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## **SPECIAL CONDITIONS OF THE CONTRACT**

**RT67-2024:**

**SUPPLY AND DELIVERY OF LIQUID CHLORINE GAS TO THE STATE  
FOR A PERIOD OF SIXTY (60) MONTHS**

**A NON-COMPULSORY BRIEFING SESSION TO BE HELD ON  
29 APRIL 2024 AT 10AM ([Briefing Session Link RT67-2024](#))**

**CLOSING DATE AND TIME OF BID**

**16 MAY 2024 AT 11H00**

**BID VALIDITY PERIOD: 180 DAYS FROM THE CLOSING DATE (UP TO  
AND INCLUDING 12 NOVEMBER 2024)**

National Treasury  
Transversal Contracting



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### LIST OF ABBREVIATIONS

ANSI	American National Standards Institute
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CSD	Central Supplier Database
CPI	Consumer Price Index
GCC	General Conditions of Contract
HDI	Historically Disadvantaged Individuals
MSDS	Material Safety Data Sheet
NT	National Treasury
OHSAS	Occupational Health and Safety Assessment Series
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
RoE	Rate of Exchange
SABS	South African Bureau of Standards
SANS	South African National Standards
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
the dtic	The Department of Trade, Industry and Competition
TIC	Tender Information Centre
VAT	Value Added Tax
WTW	Water Treatment Works
ZAR	Rand

### LIST OF ANNEXURES

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Table 1: Bid Document Checklist and Returnable

#	Document Name <sup>1</sup>	Included in the published bid document?	To be returned by the bidder?	Bidder may tick Yes if the document is submitted
<b>PHASE 1: ADMINISTRATION REQUIREMENTS EVALUATION</b>				
1.	<b>SBD 1</b> Invitation to Bid	Yes	Yes	
2.	Proof of authority must be submitted as per SBD 1 e.g., <b>Company Resolution</b> for the capacity under which this bid is signed	No	Yes	
3.	<b>SBD 4</b> Bidders Disclosure	Yes	Yes	
4.	<b>SBD 5</b> National Industrial Participation Programme	Yes	Yes	
5.	<b>SBD 6.1</b> Preference Points Claim Form	Yes	Yes	
6.	Full updated <b>CSD report</b>	No	Yes	
7.	<b>TCD 13</b> Authorization Declaration	Yes	Yes	
8.	<b>TCD 13.1</b> List of goods or services offered	Yes	Yes	
<b>ADDITIONAL DOCUMENTS REQUIRED</b>				
9.	Bidders Company Profile	No	Yes	
10.	Bidders CIPC Company Registration Documents	No	Yes	
11.	Special Conditions of Contract – initial each page	Yes	Yes	
12.	General Condition of Contract – initial each page	Yes	Yes	
13.	TCD 14 – Historical Exchange Rate	Yes	No	
<b>PHASE 2: MANDATORY EVALUATION</b>				
14.	<b>Annexure A:</b> Pricing Schedule (NB! Submit hardcopy which must be included in the bid document and an Excel spreadsheet saved on a USB/memory stick)	Yes	Yes	
15.	Reference Letters	No	Yes	
16.	Latest Valid NSF/ANSI 60 Standard Certificate	No	Yes	
17.	Material Safety Data Sheet (MSDS)	No	Yes	
18.	Latest Valid ISO 9001 Quality Management System Compliance Certificate	No	Yes	
19.	TCD 13.2 Letter of Undertaking	No	Yes	
<b>PHASE 3: PRICE &amp; SPECIFIC GOALS</b>				

<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 the bidder?	Bidder may tick Yes if the document is submitted
20.	<b>Annexure A</b> – Pricing Schedule (NB! Submit hardcopy which must be included in the bid document and an Excel spreadsheet saved on a USB/memory stick)	Yes	Yes	



## SECTION A: INTRODUCTION

### 1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the supply and delivery of liquid chlorine gas to the state for a period of sixty (60) months.
- 1.2 This bid document is structured as follows:
- 1.2.1 Section A : Introduction
  - 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 : Recommendation and appointment of bidders
  - 1.2.3 Section C : Conditions of Contract

### 2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contracts emanating here from will be subject to General Conditions of Contract (GCC) 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 (Act no. 5 of 2000) (PPPFA) and its associated Regulations.
- 2.2 The Special Conditions of Contract (SCC) supplement the GCC. However, when the SCC is in conflict with the GCC, the provisions of the SCC will prevail.

### 3. DURATION OF TRANSVERSAL CONTRACT

- 3.1 The transversal contract shall be for a period of sixty (60) months.

### 4. NON-COMPULSORY BRIEFING SESSION

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

**Venue :** Microsoft Teams  
**Link :** [Briefing Session Link RT67-2024](#)  
**Date :** 29 April 2024  
**Time :** 10h00 to 12h00

- 4.2 The briefing session will provide bidders an opportunity to seek clarity on certain aspects of the procurement process as set out in this 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.



## SECTION B: CONDITIONS OF BID

### 5. PART 1: EVALUATION CRITERIA

5.1 The details of the evaluation phases are outlined below:

Table 2: Evaluation Criteria

Phase 1	Phase 2	Phase 3
Administrative Evaluation	Mandatory Evaluation	Price and Specific Goals
Compliance with legislative and other bid requirements	Compliance with mandatory requirements	Bids evaluated in terms of the 90/10 preference points system

#### 5.2 PHASE 1: ADMINISTRATIVE EVALUATION

5.2.1 Bidders are required to submit the following legislative documents together with the bid:

5.2.1.1 **SBD 1** – Invitation to Bid

5.2.1.2 **Proof of Authority** – This is a **Company Resolution** for the capacity under which this bid is signed (Attach your Company Resolution letter to the **SBD 1**)

5.2.1.3 **SBD 4** – Bidders Disclosure

5.2.1.4 **SBD 5** – National Industrial Participation Programme

5.2.1.5 **SBD 6.1** – Preference Points Claim Form

5.2.1.6 **Central Supplier Database (CSD)** – A fully updated CSD report (not summarised)

5.2.1.7 **TCD 13 and 13.1** - All bidders must complete the Authorisation Declaration (TCD 13 and 13.1) for all relevant goods or services.

5.2.2 It is also a requirement for bidders to submit additional documents as detailed below:

5.2.2.1 Bidders **Company Profile** that should include but not limited to the following information:

- i. Business Structure and strategies
- ii. Details of the bidders' directors/owners; and
- iii. Number of years experience relevant to this bid.

5.2.2.2 Bidders **CIPC** Company Registration Documents

5.2.2.3 Special Conditions of Contract (**SCC**) – initial each page

5.2.2.4 General Condition of Contract (**GCC**) – initial each page

#### 5.3 PHASE 2: MANDATORY EVALUATION

5.3.1 During this phase, the bidders' responses will be evaluated based on the Mandatory Requirements. Non-compliance with the mandatory requirement will result in the disqualification of the bid response. Bidders who fail to submit the following documents under this criterion will be disqualified:



### 5.3.2 Pricing Structure and Schedule

5.3.2.1 The Pricing Schedule (**Annexure A**) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof.

5.3.2.2 Bidders are required to complete the mandatory **Pricing Schedule Annexure A** as a response to how much the items offered will be charged. The non-submission of the Pricing Schedule (**Annexure A**) will invalidate the bid response.

5.3.2.3 Prices submitted 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 will invalidate the bid.

5.3.2.4 Prices must be **all-inclusive** for the supply and delivery of liquid chlorine gas, this includes VAT (if registered for VAT), and any other related costs such as transport, equipment, etc that may influence the price. Prices must be quoted ready to use and no additional costs will be considered post-award.

5.3.2.5 Bidders who source from third parties must negotiate with the third parties and align with the special conditions of the contract to avoid unregulated price increases.

### 5.3.3 Reference Letters

5.3.3.1 Submit three (3) signed reference letters (from 3 different clients) where the bidder has successfully supplied and delivered liquid chlorine gas. The reference letters must be on the client's letterhead, and include the contact details of the client and the type of services rendered.

### 5.3.4 Compliance Certificates

5.3.4.1 Bidders must submit the following documents together with the bid:

- (a) Latest Valid NSF/ANSI 60 Standard Certificate
- (b) Material Safety Data Sheet (MSDS)
- (c) Latest Valid ISO 9001 Quality Management System Compliance Certificate

### 5.3.5 Letter of Undertaking

5.3.5.1 Any bidder who is sourcing goods or services from a third party (Manufacturer) must submit a valid Third-Party Undertaking (template provided as TCD 13.2) in full for all relevant goods or services. The letter of undertaking must include but not be limited to the following:

- a) List of item(s) numbers, item description, and brand name and number.
- b) The letter must be on the original manufacturer's and or third-party undertaking letterhead, dated and signed.
- c) Have contact person's name, physical and postal address, telephone, and email details.
- d) Letter must not be older than 30 days at the closing date and time of bid; and



- e) All information on the letter must be in English.
- 5.3.5.2 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 the bid documents.
- 5.3.5.3 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 (Manufacturer). No agreement between the bidder and the third party will be binding on the State.
- 5.3.5.4 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions will invalidate the bid.

#### 5.4 **PHASE 3: PRICE AND SPECIFIC GOALS**

- 5.4.1 Only bidders who have complied in Phase 2 will be evaluated in Phase 3.
- 5.4.2 **Pricing Schedule and structure requirements:**
- 5.4.2.1 Prices quoted must be based on a National Level (Country-wide).
- 5.4.2.2 Prices must be **all-inclusive** for the supply and delivery of liquid chlorine gas to the state, this includes VAT (if registered for VAT) and any other related costs such as transport, equipment etc that may influence the price. Prices must be quoted ready to use and no additional costs will be considered post-award.
- 5.4.2.3 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule as a response to how much the items offered will be charged.
- 5.4.2.4 Due diligence on market-related pricing may be conducted. The State reserves the right to disqualify bid offers that are under-quoted and or are above market value. In this case, the bidder may be required to submit supporting documentation to the State to prove that the pricing is not under-quoted or above market value.
- 5.4.2.5 Conditional discounts offered will not be taken into consideration during evaluation.
- 5.4.2.6 Prices submitted 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 will invalidate the bid.
- 5.4.2.7 The Pricing Schedule (**see Annexure A attached**) must be submitted in two forms, as hardcopy which must be included in the bid document and an Excel spreadsheet saved in a USB/memory stick together with the bid proposal at the closing date and time of the bid. It is the bidder's responsibility to ensure that both the hard copy and the Excel version are the same (replica).



**5.4.3 Preference Points System**

5.4.3.1 The 90/10 preference points system will apply in terms of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), and responsive bids will be adjudicated as follows:

- a) Price (Maximum of 90 points)
- b) Specific Goals (Maximum 10 points)

5.4.3.2 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 price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{\min}$  = Price of lowest acceptable tender

5.4.3.3 A maximum of 10 points may be awarded to a bidder for being a historically disadvantaged individual and/or achieving any of the specified goals. The State reserves the right to arrange contracts with more than one contractor.

5.4.3.4 The points out of 10 will be allocated as follows:

SPECIFIC GOALS	POINTS ALLOCATED OUT OF 10	FORMULA TO CALCULATE THE POINTS OUT OF 10
Historically Disadvantaged Individuals by Race	5	$PSSG = MPA \times \frac{PEO}{100}$ Where: PSSG = Points scored for a specific goal MPA = Maximum points allocated for a specific goal PEO = Percentage of equity by an HDI
Historically Disadvantaged Individuals who are Female	5	
<b>POINTS</b>	<b>10</b>	

- 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 form to claim preference points.
- c) Only a bidder who has completed and signed the declaration part of the SBD 6.1 preference



points claim form will be considered for preference points.

- d) The tenderer must submit proof of its ownership. CSD report (submit full CSD report) together with the bidder's CIPC registration documents or Share Certificates must be submitted to confirm proof of ownership.
- e) 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 be interpreted to mean that preference points for specific goals are not claimed.
- f) The Transversal Contracting officials may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- g) Points scored will be rounded off to the nearest 2 decimals.
- h) In the event that 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.
- i) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- j) 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.

#### 5.4.4 **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 (if registered for VAT).
- c) Failure to comply with this condition may invalidate the bid.

#### 5.4.5 **Cost Breakdown**

5.4.5.1 Bidders are requested to submit the cost breakdown of their pricing. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. The cost breakdown submitted will be utilized during the price adjustment considerations.

5.4.5.2 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.

#### 5.4.5.3 **Example:**

#### **Table 3: Example of Cost Breakdown**



Cost-driver	% Total Cost
Imported raw material	10%
Local raw material	40%
Labour	10%
Transport	25%
Housing and utilities	10%
Other (Indicate)	5%
<b>The total price of the item</b>	<b>100%</b>

#### 5.4.6 TCD 14 Historical Exchange Rates

- 5.4.6.1 In terms of cost price adjustment, bidders should make use of any relevant currency for the items offered by calculating the average for the period **1 April 2023 to 31 March 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. PART 2: ADDITIONAL BID REQUIREMENTS**

### **6.1 TERMS AND CONDITIONS OF BID**

#### **6.1.1 Counter Conditions**

6.1.1.1 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.

6.1.1.2 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.

6.1.1.3 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.

#### **6.1.2 Fronting**

6.1.2.1 The National Treasury supports the spirit of Broad-Based Black Economic Empowerment (B-BBEE) 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.

6.1.2.2 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 inquiries/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 (the dtic), be established during such inquiry/investigation, the onus will be on the bidder to prove that fronting does not exist.

6.1.2.3 Failure to do so by the bidder within a period of fourteen (14) days from the date of notification by the National Treasury may invalidate the bid/contract and may also result in the restriction of the bidder to conduct business with the state for a period not exceeding ten (10) years, in addition to any other remedies the National Treasury may have against the bidder concerned.

### **6.2 SUBMISSION OF BIDS**

#### **6.2.1 PHYSICAL AND HARDCOPY BID SUBMISSION**

6.2.1.1 Bidders are required to submit hard copies at the National Treasury, 240 Madiba Street, Tender Information Centre (TIC), and deposit the bid in the Tender Box.

6.2.1.2 Bidder must ensure that their bids are delivered to the correct address and placed in the correct Tender



Box of the Department of National Treasury.

- 6.2.1.3 The hard copy of the bid response will serve as the legal bid document.
- 6.2.1.4 Bidders' attention is drawn to the sequential submission format as per the **checklist in Table 1**.
- 6.2.1.5 Bidders must submit the bid in the following format:
- a. One (1) original hard copy, and
  - b. One (1) USB / memory stick with the **Excel version of the pricing schedule (Annexure A)**.  
Bidders must ensure that the USB / memory stick is marked with the bidder's name.
- 6.2.1.6 It is the responsibility of the bidder to ensure that the Excel version of the pricing schedule (**Annexure A**) on the USB / memory stick submitted is the exact copy (replica) of the hard copy document. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.
- 6.2.1.7 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.
- 6.2.1.8 Bids submitted electronically via email, or any other similar system will not be accepted.
- 6.2.1.9 Submit all bid queries via email to [Erica.Dennis@Treasury.gov.za](mailto:Erica.Dennis@Treasury.gov.za)

### 6.3 **LATE BIDS**

- 6.3.1 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.
- 6.3.2 If the bid is not placed in the correct Tender Box on the closing date and time, it will **NOT** be accepted for consideration.

### 6.4 **COMMUNICATION AND CONFIDENTIALITY**

- 6.4.1 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 before the award of the transversal contract, or to extend the validity period of the bid, if necessary.
- 6.4.2 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.
- 6.4.3 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.

- 6.4.4 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).
- 6.4.5 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.
- 6.4.6 All communication between the bidder and the National Treasury office must be done in writing as per the Contact Details below.
- 6.4.7 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).
- 6.4.8 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.

6.5 **CONTACT DETAILS**

- 6.5.1 **Bid Enquiries:** - All enquiries should be in writing to [Erica.Dennis@Treasury.gov.za](mailto:Erica.Dennis@Treasury.gov.za). The closing date for receipt of all enquiries is **09 May 2024**. All enquiries beyond the closing date may not be considered.



## **7. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS**

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

7.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter for the supply and delivery of liquid chlorine gas of this bid and the unsuccessful bidder(s) will be informed accordingly.

### **7.3 Tax Compliance Requirements**

7.3.1 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 the South African Revenue Service (SARS) to meet the bidder's tax obligations.

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

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

7.3.4 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.

7.3.5 The state will not award a bid to any bidder whose tax matters are not in order.

### **7.4 Multiple Award**

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

### **7.5 Negotiations**

7.5.1 The State reserves the right to negotiate with the shortlisted bidders prior to or post award. The terms and conditions for negotiations will be communicated to the shortlisted bidders prior to the invitation to negotiations.

7.5.2 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.

### **7.6 Due Diligence**

7.6.1 The State reserves the right to conduct due diligence during the evaluation phases, before the 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 in part.

**7.7 Right of Award**

7.7.1 The State reserves its following rights -

7.7.1.1 To award the bid in part or in full,

7.7.1.2 Not to make any award in this bid or accept any bids submitted,

7.7.1.3 Request further technical information from any bidder after the closing date,

7.7.1.4 Verify information and documentation of the bidder(s),

7.7.1.5 Not to accept any of the bids submitted,

7.7.1.6 To withdraw or amend any of the bid conditions by notice in writing to all bidders before closing of the bid and post-award, and

7.7.1.7 If an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.



## SECTION C: CONDITIONS OF CONTRACT

### 8. CONCLUSION OF CONTRACT

8.1 The Contract between National Treasury and the preferred bidder/s (service providers) collectively referred to as the Parties shall come into effect after the service providers have been issued with an unconditional letter of acceptance to their bid.

8.2 The service providers shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties as far as this RT67-2024 is concerned:

8.2.1 Bid Documents

8.2.2 Letter of Appointment

8.2.3 Award Documents

8.2.4 Acknowledgement letter

8.3 If there is any contradiction between the abovementioned documents, the special conditions of the contract shall take precedence. For the purpose of Section C, the term "service provider" shall refer to the preferred bidder(s) appointed in terms of the RT67-2024 transversal contract.

8.4 Successful service provider/s must ensure:

- i. That their valid compliance certificates and material safety data sheet are available for scrutiny throughout the contract period.
- ii. Successful service providers must ensure a chlorine % Purity of >99.5% Chemical Composition. Service providers will therefore be requested to submit their Certificate of Analysis to end-user departments for review on an ongoing basis throughout the contract period and ensure that it is submitted upon every delivery.

**NB!** Failure to adhere to the above may result in the cancellation of the contract.

8.5 The successful service provider/s will be required to submit proof of compliance with the Occupational Health and Safety Act, by submitting a comprehensive health and safety plan to the end-user department detailing the following information:

- Safety measures in handling hazardous material
- Driver trained to transport hazardous material

### 9. PARTICIPATING STATE INSTITUTIONS

9.1 The following state institutions will be participating in the contract for RT67-2024:



No	Organs of State	Site Location includes but is not limited to:
1.	Magalies Water	<ul style="list-style-type: none"> <li>• Vaalkop Water Treatment Works (WTW),</li> <li>• Wallmansthal WTW,</li> <li>• Klipdrift WTW,</li> <li>• Cullinan WTW</li> </ul>
2.	Langeberg Municipality	<ul style="list-style-type: none"> <li>• Ashton</li> <li>• Bonnievale</li> <li>• McGregor</li> <li>• Montagu</li> <li>• Robertson</li> </ul>
3.	Lepelle Northern Water	<ul style="list-style-type: none"> <li>• Ebenezer WTW</li> <li>• Olifantspoort WTW</li> <li>• Doorndraai WTW</li> <li>• Phalaborwa WTW</li> <li>• Politsi WTW</li> <li>• Nandoni WT</li> <li>• Flag Boshielo WTW</li> <li>• Marble Hall WTW</li> <li>• Hlogotlou WTW</li> <li>• Burgersfort WTW</li> <li>• Mooihoek WTW</li> <li>• Malekana WTW</li> <li>• Nkadameng WTW</li> <li>• Tsakane WTW</li> <li>• Mahloakwena WTW</li> <li>• Kutullo WTW</li> <li>• Steelpoort WTW</li> <li>• Mapodile Sandpit</li> <li>• Marble Hall WWTW</li> <li>• Burgersfort WWTW</li> <li>• Steelpoort WWTW</li> <li>• Groblersdal WWTW</li> </ul>
4.	Overberg Water	<ul style="list-style-type: none"> <li>• Mariasdal farm</li> <li>• Vaandrigsrift Farm</li> <li>• Heidelberg Plant</li> </ul>
5.	Chris Hani District Municipality	<ul style="list-style-type: none"> <li>• Chris Hani District Municipality</li> </ul>
6.	Bergriver Municipality	<ul style="list-style-type: none"> <li>• Piketberg</li> <li>• Velddrif</li> <li>• Porterville</li> </ul>

**#Note:** State institutions not listed above may participate post-award, therefore bidders must ensure that they have the capacity to deliver Countrywide.

## 10. POST AWARD PARTICIPATION

10.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government may send an application to the National Treasury post-award to request participation in the transversal contract.



- 10.2 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions, and public entities listed in schedules 1, 3A, and 3C to the PFMA may opt to participate in a transversal contract facilitated by the relevant Treasury.
- 10.3 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.

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

### **11.1 Contract Administration**

- 11.1.1 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 at [TCcontracts2@treasury.gov.za](mailto:TCcontracts2@treasury.gov.za)
- 11.1.2 Service providers 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.

### **11.2 Supplier Performance Management**

- 11.2.1 Supplier performance management will be the responsibility of the purchasing institution and where supplier performance disputes cannot be resolved between the service provider and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.
- 11.2.2 Supplier performance rating Form (to be provided for by National Treasury after the bid award) will be instituted, and every service provider must complete it to ensure good performance.
- 11.2.3 End-user State institutions are required to report to the National Treasury where the service provider's performance is not satisfactory.
- 11.2.4 Successful service providers will have their performance scored. National Treasury will provide a template that will be used to measure overall performance in terms of the transversal contract. Service providers who score an unacceptable performance rating may not be awarded future contracts of the same bid and may have the transversal contract terminated before the end of the transversal contract period.

## **12. CONTRACT PRICE ADJUSTMENT**

### **12.1 Formula**

- 12.1.1 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.

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

**Table 4: Contract Price Adjustment Formula**

$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	The 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, labor, 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

## 12.2 Formula component definitions

### 12.2.1 Adjustable amount

- 12.2.1.1 The adjustable amount is the portion of the bid price that 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.

### 12.2.2 Fixed portion

- 12.2.2.1 The fixed portion represents those costs that will not change over the adjustment period and do 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.

### 12.2.3 Cost Components and Proportions

- 12.2.3.1 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.

- 12.2.3.2 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.
- 12.2.3.3 Successful bidders who 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 5: 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 – Housing and Utilities	
D6 – Other	
<b>TOTAL (Cost components must add up to 100%)</b>	<b>100 %</b>

12.2.4 **Applicable Indices/references**

- 12.2.4.1 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 references will be applicable:

**Table 6: Applicable Indices/References**

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Supplier / Manufacturer invoice(s) and remittance advice. <sup>2</sup>	Documentary evidence to accompany the claim
D2 – Local Finished product (if applicable):	Specify (STATS SA Index	STATS SA Table (Specify) Basic chemicals, fertilizers, and

<sup>2</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
		pesticides OR Documentary evidence to accompany the claim
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour Agreement <sup>3</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 – Housing and Utilities	Specify (STATS SA Index) Table E	STATS SA Table Table E – Housing and Utilities
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

#### 12.2.5 Base index date

12.2.5.1 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 April 2024.

#### 12.2.6 End index date

12.2.6.1 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).

#### 12.2.7 Price adjustment periods

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

**Table 7: Price Adjustment Period**

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates from which adjusted prices will become effective
1 <sup>st</sup> Adjustment	1 June 2025	April 2025	1 July 2025
2 <sup>nd</sup> Adjustment	1 June 2026	April 2026	1 July 2026
3 <sup>rd</sup> Adjustment	1 June 2027	April 2027	1 July 2027
4 <sup>th</sup> Adjustment	1 June 2028	April 2028	1 July 2028

<sup>3</sup> In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



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

12.2.8.1 If material and/or finished products are imported the following will apply:

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

12.2.8.3 If 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 the paragraph below for the later invoice.

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

12.2.8.5 The Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item (s) to South African currency is indicated in the table below:

**Table 8: CPA Rate of Exchange**

Currency Name	Average Rates of Exchange: 1 April 2023 to 31 March 2024
US Dollar	18,75
Euro	20,33
British Pound	23,56

12.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 April 2023 to 31 March 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 **TCD 14** (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

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

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

Adjustment	Average exchange rates for the period:
1 <sup>st</sup> Adjustment	1 June 2024 – 31 May 2025



2 <sup>nd</sup> Adjustment	1 June 2025 – 31 May 2026
3 <sup>rd</sup> Adjustment	1 June 2026 – 31 May 2027
4 <sup>th</sup> Adjustment	1 June 2027 – 31 May 2028

### 12.2.9 **General**

- 12.2.9.1 Unless prior approval has been obtained from the National Treasury, Transversal Contracting, no adjustment in contract prices will be made.
- 12.2.9.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 12.2.9.3 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.
- 12.2.9.4 If the service provider's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the service provider to resolve the differences.
- 12.2.9.5 Bidders are referred to in the paragraph regarding counter conditions.
- 12.2.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 12.2.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

## **13. EQUIPMENT AND INSTALLATION REQUIREMENTS**

- 13.1.1.1 Bidders must familiarize themselves with the location and connectivity, access restrictions or limitations on sites.
- 13.1.1.2 The service provider/s will be responsible for all signage and safety data sheets at the sites.
- 13.1.1.3 The maintenance of the equipment will be the sole responsibility of the service provider for the duration of the contract.

## **14. LEAD TIME FOR DELIVERY AND QUANTITIES**

### **14.1 Delivery Basis**

- 14.1.1 Firm lead times for delivery must be quoted for the duration of the contract period.
- 14.1.2 Lead times for delivery on the transversal contract shall not exceed 5 days. Delivery period exceeding the prescribed 5 days may be cancelled without notice.



- 14.1.3 Based on end-user requirements, partial delivery and/or scheduled deliveries may apply.
- 14.1.4 Suppliers must acquaint themselves with the condition of the access roads/delivery points to ensure effective deliveries.
- 14.2 **Quantities**
- 14.2.1 No quantities are reflected in this bid, as orders will be placed “as and when required” and no guarantee is given or implied as to the actual quantity/quantities that will be procured during the transversal contract period.

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

- 15.1 Orders will be placed by participating institutions who will be responsible for the payment to service providers for goods delivered and/or services rendered.
- 15.2 Delivery of goods must be made in accordance with the instructions appearing on the official order forms issued by purchasing institutions.
- 15.3 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been effected.
- 15.4 In respect of items awarded to them, contractors must adhere strictly to the delivery lead times quoted in their bids.
- 15.5 Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.

## 16. **CONTINUITY OF SUPPLY**

- 16.1 The service provider 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:
- 16.1.1 Industrial action,
- 16.1.2 Any other supply challenges.
- 16.2 In terms of the General Conditions of the Contract and Special Requirements and Conditions of the Contract, the Organs or state has the right to purchase outside of the contract to meet its requirements if:
- 16.2.1 The contracted service provider fails to perform in terms of the contract.
- 16.2.2 The item(s) are urgently required and not immediately available.
- 16.2.3 In the case of an emergency.



16.2.4 Service providers must ensure that their manufacturers guarantee assurance of supply to avoid disruptions.

## **17. SUPPLY AND CONTROL**

17.1 User departments will be responsible for the safekeeping of all cylinders, dome covers, and caps under their control.

17.2 Empty cylinders and returns will be collected by the service provider.

17.3 The cylinders remain the property of the service provider who will be responsible for the maintenance, inspections, testing, and replacement of any parts.

17.4 The state will not be held liable for any damages or losses on any equipment.

17.5 The service provider will be held responsible for damages to state property due to negligence.

## **18. SAFETY REQUIREMENTS**

18.1 Service providers must ensure the safe handling of all cylinders i.e. off-loading of full cylinders and the on-loading of empty cylinders. Service providers must also inspect all cylinders to ensure that there are no damages, such as dents, corrosion etc.

18.2 The service providers must ensure that their employees/staff are suitably trained to handle hazardous chemicals as the state will not be held liable for any injuries.

18.3 Service providers must ensure that their delivery vehicles are permitted to transport hazardous chemicals.

18.4 It is compulsory that the driver and the vehicle used to transport the liquid chlorine gas comply with the National Road Traffic Act 93 of 1996.

18.5 The service provider must ensure that the vehicle used for the transportation of the chlorine gas contains the necessary dangerous goods license disk and safety kits.

18.6 The service provider must ensure that the employees delivering the chlorine gas wear the appropriate personal protective equipment.

18.7 The driver will be required to have a Professional Driving Permit (PrDP) as well as a valid driver's license for the type of delivery vehicle when transporting the liquid chlorine gas and must have undergone hazardous driving training.

## **19. CHANGES IN DETAILS OF SUCCESSFUL SERVICE PROVIDERS**

19.1 Where a contracted service provider plans to merge with or is going to be acquired by another entity,



the contracted service provider must inform the National Treasury in writing 90 days before such event of relevant details.

- 19.2 A contracted service provider must inform the National Treasury of any changes in the service provider's contact details, such as company address, name, telephone, etc.

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

- 20.1 Service providers must ensure that the product confirms 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 reserves the right to request the service provider (at its own cost) to submit a product for testing to confirm compliance with the relevant item technical specification and requirements at the SANAS or any other accredited institution.

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

## **21. MONITORING**

- 21.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Provincial Agricultural Departments, and the National Department of Agriculture or by a supplier appointed by the State to determine continuous compliance with the product and terms of the contract. The Participating Institutions, will monitor the performance of contracted service providers and maintain a report for compliance with the terms of this contract as follows:

- 21.1.1 Compliance with delivery lead times.

- 21.1.2 Percentage of orders supplied in full first time.

- 21.1.3 Compliance with reporting requirements according to reporting schedule.

- 21.1.4 Attendance of compulsory meetings: The National Treasury compulsory meetings with service providers to review supplier performance. The schedules of the meetings will be sent to successful bidders.

- 21.2 The state may conduct a random audit(s) with or without prior appointment arrangements with the appointed service providers.

- 21.3 The National Treasury will conduct meetings with the Participating Institutions and service providers to discuss transversal contracting issues.

- 21.4 The National Treasury may request Participating Institutions to impose penalties, where deemed necessary, as per Sections 21 and 22 of the General Conditions of Contract.

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



- 21.6 Reporting and service provider meetings will be on a six-monthly basis and will be scheduled post-award.
- 21.7 All successful service providers are required to submit historical value and volume reports via e-mail every quarter to: [TCcontracts2@treasury.gov.za](mailto:TCcontracts2@treasury.gov.za)
- 21.8 Detailed reporting requirements from service providers will be provided to awarded service providers.

## **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 service provider decides to transfer or cede the contract without having obtained the necessary approvals from the National Treasury.
- 22.1.2 The service provider does not honor contractual obligations including the submission of information.
- 22.1.3 The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this transversal contract.
- 22.1.4 The service provider enters into settlement arrangements with their creditors.
- 22.1.5 The service provider commits an act of insolvency.
- 22.1.6 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.
- 22.1.7 Overall poor performance rating during the contract period.

**END**