



SPECIAL CONDITIONS OF CONTRACT

BID NUMBER: 19/1/9/1/04TD (25)

**SUPPLY AND DELIVERY OF BIO FORENSIC EVIDENCE
DRYING CABINET FOR A PERIOD OF TWO (02) YEARS:
AT SAPS COMPONENT: CRIMINAL RECORD AND CRIME
SCENE MANAGEMENT: LOCAL CRIMINAL RECORD
CENTRES: NATIONALLY**

CLOSING DATE AND TIME OF BID: 2025-08-14 @ 11h00

BID VALIDITY PERIOD: 90 DAYS



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ABBREVIATIONS

BAC: Bid Adjudication Committee

B-BBEE: Broad-Based Black Economic Empowerment

CPA: Contract Price Adjustment

ISO: International Organisation for Standardisation

QC: Quality Control

ROE: Rate of Exchange

SABS: South African Bureau of Standards

SANAS: South African National Accreditation System

SBD: Standard Bidding Document

STATS SA: Statistics South Africa

VAT: Value- Added Tax



2. BID DOCUMENT CHECK LIST

NO.	DOCUMENT NAME	YES	NO
1	SBD 1 Invitation to bid		
2	Central Supplier Database Report		
3	Pricing Schedule		
4	SBD 4 Declaration of interest		
5	SBD 6 (1): Preference Points Claimed (BBBEE)		
6	Special Conditions of Contract		
7	General Conditions of Contract		
8	Mandatory documents (if applicable)		



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3. SCOPE

Supply and Delivery of Bio Forensic Evidence Drying Cabinet for a period of two (02) years: at SAPS Component: Criminal Record and Crime Scene Management: Local Criminal Record Centres: Nationally.

4. SECTION A

4.1 LEGISLATIVE AND REGULATORY FRAMEWORK

This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract (SCC) are supplementary to that of the General Conditions of Contract (GCC). Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

4.2 BID INFORMATION / BRIEFING SESSION

- 4.2.1 There will be a non compulsory briefing session on 2025-07-30 @10:00 at Division: Supply Chain Management, 117 Cresswell Road, Silverton, Pretoria, B-Block, Boardroom 2.

4.3 EVALUATION CRITERIA

The evaluation process will be conducted in phases as follows:

Phase 1	Phase 2	Phase 3	Phase 4
Administrative and Mandatory Bid Requirements	Technical Compliance / Specification	Supplier Due Diligence	Price and Specific goals
Compliance with Mandatory and Administrative Bid requirements. SBD forms must be completed and signed.	Compliance to SAPS specification 323271/2025	Minimum requirements for the Practical Demonstration This practical demonstration or a virtual practical	Bids evaluated in terms of the 80/20.



		demonstration must be conducted at the bidder's facility. A replacement or reference facility will not be entertained. The successful bidder who performed virtual demonstration during site visit must conduct practical demonstration with the end user prior to delivery at the bidder's site.	
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4.3.1 PHASE 1: AUTHORISATION DECLARATION LETTER AND ADMINISTRATIVE AND MANDATORY REQUIREMENTS

4.3.1.1 AUTHORISATION DECLARATION LETTER

Any bidder who is not the actual service provider and will be sourcing goods or services from third (3rd) party must submit an unconditional letter from the company(ies) or supplier(s) confirming firm supply arrangement(s) in this regard, which has to accompany the bid at the closing date and time of bid. The third (3rd) party must:

- Confirm that it has familiarised itself with the bid requirements, understands and has familiarised themselves with the content of specifications **323271/2025** and all the bid conditions.
- If the bid consist of more than one item/services, it should be clearly indicated in respect of which commodities the supportive letter has been issued.
- It must be indicated in the above-mentioned letter that firm supply arrangements have been made and all financial arrangements with regard to payment between the prospective bidder and third (3rd) party, company / manufacturer issuing such a letter has been finalized and terms and conditions mutually agreed upon. **(Bidder must refer to the conditions to submit a 3rd party letter and complete Annexure "B" and 3rd party template to be completed by the 3rd party)**

The South African Police Service 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 South



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African Police Service will exercise any of the remedies available to it in the bid documents. No agreement between the bidder and the third party will be binding on the South African Police Service. An authorisation declaration with conditional arrangements will not be accepted. Bidders must ensure that all arrangements are agreed to before submitting a bid.

4.3.1.2 ADMINISTRATIVE REQUIREMENTS

Bidders' must submit all requirements indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under the Administrative requirements.

Bidders who fail to comply with any of the administrative requirements may be disqualified.

ADMINISTRATIVE DOCUMENTS - NAME OF THE DOCUMENT THAT MUST BE SUBMITTED	
Invitation to Bid – SBD 1	YES – Please complete and sign the supplied form
Declaration of Interest – SBD 4	YES – Please complete and sign the supplied form.
Preference Point Claim Form SBD 6.1	YES – Generally, non-submission will lead to a zero score preference points.
Special Conditions of Contract	YES - Bidders must sign acknowledgement that they <u>familiarise</u> themselves with the content of the document
Cost components	YES – Please submit the completed cost component breakdown as per example in the Special Conditions of Contract.
Central Supplier Database registration	YES – Please submit an updated CSD report to prove registration and preference points.
Tax Clearance Requirements	YES – The <u>CSD</u> and the <u>tax status pin</u> are the approved method that will be utilized to verify tax compliance.
General Conditions of Contract	NO – Bidders <u>must only familiarise</u> themselves with the content of the document

4.3.1.3 MANDATORY REQUIREMENTS

Bidders' must submit all requirements indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory and other will be disqualified.



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PRICING SCHEDULE	<p>YES / NO Bidder are required to submit responsive bids for all the by fully completing the price schedule on all the required individual line items per category bided for .</p> <ul style="list-style-type: none"> Please note to complete the lead times; delivery period pricing schedule etc . No blank spaces must be left on the required fields. FAILURE TO COMPLY WILL INVALIDATE THE BID.
SAPS SPECIFICATION 323271/2025	<p>YES / NO The bidders must indicate "Comply" or "Do Not Comply" <u>Failure to indicate Comply" or "Do Not Comply will invalidate your bid."</u></p>
Authorisation Declaration Letter from a third (3 rd) party	<p>Authorisation Declaration:</p> <p>Bidders sourcing services from a third party must submit the authorisation declaration letter of the third party. The date, Bid number must appear on the authorisation declaration. The said company or supplier must:</p> <ul style="list-style-type: none"> Confirm that it has familiarised itself with the item description, specifications and bid conditions. If the bid consist it should be clearly indicated in respect of which item(s) the supportive letter has been issued. It must be indicated in the above-mentioned letter that firm service arrangements have been made and all financial arrangements with regard to payment between the prospective bidder and manufacturer, company or supplier issuing such a letter has been finalized and terms and conditions mutually agreed upon. The authorisation declaration must be filed under Annexure B. <p>FAILURE TO COMPLY WILL INVALIDATE THE BID.</p>
A brochure must be submitted with the bid document.	<p>YES / NO</p>
Product specification sheet which include colour photographs and the specifications of	<p>YES / NO</p>



Bio evidence drying cabinet that is offered by the bidder, must be attached to bid documents as Appendix 1.	
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.Bidders' must submit all requirements indicated with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under mandatory requirements.

Bidders who fail to comply with any of the mandatory and other will be disqualified.

Once a bid has complied with the criteria in phase 1, it would further be evaluated on phase 2: Technical Compliance.

4.3.2 PHASE 2: TECHNICAL COMPLIANCE / SPECIFICATION

This phase entails the evaluation of bids for technical compliance.

South African National Standards and/or Private Specifications

- a) Items must comply with standards and/or South African Police Service Specifications **323271/2025** included in the bid document.
- b) Bidders must enquire at the following institutions for the relevant standards. A list of accredited institutions is available on the SANAS website <http://www.sanas.co.za> or <http://www.sanas.co.za/contact.php>

STANDARDS:

SANS, SABS, ISO AND CKS specifications are available from South African Bureau of Standards Office's countrywide. Obtaining of such standards will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of e-Standards, please contact Standards Sales at: Email: Postal Address: Private Bag X191, Pretoria, 0001; Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Tel: (012) 428 6883, Fax: (012) 428 6928, E-mail: sales@sabs.co.za Website: www.sabs.co.za and follow the "Search/Buy Standards" link

South African National Accreditation System (SANAS):

The contact details of SANAS are as follows: Postal Address: Private Bag x 23, Sunnyside, Pretoria, 0132; Physical Address: The DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, 0002, Tel: 012-394 3760, Fax: 012-3940526.



- c) Bidders must explicitly indicate either "Comply" or "Do Not Comply" with all the requirements as stipulated in the document. Bidders who fail to indicate "Comply" or "Do not Comply" will be regarded as non-compliance to the specification.
- d) Should a bidder deviate from the specification and indicate "Do not Comply" to any paragraph of the specifications **3050/24 and 3052/2024**, thereafter the bidder must complete the **deviation sheet for all alternative or additional offers made, or reasons for deviations.**

4.3.3 PHASE 3: SUPPLIER DUE DILIGENCE

- a) The South African Police Service reserves the right to conduct supplier due diligence prior to award or at any time during the evaluation process. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof will disqualify the bid.
 - b) The South African Police Service also reserves a right to conduct supplier due diligence during the contract period. Information submitted by the contractor will be verified and any misrepresentation thereof the South African Police Service reserves a right to institute remedial actions available. Due diligence may include preannounced or unannounced site visits.
- *NB Only short-listed Bidders will be informed regarding due diligence to be conducted, at the premises of the bidder on a date and time to be provided. The short-listed bidders will be notified in writing.**

c) **THE SHORT LISTED BIDDERS MUST PREPARE AND AVAIL THE FOLLOWING DURING THE DUE DILIGENCE:**

- Does the bidder have an fully functional premises as their core business function in place.
- Does the bidder have all relevant resources and logistical equipment on site.
- General Questions, Observations and Comments.

4.3.4.1 PHASE 4: PREFERENCE POINT SYSTEM AND PRICE

- i Preference points system 80/20
 - a) In terms of regulation 6 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 South African Police Service on the 80/20-preference point system in terms of which points are awarded to bidders on the basis of:
The bid price (maximum 80 points) - Specific goals (maximum 20 points)



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

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{\min} = Price of lowest acceptable tender

- b) A bidder (supplier) may claim a maximum of 10 points for specific goals, if such bidder supplier is;

Persons historically disadvantaged on the basis of race with at least 51% ownership	5 points
Persons historically disadvantaged on the basis of gender with at least 51% ownership by woman	5 points
Persons with at least 51% ownership who are youth	5 points
Persons historically disadvantaged by unfair discrimination on the basis of disability with at least 51% ownership	5 points

- d) Bidders are required to complete the preference claim form (SBD 6.1).
- e) The points scored by a bidder in respect of the specific goals will be added to the points scored for price.
- f) Only bidders who have completed and signed the declaration part of the preference claim form will be considered for specific goals points.
- g) Failure on the part of the bidder to comply with the paragraphs above will be deemed that specific goal points are not claimed and will therefore be allocated a zero (0).
- h) The South African Police Service may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- i) The points scored will be rounded off to the nearest 2 decimals.
- j) In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of specific goal points.
- k) However, when functionality is part of the evaluation process and two or more bidders have scored equal points including equal specific goal points, the contract will be awarded to the bidder scoring the highest for functionality.
- l) Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- m) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.



4.3.4.2 JOINT VENTURES AND CONSORTIUMS

a) Joint Venture/Consortium Participation

Tenderers submitting an offer as a joint venture or consortium must include notarised Joint Venture Agreement (JVA) specific to this tender. The JVA must clearly reflect the following:

- The tender number and description;
- The percentage contribution of each party to the execution of the tender;
- The roles and responsibilities of each party;
- The decision-making and dispute resolution mechanisms;
- The management and distribution of funds;
- The conditions for termination of the joint venture.

b) Preference Points for Specific Goals

Joint ventures or consortiums wishing to claim preference points for specific goals must note that preference points will be awarded only in proportion to the percentage of the contract value managed or executed by individuals from each party who are actively involved in the management or control of the joint venture or consortium, as recorded in the JVA.

c) Declaration Requirement

Tenderers must declare in paragraph 4.5 of SBD 6.1 that their offer is submitted as part of a joint venture or consortium.

d) Evaluation of Preference Points

The allocation of preference points will be calculated as follows:

The percentage shareholding for each specific goal shall be multiplied by the percentage contribution of that partner to the tender, as outlined in the JA;

The results for all parties shall be aggregated to determine whether the joint venture or consortium meets the minimum requirement for any specific goal.

e) Non-Compliance

Failure to submit a notarised JA or to meet the conditions stated above may result in the bid being deemed non-responsive and be disqualified from further evaluation.

5. VALUE ADDED TAX

All bid prices must be inclusive of 15% Value-Added Tax. In case a bidder's price is not VAT inclusive, total price quoted will be regarded as final.



6. PRICING STRUCTURE AND SCHEDULE

- a) One price is required per item and prices quoted must be furnished on the basis of supply and delivery including Value Added Tax.
- b) The yearly prices **MUST** be all inclusive. This means, all direct and indirect related costs must be included in the prices and be firm for the period of one year.
- c) The pricing schedule will be accessible from the bid document. All prices must be submitted with the bid document.
- d) Conditional discounts offered will not be used for evaluation purposes.
- e) Pricing provided for term contracts must remain **firm** for the first year after signing of the contract. Contract price adjustments must be applied for.

Bidder are required to submit responsive bids for all the by fully completing the price schedule on all the required individual line items per category bided for .

7. OTHER LEGISLATIVE AND REGULATORY REQUIREMENTS SPECIFIC TO THIS BID

7.1 AUTHORISATION DECLARATION/ LETTER FROM THE 3rd party

Any bidder WHO IS NOT the actual service provider/breeder/ and will be sourcing goods or services from another company **must** submit an unconditional letter from the company(ies) or supplier(s) confirming firm supply arrangement(s) in this regard, which has to accompany the bid at the closing date and time of bid. The said company or supplier must:

- confirm that it has familiarised itself with the item description, specifications and bid conditions
- If the bid consist of more than one item, it should be clearly indicated in respect of which item(s) the supportive letter has been issued.
- It must be indicated in the above-mentioned letter **that firm supply arrangements have been made and all financial arrangements with regard to payment between the prospective bidder and manufacturer, company or supplier issuing such a letter has been finalized and terms and conditions mutually agreed upon.**

Non-compliance with the above-mentioned special conditions would automatically invalidate the bid for such services offered." The South African Police Service 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 South African Police Service will exercise any of the remedies available to it in the bid documents.



No agreement between the bidder and the third party will be binding on the South African Police Service. An authorisation declaration with conditional arrangements will not be accepted. Bidders must ensure that all arrangements are agreed to before submitting a bid.

8. TAX COMPLIANCE REQUIREMENTS

It is a condition of this bid that the tax matters of a successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations. The Tax Compliance status requirements are also applicable to foreign bidders / individuals who wish to submit bids.

It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted; Bidders are required to be registered on the Central Supplier Database and the South African Police Service shall verify the bidder's tax compliance status through the Central Supplier Database.

Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database. The South African Police Service will not award a bid to any bidder or sub-contractors whose tax matters are not in order.

9. FORMAT AND SUBMISSION OF BIDS

In order to simplify the evaluation process, Bidders are required to submit their bids in the following manner:

SECTION	REQUIRED DOCUMENTS
Section 1	Standard bidding documents (SBD 1, SBD 3.1 / Pricing schedules, SBD 4, SBD 6.1 and CSD report
Section 2	Authorisation Declaration; Deviation Sheet
Section 3	Specification and Special Conditions of Contract
Section 4	Any other information (e.g. Company profile, Local economic development submission etc.)



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10. LATE BIDS

Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, will be returned unopened to the bidder.

11. COUNTER CONDITIONS

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.

12. FRONTING

The SAPS 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 South African Police Service condemn any form of fronting.

The South African Police Service, 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 bid documents.

Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the bidder / contractor to prove that fronting does not exist.

Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the South African Police Service may have against the bidder / contractor concerned.

13. COMMUNICATION

SAPS: Procurement and Contract Management may communicate in writing with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.



Any communication to any other government official or a person acting in an advisory capacity for the South African Police Service in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.

All communication between the bidder and the SAPS: Procurement Management MGP & Services must be done in writing.

NB* *No enquiries will be addressed seven (7) days prior to the closing date and time of the bid.*

14. CONTACT DETAILS

ENQUIRIES

All communication between the bidder and the SAPS: Procurement Management MGP & Services must be done in writing.

No enquiries will be addressed seven (7) days prior to the closing date and time of the bid.

Procurement Management MGP & Services

Address : 117 Cresswell Street, Weavind Park, Pretoria.

E-mail: Msebin@saps.gov.za Lieutenant Colonel N Msebi

16. SECTION B

16.1 CONTRACT PERIOD

The contract period shall be for a period of **two (02) years**.

16.2 RIGHT OF AWARD

The South African Police Service reserves its following rights:-

- To award the bid in part or in full;
- Not to make any award in this bid;
- Award the bid to more than one bidder for the same line item;
- Clarify further technical information from any bidder after the closing date;
- Verify information and documentation of the respective bidder;
- 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
- To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid



- To award a bid based on which bidder is offering the best value for money, even if such bid is not the lowest price.
- In the event that an incorrect award has been made or an error occurred during evaluation and adjudication phase, the South African Police Service reserves the right to remedy the matter in any manner it may deem fit.

16.3 MULTIPLE AWARD

The South African Police Service reserves the right to award the same item to more than one supplier to address product availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

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

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

16.4 NEGOTIATIONS

The South African Police Service reserves the right to negotiate with the bidders prior to award and with the successful bidder(s) post award.

16.5 QUALITY

Where specific specifications and/ or standards are applicable on materials and any other items supplies, the quality of commodity shall not be less than the requirements of the latest edition of such specifications and/or standards.

16.6 DELIVERY AND QUANTITIES

16.6.1 DELIVERY BASIS

Firm lead times for delivery must be quoted for the duration of the contract period.

16.6.2 QUANTITIES

Quantities cannot be guaranteed.



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17. SECTION C

17.1 ROLES AND RESPONSIBILITIES

17.1.1 CONTRACT ADMINISTRATION

The administration and facilitation of the contract will be the responsibility of SAPS Contract Management and all correspondence in this regard must be directed to the following address:

The Head: Procurement and Contract Management Supply Chain Management

Private bag x 254, Pretoria, 0001.

Contractors must advise the SAPS Contract Management immediately when unforeseeable circumstances will adversely affect the execution of the contract.

Full particulars of such circumstances as well as the period of delay must be furnished to the Section Head Bid Management: Supply Chain Management: SAPS – email: -SmitJ3@saps.gov.za.

17.1.2 SUPPLIER PERFORMANCE MANAGEMENT

Supplier performance management will be the responsibility of end-users of SAPS and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, SAPS Contract Management must be informed for corrective action.

Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.

17.3 POST-AWARD PRODUCT COMPLIANCE PROCEDURES

The following post-award product compliance procedures will apply:

17.3.1 QUALITY ADHERANCE

Bidder's attention is drawn to paragraph 8 of the General Conditions of Contract regarding inspection, tests and analysis.

If the delivered supplies are not in accordance with the contract requirements, the cost of inspections, tests and analysis done by an independent testing facility shall be paid by the contractor.



17.4 CONTRACT PRICE ADJUSTMENT

17.4.1 Formula

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.

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

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

$Pa = (1-V) Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + Dn \frac{Rnt}{Rno} + VP1 \right)$		
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.

17.5 FORMULA COMPONENT DEFINITIONS

17.5.1 Adjustable amount

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

**17.5.2 Fixed portion**

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

17.5.3 Cost components and proportions

- a) The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components. In this bid the following cost components will be used to calculate contract price adjustments.
- b) 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. Successful bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.
- b) In a case where the same cost components are applicable to all items offered please fill out the Cost components table below, other than that cost components must be indicated on each line item when finalising pricing schedule.

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



17.5.4 Applicable indices / references

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

Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	STATS SA P0142.1 (PPI) Table 1	Textiles, clothing and Footwear – Clothing OR Documentary evidence to accompany claim
D3 - Labour	STATS SA P0141 (CPI), Table E OR Labour agreement ²	Table E - All Items OR Labour agreement to be provided
D4 – Transport	STATS SA P0141 (CPI) Table E	Table E - Transport – Other Running Cost
D5 – Housing and utilities	STATS SA P0141 (CPI) Table E	Table E – Housing and utilities Headline
D6 – other	Specify	Documentary evidence to accompany application

17.5.5 Base Index Date

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

17.5.6 End Index Date

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



17.5.7 Price Adjustment Periods

Adjustment to contract prices must be applied for at the following dates:

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates from which adjusted prices will become effective
1 st Adjustment (after 12 months)	After One (1) year of signing the contract		Date of application of adjustment after approval was obtained

** 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.*

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

17.6 RATES OF EXCHANGE (ROE) – BASE AND AVERAGE RATES

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

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

In the event where the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate. The imported cost component (D1) will be adjusted together with all the other cost components. 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.

Currency	Rates of exchange 12-month average for the contract period
US Dollar	
Pound Sterling	
Euro	
Yuan	



Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average, using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. 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:

Adjustment	Average exchange rates for the period:
1 st Adjustment (after 12 months)	Date to Date

18. GENERAL

Unless prior approval has been obtained from SAPS Contract Management, no adjustment in contract prices will be made. Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment. 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. In the event where the supplier's CPA application, based on the above formula and parameters, differs from Contract Management SAPS verification, Contract Management SAPS will consult with the supplier to resolve the differences. The South African Police Service reserves the right to negotiate amended contract prices at any stage prior to the final notification to end users.

19. PACKAGING

Items / livestock supplied must be packed / caged in suitable packaging and transporting as required when transporting livestock before distribution to the SAPS.



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20. BREACH OF CONTRACT

The South African Police Service reserves the right to terminate the contract(s) if the contractor does not honour contract(s) obligations including submission of information.

NAME OF BIDDER:

NAME OF CONTACT PERSON:

CAPACITY:

SIGNATURE: DATE: