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**SPECIAL CONDITIONS OF CONTRACT**

**RT4-1-2023**

**SUPPLY AND DELIVERY OF EMERGENCY AND RESCUE EQUIPMENT  
TO THE STATE FOR THE PERIOD**

**ENDING 31 AUGUST 2028**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD ON THE  
28 MARCH 2024 ON MICROSOFT TEAMS**

**CLOSING DATE AND TIME OF BID**

**17 APRIL 2024 AT 11H00**

**BID VALIDITY PERIOD: 180 DAYS**



## National Treasury

## Transversal Contracting

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## LIST OF ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CSD	Central Supplier Database
CPI	Consumer Price Index
IVD	In Vitro Diagnostic
NT	National Treasury
PPR 2022	Preferential Procurement Regulations 2022
RoE	Rate of Exchange
SABS	South African Bureau of Standards
SAHPRA	South African Health Product Regulatory Authority
SANAS	South African National Accreditation System
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
STATS SA	Statistics South Africa
TC	Transversal Contracting
TCD	Transversal Contracting Document
TIC	Tender Information Centre
VAT	Value Added Tax
ZAR	Rand

## LIST OF ANNEXURES

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## DEFINITIONS

Accessory	An equipment device "accessory" is a device "intended to support, supplement, and/or augment the performance of one or more parent devices," while a parent device is a device "whose performance is supported, supplemented, and/or augmented by one or more accessories"
Commissioning	To bring newly manufactured equipment into working condition. It includes assembly, installation, acceptance testing and initial start-up, also verifying safety and functional performance accuracy, quality assurance certificate, correction of equipment defects including those that are not readily apparent, practical training for both clinical and technical staff, and full handover of all catalogues, operation manuals, instruction leaflet, and technical (service) manual.
Comprehensive Maintenance	Refers to preventive maintenance of Equipment as per schedule which includes breakdown Equipment spare parts replacement, engineering, and labor charges
Consumable	A commodity that is intended to be used up relatively quickly because its end-of-life is reached after a single use
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
Diagnosis	The identification of the nature of an illness or other problem by examination of the symptoms by utilizing the medial equipment and early diagnosis and treatment are essential
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
Installation	The action of installing the Equipment for use
Maintenance	The process of preserving the condition of the Equipment in its original or existing state. It involves functional checks, servicing, repairing, or replacing of necessary Equipment parts, consumables and/or accessories
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
Equipment	An article, instrument, apparatus, or machine that is used in the prevention, diagnosis or treatment of illness or disease, or for detecting, measuring, restoring, correcting, or modifying the structure or function of the human body for some health purpose
Original Equipment Manufacturer (OEM)	An OEM in the context of Equipment is a company that produces components or finished product for itself, or for use by another company (sometimes referred to as a distributor or reseller) to sell or incorporate into another product for resale
Recall	An item recall is the process of retrieving defective and/or potentially unsafe goods (Equipment) from participants while providing those participants with compensation. Recalls often occur as a result of safety concerns over a manufacturing defect in an Equipment that may harm its user
Single Market	An association of countries trading with each other without restrictions or tariffs
Spare Part	Is a part that can be procured separately to replace old or broken parts in a piece of Equipment. It is usually a part that is designed to be easily removed or fitted
Starter Pack	An OEM accessory and consumable that is supplied with a piece of Equipment upon procurement
Supply	A supply of Equipment includes the transfer of ownership thereof by agreement to the participant
Third Party	In the context of this bid, it is an alternative company to OEM for support of the Equipment. The maintenance is delivered outside of the OEM system and can include a variety of services and solutions to keep the Equipment functioning day to day

**Table 1: Bid Document Checklist and Returnable**

#	Document Name <sup>1</sup>	Included in the published bid document?	To be returned by bidder?	Bidder may tick Yes if document is submitted
<b>PHASE 1: ADMINISTRATION REQUIREMENTS</b>				
1.	SBD 1 – Invitation to Bid	Yes	Yes	
2.	Proof of authority to sign the bid	No	Yes	
3.	SBD 4 – Declaration by bidder	Yes	Yes	
4.	SBD 5 – National Industrial Participation Programme	Yes	Yes	
5.	SBD 6.1 – Preference Points Claim Form	Yes	Yes	
6.	Written confirmation for disclosing tax status by SARS	No	Yes	
7.	CSD full report and not summarized	No	Yes	
<b>PHASE 2: MANDATORY REQUIREMENTS</b>				
8.	Annexure B: Pricing Schedule	Yes	Yes	
<b>PHASE 3: TECHNICAL COMPLIANCE</b>				
9.	SAHPRA License – Medical Devices and IVD - Establishment	No	Yes	
10.	Quality Assurance certificates			
11.	Safety and Quality Assurances Certificate (ISO/SANS/IEC)			
12.	TCD 13 Authorization Declaration	Yes	Yes	
13.	TCD 13.1 List of items	Yes	Yes	
14.	Letter of undertaking (as per TCD 13.2 template)	Yes	Yes	
15.	Products Certificates	No	Yes	
16.	Test Report(s) or Proof of submission	No	Yes	
<b>PHASE 4: PRICE &amp; SPECIFIC GOALS</b>				
17.	Annexure A: Technical Specifications	Yes	Yes	
18.	Annexure B: Pricing Schedule	Yes	Yes	
19.	TCD 14: Historical Currency Exchange Rate	Yes	No	

<sup>1</sup> Table 1 is provided as guidance to assist bidders with documents that must be returned with the bid. The list is not exhaustive, and it is the responsibility of the bidder to provide all required documents as per the provision of each clause in this bid



#	Document Name <sup>1</sup>	Included in the published bid document?	To be returned by bidder?	Bidder may tick Yes if document is submitted
20.	Company Profile	No	Yes	
21.	CIPC Company Registration Documents	No	Yes	
22.	Special Conditions of Contract	Yes	Yes	
23.	General Condition of Contract	Yes	Yes	



## **SECTION A: INTRODUCTION AND TERMS OF REFERENCE**

### **1. DESCRIPTION AND FORMAT OF THE BID**

- 1.1 This bid is for the supply and delivery of emergency and rescue equipment to the state for the state for the period ending 31 August 2028
- 1.2 This bid document is structured as follows:
  - 1.2.1 Section A : Introduction and Terms of Reference
  - 1.2.2 Section B : Conditions of Bid
    - 1.2.2.1 Part 1 : Evaluation Criteria
    - 1.2.2.2 Part 2 : Additional Bid Requirements
    - 1.2.2.3 Part 3 : Recommendations
  - 1.2.3 Section C : 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) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 regulations
- 2.2 The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 2.3 **Applicable legislation Specific to Emergency and Rescue Equipments**
  - 2.3.1 Medicines and Related Substances Amendment Act, No 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and its Regulations and Guidelines;
  - 2.3.2 National Health Act No: 61 of 2003
  - 2.3.3 Occupational Health and Safety Act No.85 of 1993.
  - 2.3.4 National Road Traffic Act No 93 of 1996 and National Road Traffic Regulations of 2000

### **3. DURATION OF TRANSVERSAL CONTRACT**

- 3.1 The transversal contract shall be for a period ending 31 August 2028





#### 4. BRIEFING SESSION

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

**Venue** : Virtual Microsoft Teams meeting.

Please click on this link : [RT4-1-2023 BRIEFING SESSION](#)

**Date** : 4 April 2024

**Time** : 10h00 to 13h00

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.

#### 5. TERMS OF REFERENCE

5.1 Bidders must be able to supply, deliver, and maintain emergency and rescue equipment. The detailed technical specifications are as per the attached **Annexure A**.

**Table 2: Item Categories**

Category	Category description	Number of Items
2	Rescue Equipment	198
3	Training manikins	6
4	Ambulance and Emergency Equipment	6
5	Dive Rescue	135
6	Disaster Management	20
7	Training Books and Journals	62
Total		427



## SECTION B: CONDITIONS OF BID

### 6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

**Table 3: Evaluation Criteria**

Phase 1	Phase 2	Phase 3	Phase 4
Administration Requirements	Mandatory and other bid requirements	Technical Compliance	Price and Specific goals
Compliance to the Administration documents requirements	Compliance with mandatory and other bid requirements	Compliance to the item technical specifications	Bids evaluated in terms of the 90/10 preference points system

6.1.1 The State may conduct due diligence during any of the evaluation phases to confirm the information submitted by the bidder and any misrepresentation by the bidder may disqualify the bid thereof.

### 6.2 PHASE 1: ADMINISTRATION AND LEGISLATION REQUIREMENTS EVALUATION

6.2.1 Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government.

6.2.1.1 **SBD 1** – Invitation form to bid.

6.2.1.2 **Proof of Authority** – This is a company resolution for the capacity under which this bid is signed as per SBD 1

6.2.1.3 **SBD 4** – Bidders Disclosure

6.2.1.4 **SBD 5** – The National Industrial Participation Programme

6.2.1.5 **SBD 6.1** – Preference points claim form.

6.2.1.6 **Central Supplier Database** – A Central Supplier Database report and not summarized must be submitted preferably the document must be downloaded at the last week prior to closing date and time of bid.

6.2.1.7 **Written Confirmation to disclose tax status** – 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.



### 6.3 PHASE 2: MANDATORY REQUIREMENTS EVALUATION

6.3.1 During this phase bidders' response will be evaluated based on the mandatory requirement. These are the documents to be submitted for evaluation. Bidders' must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with all the mandatory criteria will be disqualified.

#### 6.3.2 Pricing Structure and Schedule

6.3.2.1 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.

6.3.2.2 Bidders are required to complete a Pricing Schedule **Annexure B** as a response on how much the items offered will be charged. Failure to submit the Pricing Schedule will invalidate the bid response.

6.3.2.3 All units offered must be of the latest model – bidders should state date of initial manufacture of the model range offered in the pricing schedule response field. All parts must be supplied new; no second hand or refurbished parts will be accepted.

6.3.2.4 The equipment price quoted must be an all-inclusive amount with the following cost included:

- a) The equipment amounts.
- b) Delivery Cost
- c) Commissioning of the equipment to be in a working condition after installation (Where applicable)
- d) Training
- e) Minimum 24 months warrantee and guarantee.
- f) Starter-pack consumables enabling the Equipment to function upon delivering and or commissioning (where applicable)

6.3.2.5 The cost of the standard accessories including the starter pack for accessories and consumables items indicated on the item technical specifications must be included in the price of each equipment.

6.3.2.6 Minimum requirements for the standard accessories including the starter pack for consumables is indicated but is not limited to the provided detailed technical specifications. Bidder must offer all starter pack consumables which will enable the equipment to be functional.

6.3.2.7 **Comprehensive Warranty and Guarantee**-The bid price must be inclusive of the warranty and guarantee period of twenty- four (24) months which will be effective from the date of commissioning and or delivery that covers all applicable maintenances.

6.3.2.8 **Maintenance Cost:** Where applicable, bidders are required to include in the pricing schedule a post warrantee maintenance costs for all relevant equipment on the field provided on the pricing schedule



supplied with the bid for each year for 60 (sixty) months, post the 24 months warranty and guarantee period. (In total, the maintenance of the equipments will be 7 years)

- 6.3.2.9 The cost of maintenance will be evaluated. Failure to include the maintenance cost price for relevant items which the maintenance is required may invalidate the items concerned.
- 6.3.2.10 Optional accessories must be quoted for separately on the provided pricing schedule.
- 6.3.2.11 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.



#### 6.4 **PHASE 3: TECHNICAL SPECIFICATION COMPLIANCE**

6.4.1 During this phase bidders' response will be evaluated based on technical requirements including meeting the local production and content threshold. Non-compliance to all the evaluation requirements below will result in disqualification of line-item being evaluated.

##### 6.4.2 **Standards/Specifications**

6.4.2.1 Items must comply with technical specification (**Annexure A**) as stated in the bid document of each item. The item specification as per the pricing schedule is a summary description and the attached **Annexure A** is the detailed technical Specification of all the items. Non-compliance to the technical specification requirement will invalidate the items which the compliance is not adhered to.

6.4.2.2 Where specific specifications and/ or standards are applicable for each item, the quality of products shall not be less than the requirements of the latest edition of such specifications and/or standards throughout the contract period.

6.4.2.3 In case of deviation from the technical specification, the State may consider products which has an acceptable functional deviation in terms technical specification This deviation must not compromise functionality of the equipment to the targeted population and users. The intended functional output of the item technical specification must still be achieved. This will therefore be decided on the clinical operational acceptance and expertise of the Bid Evaluation Committee.

##### 6.4.3 **South African Health Products Regulatory Authority (SAHPRA) Requirement**

6.4.3.1 Where bidders have offered an item that is classified as a Medical Device and In Vitro Diagnostic (IVD), bidders are required to adhere to Medicines and Related Substances Amendment Act, No. 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and its Regulations on Medical Devices and IVD. Non-compliance with these conditions will invalidate the relevant item.

6.4.3.2 Manufacturers, distributors, and wholesalers, as referred to Section 22C(1)(b) of the original Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must obtain a licence for the manufacturing, importing, exporting, distribution, or wholesaling of medical devices and IVDs, as issued by SAHPRA.

6.4.3.3 Bidders must submit with the bid, on or before the closing date and time of bid approved medical device and IVDs establishment licence. Failure to submit the required licence, the items that required the license will be disqualified.



#### 6.4.4 **Warranty / Guarantee Periods and Repair of Equipment**

- 6.4.4.1 A minimum warranty / guarantee of 24 months is required on all equipment.
- 6.4.4.2 Sufficient spare parts for electronic equipment must be available for a minimum period of 7 years from when the equipment have been procured.

#### 6.4.5 **Safety Quality Assurance Requirements**

- 6.4.5.1 Where applicable, bidders are required to comply with Occupational Health and Safety Act.
- 6.4.5.2 Where applicable, bidders are required to submit the following compliance certificates or equivalent at the closing date and time of bid. Failure to submit will invalidate your bid.
- a) ISO/SANS 9001: Quality Management Systems (for non-medical items)
  - b) ISO /SANS 13485: Quality Management Systems for Medical Equipment's
  - c) ISO / SANS 14971: Risk Management for Medical Equipment
  - d) ISO / SANS 15223: Symbols and Labels for Medical Equipment
  - e) IEC /SANS 60601-1: Medical Electrical Equipment Part 1
  - f) IEC /SANS 60601-1: Medical Electrical Equipment Part 1-2 - (Electromagnetic Compatibility)
- 6.4.5.3 Where specific specifications and/ or standards are applicable for each item, the quality of products shall not be less than the requirements of the latest edition of such specifications and/or standards throughout the contract period.
- 6.4.5.4 The holder of the certificates must be the manufacturer of the product for the relevant items offered. Where a bidder is offering items from various manufacturers, certificate from all the manufacturers must be submitted. Failure to submit these documents will invalidate the item which certificate are not submitted.
- 6.4.5.5 It is a condition of bid that equipment which requires safety standard testing must meet, comply with and be certified by an accredited or recognised institution. A valid certified copy of the documentation in respect of certification must be submitted with the bid by closing date and time of bid. Failure to submit the certificates for relevant items will invalidate the bid. The certificate must be from the following institutions:

INSTITUTION	ABBREVIATION	COUNTRY
South African Bureau of Standards	SABS	RSA
National Fire Protection Association	NFPA	USA
Food and Drug Administration	FDA	USA
Underwriters Laboratory	UL	USA/Europe



Deutsches Institut Fur Normung	DIN	German Institute for Standardisation
Union International des Associations D'Alpinisma	UIAA	Mountaineering and Climbing Federation
Society of Automotive Engineers	SAE	USA
International Electro Technical Commission	IEC	UK/Switzerland
National Standards Australia	ANSI/Z	Australia
European Conformity	CE	European Conformity
European Norm	EN	European Union
South African National Accreditation Standard (Accredited institutions)	SANAS Accredited Institution	RSA

6.4.5.6 The holder of the certificates must be the manufacturer of the product for the relevant items offered. Where a bidder is offering items from various manufacturers, certificate from all the manufacturers must be submitted. Failure to submit these documents will invalidate the item which certificate are not submitted.

6.4.5.7 **Compliance with International Electro-technical Commission (IEC) requirements**

Where applicable, items offered must comply with an acceptable relevant international electrical safety standard such as IEC 601-1-2 for medical equipment. Proof of compliance/ certification must be submitted at closing date and time of bid. Failure to comply with the above compliance requirements will result in the disqualification of the bid for such relevant item/s

6.4.5.8 The cable of the units should be 15 Amp, 3pin prong (South African requirement), hospital/clinic grade type and it should be a minimum length of two (2) meters. **NB:** The mains cable of the unit must be SANAS (SABS) standard colour coded and must be supplied with surge protector plug. The equipment offered must be protected against electromagnetic interference IE standard.

6.4.5.9 Bidders are required to maintain the compliance status and the State reserves the right to request a valid compliance certificate from the successful bidders during the contract period.

6.4.6 **Authorization Declaration**

6.4.6.1 All bidders must complete the "Authorisation Declaration" (TCD 13 and TCD 13.1) for all relevant goods or services in full, sign it and submit it together with the bid response at the closing date and time of the bid invitation.



- 6.4.6.2 Any bidder who is not an original manufacturer of the equipment must submit a valid Third-Party Undertaking letter (template provided as TCBD 13.2) in full for all relevant goods or services. The letter of undertaking from the manufacturer must include but not limited to the following:
- a) Item(s) number, item description and brand/model name.
  - b) Letter must be on the original manufacturer's letter head, dated and signed.
  - c) Letter must be not older than 30 days at the closing date and time of bid
  - d) Letter must have the contact's name, physical and postal address, telephone, and email details and the capacity which a person is signing the letter.
  - e) All the information on the letter must be in English.
- 6.4.6.3 Letter of undertaking must be from an OEM or an authorized importer/distributor. In case where the letter is from an authorized importer/distributor, such proof from OEM authorizing the importer or distributor must be submitted with bid at the closing date and time of bid.
- 6.4.6.4 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.
- 6.4.6.5 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 (manufacturer). No agreement between the bidder and the third (3rd) party will be binding on the State.
- 6.4.6.6 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.
- 6.4.7 Test Reports from SANAS Accredited Institutions**
- 6.4.7.1 All bidders are required to submit a test report issued by a SANAS accredited institutions for all applicable items to proof compliance with the relevant standard indicated on the technical specification for each item. The test reports must not be older than twenty-four (24) months at the closing date of the bid.
- 6.4.7.2 The procedures for sampling frame guidelines and testing for product compliance may differ and should be obtained from the relevant testing institution prior to submission of samples. The cost of compliance testing will be for the account of the prospective bidder.
- 6.4.7.3 In the event that a test report cannot be obtained from the testing institution prior to the closing date and time of the bid, the bidder must submit proof issued by the SANAS accredited institution that the sample had been submitted for testing on or before the closing date and time of the bid.
- 6.4.7.4 Where a bidder has submitted a letter from a SANAS accredited institution, bidders are required to submit the test report as soon as it is issued by the relevant institution. It is the responsibility of the





bidder to ensure that the test reports are submitted to National Treasury as soon as the test report is issued.

- 6.4.7.5 In an event where a bidder has submitted a letter from SANAS accredited institution confirming that samples have submitted for testing, by submitting this bid, bidders are giving a consent to National Treasury to engage with a SANAS accredited institution to verify that bidders have submitted the samples for testing and National Treasury may request such test reports directly from SANAS accredited institution.
- 6.4.7.6 Bids not supported by test reports will be disregarded in respect of the item (s) for which test reports are not submitted during evaluation including bidders who failed to submit the test report immediately after it has been issued by the testing institution.
- 6.4.7.7 A test reports which results in non-compliance to the standard and specification of the product will disqualify the relevant item.
- 6.4.7.8 For more information to obtain the relevant standards, bidders must enquire at South African Bureau of Standards (SABS) office's countrywide for the relevant standards specifications for SANS, SABS, ISO AND CKS. Obtaining any standards/specifications will be the responsibility and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact SABS Standards Sales as follows:

**Physical Address:** 1 Dr Lategan Road, Groenkloof, Pretoria, **Contact person:** Ms Wilheminah Moshobane, Tel: 012 428 6057/6694, **E-mail:** [wilheminah.moshobane@abs.co.za](mailto:wilheminah.moshobane@abs.co.za), **Website:** [www.sabs.co.za](http://www.sabs.co.za) and follow the "Search/Buy Standards" link

6.4.8 **Sample Submission for Visual Screening**

- 6.4.8.1 All items must comply with technical specification as provided in this bid as stated in the technical specification detail of each item. Failure to comply will invalidate the items concerned.
- 6.4.8.2 Bidders that have complied with **Phase 2 evaluation** above will be required to submit samples for visual screening to confirm compliance with technical specifications. Failure to submit the samples as required will invalidate the bid for the items which samples are not submitted.
- 6.4.8.3 **Sample Submission** - National Treasury will send a schedule indicating a date, time, place, and venue to short listed bidders to submit samples for the evaluation.
- 6.4.8.4 **#NB:** Bidders' attention is drawn to the fact that a schedule for sample submission will be forwarded to bidders at a notice of at least two weeks prior to the date of sample submission. The date of sample submission may be immediately after the closing date of bid.
- 6.4.8.5 It is a responsibility of the bidder to ensure that correct contact details are provided in the bid document.



- 6.4.8.6 It is the responsibility of the bidder to ensure that samples are submitted on time, at the correct venue as indicated above.
- 6.4.8.7 Where applicable, standard accessories including consumables to render the machine operational must be submitted with samples for the relevant equipment.
- 6.4.8.8 Where different sizes of the same item are called for against different item numbers, samples of each size must be submitted.
- 6.4.8.9 All samples submitted for visual screening must be a true representation of the product which will be supplied by the supplier throughout the contract period.
- 6.4.8.10 **Brochures** - Bidders must submit with the samples, an original manufacturer's technical specification sheet (brochure) for all equipment's offered, preferably in colour, with fully comprehensive product technical specification information. The brochure must clearly indicate the product name and description, make/model, equipment images and all information required to verify compliance to technical specification requirements. Bidders are also required to include the brochures in a **USB/Flash drive** when submitting samples.
- 6.4.8.11 **Item Technical Specification Sheet and test reports** - A fully completed product specification sheet and the product compliance certificate/ test report must be submitted together with the samples.
- 6.4.8.12 **Marking of Samples** - Samples must be clearly marked with the bid number, item number(s) as per the Technical Specification, brand/model name, company name, contact details. Unmarked samples will be disregarded and will not be evaluated.
- 6.4.8.13 **Company Representative** - Bidders or a representative (preferable technical experts) of the company must be present for any clarity which may be required during the evaluation of the equipment.
- 6.4.8.14 **Collection of all samples** – Bidders will be informed of the date and time for which samples must be collected. This date may be immediately after the evaluation has been finalized. Samples not collected within the communicated periods and time frames will be disposed of at the discretion of the State and National Treasury bear no risk for uncollected samples.



## 6.5 PHASE 4: PRICE AND SPECIFIC GOALS EVALUATION

### 6.5.1 Pricing Schedule

- 6.5.1.1 Prices quoted must be furnished on the basis of “delivered to State facility” country-wide inclusive of VAT.
- 6.5.1.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule as a response on how much the items offered will be charged.
- 6.5.1.3 Due diligence on market related pricing reasonability may be conducted. The State reserve the right to disqualify bid offers in which are under quoted and or are above market value. In this case, the bidder may be required to submit supporting documentations to the State to proof that the pricing is not under quoted or above market value.
- 6.5.1.4 Conditional discounts offered will not be taken into consideration during evaluation.
- 6.5.1.5 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.
- 6.5.1.6 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. Both the hard copy and the excel version must be the same (replica).

### 6.5.2 Preferential Point System

- 6.5.2.1 The pricing evaluation will be in terms 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 based on:

- a) The bid price (Maximum of 90 points)
- b) Specific goals (maximum 10 points)

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

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

Where,

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

$P_t$  = Comparative price of bid under consideration

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

- 6.5.2.3 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:



**6.5.3 The following will be used to calculate the points for Historically disadvantaged individuals as well as specific goals.**

**Table 4: HDI goals and specific goals allocated**

GOALS	POINTS
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections prior to the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993), ("the Interim Constitution") and or	5
<b>Other specific goals (goals of the RDP- plus local manufacture)</b>	5
- Local Manufacturing (locally produced product)	

- a) The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- b) Bidders are required to complete the SBD 6.1 forms in order to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 and preference points claim forms will be considered for preference points.
- c) The bidders must submit Identity Documents (ID), Central Supplier Database (CSD) and CIPC registration documents. These documents will serve as proof of ownership and directorship of the company.
- d) Failure on the part of a bidder to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender will not be allocated with the points claimed.
- e) The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made about preference.
- f) Points scored will be rounded off to the nearest 2 decimals.
- g) If two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- h) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points. in terms of section 2(1) (f) of the PPPFA Act, the state may consider bids offering goods services with more local content and/or local value added.
- i) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.



6.5.3.1. The following formula must be applied to calculate the number of points out of the points allocated to ownership for specific goals:

$$\text{PSSG} = \text{MPA} \times \frac{\text{POE}}{100}$$

**Where:**

PSSG= Points scored for a specific goal

MPA = Maximum points allocated for a specific goal

PEO = Percentage of equity ownership by an HDI

**6.5.4 Specific goals with Proof of equity ownership requirements and related matters**

- a) The specific goals contemplated in the paragraph above and are related to equity ownership must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.
- b) If the percentage of ownership contemplated in the paragraph above changes after the closing date of the tender, the tenderer must notify the Office and such tenderer will not be eligible for any preference points.
- c) Equity in private companies must be based on the percentage of equity ownership
- d) Preference points may not be awarded to public companies and tertiary institutions.
- e) Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.
- f) Documentation to substantiate the validity of the credentials of the trustees contemplated in the paragraph above must be submitted to the Office.
- g) A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.
- h) A tenderer must submit proof of its ownership. A tenderer who does not submit proof of ownership may not be disqualified from the bidding process, but they score points out of ninety (90) for price and zero (0) points for HDI goals.

**6.5.5 Specific goals in relation to procuring locally produced products.**

- a) Preference points may only be claimed for products, which will be manufactured (fabricated,



processed or assembled), in the Republic of South Africa. In cases where production has not yet commenced at time of bid closure, evidence shall be produced that at the time of bid closure, the bidder was irrevocably committed to local production of the product.

- b) Local content means that portion of the bid price, which is not included in imported content, provided that local manufacture does take place.
- c) Imported content means that portion of the bid price represented by the costs of components, parts or materials which have been or are still to be imported (whether by the bidder or his suppliers or sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duties, sales duties, or other similar taxes or duties at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies for which a bid has been submitted are manufactured.
- d) The definition of a locally produced product will be limited to at least the conversion process (substantiated value adds) being in the Republic of South Africa. Substantial supporting documents may be required at any point in time before and post-award of the contract. Due diligence, which includes site visits, may be conducted in this regard. The following aspects must be complied with:
  - i) The site/s of manufacturing and/or assembling of the product offered is in South Africa.
  - ii) Demonstrated capacity to service the required volumes is confirmed.
  - iii) Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
- e) Bidders must indicate in the pricing schedule (Annexure B) which product(s) [item number(s)] is/are manufactured locally and indicate the local content % of each product / item in relation to the bid price. The points will be calculated automatically in the pricing schedule. Points claimed will be indicated in the "points claimed" column.
- f) The following formula must be applied to calculate the number of points out of the points allocated to ownership for specific goals:

$$\text{PSLC} = \text{MLC} \times \frac{\text{PLC}}{100}$$

**Where:**

PSLC= Points scored for a local content

MLC = Maximum points allocated for Local Content

PLC = Percentage of Local Content for product offered

- g) In the event of a contract being awarded as a result of points claimed, the contractor may be



required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct. If the claims are found to be incorrect, the State, in addition to any other remedy it may have –

- i) Recover all costs, losses, or damages it has incurred or suffered as a result of the bidder's conduct.
- ii) Cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation.
- iii) Impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the bid.

**6.5.6 Applicable Taxes**

- a) All bid prices must be inclusive of all applicable taxes.
- b) All bid prices must be inclusive of fifteen percent (15%) Value Added Tax.
- c) Failure to comply with this condition may invalidate the bid.
  - i) Impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the bid.

**6.5.7 Items Grouped as a Series**

- 6.5.7.1 Where applicable, items which are grouped in a series as per item technical specifications also indicated on the pricing schedule, will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the group series as indicated for each item.
- 6.5.7.2 Bidders are required to offer prices for all units of measure specified in the series, and for all items within a group series. Other offers must be submitted with the accessories applicable.
- 6.5.7.3 Where more than one (1) offer is submitted for the same line item, different brand/model of the equipment's), all the offers must be submitted fully with all the relevant items on the group series.

**6.5.5. Applicable Taxes**

- d) All bid prices must be inclusive of all applicable taxes.
- e) All bid prices must be inclusive of fifteen percent (15%) Value Added Tax.
- f) Failure to comply with this condition may invalidate the bid.

**6.5.6. Cost Breakdown**

- 6.5.7.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered on the pricing schedule Annexure B. The cost breakdown submitted will be utilized during the price adjustment considerations.
- 6.5.7.2 Bidders should itemise the cost of each item into various components which are cost-drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a percentage of the total cost. For example:

**Table 5: Example of Cost Breakdown**

<b>Cost-driver</b>	<b>% Total Cost</b>
Imported raw material	30%
Local raw material	20%
Labour	15%
Transport	30%
Other (Indicate)	5%
<b>Total price of item</b>	<b>100%</b>

**6.5.7. TCD 14 Historical Exchange Rates**

- 6.5.7.1 In terms of cost price adjustment, bidders should make use of relevant currency for the items offered by calculating the average for the period **1 September 2023 to 31 February 2024** using the Reserve Bank published rates for the specific currency. Bidders are to visit <https://www.resbank.co.za/> to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.

**6.5.8. Responsive Bids**

- 6.5.8.1. Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (**Annexure B**) for the individual items and all required forms. Non-submission of the pricing schedule (**Annexure B**) will invalidate the bid response.





## **7. PART 2: ADDITIONAL BID REQUIREMENTS**

### **7.1 COMPANY REGISTRATION AND ORGANOGRAM**

7.1.1 Shareholding portfolio by proof of registration of the company with Companies Intellectual Property Commission (or use abbreviation if already abbreviated above – delete statement). An additional document detailing the shareholding of the bidder in an organogram format in support of the proof of company registration must be submitted.

7.1.2 If by law registration with CIPC is not required, proof of ownership/shareholding must be provided

### **7.2 COMPANY PROFILE**

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

7.2.1.1 Business structure and strategies; and

7.2.1.2 Years of company existence and experience relevant to this bid.

### **7.3 TERMS AND CONDITIONS OF BID**

#### **7.3.1 Counter Conditions**

7.3.1.1 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.

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

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

#### **7.3.2 Fronting**

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

7.3.2.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry and Competition, be established during such enquiry / investigation, the



onus will be on the bidder to prove that fronting does not exist.

- 7.3.2.3 Failure to do so by the bidder within a period of fourteen (14) days from date of notification by National Treasury 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 National Treasury may have against the bidder concerned.

#### 7.4 **SUBMISSION OF BIDS**

##### 7.4.1 **PHYSICAL AND HARDCOPY BID SUBMISSION**

- 7.4.1.1 Bidders are required to submit hard copies at the National Treasury, 240 Madiba Street, TIC, Deposit the bid in the tender box.
- 7.4.1.2 The hard copy of the bid response will serve as the legal bid document.
- 7.4.1.3 Bidders' attention is drawn to the sequential submission format as per the checklist on Table 1.
- 7.4.1.4 Bidders must submit the bid at TIC situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria in the following format:
- a. One (1) original hard copy
  - b. One (1) memory stick or USB with all the documents on 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.
- 7.4.1.5 All documents on the USB submitted must be an exact copy of the hard copy documents. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.
- 7.4.1.6 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.
- 7.4.1.7 Submit all bid queries via email to [Demand.Aquisition2@treasury.gov.za](mailto:Demand.Aquisition2@treasury.gov.za).

#### 7.5 **LATE BIDS**

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

#### 7.6 **COMMUNICATION AND CONFIDENTIALITY**

- 7.6.1 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 transversal contract, or to extend the validity period of the bid, if necessary.
- 7.6.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect



of this bid between the closing date and the award of the bid by the bidder is discouraged.

- 7.6.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current, or complete.
- 7.6.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the National Treasury an opportunity to consider what corrective action is necessary (if any).
- 7.6.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 7.6.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.6.7 No representations made by or on behalf of the National Treasury in relation to this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).
- 7.6.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to this bid.

7.7 **CONTACT DETAILS**

- 7.7.1 **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
- 7.7.2 **Bid Enquiries:** - All enquiries should be in writing to [Demand.Aquisition2@treasury.gov.za](mailto:Demand.Aquisition2@treasury.gov.za). The closing date for receipt of all enquiries is **13 March 2024**. All enquiries beyond the closing date will not be considered.

**8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS**

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

8.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the master transversal agreement of this bid and unsuccessful bidder(s) will be informed accordingly. The following paragraphs will be applicable when making a recommendation:

**8.3 Tax Compliance Requirements**

8.3.1 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.

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

8.3.3 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.

8.3.4 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.

**8.4 Multiple Award**

8.4.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. benchmarking will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

8.4.2 The following shall be taken into consideration when contemplating a multiple-award.

- a) Mitigation of risk if the item is unavailable; and
- b) Capacity to meet the expected demand according to the end-user requirements.
- c) The maximum number of suppliers per item to be awarded will be at the discretion of the BEC.

**8.5 Negotiations**

8.5.1 The State reserves the right to negotiate with the shortlisted bidders prior or post award. The terms and conditions for negotiations will be communicated to the shortlisted bidders prior to invitation to negotiations. This phase is meant to ensure value for money is achieved through the measure of quality that will assess the monetary cost of the items or services against the quality and or benefits of that item or services.



## 8.6 Due Diligence

- 8.6.1 The State reserves the right to conduct 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.
- 8.6.2 The State also reserves the right to conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.
- 8.6.3 Where applicable, the BEC reserves the right to subject item samples to applicable clinical evaluations, applications, or test at any State facility to verify compliance with the technical specifications. This will be arranged with the bidder.

## 8.7 Right of Award

- 8.7.1 The State reserves its following rights -
- 8.7.1.1 To award the bid in part or in full,
  - 8.7.1.2 Not to make any award in this bid or accept any bids submitted,
  - 8.7.1.3 Request further technical information from any bidder after the closing date,
  - 8.7.1.4 Verify information and documentation of the bidder(s),
  - 8.7.1.5 Not to accept any of the bids submitted,
  - 8.7.1.6 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
  - 8.7.1.7 If an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

**SECTION C: CONDITIONS OF CONTRACT****9. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT**

- 9.1 **Items without maintenance plan:** 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.
- 9.2 **Items with maintenance plan:** The Master Transversal Agreement between National Treasury and the Supplier(s)<sup>2</sup> collectively referred to as Parties shall come into effect after the Supplier(s) have been issued with an unconditional letter of acceptance of their bids. A service level agreement shall be entered into between the participating institution and the relevant successful bidders for the item concerned.
- 9.3 The following will form part of the Master Transversal Agreement documents between the Parties in as far as RT4-1-2023 is concerned:
- 9.4 Bid Documents
- 9.5 Letter of Appointment
- 9.6 Award Documents
- 9.7 Acknowledgement letter
- 9.7.1 Master Transversal Agreement, (where applicable)
- 9.7.2 Service Level Agreement (where applicable)
- 9.8 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 awarded bidder appointed in terms of RT4-1-2023 transversal contract

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<sup>2</sup> For section C of this Special Conditions of Contract, awarded bidders are referred to as Suppliers.



## **10. PARTICIPATING STATE INSTITUTIONS**

- 10.1 The following institution will be participating on the contract for RT4-1-2023:
- 10.1.1 **National Departments:** Department of Defence, South African Police Services and National Department of Health
- 10.1.2 **Provincial Departments of Health:** Eastern Cape, Free State, Gauteng, Kwa-Zulu Natal, Limpopo; Mpumalanga, Northern Cape, North-West and Western Cape.
- 10.1.3 **Municipalities:** City of Johannesburg, City of Ekurhuleni and Dr Kaunda District Municipality

## **11. POST AWARD PARTICIPATION**

- 11.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government may send an application to National Treasury post award to request participate on the transversal contract.
- 11.2 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions and public entities listed in schedule 1, 3A and 3C to the PFMA may opt to participate in a transversal contract facilitated by the relevant treasury.
- 11.3 Regulation 32 of the Municipal SCM Regulations provides that a Supply Chain Management policy may allow the accounting officer to procure goods or services for a municipality or municipal entity under a contract secured by another organ of the state.

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

### **12.1 Contract Administration**

- 12.1.1 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 [TCcontract1@treasury.gov.za](mailto:TCcontract1@treasury.gov.za).
- 12.1.2 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.

### **12.2 Supplier Performance Management**

- 12.2.1 Supplier performance management will be the responsibility of the purchasing institution and where supplier performance disputes cannot be resolved between the supplier and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.
- 12.2.2 Supplier performance rating Form (to be provided for by National Treasury after the bid award) will be instituted, and every supplier must complete it to ensure good performance.



- 12.2.3 End-user State institutions are required to report to National Treasury on where supplier's performance is not satisfactory.
- 12.2.4 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 transversal contract. Suppliers who score the unacceptable performance rating may not be awarded future contract of the same bid and may have the transversal contract terminated prior to the end of transversal contract period.
- 12.3 **Monitoring**
- 12.3.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Provincial Health Departments, and National Department of Health or by a service provider appointed by the State to determine continuous compliance to the products, services and terms of contract. The Participating Institutions, will monitor the performance of contracted suppliers and maintain a report for compliance to the terms of this contract as follows:
- a) Compliance to delivery lead times
  - b) The services rendered and products supplied according to the contract
  - c) Compliance with reporting requirements according to reporting schedule.
  - d) Attendance of compulsory meeting with the participating institutions,
- 12.4 The state may conduct random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).
- 12.5 National Treasury will conduct meetings with the Participating Institutions and Suppliers to discuss transversal contracting issues.
- 12.6 The National Treasury may request Participating Institutions to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.
- 12.7 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.
- 12.8 Detailed reporting requirements and the schedules meetings will be communicated to successful suppliers post award.
- 13. WARRANTEE AND MAINTENANCE**
- 13.1 Software updates and upgrades to be included at no extra cost.
- 13.2 Repair costs due to participating State institution's negligence will be for the participating State institution's account.
- 13.3 Supplier(s) must provide participating organs of State service certificates and test sheets of all awarded items for every maintenance activity conducted as per OEM recommended intervals, commencing from





the warranty period.

- 13.4 Throughout the warranty periods and the maintenance plans (where applicable), the Supplier(s) must ensure the Equipment is functioning optimally.
- 13.5 During the warranty period, including maintenance plan (where applicable), maintenance must be carried out on intervals specified by the Equipment OEM without being requested to do so by the participating State institution. The Supplier(s) must notify and make arrangements with the participating State institutions before scheduling the maintenance.
- 13.6 Participating State institution must not procure maintenance for the five (5) years in advance and should procure annual maintenance.
- 13.7 **Twenty-four (24) Months Warranty**
- 13.7.1 The warranty must cover all items against manufacturing defects, materials and workmanship. The Supplier(s) is responsible for manufacturing defects for the duration of the twenty-four (24) months warranty.
- 13.7.2 Should manufacturing defects be detected within a thirty (30) day period, the Supplier(s) shall replace the Equipment with a new one at the supplier's cost.
- 13.7.3 Supplier(s) are obliged to refund or replace the failed, unsafe, and defective Equipment during the warranty period.
- 13.7.4 The warranty period of twenty-four (24) months will be effective from the date of delivery.
- 13.7.5 The warranty must include Comprehensive Maintenance (Preventative & Corrective) plan.
- 13.7.6 In a case where critical medical equipment is removed from a participating State institution for repairs, a loan unit must be provided of the same technical specification or better.
- 13.8 **Five (5) year Comprehensive Maintenance Plan**
- 13.9 After the warranty has expired, a five (5) year Comprehensive Maintenance Plan shall commence immediately. Where a participating State institution(s) choose not to part-take in the Comprehensive Maintenance Plan, the repair and maintenance of Equipment must still be conducted by an OEM authorized Supplier.
- 13.10 All spares, calibration, maintenance as per OEM technical specification requirements for maintenance activities should be included in the Comprehensive Maintenance Plan.

#### **14. CONTRACT PRICE ADJUSTMENT**

##### **14.1 Formula**

- 14.1.1 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.

- 14.1.2 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 14.1.3 The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

**Table 6: Contract Price Adjustment Formula**

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

## 14.2 Formula component definitions

### 14.2.1 Adjustable amount

- 14.2.1.1 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.

### 14.2.2 Fixed portion

- 14.2.2.1 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.

### 14.2.3 Cost components and proportions



- 14.2.3.1 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. In this bid the following cost components will be used to calculate contract price adjustments.
- 14.2.3.2 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.
- 14.2.3.3 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	
D6 – Other	
<b>TOTAL (Cost components must add up to 100%)</b>	<b>100</b>

**14.2.4 Applicable indices/references**

- 14.2.4.1 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);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice. <sup>3</sup>	Documentary evidence to accompany claim and ROE

<sup>3</sup> In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.



Cost component	Index Publication	Index Reference
D2 - Local Finished product (if applicable):	Specify (STATS SA Index)	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour agreement <sup>4</sup>	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)

#### 14.2.5 Base index date

14.2.5.1 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 2024**

#### 14.2.6 End index date

14.2.6.1 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).

#### 14.2.7 Price adjustment periods

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

**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
<b>1st Adjustment</b>	14 March 2025	January 2025	1 April 2025
<b>2nd Adjustment</b>	13 March 2026	January 2026	1 April 2026

<sup>4</sup> In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



<b>3rd Adjustment</b>	12 March 2027	January 2027	1 April 2027
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#### 14.2.8 Rates of exchange (RoE) – Base and average rates

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

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

14.2.8.3 In the event where the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph below for the later invoice.

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

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

**Table 10: CPA Rate of Exchange**

Currency Name	Rates of exchange:1 September 2023 to 29 February 2024
<b>US Dollar</b>	<b>18.84</b>
<b>Euro</b>	<b>20.30</b>
<b>Pound</b>	<b>23.53</b>

14.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 September 2023 to 29 February 2024** using the Reserve Bank published rates for the specific currency. Visit [www.reservebank.co.za](http://www.reservebank.co.za) to obtain the relevant rates. Please refer to TCBD 14 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

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

**Table 11: Rates of Exchange Average Periods**

Adjustment	Average exchange rates for the period:
1 <sup>st</sup> Adjustment	1 September 2024 to 28 February 2025
2 <sup>nd</sup> Adjustment	1 September 2025 to 28 February 2026
3 <sup>rd</sup> Adjustment	1 September 2026 to 28 February 2027

**14.2.9 General**

- 14.2.9.1 Unless prior approval has been obtained from National Treasury, Transversal Contracting, no adjustment in contract prices will be made.
- 14.2.9.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 14.2.9.3 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.
- 14.2.9.4 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.
- 14.2.9.5 Bidders are referred to the paragraph regarding counter conditions.
- 14.2.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 14.2.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

**15. DELIVERY AND QUANTITIES****15.1 Delivery Basis**

- 15.1.1 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.
- 15.1.2 Lead times for delivery of all items offered on transversal contract shall not exceed three (3) weeks/ 21 days

**15.2 Quantities**

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



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

## **16. PLACEMENT OF ORDERS AND PAYMENTS**

- 16.1 Orders will be placed by participating institutions who will be responsible for the payment to suppliers for goods delivered and/or services rendered.

## **17. CONTINUITY OF SUPPLY**

- 17.1 The supplier 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:

- 17.1.1 Industrial action,
- 17.1.2 Manufacturing pipeline
- 17.1.3 Any other supply challenges.

- 17.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the Department of Health reserves the right to purchase outside of the contract in order to meet its requirements if:

- 17.2.1 The contracted supplier fails to perform in terms of the contract.
- 17.2.2 The item(s) are urgently required and not immediately available; □
- 17.2.3 In the case of an emergency.

## **18. PRODUCT ADHERANCE / BRAND CHANGE**

- 18.1 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.
- 18.2 In the event that the model/brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The supplier is required to submit supporting documents from the manufacturer substantiating the changes
- 18.3 It must be noted that the new model/ brand will be required to undergo the evaluation process prior to receiving approval of the model change issued by National Treasury. The new model must adhere to the technical specification for the item.
- 18.4 Furthermore, suppliers are to take note that the price of the new model should not be higher from the current contract price of the original model.



18.5 Suppliers are not allowed to deliver a new equipment models/brand other than the model/brand awarded to them prior to an approval of model/brand change from National Treasury.

18.6 National Treasury reserve the right not to approve any model change applications.

## **19. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS**

19.1 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.

### **19.2 Assignments of Contract**

19.2.1 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 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.

19.2.2 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.

### **19.3 Cession of Contracts**

19.3.1 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).

19.3.1.1 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.

### **19.4 Changes in the Service Provider Contact Details**

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

## **20. POST AWARD PRODUCT COMPLIANCE PROCEDURES**

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





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

## **21. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS**

- 21.1 Awarded bidders must ensure continuous compliance with all statutory requirements which may affect their complying status on Central Supplier Database managed by National Treasury.
- 21.2 All contracted suppliers must ensure registration on all participating institutions supplier databases within 30 days of accepting the award.
- 21.3 Failure to meet this requirement will result in inability to process orders and payments for goods.

## **22. TERMINATION**

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

**END**