



SPECIAL CONDITIONS OF CONTRACT

BID NUMBER RT12

THE SUPPLY, DELIVERY, AND OFFLOADING OF AGRICULTURAL REMEDIES TO THE STATE

FOR THE PERIOD OF 36 MONTHS

CLOSING DATE AND TIME OF BID:

06 OCTOBER 2022 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
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempt Micro Enterprise
ISO	International Organization for Standardization
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PPPFA	Preferential Procurement Policy Framework Act 2000 (Act no. 5 of 2000)
PPR, 2017	Preferential Procurement Regulations 2017
QSE	Qualifying Small Enterprise
RoE	Rate of Exchange
SA	South Africa
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
STATS SA	Statistics South Africa
NIPP	National Industrial Participation Programme
GCC	General Condition of Contract
SCC	Special Conditions of Contract
TC	Transversal Contracting
TCD	Transversal Contracting Document



TIC	Tender Information Centre
VAT	Value Added Tax



DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the Participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Mandatory	A mandatory document in terms of the bid is a document that is required, obligatory, or compulsory. Non-submission means no further evaluation of the bidder.
Retrieval	The process of collecting the triple-rinsed and punctured empty containers from the end-user when delivering the next load of pesticides.



LIST OF ANNEXURES

Annexure A: Pricing Schedule
 Annexure B: SBD Forms
 Annexure C(a): CSD Supplier Fact Sheet
 Annexure C(b): CSD Supplier Leaflet
 Annexure D: TCD 13 Authorisation Declaration
 Annexure E: TCD 14 Historical Exchange Rates

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

#	Document Name	Included in the published bid document?	To be returned by bidder	Submitted by bidder (tick Yes/No)
PHASE I: PRE-QUALIFICATION REQUIREMENTS				
1	Valid Broad-Based Black Economic Empowerment (B-BBEE) status level verification certificate OR Valid certified copy of the B-BBEE certificate OR an valid sworn affidavit OR Valid CIPC affidavit	No	Yes	
PHASE II: MANDATORY AND OTHER BID REQUIREMENTS				
LEGISLATIVE REQUIREMENT DOCUMENTS				
2	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes	
3	Proof of authority must be submitted e.g., company resolution for the capacity under which this bid is signed	No	Yes	
4	Central Supplier Database (CSD) Report	No	Yes, NT will use CSD for Tax verification	
5	SBD 4 Bidder's Disclosure	Yes	Yes	
6	Written confirmation for disclosing tax status by SARS	No	Yes	
7	SBD 5 The National Industrial Participation Programme	Yes	Yes	
8	SBD 6.1 Preference Points Claim Form	Yes	Yes	
MANDATORY REQUIREMENTS				
9	Valid Registration Certificate (s) Act 36 of 1947/Act 101 of 1965 (Except item no RT12-049 & RT12-325)	No	Yes (it must list all items offered)	
10	Composition/ Labels	No	Yes (only items offered)	
11	Approved application letter of renewal issued by the Department of Agriculture	No	Yes	
12	Annexure A - Pricing Schedule - Soft Copy (Excel Format) and Hard Copy Pricing Schedule	Yes	Yes (only items offered)	
13	TCD 13 Authorisation Declaration Form	Yes	Yes	
14	TCD 13.1 (List of goods or services offered)	Yes	Yes (complete for all items offered)	
15	TCD 13.2 Letter of undertaking/authorisation from third party	Yes	Yes	
OTHER DOCUMENTS				
16	Special Conditions of Contract	Yes	Yes	
17	General Condition of Contract	Yes	Yes	
18	Company Profile	No	Yes	
19	Local Economic Development document	No	Yes	



#	Document Name	Included in the published bid document?	To be returned by bidder	Submitted by bidder (tick Yes/No)
20	Read me – CSD Fact sheet and leaflet (To be read for information purposes only)	Yes	No	
PHASE III: TECHNICAL SPECIFICATIONS EVALUATION				
21	Valid Registration Certificate (Act 36 of 1947/Act 101 of 1965)	No	Yes (it must list all items offered)	
22	Composition/Labels	No	Yes	
23	TCD 13 Authorisation Declaration Form	Yes	Yes	
24	TCD 13.1 (List of goods or services offered)	Yes	Yes (complete for all items offered)	
25	TCD 13.2 Letter of undertaking/authorisation from third party	Yes	Yes	
PHASE IV PRICE AND B-BBEE:				
26	Annexure A- Pricing Schedule - Soft Copy (Excel Format) and Hard Copy Pricing Schedule	Yes	Yes (only items offered)	
27	Original valid Broad-Based Black Economic Empowerment (B-BBEE) status level verification certificate OR originally certified copy of the B-BBEE certificate OR an original sworn affidavit OR original CIPC affidavit	No	Yes	
28	TCD 14 Historical Exchange Rates	Yes	No	
29	SBD 6.1 Preference Points Claim Form	Yes	Yes	
30	Cost breakdown	Yes	Yes	

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

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

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



SECTION A

1. INTRODUCTION

This bid is for the supply, delivery and offloading of agricultural remedies to the State for the period of thirty-six (36) months.

This bid document is divided as follows:

- 1.1 Section A : Introduction and Technical Specifications
- 1.2 Section B : Conditions of Bid
- 1.2.1 Part 1 : Evaluation criteria
- 1.2.2 Part 2 : Other bid requirements
- 1.3 Section C : Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contract emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of the General Conditions of Contract. However, where the Special Conditions of Contract conflict with the General Conditions of Contract (GCC), the Special Conditions of Contract prevail.
- 2.2 **Standard Bidding Documents.** Bidders are required to submit the legislative documents to comply to section 3.6.3.1 of the **Policy to guide uniformity in procurement reform processes in Government** regarding standardisation of bid policies and procedures. It is also a requirement for bidders to submit the legislative documents as detailed below.
 - 2.2.1 **SBD 1-** Invitation form to bid .
 - 2.2.2 **SBD 4-** Bidder's Disclosure.
 - 2.2.3 **SBD 5-** National Industrial Participation Program which is applicable to all government procurement contracts that have an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million.
 - 2.2.4 **SBD 6.1-** Preference Points Claim Form.
 - 2.2.5 **Proof of authority-** Company resolution for the capacity under which this bid is signed as per SBD 1.



2.3 Tax Compliance Requirements

- 2.4.1. It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 2.4.2. The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit a bid.
- 2.4.3. It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 2.4.4. Bidders are required to be registered on the CSD and National Treasury shall verify the bidder's tax compliance status through the CSD or through SARS.
- 2.4.5. Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS.
- 2.4.6. **Central Supplier Database.** A full CSD registration report and not a summarized report must be submitted by bidders preferably as at the last week prior to closing date and time.

3. DURATION OF TRANSVERSAL CONTRACT

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

4. BID INFORMATION SESSION

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

Venue : Microsoft Teams. The link to register and attend the briefing session is attached as :[Click here to join the meeting](#)

Date : 20 September 2022

Time : 10h00

- 4.2 The bid information session is not compulsory but will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.
- 4.3 The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.
- 4.4 All bid enquiries must be communicated via email to Transversal.contracting1@treasury.gov.za by no later than 28 August 2022. Any enquiry communicated after the date indicated may not be attendend.

5. TECHNICAL SPECIFICATIONS

- 5.1 Bidders must be able to supply, deliver and offload the agricultural remedies to the state for the period of thirty-six (36) months as per the Annexure A - **Price Schedule**. The categories for the items on the



bid are laid out as follows:

Table 2: Item Categories

CATEGORY NAME
Herbicides
Insecticides
Pesticides
Fungicides



SECTION B

CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

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

Table 3: Evaluation Criteria

PHASE I	PHASE II	PHASE III	PHASE IV
Pre -Qualifying Criteria	Mandatory and other bid requirements	Technical Specification Compliance	Price and B-BBEE
Regulation 4(1) (a) of PPPFA Level 1-8	Compliance with mandatory and other bid requirements	Compliance with technical specifications requirements	Bids evaluated in terms of the 90/10 preference point system

6.1 PHASE I: PRE- QUALIFYING CRITERIA FOR PREFERENTIAL PROCUREMENT

- 6.1.1 It is a condition of this bid that pre-qualification criteria for preferential procurement is set according to Regulation 4(1)(a) of Preferential Procurement Policy Framework Act, 2000; Preferential Procurement Regulations, (PPR) 2017 that the following bidders may respond to this bid:
- a) A bidder having a B-BBEE status level contributor 1 to 8. In order to prove compliance, bidders are required to complete the preference claim form (SBD 6.1) and submit their **valid B-BBEE status level verification certificate OR originally certified copy of the B-BBEE certificate OR valid sworn affidavit** by the Commissioner of oaths OR CIPC affidavit. The B-BBEE verification document must be submitted at the closing date and time of the bid; OR
- 6.1.2 A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate. Bidders who submit individual BBEE certificates or Sworn affidavit or CIPC affidavit will be disqualified.
- 6.1.3 Non-compliance with the requirement for pre-qualification will invalidate the bid submitted.



6.2 PHASE II: MANDATORY AND OTHER BID REQUIREMENTS

6.2.1 Administrative and Legistrative Compliance

6.2.1.1 In this stage of evaluation, the process includes the verification of completeness of administrative compliance documents .

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

Table 4 Returnable Documents

Name of the document that must be submitted	Non-submission may result in disqualification?
Invitation to Bid – SBD 1	Please complete and sign the supplied form
Tax Clearance Requirements	The state will use the CSD to verify tax clearance requirements
Written authorisation (SARS)	NO - 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
Central Supplier Database registration report	Please submit CSD registration number or CSD report to prove registration
Proof of authority must be submitted e.g., company resolution for the capacity under which this bid is signed	Please submit a company resolution for the capacity under which this bid is signed
Pricing Schedule	Please complete the price schedule as a soft copy (excel format) and submit a hard copy with the bid at the closing date and time.
Bidder's Disclosure – SBD 4	Please complete and sign the supplied form and pay attention to all the clauses.
National Industrial Participation Programme (NIPP) – SBD 5	Please complete and sign the supplied form
Preference Point Claim Form – SBD 6.1	Generally non-submission will lead to a zero score for B-



Name of the document that must be submitted	Non-submission may result in disqualification?
	BBEE, however, due to pre-qualification criteria it is a requirement that this document is provided to prove the B-BBEE status level contributor.

6.2.2 Mandatory Bid Requirements

- 6.2.2.1 In this stage of evaluation, the process includes verification of mandatory bid requirements. Bidders are required to take cognisance of the mandatory bid requirements as clarification on these documents will not be allowed.
- 6.2.2.2 Bidders must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid.

Table 5: Mandatory and Other Returnable Documents

Name of the document that must be submitted	Non-submission will result in disqualification?
Valid Product Registration Certificate/Product Registration Renewal issued in terms of Act 36 of 1947/Act 101 of 1965. (Except item number RT12-049 & RT12-325)	YES – Please submit the valid registration certificate on each line item
Composition/ labels for all the items tendered for	YES – Please submit the composition label on each line item
Approved application letter of renewal issued by the Department of Agriculture	Submit application letter of renewal issued by Department of agriculture if you are waiting for Valid registration certificate.
TCD 13 Authorisation Declaration Form	YES – Bidders must complete and sign the supplied form, irrespective of whether a third party is used or not.
TCBD 13.1: List of goods or services offered	YES – Bidders must complete and sign the supplied form to indicate where they are buying the item/s offered, irrespective of whether a third party is used or not.
TCBD 13.2 – Letter of	YES – Bidders sourcing products from a third party must submit the letter of undertaking and of the third party. It



Name of the document that must be submitted	Non-submission will result in disqualification?
undertaking/authorisation from third party	must be submitted on third party's name.
Pricing Schedule	YES – Please complete the price schedule in excel format and submit both excel copy and hard copy with the bid at the closing date and time.
Other Returnable Documents	
Special Conditions of Contract	NO - Bidders are required to read, initial each page and submit back
General Condition of Contract	NO - Bidders are required to read, initial each page and submit back
Local Economic Development Initiative document	NO - Bidders are required to submit the Local Economic Development Initiatives document
Company Profile	NO - Bidders are required to submit the Company profile

6.3 PHASE III EVALUATION: TECHNICAL SPECIFICATION COMPLIANCE

6.3.1 AUTHORISATION DECLARATION

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

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

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



- 6.3.1.3 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and its Annexures and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents and or disqualify the bid.
- 6.3.1.4 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.
- 6.3.1.5 An authorisation declaration with conditional arrangements will not be accepted. Bidders must ensure that all arrangements are agreed to before submitting a bid and are in line with the special conditions of contract.
- 6.3.2 **VALID REGISTRATION CERTIFICATE AND COMPOSITION LABELS (ACT 36 OF 1947/ACT 101 OF 1965)**
- 6.3.2.1 Agricultural remedies offered must be registered in terms of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947), as amended, and all further regulations issued in terms of the said act, or Medicines and Related Substances Act (Act 101 of 1965). Bidders must submit a valid certificate of registration: agricultural remedies, or an approved application of renewal of agricultural remedies issued by the Department of Agriculture on or before the closing date and time of the bid.
- 6.3.2.2 The bidder must submit the composition or labels for all items offered at the closing date and time of the bid
- 6.3.2.3 Successful bidders must ensure that valid product registration renewals are available for scrutiny throughout the transversal contract period, for item/s awarded to them. Failure to do so will result in the cancellation of the contract for such item/s awarded.
- 6.3.2.4 All packing and labelling must comply with the requirements of the Act (Act 36 of 1947)
- 6.3.2.5 Non-compliance with the abovementioned conditions will invalidate the bid for such item/s offered.
- 6.3.3 **PRICING STRUCTURE REQUIREMENTS**
- 6.3.3.1 The pricing schedule (**See Annexure A**) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. All pricing offered must be on a national level.
- 6.3.3.2 Bidders are required to complete a mandatory Pricing Schedule Annexure A as a response to how much the items offered will be charged. Bids in which the pricing schedule is not submitted will be disqualified.



6.3.3.3 Due diligence on market-related pricing reasonability will be conducted. The State reserve and has the right to disqualify bid offers in which there is no reasonable doubt that the bid offered is under-quoted. In this case, the bidder will be required to submit supporting documentation.

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

6.3.3.5 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.

6.3.3.6 Once a bid has complied with administrative compliance and mandatory bid requirements and other returnable documents, it would further be evaluated on PHASE III: Technical Requirements

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

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

6.4.1 **RESPONSIVE BIDS**

Bidders are required to submit responsive bids by completing all the prices per line items they are bidding for, response fields and item questionnaires on the provided pricing schedule for the individual items.

6.4.2 **APPLICABLE TAXES**

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

6.4.3 **VALUE ADDED TAX**

All bid prices must be inclusive of fifteen per cent (15%) Value Added Tax. Failure to comply with this condition may invalidate the bid.

6.4.4 **PRICING STRUCTURE**

6.4.4.1 The Pricing Schedule (see Annexure A 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 the bid.

6.4.4.2 One price per national is required per item and prices quoted must be furnished on the basis of supply and delivery including Value Added Tax. This is also applicable to the same items that are used by more than one end user state institution irrespective of brand. The retrieval of the empty containers must be included as a separate line item.



6.4.4.3 The below table 6 must be used as a guideline to provide pricing per province. The transversal contract is structured per national and therefore bidders must use the guide in the table below to determine costing per district and convert such costing to a provincial price. This table must not be used as a pricing schedule and it will not be evaluated.

Table 6: Provincial District/Municipalities

Province	District/Municipalities
Eastern Cape	Alfred Nzo
	Sarah Baartman
	Amathole District
	Buffalo City Metropolitan
	Chris Hani
	OR Tambo
	Joe Gqabi
	Nelson Mandela Bay Metropolitan
Free State	Fezile Dabi
	Thabo Mofutsanyana
	Lejweleputswa
	Mangaung
	Xhariep
Gauteng	City of Tshwane
	Ekurhuleni
	City of Johannesburg
	Sedibeng
	West Rand
KwaZulu-Natal	Amajuba
	Zululand
	Umkhanya-Kude
	Umzinyathi
	King Cetshwayo
	Ukhukela
	Ilembe
	Umgungundlovu
	Ethekwini
	Harry Gwala
	Ugu
Limpopo	Vhembe
	Mopani
	Capricorn
	Sekhukhune
	Waterberg
Mpumalanga	Ehlanzeni
	Nkangala
	Gert Sibande
Northern Cape	John Taolo Gaetsewe
	Frances Baard
	ZF Mgcawa
	Namakwa
	Pixley Ka Seme
North West	Bojanal Platinum



Province	District/Municipalities
	Ngaka Modiri Molema
	Dr Kenneth Kaunda
	Dr Ruth Segomotsi Mompati

- 6.4.4.4 The pricing schedule will be accessible from the e-tender portal and the National Treasury website. All prices must be submitted as **soft copies (excel spreadsheet using USB and hard copy in the file)**. All prices submitted on soft copy (excel – USB) and hardcopy (file) must contain the same information. **NO PDF price schedule will be accepted on USB.**
- 6.4.4.5 In a case where there is a legal dispute, the hardcopy version of the pricing schedule will be the legal document.
- 6.4.4.6 The pricing schedule provided in the bid document shall form an integral part of the entire bid document and bidders must ensure that it is completed without changing the structure thereof.
- 6.4.4.7 Price structures that do not comply with the requirements of the above paragraph may invalidate the bid.
- 6.4.4.8 One National price is required per item and prices quoted must be furnished based on the supply and delivery including Value Added Tax.
- 6.4.4.9 Conditional discounts offered will not be used for evaluation purposes.
- 6.4.4.10 Prices submitted for this bid must be filled in on the field provided on the pricing schedules supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.
- 6.4.4.11 The retrieval of the empty containers can be costed based on the collection of the empty containers when the next order is delivered to the same depot or store.

6.4.5 **PREFERENTIAL POINT SYSTEM**

- 6.4.5.1 In terms of Regulation 7 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10 preference point system in terms of which points are awarded to bidders based on:

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

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

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

Where



Ps = Points scored for the comparative price of the bid under consideration

Pt = Comparative price of the bid under consideration

Pmin = Comparative price of lowest acceptable bid

- 6.4.5.3 A maximum of 10 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

Table 7: Preference Point System

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1

- 6.4.5.4 Bidders are required to complete the preference claim form (SBD 6.1) and submit their **original and valid B-BBEE status level verification certificate** or a **certified copy** thereof or **original sworn affidavit** or **CIPC affidavit** at the closing date and time of the bid in order to claim the B-BBEE status level point. Failure to submit a **valid original or certified copy** will result in zero score/non-compliant contributor.
- 6.4.5.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 6.4.5.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by an accredited verification agency or a sworn affidavit or CIPC affidavit will be considered for preference points.
- 6.4.5.7 Failure on the part of the bidder to comply with the paragraphs above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).
- 6.4.5.8 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- 6.4.5.9 The points scored will be rounded off to the nearest two (2) decimals.



- 6.4.5.10 In the event that two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for B-BBEE.
- 6.4.5.11 However, when functionality is part of the evaluation process and two (2) or more bidders have scored equal points including equal preference points for B-BBEE, the awarded will be to the bidder scoring the highest for functionality.
- 6.4.5.12 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 6.4.5.13 A transversal contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

6.4.6 **COST COMPONENTS AND PROPORTIONS**

- 6.4.6.1 The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components.
- 6.4.6.2 Bidders are requested to submit the cost breakdown of their bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document by submitting the cost components with the pricing schedule. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Table 8: Cost Component

Cost Component	% Contribution	Indices
Imported Raw Material / Finished product (if applicable)		Supplier/Manufacturer invoice(s) and remittance advice.
Local Raw Material / Finished product (if applicable)		Stats SA P0142.1 (PPI) Table 8 – Domestic Output
Labour		Stats SA P0141 (CPI) OR Labour Agreement
Transport		Stats SA P0141 (CPI) Table E
Other		
TOTAL (Cost components must add up to 100%)	100 %	



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

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

7. PART 2: ADDITIONAL BID REQUIREMENT

All bidders must comply with the requirements below as well as submit all required documents.

7.1 LOCAL ECONOMIC DEVELOPMENT

7.1.1 Local economic development forms part of the main agenda of the State. The firm's capacity and individual skills, and economic transformation, are critical elements of sustainable economic growth.

7.1.2 Bidders are required to submit their bids at the closing date and time with documentation that clearly demonstrates their strategic plan to support local economic development imperatives and socio-economic objectives. Such objectives may include:

- a) SMME development,
- b) Transfer of skills
- c) Broad Based Black Economic Empowerment,
- d) Employment creation, and
- e) Support for, and participation of locally owned and operated firms in the supply chain (particularly QSEs and EMEs).

7.1.3 Bidders to ensure that the plans are implementable and sustainable for the duration of the transversal contract. Bidders are required to report periodically on the success, challenges and opportunities of the initiative with the intention of ensuring meaningful interventions. The State will monitor the progress during the transversal contract life cycle.

7.1.4 Bidders should propose to the State how the sector can be improved and enhanced to ensure the achievement of socio-economic objectives within the industry. Indicate achievable initiatives that the State can consider particularly empowering black and small medium and micro enterprises.

7.1.5 Bidders who will use third-party suppliers are encouraged to share these requirements.

7.2 COUNTER CONDITIONS

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



7.3 **FRONTING**

- 7.3.1 The NT supports the spirit of broad-based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and an honest, fair, equitable, transparent and legally compliant manner. Against this background, the NT does not support any form of fronting.
- 7.3.2 The NT, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade Industry and Competition (DTIC), be established during such enquiry/investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from the date of notification by NT may invalidate the bid/contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

7.4 **RIGHT OF AWARD/NON COMMITMENT**

The State reserves its following rights:

- 7.4.1 To award in part or in full.
- 7.4.2 Not to accept any of the bids submitted. Not to make any award of this bid.
- 7.4.3 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.
- 7.4.4 To cancel and/or terminate the bid process at any stage, including after the closing date and/or after presentations have been made, and/or after bids have been evaluated and/or after the preferred bidder(s) have been notified of their status as such
- 7.4.5 To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).
- 7.4.6 To award a bid based on which bidder is offering the best value for money, even if such bid is not the lowest price.
- 6.1.1. In the event that an incorrect award has been made or an error occurred during the evaluation and adjudication phase, the State reserves the right to remedy the matter in any manner it may deem fit.
- 7.4.7 To cancel and/or terminate the transversal contract or part thereof, post the awards with consultation with the bidders if deemed necessary.



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

7.4.9 Verify information and documentation of the bidders.

7.5 **NEGOTIATION**

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

7.6 **MULTIPLE AWARD**

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

7.6.2 The maximum number of bidders to be awarded will be at the discretion of the Bid Evaluation Committee (BEC).

7.6.3 The following will be taken into consideration when awarding through a multiple awards:

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

7.7 **RECOMMENDATION AND APPOINTMENT OF BIDDERS**

7.7.1 The BEC will recommend a preferred responsive bidder based on the evaluation criteria stipulated above.

7.7.2 The award of the transversal contract is subject to meeting all the requirements of the bid.

7.8 **SUBMISSION OF BIDS**

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

- a) One (1) original hard copy
- b) One (1) memory stick or USB with all the documents of the original hard copy and an excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.



- c) The hard copy of the bid response will serve as the legal bid document and must be accompanied by a USB including the exact of the hard copy. Any discrepancies between the USB document and the original hard copy, hard copy will take precedence. The exact of the hard copy will serve as duplicate of the entire bid document submission that assists with handling and evaluation of documents or if disputes may arise.

7.8.2 Bidders **must not PDF the pricing schedule on USB** to allow an easy evaluation process.

7.8.3 In order to simplify the evaluation process, Bidders are required to neatly subdivide their bid documents and submit them in accordance with Table 1.

7.8.4 Bidders are required to neatly subdivide their bid documents and **submit them in accordance with Table 1**

7.8.5 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.

7.9 **LATE BIDS**

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

7.10 **COMMUNICATION AND CONFIDENTIALITY**

7.10.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

7.10.2 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NT (other than minor clerical matters), the bidder must promptly notify the NT in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the NT an opportunity to consider what corrective action is necessary (if any).

7.10.3 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NT will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.

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

7.11 **CONTACT DETAILS**

7.11.1 **General**

National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting,
Private Bag x115, Pretoria, 0001



Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria.

7.11.2 Bid Enquiries

All enquiries should be in writing to the Contract Manager: Sithembiso Mahlalela Transversal.Contracting1@treasury.gov.za. The closing date for receipt of all enquiries is 30 September 2022 at 16h00. All enquiries beyond the closing date will not be considered.

SECTION C

CONDITIONS OF CONTRACT

8. CONCLUSION OF CONTRACT

- 8.1 The Contract between National Treasury and the preferred bidder/s (supplier's) collectively referred to as the Parties shall come into effect after the supplier has been issued with an unconditional letter of acceptance to their bid.
- 8.2 The Supplier (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties as far this RT12-2022 is concerned:
 - a) Bid Documents;
 - b) Letter of Appointment;
 - c) Award Documents;
 - d) Acknowledgement letter
- 8.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of the contract shall take precedent. For purpose of Section C, the term "supplier" shall refer to the preferred bidder appointed in terms of RT12-2022 transversal contract.
- 8.4 The contract period will be for thirty-six (36) months.

9. PARTICIPATING ORGANS OF STATE

- 9.1 Government Departments / Institutions that will participate in this transversal contract are:

Table 9: Participating Organs of State

NATIONAL DEPARTMENTS	
Department of Correctional Services	
Department of Agricultural Land Reform and Rural Development	
Department of Forestry, Fisheries and the Environment	
PROVINCIAL DEPARTMENTS	



Limpopo Department of Agricultural and Rural Development
KwaZulu Natal Department of Agriculture and Rural Development
North West Department of Agriculture and Rural Development
OTHER ORGANS OF STATE
Agricultural Research Council

10. POST-AWARD PARTICIPATION

- 10.1 In terms of Treasury Regulation 16A6.5, the Accounting Authority may opt to participate in a transversal contract facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract facilitated by the relevant treasury, the accounting officer or accounting authority may not solicit bids for the same or similar product or services during the tenure of the transversal term contract.
- 10.2 Bidder(s) will be notified of new participants and the list of participants will be published on the website together with any brand changes, price adjustments and any other transversal contract information for the benefit of bidder(s) and participants.
- 10.3 The transversal contract allow for minor adjustments in line with the original approved items in order to cater for new participants/ State Institutions' requirements.

11. QUALITY

- 11.1 Where specific technical specifications and/ or standards are applicable to materials and supplies, the quality of products shall not be less than the requirements of the latest edition of such technical specifications and/or standards.

12. DELIVERY AND OFFLOADING BASIS

- 12.1 Firm lead times for delivery must be quoted for the duration of the transversal contract period.
- 12.2 Transit and storage conditions applicable to the relevant products must be adhered to.
- 12.3 The offloading of the product must be done by the bidder into the store or any premise of the end user.
- 12.4 The retrieval of the empty, triple rinsed, and punctured containers must be done on the next delivery.

13. QUANTITIES

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



- 13.2 The quantity indicated against each item represents the total estimated off-take of all participating state institutions and however not guaranteed. The numbers may increase or decrease in a particular year.
- 13.3 If quantities substantially increase during the year due to new participation requests, the state reserves the right to renegotiate the prices.
- 13.4 Bidders are required to indicate the minimum order quantity that is allowable per order. In the event that the end user state institution requires less than the stipulated minimum order quantity, acceptable resolution should be found between all parties including National Treasury.

14. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

14.1 CONTRACT ADMINISTRATION

- 14.1.1 The administration and facilitation of the transversal contract will be the responsibility of the National Treasury, Transversal Contracting and all correspondence in this regard must be directed to the following address:
- 14.1.2 The Chief Director: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001, Attention: Mulatedzi Raudzingana – Transversal.Contracting1@treasury.gov.za .
- 14.1.3 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 to Mulatedzi Raudzingana – email: Transversal.Contracting1@treasury.gov.za.

14.2 SUPPLIER PERFORMANCE MANAGEMENT

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

14.3 PLACEMENT OF ORDERS AND PAYMENTS

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

14.4 ORDERS

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



- 14.4.2 Supplier should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing institution(s).
- 14.4.3 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the supplier deviate from the orders issued by the purchasing institutions.
- 14.4.4 The State is under no obligation to accept any quantity which is in excess of the ordered quantity.

14.5 **DELIVERY**

- 14.5.1 Delivery of goods must be made in accordance with the instructions appearing on the official order forms issued by purchasing institutions.
- 14.5.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.
- 14.5.3 In respect of items awarded to them, supplier must adhere strictly to the delivery lead times quoted in their bids.
- 14.5.4 Deliveries not complying with the order forms will be returned to the supplier at the supplier expense.

14.6 **PRODUCT ADHERENCE / BRAND CHANGE**

- 14.6.1 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 transversal contract period.
- 14.6.2 In the event that the brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The supplier is required to submit supporting documents from the manufacturer substantiating the changes
- 14.6.3 It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by the National Treasury. The new brand must adhere to the technical specification for the item. The quality of the product must not be lower than the initial awarded product.
- 14.6.4 Furthermore, supplier are to take note that the price of the new brand should not be higher than the current transversal contract price of the original product.
- 14.6.5 Supplier are not allowed to deliver a new brand other than the brand awarded to them prior to approval of brand change from the National Treasury.
- 14.6.6 National Treasury reserve the right not to approve any change of technical specification/brand.



15. PACKAGING

- 15.1 All deliveries made against this transversal contract, in all modes of transport, are to be packed in suitable containers.
- 15.2 The function of the container is to maintain the quality, safety and stability of its contents. Container(s) should withstand the mechanical hazards of handling and transport, prevent leakage and provide an appropriate level of protection from environmental conditions, and Good Distribution Practice.
- 15.3 Packaging must comply with the requirements set out in section 3.3.1 of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947), or the Medicines and Related Substances Control Act, 1965 (Act 101 of 1965), whichever applicable.
- 15.4 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
- 15.5 The packing must be uniform for the duration of the transversal contract period. All products must be packed in acceptable containers, specifically developed for the product.
- 15.6 The number of units in the unit pack, shelf pack and shipper pack must be completed in the pricing schedule.
- 15.7 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.
- 15.8 Suppliers must ensure that products delivered are received in good order at the point of delivery.

16. LABELLING

- 16.1 Labels and package must comply with the requirements of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947) or the Medicines and Related Substances Control Act, 1965 (Act 101 of 1965), whichever is applicable.
- 16.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes:
 - a) Proprietary name (if applicable)
 - b) Number of units in pack (e.g. for bulk packs 20 administration sets)
 - c) Batch number
 - d) Expiry date
 - e) Storage conditions
 - f) Barcode
- 16.3 Where the contents of the shipper pack require special attention in terms of storage or handling, e.g. thermolabile, fragile, etc., such instructions must be clearly and visibly indicated on the outer packaging on a brightly coloured background.



- 16.4 The following information must be clearly and indelibly printed, in letters not less than 10pt in height, on all individual inner packing or on a suitable label which must be securely adhered (permanently attached) onto the inner packing:
- a) Product detail e.g. proprietary name, item description, size, etc.
 - b) A product code where relevant.
 - c) Batch number.
 - d) Date of manufacture.
 - e) Expiry date if applicable.
 - f) Trade name or trade mark of the manufacturer.
 - g) Name and address of importer/distributor where applicable.
 - h) Where applicable, the word “sterile” or “non-sterile” in prominent form as well as the sterilisation method and sterilisation expiry date.
 - i) Special storage conditions, if applicable.
 - j) All other information prescribed in the item specification, e.g. latex-free, and/or relevant SANS/ISO standard.
 - k) The label must include a barcode.
- 16.5 Peel apart packs: Material and design of peel apart packs shall ensure:
- 16.5.1 Easy opening with fingers, clean tearing without formation of loose paper shreds, fluff or fibres.
 - 16.5.2 The product is tamper-proof and non re-sealable.
 - 16.5.3 Minimum risk of contamination of contents during opening and removal from the package.
 - 16.5.4 Maintenance of sterility of the contents under the prescribed storage conditions.
 - 16.5.5 The labelling requirements will need to be compliant with the Hazardous Chemical Agents Regulations No. R280, 2021 by September 2023 to ensure hazard statement and hazard criteria are clearly indicated on the label.

17. SHELF-LIFE

- 17.1 Veterinary remedies, upon delivery, must have at least 12 months of shelf-life before the date of expiry.
- 17.2 suppliers may apply in writing to user state institutions to supply a product with a shorter shelf life provided that:
 - 17.2.1 applications are accompanied by an undertaking that such short-dated products will be unconditionally replaced or credited before or after expiry; and
 - 17.2.2 applications are approved before execution of orders; and
 - 17.2.3 such products must be collected by the supplier at their own cost; and
 - 17.2.4 failure to collect the products within 30 days after written notification to the supplier will result in the



disposal of the product by the user department for the account of the supplier.

- 17.3 User state institutions may, without prejudice, decline to accept a product with a shelf-life of less than 12 months.

18. CONTRACT PRICE ADJUSTMENT

18.1 Formula

- 18.1.1 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.

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

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

Table 10: 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	=	A 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



18.2 **Formula component definitions**

18.2.1 **Adjustable amount**

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

18.2.2 **Fixed portion**

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

18.2.3 **Cost components and proportions**

The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components. In this bid, the following cost components will be used to calculate contract price adjustments.

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

Successful bidders that are direct importers of raw material / finished product can apply for RoE adjustment under cost element D1. If the successful bidder is not a direct importer of raw material / finished product, cost component D1 would not be applicable and only local cost components (D2 - Dn) would be applicable.

Table 11: 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	
TOTAL (Cost components must add up to 100%)	100



18.2.4 Applicable indices/references

The applicable index refers to the relevant market index, which is a true reflection of price movement(s) in the cost over time. In this bid, the following indices or references will be applicable:

Table 12: 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. ¹	Documentary evidence to accompany the claim and ROE
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 ²	Table E - All Items (CPI Headline) OR Labour agreement to be provided/ Regulated Pricing Adjustment
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

18.2.5 Base index date

The base index date applicable to the formula is defined as the date at which the price adjustment starts.

In this bid, the base index date is **SEPTEMBER 2022**

18.2.6 End index date

The end index dates are the dates at predetermined points in time during the contract period. In this bid, the end indices are defined in the next paragraph (Price Adjustment Periods).

18.2.7 Price adjustment periods

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

² In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



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

Table 13: 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 st Adjustment	February 2023	December 2022	1 March 2023
2 nd Adjustment	August 2023	June 2023	1 September 2023
3 rd Adjustment	February 2024	December 2023	1 March 2024
4 th Adjustment	August 2024	June 2024	1 September 2024
5 th Adjustment	February 2025	December 2024	1 March 2025

18.2.8 Rates of exchange (RoE) – Base and average rates

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

- 18.2.8.1 The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate refer paragraph in below paragraph and the average RoE rate over the period under review indicated in the below paragraph.
- 18.2.8.2 In the event where the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate for the earlier invoice and the average RoE rate for the period under review as indicated in the paragraph below for the later invoice.
- 18.2.8.3 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.
- 18.2.8.4 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 14: CPA Rate of Exchange

Currency Name	Rates of exchange: 1 March 2022 to 31 August 2022
US Dollar	
Pound Sterling	
Yen	
Euro	



Currency Name	Rates of exchange: 1 March 2022 to 31 August 2022
Yaun	

18.2.8.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 March 2022 to 31 August 2022** using the Reserve Bank published rates for the specific currency. Visit 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.

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

Table 15: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1 st Adjustment	October 2022 to March 2023
2 nd Adjustment	April 2023 to September 2023
3 rd Adjustment	October 2023 to March 2024
4 th Adjustment	April 2024 to September 2024
5 th Adjustment	October 2024 to March 2025

18.2.9 General

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

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

18.2.9.3 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.

18.2.9.4 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.

18.2.9.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

**19. CONTINUITY OF SUPPLY**

- 19.1 The supplier must maintain sufficient stock to meet demand throughout the duration of the transversal contract and inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:
- a) Industrial action,
 - b) Manufacturing Pipeline
 - c) Any other supply challenges.
- 19.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the State institutions reserves the right to purchase outside of the transversal contract in order to meet its requirements if:
- a) The supplier fails to perform in terms of the transversal contract.
 - b) The item(s) are urgently required and not immediately available; in the case of an emergency.

20. MERGERS, TAKEOVERS AND CHANGES IN SUPPLIER DETAILS

- 20.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the National Treasury in writing 90 days prior to such an event of relevant details.
- 20.2 National Treasury reserves the right to agree to the transfer of contractual obligations to the new supplier under the prevailing conditions of a contract or to cancel the transversal contract
- 20.3 A contracted supplier must inform the National Treasury within 7 days of any changes of address, name, contact or banking details.

21. POST-AWARD PRODUCT COMPLIANCE PROCEDURES

- 21.1 Successful bidders must ensure that the product confirms the technical specification and its relevant quality throughout the transversal contract period. Where there is a justified concern regarding the quality of the product, the State reserve the right to request the bidder (at own cost) to submit the product for testing to confirm compliance with the relevant item technical specification and requirements at the testing institution.
- 21.2 The State reserve the right to conduct any sample or site inspection directly or through a third party appointed by the state.

22. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

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



- 22.2 All contracted suppliers must ensure registration on all participating institutions/department's supplier databases within 30 days of accepting the award and submit proof thereof to the National Treasury.
- 22.3 Failure to meet this requirement will result in an inability to process orders and payments for goods.

23. TERMINATION

- 23.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- The Supplier decides to transfer the contract or cede the contract;
 - The Supplier does not honour contractual obligations including submission of information;
 - The Supplier is provisionally or finally liquidated, making it impossible for the Supplier to perform its functions in terms of this Contract;
 - The Supplier enters into settlement arrangements with their creditors;
 - The Supplier commits an act of insolvency;
 - 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.
 - There is a change in ownership of the Supplier that has the effect that over 50% of the ownership of the Supplier belongs to the new owner without the prior written approval of the State.

24. MONITORING

- 24.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Participating Institutions or by a Supplier appointed to determine continuous compliance with the product and terms of the transversal contract. The National Treasury, in collaboration with the other Participating State Institutions, will monitor the performance of contracted suppliers and maintain for compliance with the terms of this transversal contract as follows:
- Compliance with delivery lead times;
 - Percentage of orders supplied in full first time;
 - Compliance with reporting requirements according to reporting schedule.
 - Attendance of compulsory quarterly: The National Treasury may hold quarterly meetings with suppliers to review the next quarter's demand, as well as supplier performance.
- 24.2 National Treasury will conduct meetings with the participating State institutions and Suppliers to discuss transversal contracting issues.
- 24.3 The National Treasury may request Participating State Institutions to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.
- 24.4 Any change in the status of supply performance during the transversal contract period must be reported within seven (7) days of receipt of such information to the National Treasury.
- 24.5 Reporting and Supplier(s) meetings will be on a six-monthly basis and will be scheduled by the office.



- 24.6 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contract issues related to RT12
- 24.7 All successful bidders are required to submit historical value and reports via e-mail on **a six monthly** basis to: Transversal.Contracting1@treasury.gov.za

Table 16: Post Monitoring Report

Period	Period for which information must be submitted	Due dates at which reports must be submitted
1	1 October 2022 – 31 March 2023	By 5 April 2023
2	1 April 2023 –30 September 2023	By 2 October 2023
3	1 October 2023 – 31 March 2024	By 5 April 2024
4	1 April 2024 –30 September 2024	By 2 October 2024
5	1 October 2024 – 31 March 2025	By 4 April 2025
6	1 April 2025 –30 September 2025	By 2 October 2025

THE END