



SPECIAL CONDITIONS OF THE CONTRACT

RT74-2027

**SUPPLY, DELIVERY, INSTALLATION OF PREFABRICATED ADJUSTABLE
SHELVING, STEEL RACKING, DESIGNING OF MEZZANINE FLOORING,
AND HIGH-DENSITY MOBILE FILING SYSTEMS TO THE STATE FOR A
PERIOD OF 36 MONTHS**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD VIRTUALLY ON
15 SEPTEMBER 2026 ON THE MICROSOFT TEAMS PLATFORM**

CLOSING DATE AND TIME OF BID

28 SEPTEMBER 2026 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



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LIST OF ATTACHMENTS AND ANNEXURES

- i. Standard Bidding Documents (SBD's)
- ii. Transversal Contracting Documents (TCD's)
- iii. General Conditions of Contract (GCC)
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**Table 1: List of Abbreviations**

Abb	Full Name
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CSD	Central Supplier Database
GCC	General Conditions of Contract
OCPO	Office of the Chief Procurement Officer
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
SARS	South African Revenue Services
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
SCM	Supply Chain Management
TC	Transversal Contract
TCD	Transversal Contract Document
TIC	Tender Information Centre
VAT	Value-Added Tax

**Table 2 : Definitions**

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
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;
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Historically Disadvantaged Individuals	South African citizen: 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/or Who is female; and/or Who has a disability. 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.
Specific Goals	means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

**Table 3: Bid Document Checklist and Returnable**

#	Document Name ¹	Included in the published bid document?	To be returned by the bidder?	Bidder to tick Yes if the document is submitted
PHASE 1: MANDATORY REQUIREMENTS EVALUATION				
1.	Pricing Schedule (Annexure A)	Yes	Yes	
PHASE 2: 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 Bidder's Disclosure	Yes	Yes	
5.	SBD 5 National Industrial Participation Program	Yes	Yes	
6.	SBD 6.1 – Preference points claim form.			
7.	TCD 13 Authorization Declaration	Yes	Yes	
8.	TCD 13.1 List of goods or services offered	Yes	Yes	
9.	Written confirmation for disclosing tax status by SARS	No	Yes	
10.	Central Supplier Database Report	No	Yes	
11.	CIPC Company Registration Documents	No	Yes	
12.	Copy of Identity Documents of the Owners and Directors	No	Yes	
PHASE 3: TECHNICAL COMPLIANCE EVALUATION				
13.	TCD 13.2 Authorization Letter of Undertaking	Yes	Yes	
PHASE 4: PRICE & SPECIFIC GOALS EVALUATION				
14.	Pricing Schedule (Annexure A)	Yes	Yes	
15.	Local Production and Content Annexures (Annex C, D, E)	Yes	Yes	
16.	Proof of Business Shareholding/Ownership	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 the bidder?	Bidder to tick Yes if the document is submitted
OTHER BID DOCUMENT REQUIREMENTS				
17.	Company Profile	No	Yes	
18.	Special Conditions of Contract	Yes	Yes	
19.	General Condition of Contract	Yes	Yes	



SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the supply, delivery, installation of prefabricated adjustable shelving, steel racking, designing mezzanine flooring, and high-density mobile filing systems to the state for the period of 36 months.
- 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 therefrom will be subject to:
 - 2.1.1 General Conditions of Contract
 - 2.1.2 Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the
 - 2.1.3 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 the General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 2.3 This bid is subject to all applicable industry-related legislation, particularly the legislation stated below:
 - 2.3.1 Occupational Health and Safety Act 85 of 1993.



3. OBJECTIVE OF THE BID

- 3.1 To arrange the RT74-2027 transversal contract for the supply, delivery, installation of prefabricated adjustable shelving, steel racking, designing mezzanine flooring, and high-density mobile filing systems to the State for the period of 36 months.
- 3.2 For the promotion of historically disadvantaged individuals as per the specific goals (maximum 10 points) allocated in terms of Preferential Procurement Regulations 2022 issued according to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).
- 3.3 For the promotion of local Content and Production in terms of Preferential Procurement Regulations 2022 issued according to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).

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 included in the National Treasury website and e-tenders. Bidders can click on this link below to access the briefing session:

Link: [RT74-2027 Briefing Session meeting link](#)

Date: 15 September 2026

Time: 10h00 am

- 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. 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 The RT74-2027 bid is for the for the supply, delivery, installation of prefabricated adjustable shelving, steel racking, designing mezzanine flooring, and high-density mobile filing systems to the State for the period of 36 months.



5.2 TECHNICAL SPECIFICATIONS REQUIREMENTS

- 5.2.1 The detailed technical specification requirements are as per Annexure A for the appointment of supplier(s) for the supply, delivery, installation of prefabricated adjustable shelving, steel racking, designing mezzanine flooring, and high-density mobile filing systems to the state for the period of 36 months.
- 5.2.2 The bid consists of eight (8) categories with a total of seventy five (75) line items as per the table below

Table 4: Summary of Technical Specification Items

#	CATEGORY #	CATEGORY DESCRIPTION	# ITEMS IN THE CATEGORY
1	RT74-001	Clip Type Shelving	15
2	RT74-002	Beaded Side Shelving	15
3	RT74-003	Bolted Shelving	14
4	RT74-004	Heavy Duty Rack Shelving Supported Mezzanine Floor Structural Mezzanine Floor	8
5	RT74-005	Mobile Shelving	16
6	RT74-006	Filing Cupboards	3
7	RT74-007	Filing Cabinets	3
8	RT74-008	Parcel Trolley	1
TOTAL NUMBER OF ITEMS IN THE BID			75



SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 5: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Mandatory Requirements	Administrative and legislative Requirements	Technical Compliance Requirements	Price and Specific Goals
Compliance with mandatory requirements	Compliance with administrative and legislative requirements	Compliance with the 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: MANDATORY REQUIREMENTS EVALUATION

6.2.1 Bidders must submit the required document indicated hereunder with the bid documents at the closing date and time of the bid. During this phase bidders' responses will be evaluated against the mandatory requirements for compliance. Bidders who fail to comply with all the mandatory criteria will be disqualified.

6.2.2 Pricing Schedule

6.2.2.1 The pricing schedule (**see Annexure A**) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed in full without changing the structure thereof.

6.2.2.2 Bidders are required to complete and submit the mandatory Pricing Schedule Annexure A as a response to how much the items offered will be charged.

6.2.2.3 The pricing for this bid is required to be on a provincial level.

6.2.2.4 Failure to submit the Pricing Schedule will result in the bid being declared non-responsive and disqualified from further evaluation.

6.2.2.5 All prices must be entered in the field provided in the Pricing Schedule supplied with the bid document.



- 6.2.2.6 All prices must be quoted in rands and rounded to two (2) decimal places.
- 6.2.2.7 The completed Pricing Schedule must be submitted in Microsoft Excel format as an unlocked electronic (soft copy) file to enable verification, analysis, and contract administration. Bidders shall not password-protect, lock, alter formulas, or otherwise restrict access to the Pricing Schedule.
- 6.2.2.8 Pricing structures that do not comply with the requirements set out in this bid document, including the prescribed pricing methodology, format, units of measure, and pricing schedule requirements, may result in the bid being declared non-responsive and disqualified from further evaluation.
- 6.3 **PHASE 2: ADMINISTRATION AND LEGISLATION REQUIREMENTS EVALUATION**
- 6.3.1 Bidders must submit the documents listed below to comply with the policy to guide uniformity in procurement reform processes.
- 6.3.1.1 **SBD 1** – Invitation form to bid.
- 6.3.1.2 **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.
- 6.3.1.3 **SBD 4** – Bidders Disclosure
- 6.3.1.4 **SBD 5** – The National Industrial Participation Programme
- 6.3.1.5 **SBD 6.1** - Preference points claim form.
- 6.3.1.6 **TCD 13 and 13.1 - Authorization 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.
- 6.3.1.7 **Central Supplier Database** – Bidders are required to submit their Central Supplier Database report.
- 6.3.1.8 **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.
- 6.3.1.9 **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.

6.3.1.10 **Copy of Identity Document (Directors/Owners)** – Bidders are required to submit a copy of an identity document of the directors and/or owners.

6.3.2 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.

6.4 **PHASE 3: TECHNICAL COMPLIANCE REQUIREMENTS EVALUATION**

6.4.1 During this phase bidders' responses will be evaluated based on technical requirements for each item offered on the pricing schedule. Non-compliance to the applicable requirements for each item below will result in disqualification of the relevant line item being evaluated.

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

6.4.2.1 Items must comply with technical requirements on the pricing schedule (Annexure A) as stated in the bid document of each item. Non-compliance to the technical specification requirement will invalidate the relevant item.

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

6.4.2.3 The State may consider products that have a reasonable deviation from the technical specification. This is subject to the deviation providing a better output and provided that the deviation not causing functional harm to the target population and users that the product is aimed at and that the functional output of the item's technical specification is achieved. This will therefore be decided upon based on the expertise judgement provided for by the Bid Evaluation Committee.

6.4.3 All products must be supplied new; second-hand or refurbished products will not be accepted.

6.5 **Third-Party Authorization Letter of Undertaking**

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



- a) In terms of products/equipment: The letter must clearly indicate the relevant item numbers, item description, and brand/model name offered by the third-party on behalf of the bidder.
 - b) In terms of services offered by a third party (sub-contracted partners) – the bidder must list the type of service to be offered by the relevant third-party - partner/sub-contractor.
 - c) The letter must be issued on the third-party service provider's official letterhead and must be dated and signed by an authorised representative.
 - d) The letter must be dated and must not be older than the date on which the bid was advertised.
 - e) The letter must not be dated earlier than the date on which the bid was advertised.
 - f) The letter must include the third-party company name, contact person's name, address and telephone number or email address. The designation or capacity of the person signing the letter on behalf of the third party must also be clearly stated.
 - g) All information contained in the letter and any supporting documentation submitted in support thereof must be provided in English.
- 6.5.2 Third-Party Authorization Letter of Undertaking must be from an Original Product Manufacturer (OPM). In the case where the letter of undertaking is from an authorized importer/distributor, proof from OPM 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.
- 6.5.3 Failure to indicate the relevant item numbers and brand name on the Third-Party Authorization Letter of Undertaking will render the affected line items non-responsive.
- 6.5.4 The State reserves the right to verify any information supplied by the bidder in the Third-Party Authorization Letter of Undertaking and should the information be found to be false or incorrect, the bidder will be disqualified for all items and further, the State may exercise additional legal remedies available.
- 6.5.5 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.
- 6.5.6 Failure by a bidder to submit the required Third-Party Authorization Letter of Undertaking, confirming the arrangements with the third-party will result in the bid being declared non-responsive and disqualified from further evaluation.



6.6 PHASE 4: PRICE AND SPECIFIC GOALS EVALUATION

6.6.1 Pricing Schedule and Structure Requirements

- 6.6.1.1 Prices quoted must be furnished based on “delivered to State facility” country-wide inclusive of VAT.
- 6.6.1.2 The Pricing Schedule (Annexure A) provided in this bid forms an integral part of the bid document. Bidders must complete the Pricing Schedule in full and must not alter its format, structure, formulas, or content.
- 6.6.1.3 Bidders are required to complete and submit the mandatory Pricing Schedule, indicating the prices applicable to the goods and/or services offered.
- 6.6.1.4 Due diligence on market-related pricing reasonability may be conducted. The State reserves the right to disqualify bid offers that are under-quoted or above market value. In this case, the bidder may be required to submit supporting documentation to the State to prove that the pricing is not under-quoted or above market value.
- 6.6.1.5 Conditional discounts offered will not be taken into consideration during evaluation.
- 6.6.1.6 All prices must be entered in the fields provided in the Pricing Schedule supplied with the bid document. Pricing structures that do not comply with this requirement may result in the bid being declared non-responsive.
- 6.6.1.7 The completed Pricing Schedule (Annexure A) must be submitted together with the bid document and as an unlocked Microsoft Excel spreadsheet at the closing date and time of the bid.
- 6.6.1.8 The bidder shall ensure that all prices are quoted using the prescribed units of measure indicated in the pricing schedule.

6.6.2 Preferential Point System

- 6.6.2.1 The pricing evaluation will be in terms of the Preferential Procurement Regulations as per 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)
- 6.6.2.2 The following formula will be used to calculate the points for price:

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



Where,

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

Pt = Comparative price of a bid under consideration

Pmin = Comparative price of lowest acceptable bid

6.6.2.3 Objective of the bid is to award to Local Produced Products

- a) As per Section 2(1) (f) of the PPPFA, it is the objective criterion of this bid to give preference to bids that offer goods with higher local content and/or local value added.
- b) With the above provision, a tender may be awarded to a bidder offering goods with more local content and/or local value added than the tenderer scoring the highest points.
- c) Bidders are therefore required to complete and submit Annexure C, D and E of the local content and production for all items offered.
- d) Where material of the items is not available, bidders must indicate on the pricing schedule the local content and production percentage which exclude the import portion of the material that is imported and add it to the import portion percentage.

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

Table 6: Specific Goals

GOALS	POINTS
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections 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	5
Other specific goals (goals of the RDP- plus local manufacture) - Local Manufacturing (locally produced product)	5

- a) The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- b) **SBD 6.1:** Bidders are required to complete the SBD 6.1 form 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 bidder's Central Supplier Database (CSD) report, CIPC registration documents, and Identity Documents (ID) copies submitted 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 submit any relevant additional supporting documents 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.

6.6.2.5 The following formula must be applied to calculate the number of points out of 10/20 for specific goals:

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

Where:

PSSG= Points scored for a specific goal

MPA = Maximum points allocated for a specific goal

PEO = Percentage of equity ownership by an HDI

6.6.2.6 Specific goals with Proof of equity ownership requirements and related matters

- a) The specific goals contemplated in the paragraph above and are related to equity



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

- b) If the percentage of ownership contemplated in the paragraph above changes after the closing date of the tender, the tenderer must notify the Office and such tenderer will not be eligible for any preference points.
- c) Equity in private companies must be based on the percentage of equity ownership.
- d) Preference points may not be awarded to public companies and tertiary institutions.
- e) Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.
- f) Documentation to substantiate the validity of the credentials of the trustees contemplated in the paragraph above must be submitted to the Office.
- g) A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.
- h) A tenderer 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.

6.6.2.7 Specific goals in relation to procuring locally produced products.

- a) Preference points may only be claimed for products, which will be manufactured (fabricated, processed, or assembled), in the Republic of South Africa. In cases where production has not yet commenced at the time of bid closure, evidence shall be produced that at the time of bid closure, the bidder was irrevocably committed to local production of the product.
- b) Local content means that portion of the bid price, that is not included in imported content, provided that local manufacture does take place.
- c) Imported content means that portion of the bid price represented by the costs of components, parts, or materials that have been or are still to be imported (whether



by the bidder or his suppliers or sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duties, sales duties, or other similar taxes or duties at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies for which a bid has been submitted are manufactured.

- d) Bidders must indicate in the pricing schedule (Annexure A) which product(s) [item number(s)] is/are manufactured locally and indicate the local content % of each product/item in relation to the bid price. The points will be calculated automatically in the pricing schedule. Points claimed will be indicated in the “points claimed” column.
- e) The following formula must be applied to calculate the number of points out of the points allocated to ownership for specific goals:

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

Where:

PSLC= Points scored for local content

MLC = Maximum points allocated for Local Content

PLC = Percentage of Local Content for product offered

- f) To qualify for the points of local manufacturing, the definition of a locally produced product will be limited to at least the conversion process (substantiated value adds) being in the Republic of South Africa. Substantial supporting documents may be required at any point in time before and post-award of the contract. Due diligence, which includes site visits, may be conducted in this regard. The following aspects must be complied with:
 - i) The site/s of manufacturing and/or assembling of the product offered is in South Africa.
 - ii) Demonstrated capacity to service the required volumes is confirmed.
 - iii) Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
 - iv) The product offered meets the minimum requirement as per technical specification requirements.



- g) In the event of a contract being awarded as a result of points claimed, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct. If the claims are found to be incorrect, the State, in addition to any other remedy it may have –
- i) Recover all costs, losses, or damages it has incurred or suffered as a result of the bidder's conduct.
 - ii) Cancel the contract and claim any damages that it has suffered as a result of having to make less favorable arrangements due to such cancellation.
 - iii) Impose a financial penalty more severe than the theoretical financial preference associated with the claim that was made in the bid.

6.6.3 **Applicable Taxes**

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

6.6.4 **Items Grouped as a Series**

- a) Items that have been grouped as a series as indicated in the pricing schedule, will be allocated preference points for price using the total amount of the group series.
- b) Bidders are required to offer prices for all units of measure specified in the series, and for all items within a group series. Failure to give an offer for any of the items in a group series may disqualify the bidder for all the items in the group series.

6.6.5 **Cost Breakdown**

- 6.6.5.1 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.
- 6.6.5.2 Bidders should itemize 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.

Table 7 : Example of Cost Breakdown



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

6.6.6 TCD 14 Historical Exchange Rates

6.6.6.1 In terms of cost price adjustment, bidders should make use of any relevant currency for the items offered by calculating the average for the period **1 January 2026 – 30 June 2026** using the Reserve Bank published rates for the specific currency. Bidders are to visit <https://www.resbank.co.za/> to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.

6.6.7 Responsive Bids

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

7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 TERMS AND CONDITIONS OF BID

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 Undesirable/improper² practices during the bidding stage

7.1.2.1 Fronting

- a) 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 by 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.
- b) The National Treasury, in ensuring that bidders lawfully conduct themselves will, as part of the bid evaluation processes, conduct, or initiate the necessary inquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry, and Competition, be established during such inquiry/investigation, the onus will be on the bidder to prove that fronting does not exist.
- c) Failure to do so by the bidder within fourteen (14) days from the date of notification by the National Treasury may invalidate the bid/contract and may also result in the restriction of the bidder from conducting 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.
- d) If a bidder is suspected of fronting, the State reserves the right to report the matter to the Competition Commission, and if found guilty of any fronting, the State may:
 - i) Disregard the bid from the bidder or cancel the contract in question.
 - ii) disregard the bid of the contractor for any future contracts; or
 - iii) Restrict the bidder (or contractor later) from doing business with the State
- e) The State reserves the right to disregard a bid from a bidder or a bidder whose director has previously been disqualified from a public procurement process for fronting or found guilty of fronting.

² means any conduct by a bidder, contractor, its directors, members, shareholders, employees, agents, subcontractors or any person acting on its behalf that is unlawful, unethical or inconsistent with the principles of fairness, transparency, competitiveness, accountability and integrity in public procurement, including but not limited to fraud, corruption, bribery, collusion, fronting, anti-competitive conduct, conflicts of interest, money laundering, forgery, submission of false or misleading information, bid-rigging, abuse of the procurement process, or any other conduct that may prejudice the State or bring the public procurement system into disrepute.

**7.1.2.2 Collusive bidding or bid rigging**

- a) Collusive bidding refers to an illegal agreement or coordinated practice among competing bidders to manipulate a tender or bidding process, thereby restricting or eliminating genuine competition and ensuring that a predetermined bidder or a member of the collusive group wins the contract, often at inflated or non-competitive prices
- b) If a bidder is suspected of collusive or bid rigging, the State reserves the right to report the matter to the Competition Commission for further investigation.
- c) The State reserves the right to disregard a bid from a bidder or bidder whose director has previously been found guilty of collusive bidding or bid rigging.

7.1.2.3 Under-quoting

- a) Underquoting refers to an instance where a bidder submits pricing that is significantly lower than the market-related price of supplying goods and or services with an intention of being the most preferred bidder.
- b) If a bidder is suspected of underquoting and, upon an internal investigation, it has been found that the bidder has engaged in a practice of under-quoting, the State reserves the right to reject the entire bid or a bid on specific line items.

7.1.2.4 Abuse of Price Adjustment Provision

- a) Abuse of the price adjustment provision refers to the practice of submitting an unrealistically low (in monetary terms) bid to secure a contract award and, at the contract stage, improperly using the price adjustment provision to unjustifiably or excessively increase the contract price through unwarranted rates or adjustments.
- b) The State reserves the right to disregard a bid from a bidder who has previously abused the price adjustment provision.

7.1.2.5 Other undesirable / improper practices.

- a) Notwithstanding any other provision of this bid document, where the State has any information, allegation or evidence suggesting that a bidder has engaged, or is engaged, in any improper practice, whether in relation to this bid or any other procurement undertaken by an organ of state, including but not limited to fraud, corruption, collusive tendering, fronting, bribery, misrepresentation, submission of false or fraudulent documents, conflicts of interest, anti-competitive conduct, or any other conduct that may compromise the integrity of public procurement or bring the



public procurement system into disrepute, the State reserves the right to:

- i) conduct such investigations as it deems necessary;
 - ii) Request the bidder to provide written representations or additional information;
 - iii) Refer the matter to any competent authority or institution, including but not limited to law enforcement agencies, the Competition Commission, the Auditor-General, the Public Protector, the Special Investigating Unit, the National Prosecuting Authority, the relevant professional body, or any other institution responsible for investigating such matters; and
 - iv) Consider any findings, reports or evidence arising from such investigation.
- b) Where, following the investigation or consideration of the available information, the State reasonably concludes that the bidder has engaged in any improper practice, the State reserves the right to reject the bidder's bid, in whole or in part, without incurring any liability, and to take any further action permitted in law.
- c) The exercise of this right shall be without prejudice to any other rights or remedies available to the State under the Constitution, applicable legislation, the General Conditions of Contract, or any other applicable legal instrument.

7.2 SUBMISSION OF BIDS

7.2.1 ONLINE BID SUBMISSION

- 7.2.1.1 Bidders must submit their bids online through the eTender Publication portal.
- 7.2.1.2 Manual or hardcopy bids are not acceptable.
- 7.2.1.3 The online eTender publication portal can be accessed on the following link: <https://www.etenders.gov.za/>
- 7.2.1.4 The guide for online bid submission is attached.
- 7.2.1.5 Bidders to adhere to all the rules for the online bid submission.
- 7.2.1.6 Bidders' attention is drawn to the prescribed submission format as set out in the checklist contained in Table 1.
- 7.2.1.7 The Pricing Schedule (Annexure A) must be submitted in Microsoft Excel Workbook (.XLSX) format and not any other format.
- 7.2.1.8 Non-compliance with the prescribed online bid submission requirements WILL invalidate the bidder's response.

7.3 LATE BIDS

- 7.3.1 Bids received after the closing date and time will NOT be accepted for consideration.



7.4 **COMMUNICATION AND CONFIDENTIALITY**

- 7.4.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and before the award of the transversal contract, or extend the validity period of the bid, if necessary.
- 7.4.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.
- 7.4.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees, and advisors will not be liable concerning any information communicated which is not accurate, current, or complete.
- 7.4.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error, or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency to allow the National Treasury to consider what corrective action is necessary (if any).
- 7.4.5 Any actual discrepancy, ambiguity, error, or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 7.4.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.4.7 No representations made by or on behalf of the National Treasury about 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).
- 7.4.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential and not disclose or use the information except as required for developing a response to this bid.



7.5 **CONTACT DETAILS**

- 7.5.1 **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
- 7.5.2 **Bid Enquiries:** - All inquiries should be in writing to Demand.Acquisition3@treasury.gov.za. The closing date for receipt of all inquiries is **23 September 2026**. All inquiries 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 Bid Evaluation Committee (BEC) to the Bid Adjudication Committee (BAC) which has the authority to either support (approve) or not support (not approve) the recommendation/s and appointment/s.

8.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter, and the unsuccessful bidder(s) will be informed accordingly. The following paragraphs will be applicable when the BEC makes the recommendation to the BAC.

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

8.4.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Benchmarking will be applied to ensure that pricing is affordable, market-related, and aligned to end-user requirements. The maximum number of bidders per item to be awarded will be at the discretion of 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
 - 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 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 RT74-2027 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 RT74-2027 transversal contract.

10. PARTICIPATING STATE INSTITUTIONS

- 10.1.1 This transversal contract RT74-2027 is intended to be utilized by various organs of the State as listed below:

Table 8: Participating Government Institutions

#	DEPARTMENT NAME
1	National Department of Health
2	Department of Forestry, Fisheries and the Environment
3	Department of Justice and constitutional Development
4	Department of Social Development
5	Eastern Cape Department of Health
6	Eastern Cape Development Corporation
7	Kwazulu Natal Department of Health
8	Western Cape Government Health and Wellness

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. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

12.1 Contract Administration

- 12.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on TCcontracts2@treasury.gov.za
- 12.1.2 Suppliers must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the transversal contract. Full particulars of such circumstances as well as the period of delay must be furnished.

12.2 Supplier Performance Management

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



13. CONTRACT PRICE ADJUSTMENT

13.1 Formula

- 13.1.1 Prices submitted for this bid will be regarded as non-firm and may be subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods.
- 13.1.2 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 13.1.3 The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

Table 9: Contract Price Adjustment Formula

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

13.2 Formula component definitions

13.2.1 Adjustable amount

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

13.2.2 Fixed portion

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



do NOT represent the profit margin. In this bid, the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract periods.

13.2.3 Cost components and proportions

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

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

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

Table 10: Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Imported Raw Material / Finished product	
D2 - Local Raw Material / Finished product (if	
D3 – Labour	
D4 – Transport	
D5 – Overheads	
D6 – Other	
TOTAL (Cost components must add up to 100%)	100

13.2.4 Applicable indices/references

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

**Table 11: Applicable Indices/References**

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice. ³	Documentary evidence to accompany the claim / ROE
D2 - Local Finished product (if applicable):	STATS SA P0142.1 (PPI)	STATS SA P0142.1 (PPI): Basic Iron and Steel
D3 – Labour	STATS SA P0141 (CPI) OR Labour Agreement ⁴	STATS SA P0141 (CPI): All Items
D4 – Transport	STATS SA P0141 (CPI)	STATS SA P0141 (CPI)Transport
D5 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

13.2.5 Base index date

13.2.5.1 The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid, the base index date is **August 2026**.

13.2.6 End index date.

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

13.2.7 Price adjustment periods

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

Table 12: Price Adjustment Period

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates from which adjusted prices will become effective
1st Adjustment	01 June 2027	April-27	01 July 2027
2nd Adjustment	01 December 2027	October-27	01 January 2028
3rd Adjustment	01 June 2028	April-28	01 July 2028

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

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



Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates from which adjusted prices will become effective
4th Adjustment	01 December 2028	October-28	01 January 2029
5th Adjustment	01 June 2029	April-29	01 July 2029

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

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

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

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

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

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

Table 13 CPA Rate of Exchange

Currency Name	Rates of exchange: 1 January 2026 – 30 June 2026
US Dollar	16.41
Euro	22.07
Pound	19.14

13.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 January 2026 – 30 June 2026** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCB 14 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.



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

Table 14 Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1st Adjustment	01 November 2026 to 30 April 2027
2nd Adjustment	01 May 2027 to 30 October 2027
3rd Adjustment	01 November 2027 to 30 April 2028
4th Adjustment	01 May 2028 to 30 October 2028
5th Adjustment	01 November 2028 to 30 April 2029

13.2.9 General

- 13.2.9.1 Unless prior approval has been obtained from the National Treasury, Transversal Contracting, no adjustment in contract prices will be made.
- 13.2.9.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 13.2.9.3 CPA application will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 13.2.9.4 If 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.
- 13.2.9.5 Bidders are referred to in the paragraph regarding counter conditions.
- 13.2.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 13.2.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

14. UNDESIRABLE/IMPROPER PRACTICES

14.1 Abuse of the price adjustment provision

- 14.1.1 If a contractor has acted in a manner that is regarded as an abuse of the price adjustment provision, the State reserves the right to cancel the contract in terms of regulation



16A9.1(f)(i) of the Treasury Regulations, as the abuse of the price adjustment provision is regarded as a fraudulent activity.

14.1.2 The State also reserves the right to disregard a bid from the contractor for future contracts in terms of regulation 16A9.2(a) of the Treasury Regulations.

14.2 Collusive bidding or bid rigging

14.2.1 If a contractor is suspected of collusive or bid rigging, the State reserves the right to report the matter to the Competition Commission, and if found guilty, the State may:

14.2.1.1 Cancel the contract.

14.2.1.2 disregard the bid of the contractor for any future contracts; or

14.2.1.3 Restrict the bidder or contractor from doing business with the State

14.3 Fronting

14.3.1 If a contractor is suspected of fronting, the State reserves the right to report the matter to the Competition Commission, and if found guilty of any fronting, the State may:

14.3.1.1 cancel the contract in question.

14.3.1.2 disregard the bid of the contractor for any future contracts; or

14.3.1.3 Restrict the contractor from doing business with the State

14.4 Underquoting

14.4.1 If during the tenure of the contract a contractor is suspected of underquoting that emanates from the bidding stage and, upon an internal investigation, it has been found that the contractor has engaged in a practice of under-quoting, the State reserves the right to:

14.4.1.1 cancel the contract in whole or in part.

14.4.1.2 disregard the bid of the contractor for any future contracts; or

14.4.1.3 Restrict the contractor from doing business with the State

14.5 Other undesirable / improper practices.

14.5.1 Where, at any time during the execution of the contract, the State becomes aware of any information, allegation or evidence suggesting that the contractor has engaged, or is engaged, in any improper practice, whether in relation to this contract or any other procurement undertaken by any other organ of state, including but not limited to fraud, corruption, collusive conduct, fronting, bribery, submission of false or fraudulent documents, conflicts of interest, anti-competitive conduct, contract manipulation, or any



other conduct that may compromise the integrity of public procurement or bring the public procurement system into disrepute, the State reserves the right to:

- 14.5.1.1 Investigate the matter or appoint any person or institution to conduct such investigation;
 - 14.5.1.2 Request the contractor to provide written representations and supporting information;
 - 14.5.1.3 refer the matter to any competent authority or institution for investigation or enforcement; and
 - 14.5.1.4 Consider any findings, reports or evidence arising from such investigation.
- 14.5.2 Where, following such investigation or consideration of the available information, the State reasonably concludes that the contractor has engaged in any improper practice, the State may, subject to any applicable legal requirements, cancel or terminate the contract, in whole or in part, with immediate effect or on such notice as the State may determine.
- 14.5.3 The State may, in addition to cancellation or termination of the contract, exercise any other contractual, statutory or common-law remedy available to it, including the recovery of damages, restriction from doing business with the State where applicable, or referral for civil, criminal or administrative proceedings.

15. DELIVERY ADHERENCE, ORDERS AND PAYMENTS

15.1 Orders

- 15.1.1 Suppliers should note that each purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 15.1.2 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).
- 15.1.3 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.
- 15.1.4 The State is under no obligation to accept any quantities which are more than the ordered quantities.

15.2 Delivery Adherence

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



- 15.2.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.
- 15.2.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.
- 15.2.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.

16. SUSPENSION FOR MATERIAL BREACH

- 16.1 For the purpose of the "Suspension for material breach" clause, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in this SCC has the same meaning, and–

"cure conditions" means conditions provided to cure a breach;

"cure period" means a period determined by the Non-Breaching Party to cure a breach;

"material breach" means a breach or failure by a Party to perform any of its material obligations under this agreement that:

- i. is substantial in nature and goes to the essential purpose of this Agreement,
- ii. is not cured within the Cure Period (as defined above) after written notice specifying the breach and the required cure, and
- iii. results in, or would reasonably be expected to result in, material harm to the requesting Party (including substantial impairment of essential rights, non-monetary detriment, or critical service disruption), provided that, for avoidance of doubt, a breach that is cured within the Cure Period shall not be deemed a Material Breach.

"minor breach" means a breach that:

- i. does not constitute a Material Breach,
- ii. is curable and capable of being remedied within a shorter timeframe designated by the Non-Breaching Party, and
- iii. does not have a substantial adverse effect on the essential rights, critical obligations or the core purpose of this agreement.

Minor breaches may be addressed by the Non-Breaching Party, at its option, by:

- i. requiring cure,
- ii. issuing a warning, or
- iii. any other remedy provided in this agreement, without limiting any other rights of suspension for Material Breach.
- iv. any other remedy available under this agreement, provided that such remedy does not

**16.2 The right to suspend performance or obligations**

16.2.1 Notwithstanding any other provision of this agreement, if a Party (the “Breach Party”) commits a material breach (as defined above), the non-breaching Party (the “Non-Breaching Party”) may

16.2.1.1 The nature of the breach,

16.2.1.2 the actions required to cure the breach (the “Cure Conditions”),

16.2.1.3 a reasonable cure period of no less than 14 days, or such shorter period as expressly permitted by applicable law, provided that the breach is capable of being cured within such period; and

16.2.1.4 That suspension will take effect on the later of:

a) the end of the cure period, or

b) the date on which the Non-Breaching Party provides such notice.

16.2.2 If the Breach Party cures the breach to the satisfaction of the Non-Breaching Party within the Cure period, the suspension shall be lifted, and the parties shall resume performance under the terms of this agreement as if no suspension had occurred, subject to any other rights or remedies available under this agreement or applicable law.

16.2.3 If the Breach Party fails to cure the breach within the cure period, the Non-Breaching Party may, at its option:

16.2.3.1 terminate this agreement for cause, effective upon written notice to the Breach Party; or

16.2.3.2 continue the suspension of its obligations or pursue any other remedies available under this agreement or applicable law.

16.3 Relationship to other remedies

16.3.1 The rights to suspend performance under this clause are in addition to, and not exclusive of, any other rights or remedies available at law or in equity. These rights include, but are not limited to, the right to terminate this agreement for cause, claim damages, or require the breaching party to perform its contractual obligations. All such remedies remain fully enforceable in accordance with the terms of this agreement and applicable law.

16.4 Notices

16.4.1 All notices required or permitted under this clause shall be in writing and shall be deemed effective when delivered in accordance with any contact details provided during the contracting phase.

**17. CONTINUITY OF SUPPLY**

- 17.1 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:
- 17.1.1 Industrial action,
 - 17.1.2 Manufacturing Pipeline
 - 17.1.3 Any other supply challenges.
- 17.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the participating authorities reserves the right to purchase outside of the contract to meet its requirements if:
- 17.2.1 The contracted supplier fails to perform in terms of the contract.
 - 17.2.2 The item(s) are urgently required and not immediately available.
 - 17.2.3 In the case of an emergency.

18. PRODUCT ADHERENCE / BRAND CHANGE

- 18.1 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 eighteen month of the contract.
- 18.2 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 Supplier is required to submit supporting documents from the manufacturer substantiating the changes.
- 18.3 No approval will be granted without a letter from a manufacturer.
- 18.4 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.
- 18.5 Furthermore, the Supplier is to take note that the price of the new brand should not be higher than the current contract price of the original brand.
- 18.6 The Supplier is not allowed to deliver new brands other than the brand awarded to them before the approval of brand change from the National Treasury.



18.7 The National Treasury reserves the right not to approve any brand change application.

19. PACKAGING AND LABELLING

19.1 Packaging

19.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.

19.1.2 Packaging must be suitable for further dispatch, storage, and stacking according to Good Wholesaling Practice and Good Distribution Practices.

19.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.

19.1.4 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.

19.1.5 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.

19.1.6 Where the contents of the shipper pack represent a standard supply quantity of an item, the following must be adhered to:

19.1.6.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.

19.1.6.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.

19.1.7 Where the contents of a shipper pack represent a non-standard supply quantity, the following must be adhered to:

19.1.7.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.

19.1.7.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.

19.1.7.3 The outer packaging must be marked as a "Part Box".

19.1.8 Suppliers must ensure that products delivered are received in good order at the point of delivery.

19.2 Labelling

19.2.1 All containers, packing, and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.



- 19.2.2 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 15: 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
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.

19.3 Barcodes

- 19.3.1 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.
- 19.3.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the brand name, batch number, and expiry date.

20. ASSIGNMENT, CESSION AND CHANGES OF CONTACT DETAILS

- 20.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the National Treasury in writing 90 days before such event of relevant details.

20.2 Assignments of Contract

- 20.2.1 Assignment of contract refers to the transfer of rights and obligations in a contract from an assigned to an assignee. The effect of this is that the service provider appointed through a competitive bidding process transfers the contract in its entirety that is, the obligation (the responsibility of rendering the services) and the right (of receiving payment for service rendered) to a third party that did not participate in the bidding process or a bidder that



participated in the bidding process but was not successful.

- 20.2.2 Assignment of contracts is therefore not allowed as it will be contrary to principles of section 217 of the Constitution particularly, fairness, transparency, and competitiveness.

20.3 Cession of Contracts

- 20.3.1 Cession refers to the transfer of only the rights a service provider has in terms of a contract from it to a third party. Cession will be limited only to those cession agreements in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding to businesses and entities (State Institutions).

- 20.3.1.1 The written request for cession must be by the service provider and not a third party, and the written request by the service provider must be accompanied by the cession agreement.

20.4 Changes in the Service Provider Contact Details

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

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

22. REGISTRATION ON DATABASES OF PARTICIPATING 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

- 24.1.1 The State shall be entitled to terminate this agreement if one or more of the following occur:
- 24.1.2 The Supplier decides to transfer the contract or cede the contract.



- 24.1.3 The supplier does not honour contractual obligations including the submission of information.
- 24.1.4 The supplier is provisionally or finally liquidated, making it impossible for the supplier to perform its functions in terms of this transversal contract.
- 24.1.5 The supplier enters settlement arrangements with their creditors.
- 24.1.6 The supplier commits an act of insolvency.
- 24.1.7 If the supplier is a member of an unincorporated joint venture or consortium and the membership of such joint venture or consortium changes.
- 24.1.8 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.
- 24.1.9 Overall poor performance rating during the contract period.

END