



SPECIAL CONDITIONS OF CONTRACT

RT23-2025

SUPPLY AND DELIVERY OF LUBRICATING OIL, HYDRAULIC BRAKE FLUID, GREASE, ANTIFREEZE, BUYING AND COLLECTION OF USED OIL, AND OIL ANALYSIS SERVICES TO THE STATE FOR A PERIOD OF

36 MONTHS

NON-COMPULSORY BRIEFING SESSION TO BE HELD ON THE

29 OCTOBER 2024 ON MICROSOFT TEAMS

CLOSING DATE AND TIME OF BID

13 NOVEMBER 2024 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



Table of Contents

LIST OF ATTACHEMENTS AND ANNEXURES 4

LIST OF TABLES..... 4

DEFINITIONS 5

SECTION A: INTRODUCTION AND TERMS OF REFERENCE 8

1. DESCRIPTION AND FORMAT OF THE BID 8

2. LEGISLATIVE AND REGULATORY FRAMEWORK 8

3. DURATION OF TRANSVERSAL CONTRACT 8

4. BRIEFING SESSION 8

5. TERMS OF REFERENCE 9

SECTION B: CONDITIONS OF BID..... 13

6. PART 1: EVALUATION CRITERIA..... 13

7. PART 2: ADDITIONAL BID REQUIREMENTS 24

8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS 27

SECTION C: CONDITIONS OF CONTRACT..... 29

9. CONCLUSION OF TRANSVERSAL CONTRACT 29

10. PARTICIPATING STATE INSTITUTIONS 29

11. POST AWARD PARTICIPATION 29

12. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES **Error! Bookmark not defined.**

13. TRANSVERSAL CONTRACT PRICE ADJUSTMENT 30

14. DELIVERY ADHERENCE, ORDERS AND PAYMENTS 35

15. INSURANCE AND INDEMNITY..... 37

16. QUALITY ASSURANCE 37

17. USE OF CONTAINERS 37

18. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES 37

19. RISK MANAGEMENT 38

20. CONTINUITY OF SUPPLY 39

21. PACKAGING AND LABELLING..... 39

22. POST-AWARD PRODUCT COMPLIANCE PROCEDURES 41

23. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS 41

24. MONITORING..... 42

25. TERMINATION 42

**LIST OF ABBREVIATIONS**

Abbreviation	Definition
ACEA	Association des Constructeurs Européens d'Automobiles, which translates to the European Automobile Manufacturers' Association
API	American Petroleum Institute
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
ISO	International Organization for Standardization
NT	National Treasury
OCPO	Office of the Chief Procurement Office
OEM	Original Equipment Manufacturer
PPR 2022	Preferential Procurement Regulation 2022
RSA	Republic of South Africa
SAE	Society of Automotive Engineers
SLA	Service Level Agreement
SANAS	South African National Accreditation System
SARS	South African Revenue Service
SCC	Special Conditions of Contract
SBD	Standard Bidding Document
TCD	Transversal Contract Documents
TC	Transversal Contracts



Abbreviation	Definition
TIC	Tender Information Centre
VAT	Value Added Tax

LIST OF ATTACHEMENTS AND ANNEXURES

- Annexure 1: Pricing schedule
- Annexure 2: Standard bidding documents (SBD's)
- Annexure 3: Transversal contracting documents (TCD's)
- Annexure 4: General Conditions of Contract (GCC)
- Annexure 5: Group Items

LIST OF TABLES

Table 1: Bid Document Checklist and Returnable Documents	6
Table 3: Evaluation Criteria	13
Table 4: Preference Point System	19
Table 5: Category of oil (volume and weight).....	23
Table 7: Indicative Transversal Contract Price Adjustment Calculator.....	30
Table 8: Transversal Contract Price Adjustment Cost Components	31
Table 9: Indicative Indices.....	32
Table 10: Price Adjustment periods	33
Table 11: Rates of exchange	34
Table 12: Average exchange rates	34
Table 13: Labelling details	40

**DEFINITIONS**

Consortium or Joint Venture	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill, and knowledge in an activity for the execution of a contract
Customer	means a participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
Delivery	Means the process of transporting goods from a bidder's source location to a predefined destination by the participants.
Due Diligence	Means the investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Disability	means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being
Historically Disadvantaged Individuals	<p>South African citizen:</p> <ul style="list-style-type: none">i) Who, due to the apartheid policy that had been in place, had no franchise in national elections before the introduction of the constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (the interim Constitution) and/orii) Who is female; and/oriii) Who has a disability. <p>Provided that a person who obtained South African citizenship on or after the coming to effect of the interim Constitution, is deemed not to be an HDI.</p>
Trust	means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.



Table 1: Bid Document Checklist and Returnable Documents

#	Document Name ¹	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
PHASE 1: ADMINISTRATIVE REQUIREMENTS EVALUATION				
2.	SBD 1 Invitation to Bid	Yes	Yes	
3.	Proof of authority must be submitted as per SBD 1	No	Yes	
4.	SBD 4 Declaration of Interest	Yes	Yes	
5.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
6.	Central Supplier Database Report	No	Yes	
7.	Written confirmation for disclosing tax status SARS	No	Yes	
8.	TCD 13 Authorization Declaration	Yes	Yes	
9.	TCD 13.1 List of goods or services offered	Yes	Yes	
PHASE 2: MANDATORY REQUIREMENTS EVALUATION				
10.	Pricing Schedule	Yes	Yes	
PHASE 3: TECHNICAL COMPLIANCE EVALUATION				
11.	Local Footprint : Category B & C	No	Yes	
12.	SANAS 17025 certificate : Category C	No	Yes	
13.	Trade Reference Letter : Category B	No	Yes	

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



#	Document Name ¹	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
14.	Quality Management System Certificate: Category A	No	Yes	
15.	Waste management certificate: Category B	No	Yes	
16.	TCD 13.2 Authorization Letter or Letter of Undertaking	Yes	Yes	
PHASE 4: PRICE & SPECIFIC GOALS EVALUATION				
17.	Pricing Schedule	Yes	Yes	
18.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
19.	Proof of Business Shareholding/Ownership	No	Yes	
20.	Cost breakdown	Yes	Yes	



SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the appointment of a service provider for the supply and delivery of lubricating oil, hydraulic brake fluid, grease, antifreeze, buying and collection of used oil, and oil analysis services to the state from 1 January 2025 to 31 December 2028.
- 1.2 This bid document is structured as follows:
- 1.2.1 Section A : Introduction and Terms of Reference
- 1.2.2 Section B : Conditions of Bid
- 1.2.2.1 Part 1 : Evaluation Criteria
- 1.2.2.2 Part 2 : Additional Bid Requirements
- 1.2.2.3 Part 3 : Recommendation and Appointment of Bidders
- 1.2.3 Section C : Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2022 regulations.
- 2.2 The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

3. DURATION OF TRANSVERSAL CONTRACT

- 3.1 The transversal contract shall be for a period of thirty-six (36) months, from 1 January 2025 to 31 December 2028.

4. BRIEFING SESSION

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

Venue: Microsoft Teams. The link to register and attend the briefing session is attached below:

[Click here to join the briefing session](#)

Date : 29 October 2024

Time : 10:00am to 11:00am



4.2 The bid information session is not compulsory but will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.

4.3 The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

5. TERMS OF REFERENCE

5.1 INTRODUCTION

5.1.1 This bid is for the appointment of a service provider for the supply and delivery of lubricating oil, hydraulic brake fluid, grease, antifreeze, buying and collection of used oil, and oil analysis services to the State for the period 1 January 2025 to 31 December 2028.

5.1.2 Specific Goal Objective criteria

5.1.2.1 The specific goal objective criteria for this bid are to award to a tender(s) who were historically disadvantaged.

5.1.2.2 In terms of section 2(1) (f) of the PPPFA Act, the state may award a contract to a tenderer that did not score the highest points.

5.2 SCOPE OF WORK AND SERVICES

5.2.1 A bid that does not address the scope of work will be disqualified and will be considered as non-responsive. A bid will be considered responsive if it addresses the scope of work below as well as the individual end user requirements contained under Annexure A of these Conditions of Tender:

5.2.2 The scope of work comprises of three(3) categories:

5.2.2.1 Category A : Supply and delivery of lubricating oils

Synthetic oil is a man-made lubricant that consists of artificially made chemical compounds. Synthetic oils are typically created from chemically modified materials such as petroleum components, but the base material is almost always distilled crude oil.

Mineral oil is any of various colourless, odourless, light mixtures of higher alkanes from a mineral source, particularly a distillate of petroleum.

a) ENGINE OILS

- I. Petrol Engine Oil: Standard oil used in most engines, providing basic protection. Suitable for older or less demanding engines as well as high performance engines.
- II. Diesel Engine Oil: Designed for diesel engines, offering better protection against soot, carbon build-up, and wear
- III. Two Stroke Engine Oil: is a special type of motor oil intended for use in crankcase



compression two-stroke engines, typical of small gasoline-powered engines.

IV. Items offered must be with a SINGLE API classification and not as per Full Specification description.

b) **TRANSMISSION AND GEAR OIL**

I. Transmission Oil: Used in automatic and manual transmissions, providing lubrication and hydraulic pressure to transmit power.

II. Gear Oil: Used in gearboxes and differentials, power steering, providing protection against wear, corrosion, and oxidation also include for marine and industrial equipment purposes.

III. Chain Saw Bar Oil is a specially formulated tacky lubricant designed to protect the chain and bar of all types of chainsaws against premature wear, rust & corrosion.

c) **HYDRAULIC OIL:** Hydraulic oil is a non-compressible fluid that plays a vital role in the smooth operation of hydraulic systems.

d) **ANTIFREEZE:** A substance that provide adequate corrosion protection, lower the freezing point, and raise the boiling point of the engine coolant. Antifreezes, such as ethylene glycol or propylene glycol, commonly added to water in automobile cooling systems prevent damage to cooling systems.

I. Inorganic acid formula (IAT) – Conventional low-silicate antifreeze, some of which require the addition of supplemental coolant additives (SCA) in them to protect the engine lining from corrosion.

II. Organic acid technology (OAT) – offer anti-corrosive protection to the aluminium and nylon parts, with propylene glycol as the base.

III. Hybrid organic acid technology (HOAT) – combination of the best IAT and OAT products to offer superior corrosion resistance for aluminium parts and rustproofing for iron components

e) **BRAKE FLUID:** Brake fluid is a type of hydraulic fluid used in hydraulic braking systems and clutch operations, to transfer force into pressure. These hydraulic fluids are also designed to withstand high pressures and temperatures.

f) **GREASE:** To protect against water ingress and provides rust protection, as well as reducing friction and wear in extreme pressure conditions (EP). It has a high viscosity, so it's a better choice for applications where liquid lubricants such as oil wouldn't stay in place.

I. Lithium Grease: A versatile and commonly used grease for automotive, industrial, and



household applications and is known for its high-water resistance.

- II. Calcium Grease: known for its exceptional stability in wet environments, is often used in marine applications where water exposure is a constant challenge.

5.2.2.2 Bidders must note that all group items in category A will be evaluated as a series.

5.2.2.3 Category B: Buying and collection of used oil

- a) Buying old oil typically refers to the process of purchasing or recycling used or waste oil. This oil may come from various sources, such as vehicles, machinery, or industrial processes, and is no longer suitable for its original purpose. Instead of being discarded, old oil can be collected, processed, and reused or repurposed in different ways.
- b) Businesses or individuals involved in buying old oil often operate recycling or waste management facilities where they can properly handle and treat the used oil. The collected oil may undergo filtration, purification, or other treatment processes to remove contaminants and impurities, making it suitable for reuse as lubricants, fuels, or other industrial applications. Additionally, some companies may purchase old oil for further processing into biodiesel or other renewable energy sources.
- c) Overall, buying old oil helps to promote environmental sustainability by diverting waste from landfills and reducing the need for virgin resources. It also contributes to the circular economy by facilitating the reuse and repurposing of valuable materials.
- d) The "collection of used oil" typically refers to the process of gathering and managing used or waste oil for proper disposal, recycling, or reclamation. This process is crucial for environmental protection and resource conservation, as used oil can be harmful if improperly disposed of and can contaminate soil and water sources.
- e) The collection of oil may involve various steps, including:
 - I. Collection Points: Establishing designated collection points where individuals or businesses can drop off their used oil. These collection points may be located at recycling centres, auto repair shops, waste management facilities, or other authorized locations.
 - II. Transportation: Once collected, the used oil is transported to processing facilities or recycling centres. This may involve the use of specialized vehicles or containers designed to transport hazardous materials safely.
 - III. Processing: At the processing facility, the used oil undergoes treatment to remove contaminants and impurities. This may include filtration, separation, or distillation



processes to recover usable oil components.

- IV. Recycling or Disposal: The processed oil may be recycled and reused in various applications, such as lubricating oils, fuels, or asphalt production. Alternatively, if recycling is not feasible, the oil may be disposed of in accordance with regulations governing hazardous waste management.
- V. Compliance: Throughout the collection and processing process, it's essential to comply with local, national, and international regulations governing the handling, transportation, and disposal of used oil. This helps prevent environmental pollution and ensures public health and safety.

5.2.2.4 Category C: Oil Analysis

- a) Oil analysis refers to the process of analysing various properties and characteristics of lubricating oil or other types of oil to assess its condition, quality, and performance. This analysis is commonly conducted to monitor the health and integrity of machinery and equipment, particularly those that rely on oil for lubrication or operation.
- b) Bidders must provide Sampling Bottle and suitable packaging.
- c) Bidders must provide training, when necessary, as follows:
 - I. Fundamentals of Lubrication and Oil Analysis
 - II. Report Interpretation and an Introduction to Troubleshooting
 - III. The Management of an Oil Analysis Programme
- d) Bidders must provide Sampling Guns for use as follows:
 - I. From Dipstick tube.
 - II. Existing Sampling Points – Type: (Make: BETA-MICRO TEST, Model: BMT-20 (G 1/4”) or equivalent.)



SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 2: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Administrative Requirements	Mandatory Requirements	Technical Requirements	Price and Specific Goals
Compliance with administrative requirement	Compliance with mandatory requirement	Compliance with technical requirements	Bids evaluated in terms of the 90/10 preference system

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

6.2 PHASE 1: ADMINISTRATIVE REQUIREMENTS

6.2.1 Bidders must submit the following documents below to comply with the policy to guide uniformity in procurement reform processes.

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

6.2.1.2 **Proof of Authority** – This is proof that the company representative has been given authority by the company to sign bid documents on their behalf as required on SBD 1

6.2.1.3 **SBD 4** – Bidders Disclosure

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

6.2.1.5 **TCD 13 and 13.1 Authorisation Declaration** – All bidders are required to complete the “Authorisation Declaration” (TCD 13 and TCD 13.1) for all relevant goods or services in full, sign it, and submit it together with the bid response. at the closing date and time of the bid invitation.

6.2.1.6 **Central Supplier Database** – Bidders are required to submit their Central Supplier Database report.



- 6.2.1.7 **Written Confirmation to disclose tax status** – Bidders must submit a Tax Pin issued by SARS. This tax pin is deemed as a confirmation that on an ongoing basis during the bid evaluation and the tenure of the transversal contract, the State may access the bidder's tax compliance status.
- 6.2.1.8 **Company registration documents issued by CIPC** - Bidder must submit proof of registration with the Companies Intellectual Property Commission (CIPC). In a case where the shareholding percentage is not indicated on the CIPC registration documents, an additional shareholding certificate issued by the relevant authority detailing the shareholding of the bidder must be submitted.
- 6.2.1.9 **Copy of Identity Document (Directors/Owners)** – Bidders are required to submit a copy of an identity document of the directors and/or owners.
- 6.2.1.10 Failure to submit the documents indicated above even after the bidder has been notified and given a maximum of seven calendar days to rectify may invalidate the bid

6.3 **PHASE 2: MANDATORY REQUIREMENTS**

- 6.3.1 During this phase bidders' response will be evaluated based on the mandatory requirement. These are the documents to be submitted for evaluation. Bidders must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with all the mandatory criteria will be disqualified.
- 6.3.2 **Pricing Schedule**
- 6.3.2.1 The pricing schedule (see Annexure 1) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof.
- 6.3.2.2 Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (Annexure 1) for the individual items and all required forms.
- 6.3.2.3 The manufacture name and brand must be completed.
- 6.3.2.4 Each group series (line item) must be from the same brand.
- 6.3.2.5 This is a multiple award, and bidders are allowed to bid for more than one offer per item. Only one brand per line item will be accepted , however bidders are allowed to offer more than one offer of the same line item.
- 6.3.2.6 Bid prices must be inclusive of handling charges, delivery cost, and VAT.
- 6.3.2.7 All prices must be in rands and rounded off to two (2) decimal places.
- 6.3.2.8 Failure by the bidder to provide all the information in the fields as required in the pricing schedule, will invalidate the offer for the specific line item.



6.3.2.9 The pricing schedule (Annexure 1) must not be a scanned PDF but must be submitted in an excel format.

6.3.2.10 Prices submitted for in this bid must be filled in on the field provided on the pricing schedule supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.

6.4 **PHASE 3: TECHNICAL EVALUATION**

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

6.4.2 **Compliant with Item Standards/Specifications Requirements**

6.4.2.1 Items must comply with technical specification (**Annexure 1**) as stated in the bid document of each item. The technical specification as per the pricing schedule is a summary description and the attached **Annexure 1** is the detailed technical Specification of all the items. Non-compliance to the technical specification requirement will invalidate the items which the compliance is not adhered to.

6.5 **SANAS 17025 certificate : Category C**

6.5.1 The bidder must submit a valid SANAS 17025 certificate when bidding for oil analysis at the closing date and time of the bid.

6.5.2 The holder of the certificate must be the bidder.

6.5.3 A SANAS 17025 certificate refers to accreditation provided by the South African National Accreditation System (SANAS) under the ISO/IEC 17025 standard. This standard specifies the general requirements for the competence of testing and calibration laboratories.

6.6 **Trade Reference Letter for the buying and collection of oil :Category B**

6.6.1 It is a requirement of this bid that the bidder must submit a trade reference letter with contactable reference and a proven track record for the buying and collection of oil the past three (3) years.

6.6.2 The letter can be from public or private companies where the bidder is collecting the oil.

6.6.3 The reference letter must be on the letterhead of the company where the lubrication oil was bought and collected, indicating the duration of the contract or service, the description of the service provided, the value of the contract, and signed.

6.6.4 Failure to submit any of the required documents will result in disqualification.

6.7 **Waste Management Certificate for Buying and Collection of Oil :Category B**

6.7.1 The waste management certificate allows companies to collect and process oil in South Africa.



6.7.2 The bidder must submit a valid waste management certificate from ROSE Foundation when bidding for the buying and collection of used oil at the closing date and time of the bid.

6.7.3 A waste management certificate for lubricating oil is a formal document issued by regulatory agencies or waste management authorities to certify that an individual, organization, or facility is compliant with regulations governing the proper handling, storage, transportation, treatment, and disposal of used lubricating oil. This certificate demonstrates that the holder has met all legal requirements and standards related to the management of lubricating oil waste, ensuring environmental protection and public health.

6.7.4 The holder of the certificate must be the bidder.

6.7.5 Failure to comply with the requirement will invalidate the line item for buying and collection of used oil.

6.8 **Footprint : Category B & C**

6.8.1 It is a requirement of this bid that the bidder provide valid proof of their footprint in each province they are bidding for at the closing date and time of the bid.

6.8.2 Proof of footprint may include utility bill or lease agreement or partnership agreement or property managing agent statement.

6.8.3 Bidders will be disqualified for the items where the footprint for each province is not submitted.

6.9 **Quality Assurance Requirements: Category A**

6.9.1 Bidders must submit at the closing date and time of bid, valid quality assurance certificates ISO 9001 to confirm compliance for the items offered as per the pricing schedule. The holder of the certificates must be the original equipment manufacturer of the product as indicated on the pricing schedule.

6.9.2 Bidders must submit an iso certificate from each manufacturer.

6.9.3 The certificate must be valid at the closing date of the bid. Failure to submit these documents will invalidate your bid.

6.10 **TCD 13.2 Authorization Letter / Letter of Undertaking**

6.10.1.1 Any bidder who is not an original equipment manufacturer (OEM) of the product must submit a valid Third-Party Undertaking letter (template provided as TCB 13.2) in full for all relevant goods or services. The letter of undertaking from the manufacturer must include but not be limited to the following:

- a) The letter must list the item(s) number, item description and brand/model name and number offered by the manufacture.
- b) The letter must be on the original manufacturer's and or third-party undertaking official letter head, dated and signed.
- c) The letter must not be older than the date of the bid advertisement.



- d) The letter must have the contact person's name, physical and postal address, telephone, email details, and the capacity with which a person is signing the letter, and
 - e) All information on the letter must be in English.
- 6.10.1.2 The letter of undertaking must be from an Original Equipment Manufacturer (OEM) OR authorized importer/distributor of product is offered. In the case where the letter of undertaking is from an authorized importer/distributor, proof from OEM authorizing the importer or distributor must also be submitted with the bid at the closing date and time of the bid, such proof must not be older than the advertisement date of the bid.
- 6.10.1.3 In the case where the authorisation letter is from an authorised importer or distributor, the bidder must submit the importers' Letter of Authority (LOA) with the bid at the closing date and time of the bid. The LOA issued by the National Regulator for Compulsory Specifications (NRCS), this document certifies that the product meets the necessary safety and technical standards.
- 6.10.1.4 The State reserves the right to verify any information supplied by the bidder in the authorisation letter and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents.
- 6.10.1.5 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.
- 6.10.1.6 Failure to submit a duly completed and signed authorisation letter, with the required annexure(s), in accordance with the above provisions will invalidate the bid for such goods or services offered.
- 6.10.2 Failure to submit any of the required documents will invalidate the that specific line item in the bid.
- 6.11 **PHASE 4 : PRICE AND SPECIFIC GOALS**
- 6.11.1 **Pricing Schedule and Structure requirements**
- 6.11.1.1 Prices quoted must be furnished on the basis of "delivered to State facility" country-wide inclusive of VAT.
- 6.11.1.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule as a response on how much the items offered will be charged.
- 6.11.1.3 Due diligence on market related pricing reasonability may be conducted. The State reserve the right to disqualify bid offers in which are under quoted and or are above market value. In this case, the bidder may be required to submit supporting documentations to the State to proof that the pricing is not under quoted or above market value.



6.11.1.4 Prices submitted for in this bid must be filled in on the field provided on the pricing schedule supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.

6.11.1.5 The Pricing Schedule (see Annexure 1 attached) must be submitted in in an excel format at the closing date and time of bid.

6.12 **Preferential Point System**

6.12.1 The pricing evaluation will be in terms of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10 preference point system based on:

- a) The bid price (Maximum of 90 points)
- b) Historically disadvantaged individuals as well as specific goals (maximum 10 points)

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

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

Where,

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

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

6.12.3 **Proof of equity ownership and related matters**

6.12.3.1 The specific goals contemplated in paragraph above must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

6.12.3.2 In the event that the percentage of ownership contemplated in paragraph above changes after the closing date of the tender, the tenderer must notify the Transversal Contracting Office, and such tenderer will not be eligible for any preference points.

6.12.3.3 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.12.3.4 all claims made for specific goals must be considered according to the following criteria:



- a) equity in private companies must be based on the percentage of equity ownership, and
- b) preference points may not be awarded to public companies and tertiary institutions.

6.12.3.5 equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust,

6.12.3.6 documentation to substantiate the validity of the credentials of the trustees contemplated in paragraphs above must be submitted to the Office.

6.12.3.7 A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.

6.12.3.8 A tenderer must submit proof of its ownership.

6.12.3.9 A tenderer who does not submit proof of their ownership may not be disqualified from the bidding process, but they score points out of 90/10 for price and zero (0) points out of 90/10 for specific goals.

6.12.3.10 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.12.4 **Responsive Bids**

6.12.4.1 Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (Annexure 1) for the individual items and all required forms. Non-submission of the pricing schedule (Annexure 1) will invalidate the bid response.

6.12.5 **Specific Goals**

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

- a) A maximum of 10 points may be awarded to a bidder for being a historically disadvantaged individual and/or subcontracting with a historically disadvantaged individual and/or achieving any of the specified goals stipulated in regulation 2022 of the Preferential Procurement regulations. For this bid, the maximum number of points that could be allocated to a bidder is indicated in the paragraph above. The State reserves the right to arrange contracts with more than one contractor.
- b) The government intends to promote historically disadvantaged individuals (HDI) with this bid.

6.12.5.2 The following goals will be used to calculate the points for specific goals out of 10 points:

Table 3: Preference Points



SPECIFIC GOALS	POINTS ALLOCATED OUT OF 10
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections before the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993), ("the Interim Constitution") and or	10

- a) The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- b) Bidders are required to complete the **SBD 6.1** forms in order to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 preference points claim forms will be considered for preference points.
- c) The bidders must submit Identity Documents (ID), Central Supplier Database (CSD) and CIPC registration documents. These documents will serve as proof of ownership and directorship of the company.
- d) Failure on the part of a bidder to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender will not be allocated with the points claimed.
- e) The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made about preference.
- f) Points scored will be rounded off to the nearest 2 decimals.
- g) If two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- h) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- i) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.
- j) Failure on the part of the bidder to claim points for specific goals will give the bidder a score of zero (0).

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

6.12.6.1 The specific goals contemplated in the paragraph above and are related to equity ownership must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

6.12.6.2 The following formula must be applied to calculate the number of points out of 4 points:

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

Where:

PSSG= Points scored for a specific goal

MPA = Maximum points allocated for a specific goal

PEO = Percentage of equity ownership by an HDI

6.12.6.3 If the percentage of ownership contemplated in the paragraph above changes after the closing date of the tender, the tenderer must notify the Office, and such tenderer will not be eligible for any preference points.

6.12.6.4 Equity in private companies must be based on the percentage of equity ownership.

6.12.6.5 Preference points may not be awarded to public companies and tertiary institutions.

6.12.6.6 Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.

6.12.6.7 Documentation to substantiate the validity of the credentials of the trustees contemplated in the paragraph above must be submitted to the Office.

6.12.6.8 A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.

6.12.6.9 A tenderer who does not submit proof of ownership may not be disqualified from the bidding process but will be allocated zero points for the relevant specific goals for ownership.

6.12.7 Applicable Taxes

6.12.7.1 All bid prices must be inclusive of all applicable taxes.

6.12.7.2 All bid prices must be inclusive of fifteen percent (15%) Value Added Tax.



6.12.7.3 Failure to comply with this condition may invalidate the bid.

6.12.8 Cost Breakdown

6.12.8.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered on the response fields allocated on the pricing schedule for each item offered. The cost breakdown submitted will be utilized during the price adjustment considerations.

6.12.8.2 Bidders should itemise the cost of each item into various components which are cost-drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a percentage of the total cost.

6.12.8.3 Example:

Table 5: Example of Cost Breakdown

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

6.12.9 Group Series Evaluation

6.12.9.1 Bidders must note that all group items in category A will be evaluated as a series.

6.12.9.2 Some of the items are grouped as a group series within a specific line item and will be evaluated accordingly as a whole.

6.12.9.3 Bidders are required to submit offers for ALL ITEMS on group series. The grouped items are indicated on the pricing schedule attached as Annexure 1

6.12.9.4 Bidders are required to offer prices for all units of measure specified in the series and for all items within the group series. Failure to submit pricing for a specific volume as required will invalidate the bid

6.12.9.5 Bidders must ensure that all products within a specified group or series come from the same brand.

6.12.9.6 Failure to submit all offers will invalidate the line item.

6.12.9.7 If a bidder intends to bid for SAE 30, the bidder should provide prices for all the units of measure or pack sizes in this category of oil. The group series are categorised as per the table below. The complete group series is attached as annexure 5 and comprises of 95 groups per province:



Table 4: Category of oil (Category A)

EASTERN CAPE (EC)

Line #	Item number	Group	Volume Category	Weight Category
1.	RT23-01-001	EC Group 1	A: 210L, B: 20L, C: 5L, D: 1L, E: 500ML	F:180KG, G:50KG, H:18KG, I:15KG, J:5KG, K: 1KG
2.	RT23-01-002	EC Group 2	A: 210L, B: 20L, C: 5L, D: 1L, E: 500ML	F:180KG, G:50KG, H:18KG, I:15KG, J:5KG, K: 1KG
3.	RT23-01-003	EC Group 3	A: 210L, B: 20L, C: 5L, D: 1L, E: 500ML	F:180KG, G:50KG, H:18KG, I:15KG, J:5KG, K: 1KG
4.	RT23-01-004	EC Group 4	A: 210L, B: 20L, C: 5L, D: 1L, E: 500ML	F:180KG, G:50KG, H:18KG, I:15KG, J:5KG, K: 1KG
5.	RT23-01-005	EC Group 5	A: 210L, B: 20L, C: 5L, D: 1L, E: 500ML	F:180KG, G:50KG, H:18KG, I:15KG, J:5KG, K: 1KG

6.6.9.2 The group items will be evaluated on the total comparative price. Where applicable, the state reserves the right to apply the volumes and / weights to arrive at a group comparative price based on the applicable measurements (volumes/weights).



7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 TERMS AND CONDITIONS

7.1.1 Counter Conditions

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

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

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

7.1.2 Fronting

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

7.1.2.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry and Competition, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist.

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

7.1.3 STANDARDS

7.1.3.1 Standards are established criteria or guidelines that measure quality, safety, consistency, and performance across different fields.

7.1.3.2 Bidders must take note of the below standards that they must adhere to for this commodity:

7.1.3.3 SANS 1409: Automotive Lubricant;

7.1.3.4 SANS 347: Categorization and Conformity Assessment;



- 7.1.3.5 SANS 1598: Brake Fluid; (ISO 4925, SAE J1703, J1704, J1705, FMVSS No 116)
- 7.1.3.6 Letter of Authority (LOA) from the NRCS may be required to ensure compliance with South African standards before the product can be imported and sold;
- 7.1.3.7 American Petroleum Institute (API);
- 7.1.3.8 European Automobile Manufacturers Association (ECEA);and
- 7.1.3.9 Japanese Automotive Standards Organisation (JASO).

7.2 SUBMISSION OF BIDS

7.2.1.1 ONLINE BID SUBMISSION

- 7.2.1.2 Bidders must submit their bids online through the e-Tender Publication portal. Manual or hardcopy bids are not acceptable.
- 7.2.1.3 The online e-Tender publication portal can be accessed at this link: <https://www.etenders.gov.za>
- 7.2.1.4 The link to guide for online bid submission is as follows:
<https://www.youtube.com/watch?v=bqRyX0JsrJE>
- 7.2.1.5 Bidders must adhere to all the rules for the online bid submission.
- 7.2.1.6 Bidders' attention is drawn to the sequential submission format as per the checklist on Table 1.
- 7.2.1.7 The Pricing Schedule (Annexure 1) should be in an XLSX Excel sheet format and not any other format.
- 7.2.1.8 Non-compliance with online bid submission **WILL** invalidate the bidder's response.
- 7.3 Bidders must submit all technical issues with online bid submission to etenders@treasury.gov.za / or call **012 406 9222**

7.4 LATE BIDS

- 7.4.1 No bids will be accepted after the closing date and time of the bid.

7.5 COMMUNICATION AND CONFIDENTIALITY

- 7.5.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the transversal contract, or to extend the validity period of the bid, if necessary.
- 7.5.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.
- 7.5.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to



or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current, or complete.

- 7.5.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the National Treasury an opportunity to consider what corrective action is necessary (if any).
- 7.5.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 7.5.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.5.7 No representations made by or on behalf of the National Treasury in relation to this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).
- 7.5.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to this bid.
- 7.6 **CONTACT DETAILS**
- 7.6.1 General:- National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001. Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria
- 7.6.2 **Bid Enquiries:-** All enquiries should be in writing to demand.acquisition3@treasury.gov.za . The closing date for receipt of all enquiries is **31 October 2024**. All enquiries beyond the closing date will not be considered.



8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

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

8.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the master transversal agreement for the the supply and delivery of lubricating oil, hydraulic brake fluid, grease, antifreeze, buying and collection of used oil, and oil analysis services to the state for a period 1 January 2025 to 31 December 2028 and unsuccessful bidder(s) will be informed accordingly.

8.3 Tax Compliance Requirements

8.3.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with the South African Revenue Service (SARS) to meet the bidder's tax obligations.

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

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

8.3.4 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or SARS.

8.4 Multiple Award

7.3.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Benchmarking will be applied to ensure that pricing is affordable, market-related, and aligned to end-user requirements. The maximum number of bidders per item to be awarded will be at the discretion of the BEC.

8.5 Negotiations

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

8.6 Due Diligence

8.6.1 The State may conduct due diligence before the final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence



process, the information submitted by the bidder is verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof.

8.6.2 The State also reserves the right to conduct any evaluation verifications before the final award or at any time during the transversal term contract period.

8.7 **Right of Award**

8.7.1 The State reserves its following rights -

8.7.1.1 To award the bid in part or in full,

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

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

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

8.7.1.5 Not to accept any of the bids submitted,

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

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

**SECTION C: CONDITIONS OF CONTRACT****9. CONCLUSION OF TRANSVERSAL CONTRACT**

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

9.2 The Service Provider (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties as far as this RT23-2025 is concerned:

9.2.1 Bid Documents

9.2.2 Letter of Appointment

9.2.3 Award Documents

9.2.4 Transversal Contracting Agreement (TCA)

9.3 If there is any contradiction between the abovementioned documents, the special conditions of the contract shall take precedence. For Section B, the term “service provider “shall refer to the preferred bidder appointed in terms of the RT23-2025 transversal contract.

10. PARTICIPATING STATE INSTITUTIONS

10.1.1 This transversal contract RT23-2025 is intended to be utilized by various organs of the State as listed below:

#	DEPARTMENT NAME
1.	South African Police Services (SAPS)
2.	City Of Johannesburg Metrobus (CoJ)
3.	Department Of Public Works , Roads, And Transport :Mpumalanga Province
4.	Department Of Defense (DoD)
5.	North-West Provincial Department-Public Works and Roads (Ngaka Modiri Molema District)
6.	Department Of Water and Sanitation (National)

11. POST AWARD PARTICIPATION

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

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



11.3 Regulation 32 of the Municipal SCM Regulations provides that a Supply Chain Management policy may allow the accounting officer to procure goods or services for a municipality or municipal entity under a contract secured by another organ of the state.

12. TRANSVERSAL CONTRACT PRICE ADJUSTMENT

12.1 Formula

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

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

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

The indicative calculator that will be used for transversal contract price adjustment is shown on Table 7:

Table 5: Indicative Transversal Contract Price Adjustment Calculator

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



12.2 Formula component definitions

12.2.1 Adjustable amount

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

12.2.2 Fixed portion

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

12.2.3 Cost components and proportions

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

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

Table 6: Transversal Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Imported Raw Material / Finished item (if applicable)	
D2 - Local Raw Material / Finished item (if applicable)	
D3 - Labour	
D4 – Transport	
D5 – Other	
TOTAL (Cost components must add up to 100%)	100 %



12.3 Applicable indices / references

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

Table 7: Indicative Indices

Cost Component	Index Publication	Index Reference
D1- Imported Raw Material/Finished Product (If Applicable)	Imported Raw Material/Finished Product (If Applicable)	Supplier /Manufacturer invoice (s) and remittance advice,
D2- Local Raw Material/Finished product (if Applicable)	STATS SA P0142.1- Producer Price Index OR Supplier / Manufacturer 2invoice(s)	Supplier/Manufacturer invoice(s) and remittance advice
D3-Transport	STATS SA CPI P0141 Table E	Transport
D4 – Labour	STATS SA CPI P0141 Table E OR Labour Agreement	All items OR Labour Agreement
D5- Other	Supporting Documents	Supporting Documents

12.4 Base Index Date

12.4.1 The base index date applicable to the calculator is defined as the date at which the price adjustment starts. In this bid the base index date is **October 2024**.

12.5 End Index Date

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

² Same as footnote 1



12.5.2 Price Adjustment Periods

Table 8: Price Adjustment periods

Price adjustments will be done bi-annually. The adjustment to contract prices must be applied for at the following dates:

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates from which adjusted prices will become effective
1 ST Adjustment	1 February 2025	October 2024	1 April 2025
2 ND Adjustment	1 August 2025	April 2025	1 October 2025
3 RD Adjustment	1 February 2026	October 2025	1 April 2026
4 TH Adjustment	1 August 2026	April 2026	1 October 2026
5 TH Adjustment	1 February 2027	October 2026	1 April 2027
6 TH Adjustment	1 August 2027	April 2027	1 October 2027

12.6 Rates of Exchange (RoE) – Base and Average rates

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

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

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

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

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



Table 9: Rates of exchange

Currency	Rates of exchange
	Six (6) months average for the period 17 April 2023 to 17 October 2024
US Dollar	18,56
Pound Sterling	23,51
Euro	20,15

12.6.1.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period 01 August 2023 to 31 January 2024 the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. The following link may be used for this purpose: <https://www.resbank.co.za/en/home/what-we-do/statistics/key-statistics/selected-historical-rates>

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

Table 10: Average exchange rates

Adjustment	Average exchange rates for the period:
1 st Adjustment	17 April 2023 to 17 October 2024
2 nd Adjustment	1 November 2024 to 30 April 2025
3 rd Adjustment	1 May 2025 to 31 October 2025
4 th Adjustment	1 September 2025 to 29 February 2026
5 th Adjustment	1 March 2026 to 30 August 2026
6 th Adjustment	1 September 2026 to 28 February 2026

12.7 General

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

12.7.2 Applications for transversal contract price adjustment must be accompanied by documentary evidence in support of any adjustment.



- a) CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 12.7.3 Transversal contract price adjustment applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 12.7.4 In the event where the Supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the Supplier to resolve the differences.
- 12.7.5 Bidders are referred to the paragraph regarding counter conditions.
- 12.7.6 An electronic transversal contract price adjustment calculator will be available on request from Transversal Contracting.
- 12.7.7 The State reserves the right to negotiate a transversal contract price adjustment or not to grant any transversal contract price adjustment.

13. DELIVERY ADHERENCE, ORDERS AND PAYMENTS

13.1 Orders

- 13.1.1 Suppliers should note that each purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 13.1.2 Suppliers should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing State institution(s).
- 13.1.3 The instructions appearing on the official order form regarding the supply, dispatch, and submission of invoices must be strictly adhered to, and under no circumstances should the Supplier deviate from the orders issued by the purchasing State institutions.
- 13.1.4 The State is under no obligation to accept any quantities which are more than the ordered quantities.
- 13.1.5 In the event that the participating department/institution do not receive the written response on the pre-order letter within three (3) working days, the purchaser will be allowed to engage with the next highest ranked service provider.
- 13.1.6 Should the service provider respond with a partial acceptance or decline the request, the next highest ranked service provider on the list for that specific category must be contacted to supply the balance or full requirement.
- 13.1.7 The participating department/institution may not enter into discussions to purchase items from the 2nd service provider without confirmation and agreement from the original service provider to do so. Similarly, the participating department/institution may not enter into discussions to items from the next



ranked service provider without confirmation and agreement from the aforementioned service provider to do so, and so forth.

13.1.8 The service provider will have to notify National Treasury, National Department of Transport and the end users on the contract in the event that certain items are no longer available or when there is a shortage of specific items and the anticipated time frames for it to become available.

13.1.9 The State reserves the right to order a lower ranked vehicle under following circumstances:

13.1.10 To purchase appropriate and most cost-effective item for the application. The participating organ of state may purchase the lower ranked item meeting the minimum application requirements of the end user department

13.2 **Delivery Adherence**

13.2.1 Delivery of items must be made as per the instructions appearing on the official purchase order forms issued by purchasing State institutions.

13.2.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.

13.2.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.

13.2.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.

13.3 **Product Adherence / Brand Change**

13.3.1 If a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract period. No alternative will be accepted within the first year of the contract. Alternative brands may only be approved but National Treasury. This will only be on a six-monthly basis.

13.3.2 If the brand is discontinued and or replaced with a new brand, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The service provider is required to submit supporting documents from the manufacturer substantiating the changes.

13.3.3 No approval will be granted without a letter from a manufacturer.

13.3.4 It must be noted that the new brand will be required to undergo the evaluation process before receiving approval for the brand change issued by the National Treasury. The new brand must adhere to the technical specifications for the item.

13.3.5 Furthermore, service providers are to take note that the price of the new brand should not be higher than the current contract price of the original brand.



13.3.6 Service providers are not allowed to deliver new brands other than the brand awarded to them before the approval of brand change from the National Treasury.

13.3.7 The National Treasury reserves the right not to approve any brand change applications

14. INSURANCE AND INDEMNITY

14.1 The contractor is responsible for the safekeeping of the oil from the risk of loss of the items awarded/ordered up until delivery is confirmed.

14.2 After delivery, the state will indemnify itself of any loss.

15. QUALITY ASSURANCE

15.1 The service provider must ensure that its services always comply with all applicable legislation with reference to Clause 2 during the Contract period.

16. USE OF CONTAINERS

16.1 The containers must maintain the quality, safety, and stability of its contents.

16.2 Containers should withstand the mechanical hazards of handling, transport, and storage, prevent leakage, and provide an appropriate level of protection from environmental conditions or contact with metal where relevant.

16.3 Conditions of the container must be acceptable to the end user at the point of delivery. The materials of construction must have no chemical or physical effect on the goods.

16.4 Products are to be packed in suitable containers in such a manner as to ensure adequate protection against deterioration in storage from the effect of light and/ or moisture.

17. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

17.1 Contract Administration

17.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to TCcontracts2@treasury.gov.za.

17.1.2 Suppliers must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the transversal contract. Full particulars of such circumstances as well as the period of delay must be furnished.

17.2 Contract Performance Management

17.2.1 Contract performance management will be the responsibility of Participants and where Supplier performance disputes cannot be resolved between the Supplier and the Participant, National Treasury: Transversal Contracting must be informed for corrective action.



17.2.2 The reporting template for Participants to effect contract performance management will be provided post award.

17.3 Reporting

17.3.1 Suppliers will be expected to report on the implementation of the transversal contract on a quarterly basis to National Treasury.

17.3.2 A reporting template will be provided post-award of the transversal contract.

17.3.2.1 National Treasury may conduct implementation meetings with either the Participants and/or Suppliers to discuss any transversal contracting implementation matters.

17.3.2.2 All supplier performance reports must be submitted to: TCcontracts2@treasury.gov.za.

17.3.3 For each sample tested through Category A the following reports will be required:

- a) Sample Report : The report must have equipment/ vehicle clear identification, using Registration or Plant/Equipment Number and Depot Description (to be supplied).

A colour-coded problem severity scale (Critical, Urgent, Border and Normal) must be illustrated clearly and visibly.

Details of sample as follows must be reported:

- Must contain diagnoses report per sample
- Report on presence of Wear Metals
- Report on presence of Contaminants
- Report on Additives and Lubricant Condition
- Report on lubricant Viscosity
- Graphical Representation (Line) of POIU (Period Oil in Use) intervals and Iron Levels

- b) Monthly report per depot: The report must contain 'Summary of Sample History' as follows: Number of Samples, Repeat Problems (Critical, Urgent, Borderline), Total Problems, Percentage Problems Sample Tracking (Days taken for sample to reach Laboratory from day of sampling, and graphical representations (Pie Charts) of above.

- c) 12 Month Reports : The report must a consolidated monthly report over a period of 13 months and be graphically represented through the use of pie chart o/and bar graphs.

18. RISK MANAGEMENT

18.1 The contractor's systems and procedures shall incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions.

18.2 The contractor shall report in writing to the state any suspected irregularities involving an official, or any other person immediately upon the suspicion arising.

18.3 In terms of the operations of this contract, the contractor shall:



- 18.4 Take adequate steps (including rotation of staff where practical) to minimize the risk of collusion among its staff and/ or government officials.
- 18.5 Assist the state in investigating such irregularities by providing any information and/ or evidence that it may have. The information provided shall be sufficient to enable the state to institute investigations and / or take corrective action or institute disciplinary action against employees in the employment of the state.
- 18.6 Avail any of its staff at no additional cost to the state to assist in any investigations, disciplinary or criminal actions.
- 18.7 The contractor shall be liable for all costs or damages incurred by the state where:
- 18.8 Costs or damages are a result of irregularities involving the staff of the contractor.
- 18.9 Where preventative and detective safeguards failed.
- 18.10 The supplier will be responsible for all consequential damage where the supply of substandard product is the cause of such damage.

19. CONTINUITY OF SUPPLY

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

20. PACKAGING AND LABELLING

20.1 Packaging

- 20.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.
- 20.1.2 Packaging must be suitable for further dispatch, storage, and stacking according to Good Wholesaling



Practice and Good Distribution Practices.

- 20.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
- 20.1.4 The packing must be uniform for the duration of the contract period. All products must be packed in acceptable containers, specifically developed for the product.
- 20.1.5 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.
- 20.1.6 Where the contents of the shipper pack represent a standard supply quantity of an item, the following must be adhered to:
 - 20.1.6.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.
 - 20.1.6.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.
- 20.1.7 Where the contents of a shipper pack represent a non-standard supply quantity, the following must be adhered to:
 - 20.1.7.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.
 - 20.1.7.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.
 - 20.1.7.3 The outer packaging must be marked as a "Part Box".
- 20.1.8 Suppliers must ensure that products delivered are received in good order at the point of delivery.

20.2 Labelling

- 20.2.1 All containers, packing, and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.
- 20.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes packaging in at least English language:

Table 11: Labelling details

#	Details
1.	Proprietary name (if applicable)
2.	Name of the product
3.	A Product code as relevant
4.	The trade name or trademark of the manufacturer
5.	Size of the product
6.	Quantity of the contents



#	Details
7.	Name of manufacturer
8.	Date of manufacture
9.	Name and address of importer/distributor (if not manufacturer)
10.	Expiry date (Where applicable)
11.	Batch/lot number. Products must have the same batch/lot number on the outer box as on the inner box.

20.3 Barcodes

20.3.1 It is mandatory that all products supplied must include a barcode (number plus symbology). All shipper, shelf, and unit packs must be marked with the appropriate number and symbology. The European Article Numbering Code 13 (EAN 13) has been accepted as standard.

20.3.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the brand name, batch number, and expiry date.

21. POST-AWARD PRODUCT COMPLIANCE PROCEDURES

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

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

22. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS

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

22.2 All suppliers must ensure registration on all participating institutions within 30 days of accepting the award.

22.3 Suppliers must ensure that they register with all the participating institutions the items that they have been awarded in the contract. Suppliers must take note that the participating institutions have different systems that they use internally to capture awarded contract information including that of awarded suppliers

22.4 Failure to meet this requirement will result in an inability to process orders and payments for goods.

**23. MONITORING**

- 23.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Participating Institutions, and or by a service provider appointed by the State to determine continuous compliance with the product and terms of the contract. The Participating Institutions, will monitor the performance of contracted suppliers and maintain a report for compliance with the terms of this contract as follows:
- 23.1.1 Compliance with delivery lead times
- 23.1.2 Percentage of orders supplied in full first time.
- 23.1.3 Compliance with reporting requirements according to reporting schedule.
- 23.1.4 Attendance of compulsory meeting: The National Treasury compulsory meetings with suppliers to review supplier performance. The schedules of the meetings will be sent to successful bidders.
- 23.2 The state may conduct a random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).
- 23.3 The National Treasury will conduct meetings with the Participating Institutions and Suppliers to discuss transversal contracting issues.
- 23.4 The National Treasury may request Participating Institutions to impose penalties, where deemed necessary, as per Sections 21 and 22 of the General Conditions of Contract.
- 23.5 Any change in the status of supply performance during the contract period must be reported within seven (7) days of receipt of such information to the National Treasury.
- 23.6 Reporting and Supplier(s) meetings and schedules will be communicated to successful bidders.
- 23.7 All successful Suppliers are required to submit historical value and volume reports via e-mail every quarter to: TCcontracts1@treasury.gov.za / TCcontracts2@treasury.gov.za
- 23.8 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

24. TERMINATION

- 24.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- 24.1.1 The Supplier decides to transfer the contract or cede the contract.
- 24.1.2 The supplier does not honour contractual obligations including the submission of information.
- 24.1.3 The supplier is provisionally or finally liquidated, making it impossible for the supplier to perform its functions in terms of this transversal contract.
- 24.1.4 The supplier enters settlement arrangements with their creditors.
- 24.1.5 The supplier commits an act of insolvency.
- 24.1.6 If the supplier is a member of an unincorporated joint venture or consortium and the membership of



such joint venture or consortium changes.

24.1.7 There is a change in ownership of the supplier that has the effect that over 50% ownership of the Supplier belongs to the new owner without prior written approval of the State.

24.1.8 Overall poor performance rating during the contract period

END