



SPECIAL CONDITIONS OF CONTRACT

RT74-2024

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

**NON-COMPULSORY BRIEFING SESSION TO BE HELD ON 16 OCTOBER 2023 ON
MICROSOFT TEAMS**

CLOSING DATE AND TIME OF BID

31 OCTOBER 2023 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



Table of Contents

LIST OF ABBREVIATIONS.....	3
LIST OF 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	9
4. BRIEFING SESSION	9
5. TERMS OF REFERENCE.....	9
SECTION B: CONDITIONS OF BID	12
6. PART 1: EVALUATION CRITERIA	12
7. PART 2: ADDITIONAL BID REQUIREMENTS	20
8. PART 3:RECOMMENDATION AND APPOINTMENT OF BIDDERS.....	23
SECTION C: CONDITIONS OF CONTRACT	25
9. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT	25
10. PARTICIPATING STATE INSTITUTIONS.....	26
11. POST AWARD PARTICIPATION	26
12. DELIVERY, QUANTITIES, AND ORDERS.....	27
13. TRANSVERSAL CONTRACT PRICE ADJUSTMENT	28
14. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES	32
15. TERMINATION	33



LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BQRC	Bid Quality Review Committee
B-BBEE	Broad-Based Black Economic Empowerment
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
NT	National Treasury
OCPO	Office of the Chief Procurement Office
PPR 2022	Preferential Procurement Regulation 2022
QSE	Qualified Small Enterprise
RSA	Republic of South Africa
SLA	Service Level Agreement
SABS	South African Bureau of Standards
SARS	South African Revenue Service
SCC	Special Conditions of Contract
SBD	Standard Bidding Document
TCBD	Transversal Contract Bidding Documents
TC	Transversal Contracts
TIC	Tender Information Centre
VAT	Value Added Tax

LIST OF ANNEXURES

Annexure 1	:	General Conditions of Contract
Annexure 2	:	SBD Forms
Annexure 3	:	Pricing Schedule
Annexure 4	:	Master Transversal Contract
Annexure 5	:	Participating Agreement

LIST OF TABLES

Table 1: Bid Document Checklist and Returnable Documents	6
Table 2: Summary of Technical Specifications Categories	9
Table 3: Evaluation Criteria	12
Table 4: Preference Point System	17
Table 5: Example of Cost Breakdown	20
Table 7: Indicative Transversal Contract Price Adjustment Calculator	28
Table 8: Transversal Contract Price Adjustment Cost Components	29
Table 9: Indicative Indices	30
Table 10: Price Adjustment Periods	31



DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
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>
Person with Disability	are persons who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into or advancement in employment.



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: MANDATORY AND STANDARD BIDDING DOCUMENTS				
MANDATORY DOCUMENTS				
1.	Pricing Schedule	Yes	Yes	
STANDARD BIDDING DOCUMENTS				
2.	SBD 1 Invitation to Bid	Yes	Yes	
3.	Proof of authority must be submitted as per SBD 1 e.g., company resolution for the capacity under which this bid is signed	No	Yes	
4.	SBD 4 Declaration of Interest	Yes	Yes	
5.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
6.	Full CSD report	No	Yes	
OTHER DOCUMENTS				
7.	Local Production and Content for designated sector (SBD 6.2)	No	Yes	
8.	Company Registration and Organogram	No	Yes	
9.	General Condition of Contract fully Signed and initialed on every page	Yes	Yes	
10.	Special Conditions of Contract fully Signed and initialed on every page	Yes	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
11.	Draft Master Transversal Agreement	Yes	Yes	
12.	Draft Participation Agreement	Yes	Yes	
13.	Latest Audited Annual Financial Statements (if submitted a B-BBEE Sworn Affidavit)	No	Yes	
PHASE 2: TECHNICAL REQUIREMENTS				
14.	TCD 13 Authorization Declaration	Yes	Yes	
15.	TCD 13.1 List of goods or services offered	Yes	Yes	
16.	TCD 13.2 Letter of undertaking	Yes	Yes	
PHASE 3: PRICE & SPECIFIC GOALS				
17.	Pricing Schedule	Yes	Yes	
18.	Proof of specific Goals requirements	No	Yes	
19.	Cost Breakdown	Yes	Yes	
20.	Local Content (Annexure C)	Yes	No	



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 refabricated adjustable shelving, steel racking, designing of mezzanine flooring, and density mobile to the state for a period of thirty-six (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 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.
- 2.3 Legislative Documents

Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government as per section 2 of Practice Note No SCM 1 of 2003 regarding bid documentation for supply chain management. It is also a requirement for bidders to submit the other legislative documents as detailed below.

 - 2.3.1 **SBD 1** invitation form to bid.
 - 2.3.2 **SBD 4** bidder's disclosure.
 - 2.3.3 **SBD 6.1** preference points claim form.



3. DURATION OF TRANSVERSAL CONTRACT

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

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 as

[RT74-2024 Tender Briefing](#)

Date : 16 October 2023

Time : 10:00am to 12:00pm

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 TECHNICAL SPECIFICATIONS

5.1.1 The bid for the supply, delivery, installation of refabricated adjustable shelving, steel racking, designing of mezzanine flooring, and density mobile has twelve (12) categories as summarized below.

Table 2: Summary of Technical Specifications Categories

Category Description	Category Numbers
Structural Mezzanine Floor	1
Heavy Duty Rack Supported Mezzanine Floor	2
Shelving Supported Mezzanine Floor	3
Mobile Shelving	4
Bolted Type Shelving	5
Beaded Type Shelving	6
Clip Type Shelving	7
Heavy Duty Steel Racking	8
Filing cupboards	9



Category Description	Category Numbers
Filing cabinets	10
Parcel Trolley	11

The categories are explained in summary on the below section:

5.1.2 Category 1 - Structural Mezzanine Floor

5.1.2.1 A structural mezzanine floor is an elevated platform or intermediate level within a building, typically constructed with a sturdy framework, to create additional usable space for various purposes such as storage, office areas, or production facilities. It is supported by structural elements like columns and beams and is an effective way to maximize space within a structure without the need for major renovations or expansion.

5.1.3 Category 2 - Heavy Duty Rack Supported Mezzanine Floor

5.1.3.1 A Heavy-Duty Rack Supported Mezzanine Floor is a specialized type of mezzanine structure designed to support heavy loads and is constructed using robust racks or shelving systems as the foundation. It provides an elevated platform for storage or workspace while utilizing the strength and stability of the rack system to bear significant weight, making it ideal for storing large or heavy items in warehouses and industrial settings.

5.1.4 Category 3 - Shelving Supported Mezzanine Floor

5.1.4.1 A Shelving Supported Mezzanine Floor is a mezzanine structure designed to provide additional storage space or workspace within a facility by using shelving units as its primary support system. It consists of an elevated platform constructed on top of sturdy shelves or racks, creating a two-tiered storage or working area. Shelving-supported mezzanines are commonly used in retail, warehouses, and distribution centres to optimize storage capacity and organization.

5.1.5 Category 4 - Mobile Shelving

5.1.5.1 Mobile shelving, also known as mobile storage or high-density mobile shelving, is a storage system that consists of shelving units or racks mounted on a carriage system with wheels or tracks. Unlike traditional static shelving, mobile shelving allows you to compactly store items by creating rows of shelves that can be moved horizontally on the carriage system. This design maximizes storage capacity within a given space, as it eliminates the need for fixed aisles between shelves. Mobile shelving is commonly used in various settings, including offices, libraries, archives, and warehouses, to efficiently organize and access a large volume of items while saving floor space.

5.1.6 Category 5 - Bolted Type Shelving

5.1.6.1 Bolted type shelving is a storage system consisting of individual shelving units that are assembled and secured using bolts or nuts. This type of shelving is often adjustable and can be customized to fit specific storage needs.

5.1.7 Category 6 - Beaded Type Shelving

5.1.7.1 Beaded type shelving refers to a storage system where shelves have a beaded or rolled edge on their front lip to provide extra strength and durability. This design helps prevent items from slipping or falling off the shelves, making it suitable for storing small or loose items securely.

5.1.8 Category 7 - Clip Type Shelving



- 5.1.8.1 Clip type shelving, also known as rivet shelving or boltless shelving, is a storage system characterized by shelves that are secured in place using clips or locking mechanisms without the need for nuts, bolts, or other fasteners. It's known for its easy and quick assembly, making it a convenient choice for various storage applications in homes, offices, and warehouses.
- 5.1.9 Category 8 - Heavy Duty Steel Racking
 - 5.1.9.1 Heavy Duty Steel Racking is a robust and sturdy storage system constructed from steel materials, designed to support and organize heavy or bulky items in warehouses, factories, and other industrial settings. It typically consists of steel beams and upright frames that can handle substantial weight loads, providing durable and efficient storage solutions for large and heavy inventory.
- 5.1.10 Category 9 - Filing cupboards
 - 5.1.10.1 Filing cupboards are furniture pieces designed for the storage and organization of documents, files, and paperwork. They typically consist of one or more drawers, with each drawer providing compartments and a system for arranging and storing files, folders, and other written records in a neat and orderly manner. Filing cupboards are commonly used in offices and homes to maintain an organized and easily accessible record-keeping system.
- 5.1.11 Category 10 - Filing cabinets
 - 5.1.11.1 Filing cabinets are furniture items with multiple drawers designed for storing and organizing documents, files, and paperwork in a structured and efficient manner, commonly used in offices and homes to maintain a well-organized filing system.
- 5.1.12 Category 11 - Parcel Trolleys
 - 5.1.12.1 Parcel trolleys are wheeled carts or conveyance devices designed for transporting parcels, packages, and goods from one location to another, typically used in shipping, logistics, and distribution settings to facilitate the movement of items within a facility or between different areas.



SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3
Mandatory and other standard bid requirements	Technical Requirements	Price and Specific Goals
Compliance with mandatory and other standard bid requirements	Compliance to the item technical specifications	Bids evaluated in terms of the 90/10 preference system

6.2 PHASE 1: MANDATORY AND OTHER BID DOCUMENTS

6.2.1 Bidders will be evaluated based on the documents submitted at the closing date and time of the bid. Only bidders who have complied with Phase 1 pre-qualification requirements will be evaluated on Phase 2.

6.2.2 MANDATORY DOCUMENT

6.2.2.1 Pricing Schedule

- a) Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (Annexure 3) for the individual items and all required forms. Non-submission of the pricing schedule (Annexure 3) will invalidate the bid .

6.3 OTHER STANDARD BIDDING DOCUMENTS

6.3.1 Company Registration and Organogram

6.3.1.1 Shareholding portfolio by **proof of registration of the company** with Companies Intellectual Property Commission. An additional document detailing the shareholding of the bidder in an **organogram** format in support of the proof of company registration must be submitted by bidders at the closing date and time.

6.3.2 Conditions of Contract

6.3.2.1 **General Condition of Contract** which are fully signed and initialled on every page to indicate that the



bidder has read and understood the terms and conditions.

6.3.2.2 **Special Conditions of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.

6.3.3 **Draft Master Transversal Agreement**

6.3.3.1 A Master Transversal Agreement (MTA) will be signed between National Treasury and the successful bidders on acceptance of an unconditional award letter.

6.3.3.2 A draft MTA is attached as Annexure 4 for bidders to review and provide inputs. For all inputs to be recognised, they should be provided with track changes at the closing date and time. Bidders may attach additional proposed terms and conditions to the MTA. The MTA will be finalised with the successful awarded bidders.

6.3.4 **Draft Participation Agreement**

6.3.4.1 A Participation Agreement (PA) which is linked to the MTA, will be signed between the Participants and the successful bidders. A draft PA is attached as Annexure 5 for bidders to review and provide inputs.

6.3.4.2 For all inputs to be recognised, they should be provided with track changes at the closing date and time. Bidders may attach additional proposed terms and conditions to the PA. The PA will be finalised with the successful awarded bidders.

6.4 **PHASE 2: TECHNICAL REQUIREMENTS**

6.4.1 **TCD 13 Authorization Declaration**

6.4.1.1 All bidders must complete the Authorisation Declaration (TCD 13 to 13.1) for all relevant goods or services.

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

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



- 6.4.1.3 The letter of undertaking must be from an Original Equipment Manufacturer (OEM) or an authorised distributor. In the case where the letter of undertaking is from an authorised distributor, the bidder must submit in addition to the letter of undertaking, documentary proof from OEM, that the authorized distributor is authorized by the OEM. The letter of undertaking and supporting documents must be submitted with the bid at the closing date and time of the bid.
- 6.4.1.4 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents.
- 6.4.1.5 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.
- 6.4.1.6 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions will invalidate the bid for such goods or services offered.

6.5 PHASE 3: PRICE AND SPECIF GOALS

6.5.1 Preference Point System

- 6.5.1.1 Prices quoted for all categories must be furnished based on supply, delivery and application.
- 6.5.1.2 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. **No submission of the Pricing Schedule will invalidate the bid response.**
- 6.5.1.3 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.
- 6.5.1.4 The pricing evaluation will be in terms of regulation 5 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.
- 6.5.1.5 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



Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

6.5.2 **Applicable Taxes**

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

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

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

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

6.5.3 **Points Scored for Specific Goals**

6.5.3.1 The following formular will be used to calculate the points for specific goals:

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

Where,

PSSG = Points scored for specific goals

MPA = Maximum points allocated for a specific goal

POE = Percentage of equity ownership by an HDI

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

6.5.4.1 The specific goals contemplated in paragraph 6.5.3.1 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.

6.5.4.2 In the event that the percentage of ownership contemplated in paragraph 6.5.3.1 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.

6.5.4.3 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.

6.5.4.4 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.
- 6.5.4.5 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,
- 6.5.4.6 documentation to substantiate the validity of the credentials of the trustees contemplated in paragraph 6.5.4.5 above must be submitted to the Office.
- 6.5.4.7 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.
- 6.5.4.8 A tenderer must submit proof of its ownership.
- 6.5.4.9 A tenderer who does not submit proof of their ownership may not be disqualified from the bidding process, but they score points out of 80/90 for price and zero (0) points out of 20/10 for specific goals.
- 6.5.4.10 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.
- 6.5.5 **Responsive Bids**
 - 6.5.5.1 Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (Annexure 3) for the individual items and all required forms. Non-submission of the pricing schedule (Annexure 3) will invalidate the bid response.
- 6.5.6 **Specific Goals**
 - 6.5.6.1 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 the following goals with this bid, and the points to be allocated are indicated against each goal:

**Table 4: Preference Point System**

SPECIFIC GOALS	POINTS ALLOCATED OUT OF 10	FORMULA TO CALCULATE THE POINTS 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	5	$PSSG = MPA \times \frac{PEO}{100}$ Where: PSSG = Points scored for a specific goal MPA = Maximum points allocated for a specific goal PEO = Percentage of equity by an HDI
Other specific goals (goals of the RDP- plus local manufacture) Local Manufacturing (locally produced product)	5	
POINTS	10	

- c. The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- d. Bidders are required to complete the SBD 6.1 and 6.1(a) forms in order to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 and 6.1(a) preference points claim forms will be considered for preference points.
- e. 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.
- f. 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.
- g. The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made about preference.
- h. Points scored will be rounded off to the nearest 2 decimals.
- i. 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.

- j. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- k. 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.

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

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

Where:

PSSG= Points scored for a specific goal

MPA = Maximum points allocated for a specific goal

PEO = Percentage of equity ownership by an HDI

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

6.5.7 **Items Grouped as a Series**

6.5.7.1 Where applicable, items that are grouped in a series as per item technical specifications will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the series group.

6.5.7.2 Bidders are required to offer prices for all units of measure specified in the series, and for all items within a group series.

6.5.8 **Objective of the bid is to award to Local Produced Products**

- a. 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.
- 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 submit SBD 6.2 and its annexures for this purpose for items applicable to this clause. Items that are claimed to be manufactured locally and the SBD 6.2 and its annexures are not submitted will not be considered as locally being manufactured. An exemption letter from the DTIC for the material that is being imported is therefore not required for items falling in this clause.
- d. 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 add) 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.

6.5.9 **Applicable Taxes**

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

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

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

6.5.13 **Cost Breakdown**

6.5.13.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. Bidders will not be allowed to change the cost breakdown of price during the tenure of the transversal contract.

6.5.13.2 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 Rand value. The Rand value of the cost drivers should be expressed as a percentage of the total cost.

Example:

Table 5: Example of Cost Breakdown

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

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 Right Of Award

7.1.3.1 The State reserves its following rights -

- a) To award the bid in part or in full,
- b) Not to make any award in this bid or accept any bids submitted,
- c) Request further technical information from any bidder after the closing date,
- d) Verify information and documentation of the bidder(s),
- e) Not to accept any of the bids submitted,
- f) To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing



of the bid and post award, and

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

7.2 SUBMISSION OF BIDS

7.2.1 PHYSICAL AND HARDCOPY BID SUBMISSION

7.2.1.1 Bidders to submit one (1) original hard replica copy as the online submission by the closing date and time at the Tender Information Centre (TIC) situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria.

7.2.1.2 Bidders' attention is drawn to the sequential submission format as per the checklist on Table 1.

7.2.1.3 The Pricing Schedule (Annexure 3) should be in an XLSX excel sheet format and not any other format in a memory stick.

7.2.1.4 Non-compliance with both online bid submission and hardcopy replica submissions may invalidate the bidder's response.

7.2.1.5 Bidders must submit the bid at Tender Information Centre (TIC) situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria in the following format:

- a) One (1) original hard copy clearly marked as "original";
- b) One (1) duplicate electronic copy (The Pricing Schedule to be in an XLSX excel sheet format) on a memory stick to the National Treasury (NT): TIC by the closing date and time of the bid invitation.
- c) All memory sticks should be clearly marked with the bid number and bidder's name.
- d) Non-compliance with submission format above may invalidate the bidder's response.
- e) Any discrepancies between the electronic bid copy and the hard copy may invalidate the bid response for the above-mentioned items and/or services in question.
- f) Submit all bid queries via email to demand.acquisition3@treasury.gov.za.

7.3 COMMUNICATION AND CONFIDENTIALITY

7.3.1 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.

7.3.2 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.

7.3.3 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.

- 7.3.4 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).
- 7.3.5 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.
- 7.3.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.3.7 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).
- 7.3.8 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.

7.4 **CONTACT DETAILS**

- 7.4.1 **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
- 7.4.2 **Bid Enquiries:-** All enquiries should be in writing to demand.acquisition3@treasury.gov.za The closing date for receipt of all enquiries is 26 October 2023. All enquiries beyond the closing date will not be considered.

8. **PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS**

- 8.1.1 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.



- 8.1.2 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 supply, delivery, installation of prefabricated adjustable shelving, steel racking, designing of mezzanine flooring, and density mobile filing systems to the state for a period of thirty-six (36) months and unsuccessful bidder(s) will be informed accordingly.

8.2 Tax Compliance Requirements

- 8.2.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 8.2.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit a bid.
- 8.2.3 It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 8.2.4 Bidders are required to be registered on the Central Supplier Database (CSD) and National Treasury shall verify the bidder's tax compliance status through the CSD or through SARS.
- 8.2.5 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS.

8.3 NEGOTIATIONS

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

8.4 DUE DILIGENCE

- 8.4.1 The State reserves the right to:
- 8.4.1.1 Conduct due diligence during the evaluation process to determine the ability of the bidder to honour contractual obligations that might emanate from this tendering process. The due diligence is not only limited to the bidder but to all parties the bidder might have confirmed to do business with for the fulfilment of the contract that might be awarded.
- 8.4.1.2 conduct due diligence prior to final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the



information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof.

- 8.4.1.3 conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.

8.5 **MULTIPLE AWARD**

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

SECTION C: CONDITIONS OF CONTRACT

9. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT

- 9.1 The Master Transversal Agreement between National Treasury and the Supplier(s)² collectively referred to as Parties shall come into effect after the Supplier(s) have been issued with an unconditional letter of acceptance of their bids.
- 9.2 It is a requirement that the Supplier(s) and the participating State institution(s) sign a Participation Agreement at the respective Participating State Institution's department within a period of 90 days.
- 9.3 The preferred bidder(s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. If the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the good and/or services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT74-2024 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of the RT74-2024 transversal contract.
- 9.4 The following will form part of the Master Transversal Agreement documents between the Parties in as far as RT74-2024 is concerned:
- 9.4.1 Bid Documents,
- 9.4.2 Award Letters,
- 9.4.3 Contract Circular and its annexures,
- 9.4.4 Master Transversal Agreement, and

² For section C of this Special Conditions of Contract, awarded bidders are referred to Suppliers.



9.4.5 Participation Agreement.

9.5 If there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to goods and/or service -related matters:

9.5.1 Participation Agreement,

9.5.2 Master Transversal Agreement, and

9.5.3 Bid documents.

9.6 If there is any contradiction relation to all other matters,

9.6.1 Master Transversal Agreement,

9.6.2 Participation Agreement,

9.6.3 Service Request, and

9.6.4 Bid documents.

10. PARTICIPATING STATE INSTITUTIONS

10.1 South African Police Services

10.2 Department Of Justice and Constitutional Development

10.3 Western Cape Department of Health and Wellness

10.4 Collins Chabanane Municipality

10.5 Department of Defence

10.6 Eastern Cape Department of Health

10.7 KwaZulu Natal Department of Health

10.8 KwaZulu Natal Education Department

10.9 Department Of Mineral Resources AND ENERGY

10.10 Mowbray Maternity Hospital

11. POST AWARD PARTICIPATION

11.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government are all welcome to participate on the transversal contract.

11.2 The participating letter will be customised to allow participation on completion and signing thereof as the transversal contract is arranged by means of a competitive bidding process by National Treasury, subject to a formal letter from the Contract Manager or a delegate from TC.



- 11.3 Supplier(s) will be notified of new participants; the list of participants will be published on the website. Model change, price adjustments and any other transversal contract information will be published on the website for both the benefit of Supplier(s) and Participants.
- 11.4 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions and public entities listed in schedule 1, 3A and 3C to the PFMA may opt to participate in a transversal term contract facilitated by the relevant treasury.
- 11.5 Public entities listed in schedule 2, 3B and 3D to the PFMA, may participate in transversal term contract facilitated by the relevant treasury through approval from their accounting authorities.
- 11.6 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. DELIVERY, QUANTITIES, AND ORDERS

12.1 Delivery Basis

- 12.1.1 Lead times for delivery of all items on transversal contract shall not exceed the specified time period in the bid.

12.2 Quantities

No quantities are reflected in this bid as orders will be placed on the basis of an 'as and when required' and no guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period.

Orders will be placed by participating State institutions and they will also be responsible for the payment to Suppliers for the delivered and/or services rendered.

12.3 Orders

- 12.3.1 Suppliers should note that each individual purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 12.3.2 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).
- 12.3.3 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.
- 12.3.4 The State is under no obligation to accept any quantity(ies) which is in excess of the ordered quantity(ies).

12.4 Delivery Adherence



- 12.4.1 Delivery of items must be made in accordance with the instructions appearing on the official purchase order forms issued by purchasing State institutions.
- 12.4.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.
- 12.4.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.
- 12.4.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.
- 12.4.5 Supplier are required to deliver the goods at the required stores, off-load the goods from the trucks at the designated area as indicated on the official order form.

13. TRANSVERSAL CONTRACT PRICE ADJUSTMENT

13.1 Formula

- 13.1.1 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.
- 13.1.2 Applications for transversal contract price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 13.1.3 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 6: Indicative Transversal Contract Price Adjustment Calculator

$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + + Dn \frac{Rnt}{Rno} \right) + VPt$		
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 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.

13.2.2 Fixed portion

13.2.2.1 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.

13.2.3 Cost components and proportions

13.2.3.1 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.

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 transversal contract.

Table 7: 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 %

13.3 Applicable indices / references

- 13.3.1 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 8: Indicative Indices

Cost component	Index Publication	Index Reference
D1 –Local Raw Material	SEIFSA Index publication PO141 Table E	Table E-A: Domestic Steel Price Index (cold rolled)
D2 - Labour	SEIFSA index publication	Table C-4: SEIFSA index of actual wage rates
D3 – Transport	SEIFSA index publication	Table L-2: Road Freight Costs
D4 – Electricity, gas and water	SEIFSA index publication	Table K: Statistics SA index for electricity, gas, and water
D5- Other	Specify	Documentary evidence to accompany claim

13.4 Base Index Date

- 13.4.1 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 **September 2023**.

13.5 End Index Date

13.5.1 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).

13.6 Transversal Contract Price Adjustment Periods

13.6.1 Transversal Contract Price adjustments shall be applied on a quarterly basis. Transversal Contract Price adjustment periods will be as follows:

Table 9: Price Adjustment Periods

Adjustment	End Index Date	Dates from which adjusted prices will become effective
1 st Adjustment	October 2023	1 December 2023
2 nd Adjustment	January 2024	1 March 2024
3 rd Adjustment	April 2024	1 June 2024
4 th Adjustment	July 2024	1 September 2024
5 th Adjustment	October 2024	1 December 2024
6 th Adjustment	January 2025	1 March 2025
7 th Adjustment	April 2025	1 June 2025
8 th Adjustment	July 2025	1 September 2025
9 th Adjustment	October 2026	1 December 2025
10 th Adjustment	January 2026	1 March 2026
11 th Adjustment	April 2026	1 June 2026

13.7 General

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

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



- 13.7.2.1 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.
- 13.7.3 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.
- 13.7.4 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.
- 13.7.5 Bidders are referred to the paragraph regarding counter conditions.
- 13.7.6 An electronic transversal contract price adjustment calculator will be available on request from Transversal Contracting.
- 13.7.7 The State reserves the right to negotiate a transversal contract price adjustment or not to grant any transversal contract price adjustment.

14. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

14.1 Contract Administration

- 14.1.1 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
- 14.1.2 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.

14.2 Contract Performance Management

- 14.2.1 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.
- 14.2.2 The reporting template for Participants to effect contract performance management will be provided post award.

14.3 Procurement Guideline

- 14.3.1 The procurement guideline will guide on the operational functioning of the transversal contract for both Participants and Suppliers to ensure effective implementation and equal opportunities for Suppliers.

14.4 Post Award Reporting

- 14.4.1 Suppliers will be expected to report on the implementation of the transversal contract on a quarterly



basis.

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

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

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

15. TERMINATION

15.1 **The State shall be entitled to terminate this agreement if one or more of the following occur:**

15.1.1.1 the service provider decides to transfer the contract or cede the contract;

15.1.1.2 the service provider does not honour contractual obligations including submission of information;

15.1.1.3 the service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;

15.1.1.4 the service provider enters settlement arrangements with their creditors;

15.1.1.5 the service provider commits an act of insolvency;

15.1.1.6 in the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.

15.1.1.7 The State reserves its right to terminate the Contract in the event that there is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.

15.1.1.8 Either Party may terminate this Contract for breach in the event that the other party fails to comply with any of its obligations in terms of this Contract and have failed to remedy such breach within fourteen (14) calendar day's written notice to remedy such non-compliance.

15.1.1.9 Notwithstanding the provisions above, either Party may terminate this Contract by giving the other Party 30 (thirty) days' written notice to that effect.

END