or finished item), 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 products 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 6: CONTRACT PRICE ADJUSTMENT COST COMPONENTS**

Cost Component	% Contribution
Service Fee	100%
TOTAL (Cost components must add up to 100%)	100 %

15.2.4 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 7: APPLICABLE INDICES

Cost component	Index Publication	Index Reference
Service Fee	STATS SA CPI PO141 Table E ¹	Table E - All Items

15.2.5 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 **March 2021**.

15.2.6 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).

15.2.7 Price Adjustment Periods

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

The application must be sent to National Treasury one (1) months before the effective date of the new adjusted price.

**TABLE 8: CONTRACT PRICE ADJUSTMENT PERIODS**

Adjustment	CPA application to reach National Treasury at the following dates	End Index Date	Dates from which adjusted price will become effective
1 st Adjustment	1 May 2022	March 2021	1 June 2022
2 nd Adjustment	1 May 2023	March 2022	1 June 2023

15.2.8 **General**

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

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

15.2.8.3 CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.

15.2.8.4 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.

15.2.8.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

15.3 **PLACEMENT OF ORDERS AND PAYMENTS**

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



- 15.3.2 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).
- 15.3.3 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.
- 15.3.4 Payment will only be made once the B-BBEE certificate has been issued to the purchasing institution.

16. SECURITY AND CONFIDENTIALITY INFORMATION

- 16.1 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.
- 16.2 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.
- 16.3 The Supplier, his/her employees, subcontractors or agents may not make any such information obtained or entrusted with to any other person or to the media.

17. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

17.1 Contract Administration

- 17.1.1 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 Phumzile.Mtsweni@treasury.gov.za.
- 17.1.2 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.

17.2 **Contract Performance Management**

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

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

17.2.3 End-user State institutions are required to report to National Treasury on quarterly orders including values of the orders to ascertain if the transportation of cargo and furniture removal needs are being fulfilled by the transversal contract.

17.3 **Penalties**

The penalty of non-performance or non-delivery will be charged at 5 % of the invoice amount; and shall apply as indicated in the General Conditions of Contract.

17.4 **Post Award Monitoring and Reporting**

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

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

All successful bidders are required to submit historical value and volume reports via e-mail at the end of each quarterly to: Phumzile.Mtsweni@treasury.gov.za.

**18. TERMINATION**

- 18.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- 18.1.1 the service provider decides to transfer the contract or cede the contract;
 - 18.1.2 the service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;
 - 18.1.3 the service provider enters into settlement arrangements with their creditors;
 - 18.1.4 the service provider commits an act of insolvency;
 - 18.1.5 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;
 - 18.1.6 the service provider failure to perform its obligation amounts to a fundamental non-performance;
- 18.2 The State reserves its right to terminate the Contract in the event that 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.
- 18.3 Either Party may terminate this Contract for breach in the event that the other party fails to comply with any of its obligations in terms of this Contract, and having failed to remedy such breach within three (3) months calendar day's written notice to remedy such non-compliance.