

REQUEST FOR TENDER (RFT): APPOINTMENT OF A CONTRACTORS FOR THE NATIONAL SUPPLY, DELIVERY AND HANDOVER OF 48 KG/M RAILS



HO/PT/ENG/(R)/223/12/2022

BID NUMBER: HO/PT/ENG/(R)/223/12/2022

REQUEST FOR TENDER (RFT) FOR APPOINTMENT OF A CONTRACTOR FOR THE NATIONAL SUPPLY, DELIVERY AND HANDOVER OF 48 KG/M RAILS

CLOSING DATE	28 FEBRUARY 2023
CLOSING TIME	12H00
BID DOCUMENTS DELIVERY ADDRESS	Passenger Rail Agency of South Africa, 30 Wolmarans Street Umjantshi House, Braamfontein
BIDDER NAME
BID RETURN ADDRESS (BIDDING ENTITY RETURN ADDRESS)	Contact Number..... Company Name.....

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RAILS**



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Disclaimer

This document is provided solely for the purpose set out in this RFT and is not intended to form any part or basis of any investment decision by Bidders. The recipient should not consider the document as an investment recommendation by PRASA or any of its advisers.

Each person to whom this document (and other later documents) is made available must make his own independent assessment of the Project after making such investigation and taking such professional advice as he/she or it deems necessary. Neither the receipt of this document or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Bidder or its advisers, is to be taken as constituting the giving of an investment advice by PRASA or its advisers.

Whilst reasonable care has been taken in preparing this RFT and other documents, they do not purport to be comprehensive or true and correct. Neither PRASA nor any of its advisers accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in any document.

They acquaint themselves with this RFT and take note that no representation or warranty, express or implied, is or will be given by PRASA, or any of its officers, employees, servants, agents or advisers with respect to the information or opinions contained in any document or on which any document is based. Any liability in respect of such representations or warranties, howsoever arising is hereby expressly disclaimed.

If any recipient, or its employees, advisers or agents make or offers to make any gift to any of the employees of PRASA or consultant to PRASA on the RFT either directly or through an intermediary then such recipient, Bidder will be disqualified forthwith from participating in the RFT.

Each recipient of this RFT agrees to keep confidential any information of a confidential nature which may be contained in the information provided (the "Confidential Information Provided"). The Confidential Information provided may be made available to Bidder's subcontractors, employees and professional advisers who are directly involved in the appraisal of such information (who must be made aware of the obligation of confidentiality) but shall not, either in the whole or in part, be copied, reproduced, distributed or otherwise made available to any other party in any circumstances without

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the prior written consent of PRASA, nor may it be used for any other purpose than that for which it is intended.

These requirements do not apply to any information, which is or becomes publicly available or is shown to have been made available (otherwise than through a breach of a confidentiality obligation). Bidders, Key Contractors and their constituent members, agents and advisers, may be required to sign confidentiality Contracts/undertakings (in such form as PRASA may require from time to time).

All Confidential Information Provided (including all copies thereof) remains the property of PRASA and must be delivered to PRASA on demand. Further, by receiving this RFT each Bidder and each of its members agrees to maintain its submission in Bid to this RFT confidential from third parties other than PRASA and its officials, officers and advisers who are required to review the same for the purpose of procurement of the RFT.

Any recipient residing outside the Republic of South Africa is urged to familiarise themselves with and to observe any regulatory requirements relevant to the proposed transaction (whether these derive from a regulatory authority within or outside the Republic of South Africa).

Any requirement set out in this RFT regarding the content of a response to the RFT is stipulated for the sole benefit of PRASA, and serves as expressly stated to the contrary, may be waived at its discretion at any stage in the procurement process.

PRASA is not committed to any course of action as a result of its issuance of this RFT and/or its receipt of a Proposal in response to it. Please note that PRASA reserves the right to:

- Modify the RFT's goods / service(s) / works and request Respondents to re-bid on any changes;
- Withdraw, amend the RFT at any time without prior notice and liability to compensate or reimburse any respondent;
- Reject any Proposal which does not conform to instructions and specifications which are detailed herein
- Disqualify Proposals submitted after the stated submission deadline;
- Call a respondent to provide additional documents which PRASA may require which have not been submitted to PRASA.

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- Not necessarily accept the lowest priced Proposal or alternative bid;
- Not accept any response to the RFT or appoint a final bidder;
- Reject all proposals if it so decides;
- Withdraw the RFT on good cause shown;
- Award a contract in connection with this Proposal at any time after the RFT's closing date;
- Award a contract for only a portion of the proposed goods/ service/s/ works which are reflected in the scope of this RFT;
- Split the award of the contract between more than one Service Provider, should it at PRASA's discretion be more advantageous in terms of, amongst others, cost or development considerations;
- Make no award at all;
- Validate any information submitted by Respondents in response to this bid. This would include, but is not limited to, requesting the Respondents to provide supporting evidence. By submitting a bid, Respondents hereby irrevocably grant the necessary consent to PRASA to do so;
- Request annual financial statements prepared and signed off by a professional accountant or other documentation for the purposes of a due diligence exercise; and/or
- Not accept any changes or purported changes by the Respondent to the bid rates after the closing date and/or after the award of the business, unless the contract specifically provided for it.

To adopt any proposal made by any bidder at any time and to include such proposal in any procurement document which may or may not be made available to other bidders.

All costs and expenses incurred by Bidders in submitting responses to this RFT shall be borne by the Bidders and PRASA shall not be liable for any costs or expenses whatsoever or any claim for reimbursement of such costs or expenses.

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Should a contract be awarded on the strength of information furnished by the Respondent, which after conclusion of the contract, is proved to have been incorrect, PRASA reserves the right to cancel the contract and/or place the Respondent on PRASA's list of Restricted Suppliers.

PRASA reserves the right to negotiate market-related price with the bidder scoring the highest points or cancel the bid; if the bidder does not agree to a market related price, negotiate a market related price with the bidder scoring the second highest points or cancel the bid; if the bidder scoring the second highest points does not agree to a market related price, negotiate a market related price with the bidder scoring the third highest points or cancel the bid. If the market related price is not agreed as envisaged in this paragraph, PRASA will cancel the bid.

PRASA reserves the right to negotiations Best and Final Offer (BAFO) with selected Respondents where none of the Proposals meet RFT requirement, are affordable and demonstrate value for money and there is no clear preferred response to the RFT

PRASA will not reimburse any Respondent for any preparatory costs or other work performed in connection with its Proposal, whether or not the Respondent is awarded a contract.

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1 LIST OF ANNEXURES

Draft Contract	Annexure 1
RFT Clarification FORM	Annexure 2
Draft Service Level Agreement (SLA)	Annexure 3
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Technical Specification Technical Specification for Rails Transnet's ultrasonic testing of the rail flange, flash butt weld for quality assurance specification	Annexure 5
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Local Content Annexures (Annexures C, D and E as well as guidance on the calculation of the Local Content SATS 1286; 2011 addition 1)

2 ACRONYMS

BBBEE	Broad Based-Black Economic Empowerment
CIDB	Construction Industries Development Board
DTiC	The Department of Trade and Industry and Competition
PPPFA	Preferential Procurement Policy Framework Act 5 of 2000 (as amended from time to time)
PFMA time)	Public Finance Management Act No.1 of 1999 (as amended from time to
PRASA	Passenger Rail Agency of South Africa
RFT	Request for Proposal
SANAS	South African National Accreditation System

3 INTERPRETATION


In this RFT, unless inconsistent with or otherwise indicated by the context –

- 3.1 headings have been inserted for convenience only and should not be taken into account in interpreting the RFT;
- 3.2 any reference to one gender shall include the other gender;
- 3.3 words in the singular shall include the plural and vice versa;
- 3.4 any reference to natural persons shall include legal persons and vice versa;
- 3.5 words defined in a specific clause have the same meaning in all other clauses of the RFT, unless the contrary is specifically indicated;
- 3.6 any reference to the RFT, schedule or appendix, shall be construed as including a reference to any RFT, schedule or appendix amending or substituting that RFT, schedule or appendix;
- 3.7 the schedules, appendices and Briefing Notes issued pursuant to this RFT, form an indivisible part of the RFT and together with further clarifying and amending information provided by PRASA, constitute the body of RFT documentation which must be complied with by Bidders;
- 3.8 in the event of any inconsistency between this RFT or other earlier information published with regard to the Project, the information in this RFT shall prevail; and
- 3.9 this RFT shall be governed by and applied in accordance with South African law.

4 DEFINITIONS

In this RFT and in any other project documents (as defined below) which so provides, the following words and expressions shall have the meaning assigned to them below and cognate expressions shall have a corresponding meaning, unless inconsistent with the context:

- 4.1 “Accounting Authority” means the Board of PRASA;
 - 4.2 “Contract” means the Contract to be entered between PRASA and the successful Bidder for the provision of the *services* procured in this RFT.
 - 4.3 “Bid” means the Bid to the RFT submitted by Bidders;
 - 4.4 “Bidders Briefing Session” means the compulsory briefing session to be held at the offices of PRASA, in order to brief the Bidders about this tender;
 - 4.5 “Black Enterprise” means an enterprise that is at least 51% beneficially owned by Black People and in which Black People have substantial Management Control. Such beneficial ownership may be held directly or through other Black Enterprises;
 - 4.6 “Black Equity” means the voting equity held by Black People from time to time;
 - 4.7 “Black People” means African, Coloured and Indian South African citizens, and “Black Person” means any such citizen ;
 - 4.8 “Black Woman” means African, Coloured and Indian South Africa Female citizen;
 - 4.9 “Briefing Note” means any correspondence to Bidders issued by the PRASA;
 - 4.10 “Business Day” means any day except a Saturday, Sunday or public holiday in South Africa;
 - 4.11 “Bidders” means individuals, organisations or consortia that have been submitted responses to the RFT in respect of the tender;
 - 4.12 “Consortium” means any group of persons or firms jointly submitting a Bid as Bid to this RFT and “Consortia” means more than one Consortium;
 - 4.13 “Contractor” the successful Bidders who has signed a Contract with PRASA in terms of this RFT.
 - 4.14 “Closing Date” means the closing date for submission of bids/ Proposals by Bidders which is **28 February 2023 @ 12h00;**
- “Project” means this project for the **APPOINTMENT OF A CONTRACTOR FOR THE NATIONAL SUPPLY, DELIVERY AND HANDOVER OF 48 KG/M RAILS**
- 4.15 “RFT” means the Request for Proposals issued by PRASA for this bid; and
 - 4.16 “Scope of Work” means the scope of work for this project as detailed out in the RFT technical specifications.

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SECTION 1

NOTICE TO BIDDERS

1 INVITATION TO BID

You are hereby invited to submit a bid to meet the requirements of the Passenger Rail Agency of South Africa. Responses to this RFT [hereinafter referred to as a **Bid** or a **Tender** are requested from persons, companies, close corporations, or enterprises [hereinafter referred to as an **entity, Bidder**].

BID DESCRIPTION	APPOINTMENT OF A CONTRACTOR FOR THE NATIONAL SUPPLY, DELIVERY AND HANDOVER OF 48 KG/M RAILS
BID ADVERT	This RFT will be advertised on National Treasury's e-Tender Publication Portal at www.etenders.gov.za with effect from 15 December 2023
ISSUE DATE	15 December 2023
COLLECTION DATE DEADLINE (if applicable)	NA
COMPULSORY BRIEFING SESSION	25 January 2023 @ 11H00
CLOSING DATE	28 February 2023 @ 12h00 Bidders must ensure that bids are delivered timeously to the correct address. As a general rule, if a bid is late or delivered to the incorrect address, it will not be accepted for consideration.
VALIDITY PERIOD	90 Business Days from Closing Date Bidders are to note that they may be requested to extend the validity period of their bid, at the same terms and conditions, if the internal evaluation process has not been finalised within the validity period.
CLOSING DATE FOR QUESTIONS	03 February 2023
CLOSING DATE FOR RESPONSES	09 February 2023
CONTACT PERSON	Agnes Sekhuthu – asekhuthu@prasa.com and copy Rosemary Moagi at rmoagi@prasa.com

Any additional information or clarification will be emailed to all Respondents, if necessary.

2 FORMAL BRIEFING

A compulsory briefing will be held on **25 January 2023 @11H00**. The briefing session will start punctually, and information will not be repeated for the benefit of Respondents joining late.

Despite the briefing session being non-compulsory, PRASA nevertheless encourages all Respondents to attend. PRASA will not be held responsible if any Respondent who did not attend the non-compulsory session subsequently feels disadvantaged as a result thereof.

3 BRIEFING SESSION MINUTES AND NOTES

3.1 PRASA will issue briefing session minutes or notes within three working days from the date of the briefing session.

3.2 Bidders / Respondents are requested to promptly submit any clarifications on or before the deadline date stated.

3.3 Responses to clarifications / questions will be provided on or before the deadline date stated.

4 PROPOSAL SUBMISSION OF RFT RESPONSE

Proposal Responses must be submitted to PRASA in a sealed envelope addressed as follows:

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Description of Bid **APPOINTMENT OF A CONTRACTOR FOR THE NATIONAL
SUPPLY, DELIVERY AND HANDOVER OF 48 KG/M RAILS**
Closing date and time: **28 February 2023 @ 12H00**
Closing address *[Refer to options in 5 below]*

5 DELIVERY INSTRUCTION FOR RFT

Delivery of Bid

The Bid envelopes/packages must be submitted at PRASA, **Umjantshi House, at 30 Wolmarans Street, Braamfontein – (There will be a tender proposal submission register which has to be completed by all the bidders submitting the tenders)**

6 BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND SOCIO-ECONOMIC OBLIGATIONS

As explained in more detail in the attached SBD 6.1 (BBBEE Preference Points Claim Form) in and as prescribed in terms of the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000 and its Regulations, Respondents are to note that PRASA will award “preference points” to companies who provide valid proof of their B-BBEE status using either the latest version of the generic Codes of Good Practice or Sector Specific codes)if applicable).

Note: Failure to submit valid and original (or a certified copy of) proof of the Respondent’s compliance with the B-BBEE requirements stipulated in this RFT (the B-BBEE Preference Points Claim Form) at the Closing Date of this RFT, will result in a score of zero being allocated for B-BBEE.

6.1 B-BBEE Joint Ventures or Consortiums

Respondents who would wish to respond to this RFT as a Joint Venture [JV] or consortium with B-BBEE entities, must state their intention to do so in their RFT submission. Such Respondents must also submit a signed JV or consortium agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party. If such a JV or consortium agreement is unavailable, the partners must submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by PRASA through this RFT process. This written confirmation must clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to PRASA.

Respondents are to note the requirements for B-BBEE compliance of JVs or consortiums as required by SBD 6.1 [the B-BBEE Preference Point Claim Form] and submit it together with proof of their B-BBEE Status as stipulated in the Claim Form in order to obtain preference points for their B-BBEE status.

Note: Failure to submit a valid and original B-BBEE certificate for the JV or a certified copy thereof at the Closing Date of this RFT will result in a score of zero being allocated for B-BBEE.

6.2 Subcontracting

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As an organ of state, PRASA fully endorses Government's transformation and empowerment objectives and when contemplating subcontracting Respondents are requested to give preference to companies which are Black Owned, Black Women Owned, Black Youth Owned, owned by Black People with Disabilities, EMEs and QSEs including any companies designated as B-BBEE Facilitators¹.

Respondents are required to submit proof of the subcontracting arrangement between themselves and the subcontractor. Proof of the subcontracting arrangement must include a subcontracting agreement.

Respondents are to note that it is their responsibility to select competent subcontractors that meet all requirements of the bid so that their bid is not jeopardised by the subcontractor when evaluated. Respondents are responsible for all due diligence on their subcontractors.

Respondent/s are discouraged from subcontracting with their subsidiary companies as this may be interpreted as subcontracting with themselves and / or using their subsidiaries for fronting. Where a Respondent intends to subcontract with their subsidiary this must be declared in their bid response.

The successful Respondent awarded the contract may only enter into a subcontracting arrangement with PRASA's prior approval. The contract will be concluded between the successful Respondent and PRASA, therefore, the successful Respondent and not the subcontractor will be held liable for performance in terms of its contractual obligations.

In terms of SBD 6.1 of this RFT [the B-BBEE Preference Point Claim Form] Respondents are required to indicate the percentage of the contract that will be sub-contracted as well as the B-BBEE status of the sub-contractor/s.

7 COMMUNICATION

7.1 For specific queries relating to this RFT during the RFT process, bidders are required to adhere strictly to the communication structure requirements. An RFT Clarification Form should be

¹ The Minister of the Department of Trade and Industry has the power to designate certain Organs of State or Public Entities as B-BBEE Facilitators. For example, the South African National Military Veterans' Association (SANMVA) has been designated as a B-BBEE Facilitator. As such they will be treated as having rights of ownership held 100% by Black People, 40% by Black Women and 20% by Black designated groups.

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submitted to asekhuthe@prasa.com and copy Rosemary Moagi at rmoagi@prasa.com on or before 03 February 2023, substantially in the form set out in Annexure 2 hereto.

- 7.2** In the interest of fairness and transparency PRASA's response to such a query will be made available to the other Respondents who have attended a compulsory and a non-compulsory briefing session. For this purpose PRASA will communicate with Respondents using the contact details provided at the non-compulsory briefing session.
- 7.3** After the closing date of the RFT, a Respondent may only communicate in writing with the Bid Secretariat, at telephone number [011 013 1594, email: asekhuthe@prasa.com on any matter relating to its RFT Proposal.
- 7.4** Respondents are to note that changes to its submission will not be considered after the closing date.
- 7.5** Respondents are warned that a response will be liable for disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer(s) or employee of PRASA in respect of this RFT between the closing date and the date of the award of the business. Furthermore, Respondents found to be in collusion with one another will automatically be disqualified and restricted from doing business with PRASA in future.

8 CONFIDENTIALITY

- 8.1** PRASA shall ensure all information related to this RFT is to be treated with strict confidence. In this regard Respondents / Bidders are required to certify that they have acquainted themselves with the Non-Disclosure Agreement All information related to a subsequent contract, both during and after completion thereof, will be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Services, which is either directly or indirectly related to PRASA's business, written approval to divulge such information must be obtained from PRASA.
- 8.2** Respondents must clearly indicate whether any information submitted or requested from PRASA is confidential or should be treated confidentially by PRASA. In the absence of any such clear indication in writing, PRASA shall deem the response to the RFT to have waived any right to confidentiality and treat such information as public in nature.

9 INSTRUCTIONS FOR COMPLETING THE RFT

- 9.1** All responses to the RFT must be submitted in two sealed envelopes/boxes; the first envelop/box shall have the technical, compliance and BBBEE response and the second envelop/box shall only have the financial response. Bidders must ensure that they do not indicate any financial

information in the first envelop/box. PRASA may disqualify Bidders who fail to adhere to this requirement.

9.2 Bidders are required to package their response/Bid as follows to avoid disqualification:

Volume 1 (Envelop 1/Package 1)

- **Part A:** Compliance Response and B-BBEE Response
- **Part B:** Technical or Functional Response (response to scope of work)

Volume 2 (Envelop 2/ Package 2)

- **Part C:** Financial Proposal

Volume 2 Has to be submitted in a separate sealed envelope. Bidders must make their pricing offer in envelop 2/package 2, no pricing and pricing related information should be included in the Volume 1 envelop 1.

- 9.3** Bidders must submit 1 original response, 1(one) copy and 2(two) electronic version which must be contained in CDs or Memory Sticks clearly marked as volume one and volume two in the Bidders name.
- 9.4** Bidders must ensure that their response to the RFT is in accordance with the structure of this document.
- 9.5** Where Bidders are required to sign forms they are required to do so using a black ink pen.
- 9.6** Any documents forming part of the original responses to RFT but which are not original in nature, must be certified as a true copy by a Commissioner of Oaths.
- 9.7** Each response to RFT must be in English and submitted in A4 format, except other graphic illustrations, which may not exceed A3 format, unless the contrary is specifically allowed for in this RFT. Responses to RFT must be neatly and functionally bound, preferably according to their different sections.
- 9.8** The original responses to RFT must be signed by a person duly authorized by each consortium member and Subcontractor to sign on their behalf, which authorization must form part of the responses to RFT as proof of authorization. By signing the responses to RFT the signatory warrants that all information supplied by it in its responses to RFT is true and correct and that the responses to RFT and each party whom the responses to

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RFT signatory represents, considers themselves subject to and bound by the terms and conditions of this RFT.

- 9.9** The responses to RFT formulation must be clear and concise and follow a clear methodology which responses to RFT must explain upfront in a concise Executive Summary and follow throughout the responses to RFT.
- 9.10** Responses to RFT must provide sufficient information and detail in order to enable PRASA to evaluate the responses to RFT, but should not provide unnecessary detail which does not add value and detracts from the ability of PRASA to effectively evaluate and understand the responses to RFT. The use of numbered headings, bullet points, sections, appendices and schedules are encouraged.
- 9.11** Information submitted as part of a responses to RFT must as far as possible, be ordered according to the order of the required information requested by PRASA. All pages must be consecutively numbered.
- 9.12** Responses to RFT must ensure that each requirement contained in the RFT is succinctly addressed. Responses to RFT should as far as possible use the terms and definitions applied in this RFT and should clearly indicate its interpretation of any differing terminology applied.
- 9.13** Response to RFT documents are to be submitted to the address specified in item 5 above, and Bidders must ensure that the original and copies (where applicable) are identical in all respects as PRASA will not accept any liability for having disqualified a bidder for failing to provide a mandatory returnable document.
- 9.14** Unless otherwise expressly stated, all Proposals furnished pursuant to this RFT shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated.
- 9.15** Any additional conditions must be embodied in an accompanying letter. Subject only to clause 16 [Alterations made by the Respondent to Bid Prices] of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFT documents.
- 9.16** Bidders are required to review the Contract. Bidders may further amend and or delete any part of the Draft Contract where they deem fit to do so. Where Bidders have amended and or deleted any part of the Contract, it must be clearly visible by using track changes and must ensure that the disc copy of their bid submission for the Draft Contract is in

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word version and not password protected. **It must be noted that the marked up Contract will form part of the evaluation.**

10 RFT TIMETABLE

PRASA may at its sole discretion amend any of the milestone dates indicated in the table below. Bidders will be informed of any amendments to the timeline through the issue of the Addendum.

RFT PROCESS	MILESTONE DATES
Bid issue date	15 December 2022
Compulsory Briefing Session	25 January 2023 @ 11h00
Closing date for Questions	03 February 2023
Closing date for Responses	09 February 2023
Closing Date for Submission of final Bid	28 February @ 12h00
Evaluation of Proposals (Bidders note that PRASA may call for Presentation of bidders offers at any stage of the evaluation process)	TBA
Appointment of the successful Bidder	TBA
Contract Negotiations	TBA
Signing of Contract	TBA
Contract Commencement	TBA

PRASA may at its sole discretion amend any of the milestone dates indicated in the table above. Bidders will be informed of any amendments to the timeline through the issue of briefing notes.

11 CONTRACT DURATION

The contract duration will be three (3) years.

12 LEGAL COMPLIANCE

Bidders must ensure that they comply with all the requirements of the RFT and if Bidders fail to submit any of the required documents, such Bids shall, at the sole discretion of PRASA, be disqualified the Bidder. PRASA reserves the right to call a Bidder to provide additional documents which PRASA may require from a Bidder which have not been submitted to PRASA.

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Respondents must ensure that they comply with all the requirements of the RFT and if Bidders fail to submit any of the required documents, such Bids shall, at the sole discretion of PRASA, be disqualified.

The successful Bidders [hereinafter referred to as the Contractors] shall be in full and complete compliance with any and all applicable laws and regulations.

13 NATIONAL TREASURY'S CENTRAL SUPPLIER DATABASE

Respondents are required to self-register on National Treasury's Central Supplier Database (CSD) which has been established to centrally administer supplier information for all organs of state and facilitate the verification of certain key supplier information. Only foreign suppliers with no local registered entity need not register on the CSD. The CSD can be accessed at <https://secure.csd.gov.za>. Respondents are required to provide the following to PRASA in order to enable it to verify information on the CSD:

Supplier Number: _____ **Unique registration reference number:** _____.

14 TAX COMPLIANCE

Respondents must be compliant when submitting a proposal to PRASA and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991). It is a condition of this RFT that the tax matters of the successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

The Tax Compliance status requirements are also applicable to foreign Respondents/ individuals who wish to submit bids.

Respondents are required to be registered on the Central Supplier Database (CSD) as indicated in item 12 above and the National Treasury shall verify the Respondent's tax compliance status through the Central Supplier Database (CSD).

Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database (CSD) and their tax compliance status will be verified through the Central Supplier Database (CSD).

For this purpose, the attached SBD 1 marked FORM A and B must be completed and submitted as an essential returnable document by the closing date and time of the bid.

New Tax Compliance Status (TCS) System

SARS has implemented a new Tax Compliance Status (TCS) system in terms of which a taxpayer is now able to authorise any 3rd party to verify its compliance status in one of two ways: either through the use of an electronic access PIN, or through the use of a Tax Clearance Certificate obtained from the new TCS system.

Respondents are required to provide the following to PRASA in order to enable it to verify their tax compliance status:

Tax Compliance Status (TCS) Pin:_____.

15 PROTECTION OF PERSONAL DATA

In responding to this bid, PRASA acknowledges that it may obtain and have access to personal data of the Respondents. PRASA agrees that it shall only process the information disclosed by Respondents in their response to this bid for the purpose of evaluating and subsequent award of business and in accordance with any applicable law. Furthermore, PRASA will not otherwise modify, amend or alter any personal data submitted by Respondents or disclose or permit the disclosure of any personal data to any Third Party without the prior written consent from the Respondents. Similarly, PRASA requires Respondents to process any personal information disclosed by PRASA in the bidding process in the same manner.

SECTION 2

BACKGROUND OVERVIEW AND SCOPE REQUIREMENTS

1 INTRODUCTION AND BACKGROUND

Passenger Rail Agency of South Africa (“PRASA”) has identified the need to **APPOINT A CONTRACTOR FOR THE NATIONAL SUPPLY, DELIVERY AND HANDOVER OF 48 KG/M RAILS**

2 OVERVIEW

The purpose of this document is to initiate the procurement process for the national supply, delivery and handover of 48 kg/m rails. These components are critical to the safe operation of the Perway Infrastructure that provides safe passage for trains to move from one point to another. As infrastructure ages so does the rail components, therefore it is critical to procure rail components to replace components that have reached their end of life, components that are damaged due to theft and vandalism.

This submission will focus only on 48 kg/m rails. Rails do not generally get stolen or vandalised, however over time Rails get worn out in line with train movements, load carried, temperature and grinding maintenance adherence or lack thereof. We are currently at a stage where some of PRASA’s rails need to be replaced through the procurement of rails. This is an ongoing process where Perway Material contracts are put in place for the procurement of Perway material to replace material that has reached its end of life.

Some of the sections in our national infrastructure have reached the end of life and need to be replaced through the procurement and installation of rails.

2.1 STATUS QUO

The procurement of Perway components through national tender is a process that should happen every two to three years. If this has not been done efficiently, it ensures that all infrastructure regions have access to material in their stores or a contract where material may be ordered when required.

2.2 PROBLEM STATEMENT

Rails that have reached their end of life and pose a safety risk to the operation of trains. If not monitored properly they can cause derailments that may lead to loss of life, goods and property. They may also cause performance delays through the introduction of speed restrictions. Therefore, it is important for the Infrastructure Perway Discipline to have access to material to replace rails where required.

PICTORIALS



Figure 1: Typical Rail Defects

Rail defects range from internal defects such as cracks to external defects such as crown and side wear, skid marks, corrugation, among others.

3 KEY OBJECTIVES OF THE RFTF

The successful implementation of this project will ensure that the Infrastructure depots have enough material to carry out the required maintenance through the replacement of rails. Furthermore, it will improve the Perway performance in terms of reliability, availability and speed restrictions.

4 SCOPE OF WORK

4.1 Details on the Preferred Solution

This RFT envisages the procurement of rails for the Perway disciplines nationally. Attached is technical specification for the supply of rails in Annexures 5. The scope of supply in this section will be limited to the quality, warranty, packaging, marking, delivery and handover requirements.

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Scope of supply required is for the contracted supplier to supply PRASA Perway departments with rails that meet the stated technical and quality required to be delivered and handed over to relevant PRASA locations. The supply agreement will be valid for a period of three (3) years or when the contract amount is reached, whichever comes first. The contracted supplier to supply rails on a bulk order and on emergency basis in line with demand and Perway operational requirements.

The bidder shall possess the requisite manufacturing (or sourcing), testing facilities and experience, expertise to manufacture/source and supply rails.

4.2 Targeted Area by this Project

The supply of rails will be to supply or deliver, offload and handover rails to various locations along the railway network where rails must be installed. The locations in Western Cape, KwaZulu Natal and Gauteng will be communicated after the contract is awarded.

It is the responsibility of the supplier to make transportation arrangements that will ensure that the requisite rails are delivered to defined locations. The supplier should include railway transportation in their costing for rails

4.3 Extent and Coverage of the Proposed Project

The targeted areas for this project is to provide and handover material at various locations in Gauteng, KwaZulu Natal and Western Cape. This material is designated for areas of the entire Perway track that need replacement material in all four Regions; Gauteng South, Gauteng North, Kwazulu Natal and Western Cape.

5 SPECIFICATION OF THE WORK OR PRODUCTS OR SERVICES REQUIRED

This section will cover the technical capabilities, constraints, and other specific performance required of the product or services to accomplish the delivery of rails.

5.1. Tender allocation

The intension of this tender is to appoint 2 suppliers to supply rails. The allocation of work will be based on Preference Points. Successful bidders will be subject to the following split allocation formula:

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Category	% Difference between Preference Points	Percentage Split
A	< 0.1%	50/50
B	0.1% - <5%	55/45
C	5% - <10%	60/40
D	10% - <15%	70/30
E	15% - <20%	80/20
F	≥ 20%	100% allocation to winning bidder
G	One compliant bidder	100% allocation to winning bidder

It should be noted that the **highest scoring bidder will get the highest allocation.**

Disclaimer: Should only one bidder be found to be compliant to the set requirements of this tender, the complete allocation will be awarded to the single compliant bidder. If the next qualifying bidder has a price difference which is greater by 20%, the total allocation will be allocated to the cheapest bidder.

5.2. TECHNICAL SPECIFICATION

This specification covers the manufacturing, delivery and handover of 48 kg/m R350 LHT rails to PRASA, in bulk and emergency basis in line with demand and Perway operational requirements.

Suppliers shall supply an item list of prices with their tender. Prices shall be VAT inclusive and include delivered and handed over to the outlined locations. Suppliers shall also indicate a minimum order quantity as well as lead time for each item.

Enclosed is the technical specification for the supply of rails in Annexures 5. Suppliers must comply with both specifications in order to meet the requirements to qualify for this tender. Enclosed in the specifications is the drawings of rails and equivalent standards that govern the supply of rails.

5.3. SPECIFICATION OF PERFORMANCE REQUIREMENTS

The Supplier shall, provide the Goods in the quantity, on or before the due date determined in accordance with the technical specification, tender specification and written Purchase order issued by PRASA.

All Goods shall be packaged in accordance with the provisions of the technical specification. Where no provisions are made in the technical specification for packaging, the Goods shall be properly packed for long term storage suitable to protect the contents against damage through rough handling and over-storage in transit or whilst in store.

Unless otherwise stated, all containers (including packing cases, boxes, pallets, tins drums and wrappings) supplied by the Supplier shall be considered as non-returnable, and their cost having been included in the price of the Goods.

The Supplier shall clearly mark the outside of each consignment or package with the Supplier's name and full details of the destination in accordance with the Purchaser's order and include a packing note stating the contents thereof.

On despatch of each consignment, send to the Purchaser at the address for delivery of the Goods, advice note specifying the means transport, weight, number volume appropriate, the point and date of despatch.

Send to the Purchaser a detailed priced invoice as is reasonably practical after despatch of the Goods, and state on all communications in the relevant order number and code number (if any). Goods shall be delivered on working days, between working hours of 08:00 am to 16:00 pm to the addresses/sections that will be stated in the contract.

Should the Supplier have reason to suspect delays in delivery, the Supplier shall advise the Purchaser upon receipt of the purchase order (PO) in writing of any anticipated delays citing reasons therefore and put forward a new anticipated delivery date. The Purchaser may then extend the delivery date if and as it seems fit. Unless and until the Supplier receives a notification of the new, extended delivery date, there shall be no extension to delivery dates. Should delivery delays lead to cost implications, the supplier will be held liable for the cost incurred.

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All Goods supplied shall comply with the requirements of the Scope of Work or shall conform in all respects to the technical specification for the supply of rails in Annexures 5.

All Goods supplied shall always be subject to the Purchaser's inspection and test before, during or after manufacturing. The Supplier shall furnish without extra charge all reasonable facilities and assistance for the safe and convenient inspection or test required by appointed inspectors. Such inspections may be carried out on the Supplier's premises or at another place as deemed appropriate by inspectors.

If the Supplier fails to supply Goods, materials, workmanship or services in accordance with the provisions of the Contract, the Purchaser may reject any part the Goods by giving written notice to Supplier specifying replacement Goods are required and within what time.

The Supplier warrants that the goods will remain free from defects for a period of three years (unless otherwise stated in the Contract Data) from acceptance of the Goods by the Purchaser.

6 EVALUATION METHODOLOGY

The evaluation of Bids will be based on the information contained in Bids received in RFT and, which may be further supplemented by presentations and clarification information provided, if required. All Bids shall be equally evaluated by various committees involved in the evaluation process in accordance with stated Evaluation Criteria. Procurement integrity and fairness, transparency, competitiveness and full accountability will at all times be paramount.

6.1 Evaluation and Scoring Methodology

The evaluation of the Bids by the evaluation committees will be conducted at various levels.

The following levels will be applied in the evaluation:

LEVEL	DESCRIPTION
Verify completeness	The Bid is checked for completeness and whether all required documentation, certificates; verify completeness warranties and other Bid requirements and formalities have been complied with. Incomplete Bids will be disqualified.
Verify compliance	The Bids are checked to verify that the essential RFT requirements have been met. Non-compliant Bids will be disqualified.
Detailed Evaluation of Technical	Detailed analysis of Bids to determine whether the Bidder is capable of delivering the Project in terms of business and technical requirements. The minimum threshold for technical evaluation is [80%], any bidder who fails to meet the

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	minimum requirement will be disqualified and not proceed with the evaluation of Price and B-BBEE.
B-BBEE	Evaluate B-BBEE
Price Evaluation	Bidders will be evaluated on price offered.
Scoring	Scoring of Bids using the Evaluation Criteria.
Recommendation	Report formulation and recommendation of Preferred and Reserved Bidders
Best and Final Offer	PRASA may go into the Best and Final Offer process in the instance where no bid meets the requirements of the RFT and/or the Bids are to close in terms of points awarded.
Approval	Approval and notification of the final Bidder.

6.2 EVALUATION CRITERIA


Interested bidders for this project shall be evaluated in terms for their compliance responsiveness, technical/functional (capacity testing) evaluation and preference points. The evaluation committee shall use the following Evaluation Criteria depicted in Table 6.2.1 below for the selection of the preferred bidder that shall render / deliver the required works, goods and / or services.

Table 6.2.1: Evaluation Criteria for the selection of potential bidders

EVALUATION CRITERIA	WEIGHTING
Stage 1	Compliance
Stage 1A - Mandatory Compliance	
Stage 1B – Technical Mandatory Compliance	
Stage 1C – Basic Compliance	
Stage 2 - Technical/Functional Requirements	Technical/Functionality
Technical/Functional Requirements	Threshold of 80%
Stage 3	Price and BBEE
Price	90
BBEE	10
TOTAL	100

6.2.1 Stage 1: Compliance Requirements

Bidders must comply with the following requirements and failure to comply will lead to immediate disqualification.

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Mandatory Requirements

Stage 1A- Mandatory Requirements

If you do not submit the following documents your Proposal will be disqualified automatically:

No.	Description of requirement	
a)	Completion of ALL RFP documentation (includes ALL declarations, ALL Standard Bidding Documents (SBD) and Commissioner of Oath signatures required)	
b)	Submission of signed briefing session Form D and completion of the briefing session register.	
c)	The National Industrial Participation Programme Form (SBD5), the declaration certificate for local content SBD 6.2 and accompanying Annexure C must be completed and duly signed.	
d)	Signed Joint Venture, Consortium Agreement or Partnering Agreement (whichever is applicable)	
e)	“Bid Bond (PRASA requires the Bidder to provide security in the form of an on demand bank guarantee in the amount of ZAR R2 million RAND) (henceforth “ the Bid Bond ”) to PRASA to secure admission to the RFP process and the ability to submit the Bid. The Bid Bond shall be from a Bank licensed to conduct banking business in South Africa under the Banks Act of 1990”.	
f)	Agreement with manufacturing OEM Agreements between the manufacturer and the distributor/agent of rails for the duration of the contract. If the manufacturer is also the distributor they should confirm that they will deliver rails for duration on the contract.	

Stage 1B – Technical Mandatory Requirements

Suppliers are required to show (with supporting documents) compliance to the Technical Specification Requirements for Rails to move further to the next stage of evaluation.

Technical Specification Requirements for Rails	Compliance (yes/no)
General	
Standard rail section will be 48kg/m in accordance with European Standard (EN 13674-1), UIC 860-0 / UIC 861-1 and applicable standards in accordance to the latest editions or equivalent standards	
Technical Description	

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Technical Specification Requirements for Rails					Compliance (yes/no)
Type	Profile	Steel Grade	Tensile Strength	Hardness Brinell	
48kg/m	SAR48	R350 LHT	1175 N/mm sq	350-390	
Main Dimensions and Tolerances					
Description		SAR48	Tolerance		
Height of Rail		150mm	+-0.5mm		
Width of Rail Foot		127mm	+-1.0mm		
Nominal Width of Rail Head		68mm	+-0.5mm		
Asymmetry of Section			+-1.2mm		
Thickness of Web (at point of min. thickness)			+1.0mm - 0.5mm		
Inclination of Fishing surface (on basis of 14mm parallel to the inclined theoretical fishing surface)			+-0.5mm		
Length					
The standard rail length has been specified to be 60m, undrilled, measured at 15 Deg. Celsius					
The required welded delivery length is 240m flash butt welded in accordance with the welding specification (Transnet's ultrasonic testing of the rail flange, flash butt weld for quality assurance specification).					
Branding and Stamping					
The rails will be marked in accordance with article 7.4 of EN 13674-1, article 1.3 of UIC code 860 or equivalent and local applicable standards listed in section 5.5					
Manufacture					
The steel making process must comply with the procedure of the manufacturer as accepted by major railway companies worldwide. Must comply with article 7 of EN13674-1 or equivalent					
Protection During Transportation and Storage					
Storage and transport must be arranged such that rails are not mechanically damaged and not exposed to aggressive chemical influences. Suitable commonly used protection methods against environmental damage Compliance measures must be proposed for approval.					
Acceptance Tests					

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Technical Specification Requirements for Rails	Compliance (yes/no)
<p>Testing must be performed at the manufacture's plant by independent qualified personnel approved by the purchaser. All major specification criteria must be tested and inspected to confirm compliance. All test results to be submitted to PRASA.</p>	
<p>Qualifying Lab Tests</p>	
<p>The bidder must submit the following test results</p> <ul style="list-style-type: none"> • Metallurgical Results (it should include the following results; steel grade, chemical composition, contamination and cleanliness, surface and internal properties, microscopic evaluation and other related tests). • Mechanical Results (should include tests such as stress and strain, strength, stiffness, hardness, fatigue, crack propagation, toughness and other related tests) • Metrological results (to include the dimensions and weight of the rail) • Ultrasonic testing for defects (5 specimen of 20 cm in length) <p>Sample of not less than 5 specimen must be tested from various batches of the manufacturing process. All test results to be conducted by a SANAS accredited lab. These should be submitted during the bidding process. Results submitted must be in line/compliant with EN 13674-1</p>	
<p>Confirmation of Manufacturing facility</p>	
<p>To ensure that the manufacturer's facilities is compliant with all relevant processes required in the manufacturing of rails. The bidder must submit the manufacturing plant's schematics and processes that confirm the following:</p> <ul style="list-style-type: none"> • Location of the manufacturing plant • Primary iron making process and steel making process (basic oxygen, furnace, electric arc furnace, secondary ladle, vacuum degassing) • Bloom casting process • Bloom isothermal heat-treatment process • Rolling mill process stages • Head hardening facility • Mill scale removal process (during rolling) • Inline straightening process • Inline NDT process 	
<p>Confirmation of Rail Manufacturing Capability</p>	
<p>It is important for PRASA to determine that the winning bidder (or their partnering OEM) has the capacity to manufacture the correct rail profiles of SAR48 and SAR57</p>	


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Technical Specification Requirements for Rails	Compliance (yes/no)
with hardness grades of R350LHT. To confirm this a written letter or brochure must be provided from the manufacturing plant.	
Compliance to Prasa Infrastructure Perway Technical Specification for Rails and Turnout	
Compliance with specification #160 v3: Prasa Infrastructure Perway Technical Specification for Rails and Turnout . Submit test results that confirm this from a SANAS accredited lab.	
Inspection during the Manufacturing Process	
<p>Shortlisted bidders will be required to open their manufacturing plants or make arrangements with their OEM to open their manufacturing plants for PRASA representatives to conduct facilities audit on the manufacturing plant. The PRASA representatives will be auditing the plants for compliance to the following criteria:</p> <ul style="list-style-type: none"> • ISO 9001 • ISO/ IEC 17025 • Compliance with EN13674 • Prasa Infrastructure Perway Technical Specification for Rails and Turnout <p>At this stage compliance must be demonstrated by submission of the manufacturing plant's certification, compliance documentation and standard operating procedure to enable this requirement. This should be submitted as proof during submission of the tender.</p>	
Rail welding into 240m test requirements	
All rail welding to 240m must comply with the requirements outlined in the ultrasonic testing of the rail flange, flash butt weld for quality assurance (Transnet specification) .	

POINTS TO NOTE:

SAMPLES FOR PRASA TESTING: The winning bidder will be expected to provide PRASA with a sample of the rail (20 cm length or whatever will be required at that stage) that will be used for testing and confirmation of the quality of rails to be delivered.

INSPECTION AND DESPATCH: Representatives of PRASA will be entitled to witness at any time, the manufacturing process in all details, including testing procedures. The manufacturer must give the inspector at least 15 days written notice of the date of rolling of the rails for this contract. The inspector must stamp all rails accepted by him, at least 10% of each rolling out. No rails to be

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despatched for use by PRASA unless 10% of each lot carry his acceptance mark. Final inspection will be performed at the delivery point.

Stage 1C – Basic Compliance Requirements

If you do not submit the following basic compliance documents and should an award be made, these basic compliance documents must be made available within seven (7) days, failing of which the award will be recalled.

No.	Description of requirement	
a)	Letter of Good Standing: COID	
b)	Supply SARS Pin	
c)	Company registration documents	
d)	Certified copies of Directors’ ID documents not older than three months	
e)	CSD supplier registration number	

Bidders must submit proof of their B-BBEE status level, bidders failing to submit proof of their B-BBEE status level or are non-compliant may not be disqualified and will score 0 points on Stage 3: Pricing + BBEE Evaluation.

6.2.2 Stage 2: TECHNICAL / FUNCTIONALITY EVALUATION REQUIREMENTS

The Technical/Functionality Evaluation Criteria is guided by the Refurbishment Scope of Works and Area of Focus.

Qualifying bidders shall then be evaluated on functionality after meeting all compliance requirements outlined above. The minimum threshold for the Technical/Functionality requirements is 80% as per the Standard Evaluation Criteria presented in Table 6.2.1.1 above.

The shortlisted bidders that meet the minimum requirements (80% threshold) will be subjected to verification of capacity and capability, by being audited in line with PRASA Audit Protocol (i.e. Suppliers Technical Accreditation Protocol) before they proceed to Stage 3 (i.e. Pricing and BBEE Evaluation).

Summary of the Technical/Functional requirements are presented in the Table 6.2.2.1 below.

Table 6.2.2.1: Technical / Functional Evaluation Criteria Summary


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ITEM	CRITERIA	WEIGHT
1	Company experience	30
2	Experience of key staff: Original Equipment Manufacturer	20
3	Experience of key staff: Local (South African) logistics and welding experience	10
4	Delivery methodology	20
5	Current Ratio	5
6	Liquidity Ratio	5
7	Quality management system	10
	TOTAL	100

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Technical /Functional Evaluation Criteria

Table 6.2.2.2: Technical / Functionality Evaluation Criteria

Details of the scoring methodology presented above are outlined below:

Evaluation Area	Technical/Functional Criteria and Scoring	Weight
<p>Company experience (years)</p>	<p>Bidders are required to submit evidence of past experience by providing reference letters indicating your experience in the manufacturing and supply of rails. If the bidder is not the Original Equipment Manufacturer (OEM), reference letters may be obtained from the OEM.</p> <p>5 = More than 10 years’ experience in rail manufacturing. 4 = Greater than 9 years, but less than 10 years’ experience in rail manufacturing 3 = Greater than 8 years, but less than 9 years’ experience in rail manufacturing 2 = Greater than 7 years, but less than 8 years’ experience in rail manufacturing 1 = Less than 7 years’ experience in rail manufacturing 0 = No related experience submitted</p>	<p>30</p>
<p>Experience of key staff: Original Equipment manufacturer</p> <p>The OEM should have the following critical staff with a minimum of three years work experience:</p> <ul style="list-style-type: none"> • Metallurgical Engineer • Production Engineer • Quality Engineer 	<p>Key staff is essential in ensuring that the required material meets the required structural design, material strength, material properties and quality of the rails. Points for key OEM staff will be allocated as follows:</p> <p>5 = Greater than and equals to 15 years average experience. 4 = Greater than or equals to 10 years, but less than 15 years’ average experience in rail manufacturing 3 = Greater than or equals to 6 years, but less than 10 years’ average experience in rail manufacturing 2 = Greater than or equals to 3 years, but less than 6 years’ average experience in rail manufacturing 1 = Less than 3 years’ average experience in rail manufacturing 0 = No related experience submitted</p> <p>Note: This will be rated in line with the CVs and certificates submitted indicating the name, position and qualification of engineers. CVs must be employees of</p>	<p>20</p>

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Evaluation Area	Technical/Functional Criteria and Scoring	Weight
	<p>the manufacturing plant (or may be obtained from the OEM). Failure to provide supporting documents will result in failure to allocate or score points for the criteria</p>	
<p>Experience of key staff Local (South African) logistics and welding experience</p> <p>The logistics and welding team should have the following critical staff with a minimum of three years work experience:</p> <ul style="list-style-type: none"> • 1x Certified Track Masters • 2x Welding artisans • 1x Metallurgist • 1x Quality inspection • 3x Flagman 	<p>Key staff is essential in ensuring that rails are welded in accordance to the specification and transported accordingly to various site along the PRASA network. Points for key staff will be allocated as follows:</p> <p>5 = Greater than and equals to 15 years average experience.</p> <p>4 = Greater than or equals to 10 years, but less than 15 years' average experience in rail manufacturing</p> <p>3 = Greater than or equals to 6 years, but less than 10 years' average experience in rail manufacturing</p> <p>2 = Greater than or equals to 3 years, but less than 6 years' average experience in rail manufacturing</p> <p>1 = Less than 3 years' average experience in rail manufacturing</p> <p>0 = No related experience submitted</p> <p>Note: This will be rated in line with the CVs and certificates submitted indicating the name, position and qualification of engineers.</p> <p>Failure to provide supporting documents will result in failure to allocate or score points for the criteria. Only a minimum of three years' experience will be considered for evaluation.</p>	<p>10</p>
<p>Project methodology</p>	<p>The scope of work for this project requires the supply and delivery of rails. This process has the following critical methodology elements relating to the scope of work:</p> <ol style="list-style-type: none"> 1. Manufacturing milestones 2. Quality assurance inspection and testing at critical milestones in the manufacturing process 3. Shipping and confirmation of handover dates 4. Clearing process (in case rails are sourced abroad) 5. Pre-handover quality inspection 6. Quality inspection and handover process at the harbor 	<p>20</p>

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Evaluation Area	Technical/Functional Criteria and Scoring	Weight
	<p>The points for delivery methodology will be allocated as follows:</p> <p>5 = methodology detailing 6 or more elements relating to the methodology</p> <p>4 = methodology detailing 4-5 elements relating to the methodology</p> <p>3 = methodology detailing 2-3 elements relating to the methodology</p> <p>2 = methodology detailing 1 element relating to the methodology</p> <p>1 = methodology detailing no elements relating to the methodology</p>	
<p>Current ratio = Current assets/current liabilities</p>	<p>Audited Financial statements or audited/reviewed by independent member of applicable professional body will be used to extract information to calculate the ration. Points for the ratio will be allocated as follows:</p> <p>5 = Ratio > 2</p> <p>4 = Ration >1 but ≤2</p> <p>3 = Ratio = 1</p> <p>2 = Ratio <1</p> <p>0 = Financial statements not provided or provided financial statements not audited or reviewed by an independent member of applicable professional.</p> <p>Note: Audited Financial statements or audited/reviewed is for the bidding entity only</p>	<p>5</p>
<p>Liquidity Ratio Quick ratio = {Cash + Cash equivalents + Marketable securities + Net accounts receivable}/ Total liabilities</p>	<p>Audited Financial statements or audited/reviewed by independent member of applicable professional body will be used to extract information to calculate the ration. Points for the ratio will be allocated as follows:</p> <p>5 = Ratio > 2</p> <p>4 = Ration >1 but ≤2</p> <p>3 = Ratio = 1</p> <p>2 = Ratio <1</p> <p>0 = Financial statements not provided or provided financial statements not audited or reviewed by an independent member of applicable professional</p>	<p>5</p>

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Evaluation Area	Technical/Functional Criteria and Scoring	Weight
	Note: Audited Financial statements or audited/reviewed is for the bidding entity only	
<p>Quality management system with the following elements:</p> <ol style="list-style-type: none"> 1. Organizational changes 2. Employee training and engagement 3. Equipment calibration and maintenance 4. Inventory and supplier quality management 5. Process control 6. Documents and records 7. Nonconformance management <p>Audits and process improvement</p>	<p>The submitted Quality Management System Policy/ Plan/ Manual/ document will be assessed in terms of the Quality elements.</p> <p>5 - ISO 9001 or equivalent accreditation 4 – meets all the 8 elements stated relating to the listed quality management elements 3 - 7 out of 8 of the stated quality management elements 2 - 6 out of 8 of the stated quality management elements 1 - 5 out of 8 of the stated quality management elements 0 – less than 5 of the stated quality management elements</p>	10
Total		100

6.2.3 Stage 3 – Pricing and BBBEE

The following formula, stipulated in the approved PRASA Conditions of Contract, shall be used by the Bid Evaluation Committee to score interested bidders on pricing:

$$P_s = 90 \left[1 - \frac{P_t - P_{\min}}{P_{\min}} \right]$$

Where:

Ps = Points scored for the price of tender under consideration;

Pt. = Rand value of the tender under consideration;

Pin = Rand value of the lowest acceptable tender.

The maximum qualifying criteria for pricing is 90 points as per the Standard Evaluation Criteria presented in Table 6.2.1 above.

The BBBEE component of the evaluation process is weighted at 10 points in Table 6.2.1 of the Standard Evaluation Criteria outlined above. Bidders will be awarded points based on the level of the BBBEE status presented in the BBBEE Certificate issued by an approved agency certified by SANAS. Details of the allocation of points by the Evaluation Committee are presented in Table 6.2.3.1 below.

Table 6.2.3.1: BBBEE Evaluation Criteria

B-BBEE Status Level Of Contributor	Number Of Points(90/10 System) Above R50 Million
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-Compliant Contributor	0

7 FOREIGN EXCHANGE AND HEDGING

Bidders should note that PRASA would prefer to receive fixed price offers expressed in South African Rand (ZAR). For the avoidance of doubt, any foreign exchange risk (including hedging) will be borne entirely by the Bidder from Financial Close.

8 PERFORMANCE SECURITY PACKAGE

The bidder is required to submit as part of the tender requirements a bid bond of R2 000 000.00. This is aimed at protecting PRASA from bidders who may fail to honour the terms of the bid. The bid bond amount shall be retained until the contract between both parties is signed and the performance bond kicks in. At this point it shall be released back to the Bidder. The bid bond will also be released when the supplier's bid is considered unsuccessful. The bid bond must be in the form of an "on-demand" bond from a financial institution acceptable to PRASA.

Upon award of the tender, the winning bidder will be required to have a performance bond. This shall amount to 10% of the Contract Price that shall be retained until the end of the warranty period at which point it shall be released to the Bidder, net of any payments required to be made in order to address defects not rectified by the Supplier over the warranty period.

A UMC (Ultrasonic Measurement Car) will be used to conduct measurements on newly installed rails to ensure that the quality of steel used to make the rails is of accepted quality that does not result in internal defects and inclusions. The outcome of this test will also enable the payment of the retention value to the appointed supplier.

9 PRICE ESCALATION

The cost of rails is made up of several elements that are subject to price movements and inflation. Therefore, PRASA will review the bid and contract price under the criteria defined in this section.

Price escalation reviews shall only be done under the following circumstances:

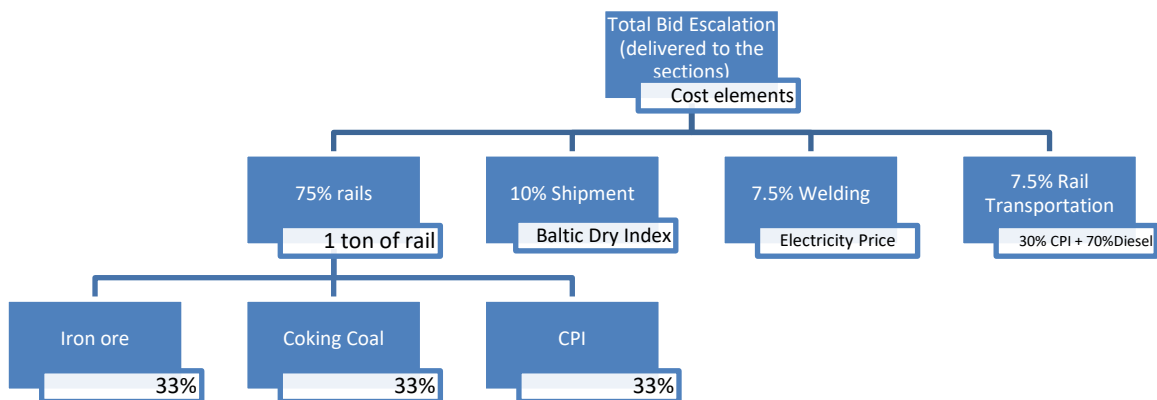
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- Upon award - This will only be done if the time from closing the tender to the award stage was longer than 15 months. If it is shorter than 15 months, PRASA cannot allow any price escalation irrespective of any external condition (such as spike in oil price or related commodities)
- This contract is a 3-year contract. Therefore, price escalation will only be considered at the end of every successive anniversary of the contract. There is no other time that PRASA can engage in any price escalation.
- Indices move up and down with time, therefore the structure of the price escalation is intended for PRASA to cover the associated risk and to benefit when commodity prices go down. Therefore, both PRASA and bidders should expect price escalation to proportionally decrease when the outlined commodities are on their downwards cycle and proportionally increase on the upwards cycle.

The following cost elements shall be applicable for price escalation:



NOTE: Please take note that this is how PRASA will breakdown your total bid price. This breakdown cannot be negotiated as it was part of the bidding process. Bidders should note that no other element may be considered for price escalation beyond what is stated in this document. Considering other elements outside this process would prejudice other bidders and constitute an unfair bidding practice.

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The rails element shall be calculated as follows:

$$\text{Rail Element Price}_n = 0,75 \times TB_{\text{price}} \left(0,33 \frac{IO_n}{IO_o} + 0,33 \frac{CC_n}{CC_o} + 0,33 \frac{CPI_{in}}{CPI_{io}} \right)$$

Where:

TB – Total bid price

IO – Iron Ore Export sales: Unit value (Rand/t) (Unit: Rand/t; Source: Department of Mineral Resources)

CC – Coking Coal Export sales: Unit value (Rand/t) (Unit: Rand/t; Source: Department of Mineral Resources)

CPI_i – Headline Consumer Price Index (Import country)

Subscript n – new index

Subscript o – old index

The total price escalation with all elements shall be calculated as follows:

$$\text{Total Bid}_{\text{new}} = \text{Rail Element Price}_n + \left[0,1 \frac{BDI_n}{BDI_o} + 0,075 \frac{EP_n}{EP_o} + 0,075 \left(0,3 \frac{CPI_n}{CPI_o} + 0,7 \frac{D_n}{D_o} \right) \right]$$

BDI – Baltic Dry Index (Baltic Exchange in London)

EP – Electricity Price (PPI – Electricity, STATSSA)

CPI – Headline Consumer Price Index (local South African)

D - Diesel 0,05% index (Department of Energy)

The defined indices may be sourced from the following indices providers:

- SEIFSA
- Stats SA
- IHS Global Insight EconoStats
- Any other equivalent and credible source

Please state the country of origin of rails _____

10 PREFERENTIAL PROCUREMENT REGULATIONS

The new regulations, issued by the Minister of Finance in 2017, were revised to align with certain changes to the Broad-Based Black Economic Empowerment (B-BBEE) legislation. They encourage procurement from Small Enterprises, particularly through sub-contracting if a tender is set above the R30 million thresholds.

The Regulation focuses on the need by all organs of state and public entities to specify conditions that only locally produced or locally manufactured goods meeting the stipulated minimum threshold for local production and content will be considered for certain designated sectors. They also afford organs of state the freedom to choose to apply pre-qualifying criteria to advance certain designated groups.

Due to reasons stated in the Feasibility Memo, it is unfeasible to subcontract elements of the rail tender.

11 VALIDITY PERIOD

This RFT shall be valid for *[90 days]* calculated from Bid closing date.

12 B-BBEE REQUIREMENTS

A Bidder must submit proof of its B-BBEE status level contributor, a Bidder failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified and will score 0 points out of 10 for B-BBEE.

13 THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

13.1 National Industrial Participation Programme (NIPP) Requirements:

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the

Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

Bidders are therefore required to complete SBD 5 to give effect to the above. Bidders who do not complete this form will be automatically disqualified.

14 LOCAL CONTENT - NATIONAL TREASURY STIPULATED MINIMUM THRESHOLDS FOR LOCAL PRODUCTION

- 14.2** Bids will be subject to local content requirements in terms of regulation 8(1) of the preferential procurement regulations, 2017.
- 14.3** Only locally produced or manufactured goods with a stipulated minimum threshold as stated in the table below for local production and content will be considered. Bidders who do not meet the stipulated minimum threshold will be automatically disqualified and not be considered further for evaluation.
- 14.4** Bidders may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 14.5** The exchange rate to be used for the calculation of local content (local content and local production are used interchangeably) must be the exchange rate published by the SARB on the date of the advertisement of the tender.
- 14.6** The Declaration Certificate for Local Content (SBD 6.2) must be completed and duly signed. Bidders who do not complete this form will be automatically disqualified.
- 14.7** The sectors / products (not limited to) listed below are subjected to local content requirements.

The stipulated minimum threshold percentages for local production and content are as follows:

Table 8.1: Local content for permanent way

No	Rail Permanent Way Sector System/Subsystem and Components	
	Material Description	% local content
1	Rail Permanent way Sector	90%
1.1	Rails and Rail joints	100%
1.2	Ballastles	100%
1.3	Turnouts/switches and crossings	100%
1.4	Railway Sleepers	100%

No	Rail Permanent Way Sector System/Subsystem and Components	
	Material Description	% local content
1.5	Rail Fastenings and accessories	100%
1.6	Railway maintenance of way plant & Equipment	70%
1.7	Assembly and testing of fully built units	100%
Total required local content for rail supply		100%

“For further guidance with the above requirements, bidders may refer to **NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 2 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR RAIL PERMANENT WAY SECTOR**”

Exemption Requests

If the quantity of components to be used for this work cannot be wholly sourced from South African (SA) based manufacturers and or at the designated local content threshold of 100% at any particular time, bidders should obtain written exemption from **the dti** to supply the remaining portion of the components at a lower local content threshold. **the dti**, in consultation with the procuring organ of state, will grant exemption on a case-by-case basis and will consider the following:

- a) required volumes in the particular tender;
- b) available collective SA industry manufacturing capacity at that time;
- c) delivery times;
- d) availability of input materials and components;
- e) security of supply and emergencies
- f) materials of construction
- g) technical considerations including operating conditions;
- h) localisation plans aimed at establishing and/or increasing local manufacturing capacity through ramping-up of capital investments in the initial phase; and
- i) replacement of components on the existing infrastructure in order to honour the warranties and guarantees.

The process to be followed in requesting exemptions

Tender information must be provided on the bidder's letterhead when requesting an exemption letter:

- a) Procuring entity
- b) Tender description
- c) Bid reference number
- d) Closing date of bid
- e) Detailed specifications of items for which the exemption is requested for (kindly attach specifications)
- f) Products/ inputs/components to be imported
- g) Reasons for the request
- h) Supporting letters from local bidders' suppliers and manufacturers

The turn-around time for processing of exemption requests is **10 working days** from the date of receipt.

15 POST TENDER NEGOTIATION (IF APPLICABLE)

PRASA reserves the right to conduct post tender negotiations with a shortlist of Respondent(s). The shortlist could comprise of one or more Respondents. Should PRASA conduct post tender negotiations, Respondents will be requested to provide their best and final offers to PRASA based on such negotiations. A final evaluation will be conducted in terms of 90/10.

16 BEST AND FINAL OFFER

PRASA reserves the right to embark on the Best and Final Offer (BAFO) Process where:

- a) None of the proposals meet the RFT requirements;
- b) None of the responses to RFT are affordable and demonstrate value for money;
and
- c) There is no clear preferred Response to this RFT.

Upon the decision by PRASA to embark on a BAFO process it shall notify the response to RFT.

17 FINAL CONTRACT AWARD

PRASA will negotiate the final terms and condition the contract with the successful Respondent(s). This may include aspects such as Supplier Development, the B-BBEE Improvement Plan, price and delivery. Thereafter the final contract will be awarded to the successful Respondent(s).

18 FAIRNESS AND TRANSPARENCY

PRASA views fairness and transparency during the RFT Process as an absolute on which PRASA will not compromise. PRASA will ensure that all members of evaluation committees declare any conflicting or undue interest in the process and provide confidentiality undertakings to PRASA.

The evaluation process will be tightly monitored and controlled by PRASA to assure integrity and transparency throughout, with all processes and decisions taken being approved and auditable.

SECTION 3

PRICING AND DELIVERY SCHEDULE

Respondents are required to complete the Pricing Schedule/ BOQ **Form C:** (Volume 2 /Envelop 2)

1 PRICING

- 1.1. Prices must be quoted in South African Rand, inclusive of VAT.
- 1.2. Price offer is firm and clearly indicate the basis thereof.
- 1.3. Pricing Bill of Quantity is completed in line with schedule if applicable.
- 1.4. Cost breakdown must be indicated.
- 1.5. Price escalation basis and formula must be indicated.
- 1.6. To facilitate like-for like comparison bidders must submit pricing strictly in accordance with this price schedule and not utilise a different format. Deviation from this pricing schedule could result in a bid being declared non-responsive.
- 1.7. Please note that should you have offered a discounted price(s), PRASA will only consider such price discount(s) in the final evaluation stage on an unconditional basis.
- 1.8. Respondents are to note that if price offered by the highest scoring bidder is not market related, PRASA may not award the contract to the Respondent. PRASA may:
 - 1.8.1. negotiate a market-related price with the Respondent scoring the highest points or cancel the RFT;
 - 1.8.2. if that Respondent does not agree to a market-related price, negotiate a market-related price with the Respondent scoring the second highest points or cancel the RFT; and
 - 1.8.3. if the Respondent scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the Respondent scoring the third highest points or cancel the RFT.
 - 1.8.4. If a market-related price is not agreed with the Respondent scoring the third highest points, PRASA must cancel the RFT.

2 DISCLOSURE OF PRICES QUOTED

Respondents are to note that, on award of business, PRASA is required to publish the tendered prices and preferences claimed of the successful and unsuccessful Respondents inter alia on the National Treasury e-Tender Publication Portal, (www.etenders.gov.za), as required per National Treasury Instruction Note 01 of 2015/2016.

3 OWNERSHIP OF DESIGN

3.1 The plans and design developed and to be provided by PRASA shall at all times remain the property of PRASA.

4 SERVICE LEVELS

Refer to the attached Draft Service Level Agreement (SLA).

Acceptance of Service Levels:

YES	
------------	--

5 TOTAL COST OF OWNERSHIP (TCO)

5.1 PRASA will strive to procure goods, services and works which contribute to its mission. In order to achieve this, PRASA must be committed to working with suppliers who share its goals of continuous improvement in service, quality and reduction of Total Cost of Ownership (TCO).

5.2 Respondents shall indicate whether they would be committed, for the duration of any contract which may be awarded through this RFT process, to participate with PRASA in its continuous improvement initiatives to reduce the total cost of ownership [**TCO**], which will reduce the overall cost of transportation services and related logistics provided by PRASA's operating divisions within South Africa to the ultimate benefit of all end-users.

6 FINANCIAL STABILITY

Respondents are required to submit their latest financial statements prepared and signed off by a professional accountant for the past three years with their Proposal in order to enable PRASA to establish financial stability.

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SIGNED at _____ on this _____ day of _____ 20.....

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name _____

2 _____

Name _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE: _____

NAME: _____

DESIGNATION: _____

7 VALIDITY OF RETURNABLE DOCUMENTS

The successful Respondent will be required to ensure the validity of all returnable documents, including but not limited to its Tax Clearance Certificate and valid B-BBEE Verification Certificate, for the duration of any contract emanating from this RFT. Should the Respondent be awarded the contract [the Agreement] and fail to present PRASA with such renewals as and when they become due, PRASA shall be entitled, in addition to any other rights and remedies that it may have in terms of the eventual Agreement, to terminate such Agreement forthwith without any liability and without prejudice to any claims which PRASA may have for damages against the Respondent.

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RAILS**



HO/PT/ENG/(R)/223/12/2022

SIGNED at _____ on this _____ day of _____ 20.....

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name _____

2 _____

Name _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE: _____

NAME: _____

DESIGNATION: _____

8 CERTIFICATE OF ACQUAINTANCE WITH RFT TERMS & CONDITIONS & APPLICABLE DOCUMENTS

By signing this certificate the Respondent is deemed to acknowledge that he/she has made himself/herself thoroughly familiar with, and agrees with all the conditions governing this RFT, including those contained in any printed form stated to form part hereof, including but not limited to the documents stated below and PRASA will recognise no claim for relief based on an allegation that the Respondent overlooked any such condition or failed properly to take it into account for the purpose of calculating tendered prices or any other purpose:

1. PRASA's General Bid Conditions*

2. Standard RFT Terms and Conditions for the supply of Goods or Services or Works to PRASA

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Should the Bidder find any terms or conditions stipulated in any of the relevant documents quoted in the RFT unacceptable, it should indicate which conditions are unacceptable and offer alternatives by written submission on its company letterhead, attached to its submitted Bid. Any such submission shall be subject to review by PRASA's Legal Counsel who shall determine whether the proposed alternative(s) are acceptable or otherwise, as the case may be. A material deviation from the Standard terms or conditions could result in disqualification.

Bidders accept that an obligation rests on them to clarify any uncertainties regarding any bid to which they intend to respond, before submitting the bid. The Bidder agrees that he/she will have no claim based on an allegation that any aspect of this RFT was unclear but in respect of which he/she failed to obtain clarity.

The bidder understands that his/her Bid will be disqualified if this Certificate of Acquaintance with RFT documents included in the RFT as a returnable document, is found not to be true and complete in every respect.

SIGNED at _____ on this _____ day of _____ 20.....

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE: _____

NAME: _____

DESIGNATION: _____

9 GENERAL CONDITIONS

9.1 Alternative Bids

Please note that alternative Bids will not be accepted.

9.2 PRASA's Tender Forms

Bidders must sign and complete the PRASA's Bid Forms and attach all the required documents. Failure by Bidders to adhere to this requirement may lead to their disqualification.

9.3 Precedent

In case of any conflict with this RFT and Bidders response, this RFT and its briefing notes shall take precedence.

9.4 Response to RFT-Confidentiality

Response to RFTs must clearly indicate whether any information conveyed to or requested from PRASA is confidential or should be treated confidentially by PRASA. In the absence of any such clear indication in writing from a response to RFT, PRASA shall deem the response to RFT to have waived any right to confidentiality and treat such information as public in nature.

Where a Bidder at any stage during the RFT Process indicates to PRASA that information or any response to RFT requested from PRASA is or should be treated confidentially, PRASA shall treat such information or response to RFT confidentially, unless PRASA believes that to ensure the transparency and competitiveness of the RFT Process the content of the information or response to RFT should be conveyed to all Bidders, in which event it shall apply the following process:

- PRASA shall confirm with the Bidder whether the raising of confidentiality applies to the entire response to the RFT or only specific elements or sections of the response;
- Where confidentiality is maintained by the Bidder and PRASA is of the opinion that the information or response to RFT if made publicly available would affect the commercial interests of the Bidder or is commercially sensitive information, PRASA shall not release such

information to other Bidders if providing such information or response to the RFT would prejudice the competitiveness and transparency of the RFT Process;

- Where PRASA is of the opinion that information provided is not commercially sensitive or would have no impact on the commercial interests of the relevant Bidder if released and fairness and transparency requires that such information be released to all Bidders, PRASA may:
 - i. inform the relevant Bidder of the necessity to release such information and/or response to RFT and request the Bidder to consent to the release thereof by PRASA; or
 - ii. obtain legal advice regarding the confidentiality of the relevant information and/or response to RFT and the legal ability of PRASA to release such information; or
 - iii. refrain from releasing the information and/or response to RFT, in which event PRASA shall not take account of the contents of such information in the evaluation of the relevant response to RFT.

The above procedures regarding confidentiality shall not apply to any information which is already public knowledge or available in the public domain or in the hands of PRASA or is required to be disclosed by any legal or regulatory requirements or order of any competent court, tribunal or forum.

9.5 Response to the RFT – RFT Disqualification

Responses to RFT which do not comply with the RFT requirements, formalities, terms and conditions may be disqualified by PRASA from further participation in the RFT Process.

In particular (but without prejudice to the generality of the foregoing) PRASA may disqualify, at its sole discretion and without prejudice to any other remedy it may have, a Bidder where the Bidder, or any of its consortium members, subcontractors or advisors have committed any act of misrepresentation, bad faith or dishonest conduct in any of its dealings with or information provided to PRASA.

9.6 Corruption, Gifts and Payments

Neither the Bidders to RFTs, its equity members, the sub-contractors, consortium members nor any of their agents, lenders or advisors shall directly or indirectly offer or give to any person in the employment of PRASA or any other Government official or any of the Advisory Team any gift or consideration of any kind as an inducement or reward for appointing a particular Bidder, or for showing or omitting to show favour or disfavour to any of the Bidders, its equity members or the sub-contractors in relation to the Project.

In the event that any of the prohibited practices contemplated under the above paragraph is committed, PRASA shall be entitled to terminate any Response to RFT's status and to prohibit such Response to RFT, its equity members, its SPV members, its Sub Contractors and their agents, lenders and advisors from participating in any further part of the procurement of the Project.

9.7 Insurance

Unless specifically provided for in this RFT or draft contracts, Bidders will be required to submit with their Bid for services professional indemnity insurance and works insurance to an extent (if any) if insurance provided by PRASA may not be for the full cover required in terms of the relevant category listed in this RFT. The Bidder is advised to seek qualified advice regarding insurance.

9.8 No Contact Policy

Bidders may only contact **Agnes Sekhuthu at (011) 013 1594 or email asekhuthu@PRASA.com and copy Rosemary Moagi email rmoagi@PRASA.com** of PRASA as per the terms of the Communication Structure established by this RFT, except in the case of pre-existing commercial relationships, in which case contact may be maintained only with respect thereto and, in making such contact, no party may make reference to the Project or this RFT.

9.9 Conflict of Interest

No Bidder member, subcontractor or advisor of the response to RFT may be a member of or in any other way participate or be involved, either directly or indirectly in more than one response to RFT or response to RFT during any stage of the Project procurement process, but excluding specialist suppliers of systems and equipment, non-core service providers or financial or commercial

institutions whose role is limited purely to lending money or advancing credit to the response to RFT. Bidders are to sign the declaration of interest form. In order to prevent the conflict or potential conflict of interest between Lenders and Bidders to RFT, no advisors or the Contractor/s or Consortium/s to any response to RFT, consortium member or subcontractor may fulfil the role of arranger, underwriter and/or lead bank to the response to RFT. PRASA may disqualify the response to RFT from further participation in the event of a failure to comply with this provision. PRASA views the potential conflict of interest so great as to warrant the reduction of competition for advisory services.

9.10 Collusion and Corruption

Any Bidder shall, without prejudice to any other remedy available to PRASA, be disqualified, where the response to RFT –

- communicates to a person other than persons nominated by PRASA a material part of its response to RFT; or
- Enters into any Contract or arrangement with any other person or entity that it shall refrain from submitting a response to RFT to this RFT or as to any material part of its Response to RFT to this RFT (refer the prohibition contained in Section 4(1)(b)(iii) of the Competition Act 89 of 1998). . The Bidders represents that the Bidder has not, directly or indirectly, entered into any agreement, arrangement or understanding or any such like for the purpose of, with the intention to, enter into collusive Biding or with reasonable appreciation that, collusive any agreement, arrangement or understanding or any such like may result in or have the effect of collusive Biding. The Bidder undertakes that in the process of the Bid but prior to PRASA awarding the Bid to a preferred bidder become involved in or be aware of or do or caused to be done any agreement, arrangement or understanding or any such like for the purpose of or which may result in or have the effect of a collusive Bid, the Bidder will notify PRASA of such any agreement, arrangement or understanding or any such like.; or
- offers or agrees to pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done, or causing, or having caused to be done any act or omission in relation to the RFT Process or any proposed response to RFT (provided nothing contained in this paragraph shall prevent a response to RFT from paying any market-related commission or bonus to its employees or contractors within the agreed terms of their employment or contract).

9.11 Consortium Changes

If exceptional circumstances should arise in which a after the submission to the bid and after closing date of submission of bids, there is change in the composition of the Bidder, either through substitution or omission of any member of the Bidder:

- The Response to RFT must notify PRASA in writing of the proposed changes supported by complete details of the material reasons for the changes, the parties impacted by the changes and the impact on the response to RFT.
- PRASA shall evaluate the reasons advanced by the Bidder for the requested changes to the Bidder structure and where PRASA is not satisfied that the reasons advanced are reasonable or material, refuse to accept the change and disqualify the response to RFT, or notify the Bidder in writing of its non-acceptance of the changes and require the Bidder to propose a suitable alternative to PRASA within 10 (TEN) days of its receipt of the decision of PRASA, upon receipt of which PRASA shall -
 - i. Evaluate the alternative proposed for suitability to PRASA, and where the alternative is accepted by PRASA, inform the Bidder in writing of such acceptance and PRASA shall reassess the response to RFT against the RFT requirements and criteria; or
 - ii. Where the alternative is not accepted by PRASA, inform the Bidder in writing of such non-acceptance as well as its disqualification from the RFT Process.
 - iii. Where PRASA is satisfied that the changes requested under (i) above are reasonable and material, the response to RFT, shall be allowed to effect the required changes and PRASA shall reassess the response to RFT against the RFT requirements and criteria.

9.12 Costs of Response to the RFT Submission

All costs and expenses associated with or incurred by the Bidder in relation to any stage of the Project, shall be borne by the Bidder. PRASA shall not be liable for any such costs or expenses or any claim for reimbursement of such costs or expenses.

To avoid doubt, PRASA shall not be liable for any samples submitted by the Bidder in support of their Responses to RFT and reserves the right not to return to them such samples and to dispose of them at its discretion.

9.13 Response to the RFT Warranty

Bidders must provide a warranty as part of their Responses to RFT that their Responses to RFT are true and correct in all respects, that it does not contain a misrepresentation of any kind and that the taxes of all members of the Bidder company, consortium members and or subcontractors are in order and none of the members are undergoing corruption or any criminal-related investigations or have any past convictions for fraud or corruption.

10 CONDITIONS OF TENDER

General

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| Actions | 1 | PRASA's <i>Representative</i> and each <i>tenderer</i> submitting a tender shall act as stated in these Conditions of Tender and in a manner which is fair, equitable, transparent, competitive and cost-effective. |
| Interpretation | 2 | Terms shown in <i>italics</i> vary for each tender. The details of each term for this tender are identified in the Request for Tender / Scope of work/ specification. Terms shown in capital initials are defined terms in the appropriate conditions of contract. |
| | 3 | Any additional or amended requirements in the Scope of work/ specification, and additional requirements given in the Schedules in the <i>tender returnables</i> are deemed to be part of these Conditions of Tender. |
| | 4 | The Conditions of Tender and the Scope of work/ specification shall form part of any contract arising from this invitation to tender. |
| Communication | 5 | Each communication between PRASA and a <i>tenderer</i> shall be to or from PRASA's <i>Representative</i> only, and in a form that can be read, copied and recorded. Communication shall be in the English language. PRASA takes no responsibility for non-receipt of communications from or by a <i>tenderer</i> . |
| PRASA's rights to accept or reject any tender | 6 | PRASA may accept or reject any variation, deviation, tender, or alternative tender, and may cancel the tender process and reject all tenders at any time prior to the formation of a contract. PRASA or PRASA's <i>Representative</i> will not accept or incur any liability to a |

tenderer for such cancellation and rejection, but will give reasons for the action. PRASA reserves the right to accept the whole or any part of any tender.

- 7 After the cancellation of the tender process or the rejection of all tenders PRASA may abandon the proposed work and services, have it performed in any other manner, or re-issue a similar invitation to tender at any time.

Tenderer's obligations

The *tenderer* shall comply with the following obligations when submitting a tender and shall:

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| Eligibility | 1 | Submit a tender only if the <i>tenderer</i> complies with the criteria stated in the Scope of work/ specification. |
| Cost of tendering | 2 | Accept that PRASA will not compensate the <i>tenderer</i> for any costs incurred in the preparation and submission of a tender. |
| Check documents | 3 | Check the <i>tender documents</i> on receipt, including pages within them, and notify PRASA's <i>Representative</i> of any discrepancy or omissions in writing. |
| Copyright of documents | 4 | Use and copy the documents provided by PRASA only for the purpose of preparing and submitting a tender in response to this invitation. |
| Standardised specifications and other publications | 5 | Obtain, as necessary for submitting a tender, copies of the latest revision of standardised specifications and other publications, which are not attached but which are incorporated into the <i>tender documents</i> by reference. |
| Acknowledge receipt | 6 | Preferably complete the Receipt of invitation to submit a tender form attached to the Letter of Invitation and return it within five days of receipt of the invitation. |
| | 7 | Acknowledge receipt of Addenda / Tender Briefing Notes to the <i>tender documents</i> , which PRASA's <i>Representative</i> may issue, and if necessary apply for an extension to the <i>deadline for tender submission</i> , in order to take the Addenda into account. |

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| Site visit and / or clarification meeting | 8 | Attend a site visit and/or clarification meeting at which <i>tenderers</i> may familiarise themselves with the proposed work, services or supply, location, etc. and raise questions, if provided for in the Scope of work/ specification. Details of the meeting are stated in the RFT document, <i>i-tender</i> website and CIDB website. |
| Seek clarification | 9 | Request clarification of the <i>tender documents</i> , if necessary, by notifying PRASA's <i>Representative</i> earlier than the <i>closing time for clarification of queries</i> . |
| Insurance | 10 | Be informed of the risk that needs to be covered by insurance policy. The <i>tenderer</i> is advised to seek qualified advice regarding insurance. |
| Pricing the tender | 11 | Include in the rates, prices, and the tendered total of the prices (if any) all duties, taxes (except VAT), and other levies payable by the successful <i>tenderer</i> . Such duties, taxes and levies are those applicable 14 days prior to the <i>deadline for tender submission</i> . |
| | 12 | Show Value Added Tax (VAT) payable by PRASA separately as an addition to the tendered total of the prices. |
| | 13 | Provide rates and prices that are fixed for the duration of the contract and not subject to adjustment except as provided for in the <i>conditions of contract</i> . |
| | 14 | State the rates and Prices in South African Rand unless instructed otherwise as an additional condition in the Scope of work/ specification. The selected <i>conditions of contract</i> may provide for part payment in other currencies. |
| Alterations to documents | 15 | Not make any alterations or an addition to the tender documents, except to comply with instructions issued by PRASA's <i>Representative</i> or if necessary to correct errors made by the <i>tenderer</i> . All such alterations shall be initialled by all signatories to the tender. Corrections may not be made using correction fluid, correction tape or the like. |
| Alternative tenders | 16 | Submit alternative tenders only if a main tender, strictly in accordance with all the requirements of the <i>tender documents</i> is also submitted. The alternative tender is submitted with the main tender together with a schedule that compares the requirements of the <i>tender documents</i> |

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with the alternative requirements the *tenderer* proposes. **(N/A for this tender)**

- 17 Accept that an alternative tender may be based only on the criteria stated in the Scope of work/ specification and as acceptable to PRASA. **(N/A for this tender)**

Submitting a tender

- 18 Submit a tender for providing the whole of the works, services or supply identified in the Contract Data unless stated otherwise as an additional condition in the Scope of work/ specification.

NOTE:

- 19 **Return the completed and signed *PRASA Tender Forms and SBD forms provided with the tender. Failure to submit all the required documentation will lead to disqualification***
- 20 **Submit the tender as an original plus 1(one) copy and 2(two) electronic version which must be contained in CDs or Memory Cards clearly marked as Volume 1 and Volume 2 in the Bidders name as stated in the RFT and provide an English translation for documentation submitted in a language other than English. Tenders may not be written in pencil but must be completed in ink.**
- 21 Sign and initial the original and all copies of the tender where indicated. PRASA will hold the signatory duly authorised and liable on behalf of the *tenderer*.
- 22 Seal the original and each copy of the tender as separate packages marking the packages as "ORIGINAL" and "COPY". Each package shall state on the outside PRASA's address and invitation to tender number stated in the Scope of work/ specification, **as well as the *tenderer's name and contact address***. Where the tender is based on a two envelop system tenderers must further indicate in the package whether the document is **envelope / box 1 or 2**.
- 23 Seal original and copies together in an outer package that states on the outside only PRASA's address and invitation to tender number as stated in the Scope of work/ specification. The outer package must be marked "CONFIDENTIAL"

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- 24 Accept that PRASA will not assume any responsibility for the misplacement or premature opening of the tender if the outer package is not sealed and marked as stated.

Note:

PRASA prefers not to receive tenders by post, and takes no responsibility for delays in the postal system or in transit within or between PRASA offices.

PRASA prefers not to receive tenders by fax, PRASA takes no responsibility for difficulties in transmission caused by line or equipment faults.

Where tenders are sent via courier, PRASA takes no responsibility for tenders delivered to any other site than the tender office.

PRASA employees are not permitted to deposit a tender into the PRASA tender box on behalf of a tenderer, except those lodged by post or courier.

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| Closing time | 25 | Ensure that PRASA has received the tender at the stated address with the Scope of work / specification no later than the <i>deadline for tender submission</i> . Proof of posting will not be taken by PRASA as proof of delivery. PRASA will not accept a tender submitted telephonically, by Fax, E-mail or by telegraph unless stated otherwise in the Scope of work/ specification. |
| | 26 | Accept that, if PRASA extends the <i>deadline for tender submission</i> for any reason, the requirements of these Conditions of Tender apply equally to the extended deadline. |
| Tender validity | 27 | Hold the tender(s) valid for acceptance by PRASA at any time within the <i>validity period</i> after the <i>deadline for tender submission</i> . |
| | 28 | Extend the <i>validity period</i> for a specified additional period if PRASA requests the <i>tenderer</i> to extend it. A <i>tenderer</i> agreeing to the request will not be required or permitted to modify a tender, except to the extent PRASA may allow for the effects of inflation over the additional period. |
| Clarification of tender after submission | 29 | Provide clarification of a tender in response to a request to do so from PRASA's <i>Representative</i> during the evaluation of tenders. This may |

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include providing a breakdown of rates or Prices. No change in the total of the Prices or substance of the tender is sought, offered, or permitted except as required by PRASA's *Representative* to confirm the correction of arithmetical errors discovered in the evaluation of tenders. The total of the Prices stated by the *tenderer* as corrected by PRASA's *Representative* with the concurrence of the *tenderer*, shall be binding upon the *tenderer*

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| Submit bonds, policies etc. | 30 | If instructed by PRASA's <i>Representative</i> (before the formation of a contract), submit for PRASA's acceptance, the bonds, guarantees, policies and certificates of insurance required to be provided by the successful <i>tenderer</i> in terms of the <i>conditions of contract</i> . |
| | 31 | Undertake to check the final draft of the contract provided by PRASA's <i>Representative</i> , and sign the Form of Agreement all within the time required. |
| | 32 | Where an agent on behalf of a principal submits a tender, an authenticated copy of the authority to act as an agent must be submitted with the tender. |
| Fulfil BEE requirements | 33 | Comply with PRASA's requirements regarding BBBEE Suppliers. |

11 PRASA's undertakings

PRASA, and PRASA's *Representative*, shall:

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| Respond to clarification | 1 | Respond to a request for clarification received earlier than the <i>closing time for clarification of queries</i> . The response is notified to all <i>tenderers</i> . |
| Issue Addenda | 2 | If necessary, issue to each <i>tenderer</i> from time to time during the period from the date of the Letter of Invitation until the <i>closing time for clarification of queries</i> , Addenda that may amend, amplify, or add to the <i>tender documents</i> . If a <i>tenderer</i> applies for an extension to the <i>deadline for tender submission</i> , in order to take Addenda into account in preparing a tender, PRASA may grant such an extension and PRASA's <i>Representative</i> shall notify the extension to all <i>tenderers</i> . |
| Return late tenders | 3 | Return tenders received after the <i>deadline for tender submission</i> unopened to the <i>tenderer</i> submitting a late tender. Tenders will be |

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deemed late if they are not in the designated tender box at the date and time stipulated as the deadline for tender submission.

Non-disclosure	4	Not disclose to <i>tenderers</i> , or to any other person not officially concerned with such processes, information relating to the evaluation and comparison of tenders and recommendations for the award of a contract.
Grounds for rejection	5	Consider rejecting a tender if there is any effort by a <i>tenderer</i> to influence the processing of tenders or contract award.
Disqualification	6	Instantly disqualify a <i>tenderer</i> (and his tender) if it is established that the <i>tenderer</i> offered an inducement to any person with a view to influencing the placing of a contract arising from this invitation to tender.
Test for responsiveness	7	Determine before detailed evaluation, whether each tender properly received <ul style="list-style-type: none"> • meets the requirements of these Conditions of Tender, • has been properly signed, and • is responsive to the requirements of the <i>tender documents</i>.
	8	Judge a responsive tender as one which conforms to all the terms, conditions, and specifications of the <i>tender documents</i> without material deviation or qualification. A material deviation or qualification is one which, in PRASA 's opinion would <ul style="list-style-type: none"> • detrimentally affect the scope, quality, or performance of the works, services or supply identified in the Contract Data, • change PRASA's or the <i>tenderer's</i> risks and responsibilities under the contract, or • affect the competitive position of other <i>tenderers</i> presenting responsive tenders, if it were to be rectified.
Non-responsive tenders	10	Reject a non-responsive tender, and not allow it to be subsequently made responsive by correction or withdrawal of the non-conforming deviation or reservation.
Arithmetical errors	11	Check responsive tenders for arithmetical errors, correcting them as follows: <ul style="list-style-type: none"> • Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern.

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- If a bill of quantities applies and there is a discrepancy between the rate and the line item total, resulting from multiplying the rate by the quantity, the rate as quoted shall govern. Where there is an obviously gross misplacement of the decimal point in the rate, the line item total as quoted shall govern, and the rate will be corrected.
 - Where there is an error in the total of the Prices, either as a result of other corrections required by this checking process or in the *tenderer's* addition of prices, the total of the Prices, if any, will be corrected.
- 12 Reject a tender if the *tenderer* does not accept the corrected total of the Prices (if any).
- Evaluating the tender** 13 Evaluate responsive tenders in accordance with the procedure stated in the RFT / Scope of work/ specification. The evaluated tender price will be disclosed only to the relevant PRASA tender committee and will not be disclosed to *tenderers* or any other person.
- Clarification of a tender** 14 Obtain from a *tenderer* clarification of any matter in the tender which may not be clear or could give rise to ambiguity in a contract arising from this tender if the matter were not to be clarified.
- Acceptance of tender** 15 Notify PRASA's acceptance to the successful *tenderer* before the expiry of the *validity period*, or agreed additional period. Providing the notice of acceptance does not contain any qualifying statements, it will constitute the formation of a contract between PRASA and the successful *tenderer*.
- Notice to unsuccessful tenderers** 16 After the successful *tenderer* has acknowledged PRASA's notice of acceptance, notify other *tenderers* that their tenders have not been accepted, following PRASA's current procedures.
- Prepare contract documents** 17 Revise the contract documents issued by PRASA as part of the *tender documents* to take account of
- Addenda issued during the tender period,
 - inclusion of some of the *tender returnables*, and
 - other revisions agreed between PRASA and the successful *tenderer*, before the issue of PRASA's notice of acceptance (of the tender).

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| Issue final contract | 18 | Issue the final contract documents to the successful <i>tenderer</i> for acceptance within one week of the date of PRASA's notice of acceptance. |
| Sign Form of Agreement | 19 | Arrange for authorised signatories of both parties to complete and sign the original and one copy of the Form of Agreement within two weeks of the date of PRASA's notice of acceptance of the tender. If either party requires the signatories to initial every page of the contract documents, the signatories for the other party shall comply with the request. |
| Provide copies of the contracts | 20 | Provide to the successful <i>tenderer</i> the number of copies stated in the Scope of work/ specification of the signed copy of the contracts within three weeks of the date of PRASA's acceptance of the tender. |