

## **TRANSNET FREIGHT RAIL**

an Operating Division of **TRANSNET SOC LTD**

[Registration No. 1990/000900/30]

[hereinafter referred to as **Transnet**]

## **REQUEST FOR QUOTATION [RFQ] No CRAC-KGG-38493**

**FOR THE SUPPLY AND DELIVER OF: FORMATION MATERIALS AND BALLAST STONES  
AT SYFERBULT AND MAGALIESBURG FOR A PERIOD OF ONE (01) MONTH**

<b>ISSUE DATE:</b>	<b>12 AUGUST 2022</b>
<b>CLOSING DATE:</b>	<b>23 AUGUST 2022</b>
<b>VALIDITY PERIOD:</b>	<b>30 NOVEMBER 2022</b>
<b>CLOSING TIME:</b>	<b>10:00 AM</b>

### **Note to the bidders:**

*Bidders are required to ensure that electronic bid submissions are done at least a day before the closing date to prevent issues which they may encounter due to their internet speed, bandwidth or the size of the number of uploads they are submitting. Transnet will not be held liable for any challenges experienced by bidders as a result of the technical challenges. Please do not wait for the last hour to submit. A Bidder can upload 30mb per upload and multiple uploads are permitted.*

## SECTION 1: SBD1 FORM

### PART A

#### INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF TRANSNET FREIGHT RAIL, A DIVISION TRANSNET SOC LTD							
BID NUMBER:	CRAC-KGG-38493	ISSUE DATE:	12 AUGUST 2022	CLOSING DATE:	23 AUGUST 2022	CLOSING TIME:	10H00 AM
DESCRIPTION	SUPPLY AND DELIVER OF FORMATION MATERIALS AND BALLAST STONES AT SYFERBULT AND MAGALIESBURG FOR A PERIOD OF ONE (01) MONTH						
BID RESPONSE DOCUMENTS SUBMISSION							
<p>Transnet has implemented a new electronic tender submission system, the e-Tender Submission Portal, in line with the overall Transnet digitalization strategy where suppliers can view advertised tenders, register their information, log their intent to respond to bids and upload their bid proposals/responses on to the system.</p> <p><b>RESPONDENTS ARE TO UPLOAD THEIR BID RESPONSE PROPOSALS ONTO THE TRANSNET SYSTEM AGAINST EACH TENDER/RFQ SELECTED.</b></p> <p>The Transnet e-Tender Submission Portal can be accessed as follows:</p> <ul style="list-style-type: none"> <li>Log on to the Transnet eTenders management platform website/Portal (<a href="https://transnetetenders.azurewebsites.net">transnetetenders.azurewebsites.net</a>) (please use <b>Google Chrome</b> to access Transnet link/site free of charge);</li> <li>Click on "ADVERTISED TENDERS" to view advertised tenders;</li> <li>Click on "SIGN IN/REGISTER – for bidder to register their information (must fill in all mandatory information);</li> <li>Click on "SIGN IN/REGISTER" - to sign in if already registered;</li> <li>Toggle (click to switch) the "Log an Intent" button to submit a bid;</li> <li>Submit bid documents by uploading them into the system against each tender selected.</li> <li>No late submissions will be accepted. The bidder guide can be found on the Transnet Portal <a href="https://transnetetenders.azurewebsites.net">transnetetenders.azurewebsites.net</a></li> </ul>							
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO				TECHNICAL ENQUIRIES MAY BE DIRECTED TO:			
CONTACT PERSON	WILLIAM MERE			CONTACT PERSON	WILLIAM MERE		
TELEPHONE NUMBER	(011) 584 1426			TELEPHONE NUMBER	(011) 584 1426		
FACSIMILE NUMBER	N/A			FACSIMILE NUMBER	N/A		
E-MAIL ADDRESS	<a href="mailto:WILLIAM.MERE@TRANSNET.NET">WILLIAM.MERE@TRANSNET.NET</a>			E-MAIL ADDRESS	<a href="mailto:WILLIAM.MERE@TRANSNET.NET">WILLIAM.MERE@TRANSNET.NET</a>		
SUPPLIER INFORMATION							
NAME OF BIDDER							
POSTAL ADDRESS							
STREET ADDRESS							
TELEPHONE NUMBER	CODE			NUMBER			
CELLPHONE NUMBER							
FACSIMILE NUMBER	CODE			NUMBER			
E-MAIL ADDRESS							
VAT REGISTRATION NUMBER							
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE	UNIQUE REGISTRATION REFERENCE NUMBER: MAAA		

B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>			
<b>1</b> ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	<b>2</b> ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER QUESTIONNAIRE BELOW]
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>			
<p>IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 1.3 BELOW.</b></p>			

## PART B TERMS AND CONDITIONS FOR BIDDING

1. TAX COMPLIANCE REQUIREMENTS	
1.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
1.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
1.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
1.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
1.5	IN BIDS WHERE UNINCORPORATED CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
1.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

**NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

(Proof of authority must be submitted e.g. company resolution)

DATE: \_\_\_\_\_

## SECTION 2: NOTICE TO BIDDERS

## 1 Responses to RFQ

Responses to this RFQ [**Quotations**] must not include documents or reference relating to any other quotation or proposal. Any additional conditions must be embodied in an accompanying letter.

## 2 Formal Briefing

A formal briefing session will not be held but should Respondents have specific queries they should email these to the Transnet employee(s) indicated in paragraph 5 [*Communication*] below:

## 3 Compulsory Local Content Threshold

In terms of section 8(1) of the Preferential Procurement Regulations, 2017, and the Instruction Note issued by National Treasury on the "Invitation and Evaluation of Bids based on a stipulated minimum threshold for local content and production for the **Rail Permanent Way Sector**," Transnet is required to set a stipulated minimum threshold be set for this RFQ.

### 3.1 Local Content Threshold

A Local Content threshold of **100%** [percent] will be required for the goods specified in SBD 6.2 to be manufactured by a successful Respondent for **once-off of the contract period** for the remainder of the contract term.

Only locally produced or locally manufactured **ballast** with a minimum threshold for local production and content will be considered. If the quantity of materials and/or products required cannot be wholly sourced from South African based manufacturers and/or at the designated local content threshold at any particular time, a bidders should obtain written approval from the dtic to supply the remaining portion at a lower local content threshold. Such approval application should be submitted and obtained prior to the closing of the bid. The dtic, in consultation with Transnet, will grant such approval on a case-by-case basis and will consider the following:

- required volumes in the particular bid;
- available collective South African industry manufacturing capacity at that time;
- delivery times;
- availability of input materials and components;
- technical considerations including operating conditions;
- materials of construction; and
- Security of supply and emergencies.

### 3.2 Local Content Notes

- 3.2.1. The exchange rate to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) on the date of the advertisement of the tender;
- 3.2.2. Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content;
- 3.2.3. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:

$$LC = [1 - x/y] * 100$$

Where

- x is the imported content in Rand
- y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12:00 on the date of advertisement of the bid.

- 3.2.4. The SABS approved technical specification number SATS 1286:2011 and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all potential tenderers on the DTI's official website; [http://www.dti.gov.za/industrial\\_development/ip.jsp](http://www.dti.gov.za/industrial_development/ip.jsp) at no cost.
- 3.2.5. The rates of exchange quoted by the tenderer in paragraph 4.1 of Returnable Schedule (the Declaration Certificate for Local Production and Content for Designated Sectors) will be verified for accuracy.
- 3.2.6. Declaration Certificate for Local Production and Content (SBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, duly signed and submitted at the closing date and time of the bid;
- 3.2.7. Tenderers must familiarise themselves with all the information provided in the Local Content instruction notes with particular reference to paragraph 4 of the instruction notes.
- 3.2.8. Respondents are to ensure that they complete the local content annexures in line with the provisions made in the Guidance Document for the calculation of Local Content. Failure to comply will lead to disqualification.

### 3.3 **Mandatory RFQ Annexures**

The regulatory and mandatory RFQ Annexures, which must be completed by all Respondents in order to declare Local Content, are as follows:

- Annexure B – Declaration Certificate for Local Production and Content [SBD 6.2]
- Annexure C – Local Content Declaration: Summary Schedule
- Annexure B and C must be completed and submitted even if a complete Local Content exemption letter from DTI has been obtained.
- To the extent that an exemption from Local Content has been granted by the DTI, the exemption letter from DTI will be a mandatory returnable document.
- Annexures D and E are Supporting Schedules to Annexure C. They are named as follows:
  - Annexure D – Imported Content Declaration: Supporting Schedule to Annexure C
  - Annexure E – Local Content Declaration: Supporting Schedule to Annexure C
- Annexure F - Guidance Document for the calculation of Local Content

After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. Declaration C should be submitted with the bid documentation at the closing date and time of the bid. Declarations D and E should be kept by Respondents for verification purposes for a period of at least 5 years. The successful Respondent is required to continuously update Declarations C, D and E with the actual values for the duration of the contract. In addition to what is stated above regarding Annexures D and E, please note that these declarations are to be submitted as part of the Essential Returnable Documents - See Section 3 of RFQ.

### 3.4 **Challenges meeting the Local Content Threshold**

Should, after the award of a Bid, the Supplier experience challenges in meeting the stipulated minimum threshold for Local Content, Transnet is required to inform the DTI accordingly in order for the DTI to verify the circumstances and provide directives in this regard.

### 3.5 **Exchange Rate Verification**

The rate of exchange quoted by the Respondent in the declaration certificates (Annexure B – Declaration Certificate for Local Production & Content [SBD 6.2] and Annexure C – Local Content Declaration: Summary Schedule) will be verified for accuracy as per the requirement of National Treasury Instruction Notes and Circulars.

### 3.6 **Local Content Obligations**

Respondents are to note that the Local Content commitments made by the successful Respondent(s) will be incorporated as a term of the contract and monitored for compliance. Should the successful Respondent fail to meet its Local obligations, non-compliance penalties shall be applicable as per the contract or Standard RFQ Terms and Conditions for the Supply of Goods and Services. Breach of Local Content obligations also provide Transnet cause to terminate the contract in certain cases where material non-compliance with Local Content requirements are not achieved.

## 4 **Communication**

- 4.1 Specific queries relating to this RFQ before the closing date of the RFQ should be submitted onto the system and to [William.mere@transnet.net](mailto:William.mere@transnet.net) before **12:00 pm on 19 August 2022**. In the interest of fairness and transparency Transnet's response to such a query will then be made available to other bidders.
- 4.2 It is prohibited for Respondents to attempt, either directly or indirectly, to canvass any officer or employee of Transnet in respect of this RFQ between the closing date and the date of the award of the business.
- 4.3 Respondents found to be in collusion with one another will be automatically disqualified and restricted from doing business with organs of state for a specified period.
- 4.4 Respondents may also, at any time after the closing date of the RFQ, communicate with the **Secretariat of the company** on any matter relating to its RFQ response:

Telephone (011) 584 0821

Email: [prudence.nkabinde@transnet.net](mailto:prudence.nkabinde@transnet.net)

## 5 **Legal Compliance**

The successful Respondent shall be in full and complete compliance with any and all applicable national and local laws and regulations.

## 6 **Employment Equity Act**

Respondents must comply with the requirements of the Employment Equity Act 55 of 1998 applicable to it including (but not limited to) Section 53 of the Employment Equity Act.

## 7 **Changes to Quotations**

Changes by the Respondent to its submission will not be considered after the closing date and time.

## 8 **Binding Offer**

Any Quotation furnished pursuant to this Request shall be deemed to be an offer. Any exceptions to this statement must be clearly and specifically indicated.

## 9 Disclaimers

9.1 Respondents are hereby advised that Transnet is not committed to any course of action as a result of its issuance of this RFQ and/or its receipt of a Quotation in response to it. Please note that Transnet reserves the right to:

- modify the RFQ's goods / service(s) and request Respondents to re-bid on any changes;
- reject any Quotation which does not conform to instructions and specifications which are detailed herein;
- disqualify Quotations submitted after the stated submission deadline;
- not necessarily accept the lowest priced Quotation or an alternative bid;
- place an order in connection with this Quotation at any time after the RFQ's closing date;
- award only a portion of the proposed goods which are reflected in the scope of this RFQ;
- split the award of the order/s between more than one Supplier/Service Provider should it at Transnet's discretion be more advantageous in terms of, amongst others, cost or developmental considerations;
- cancel the quotation process;
- validate any information submitted by Respondents in response to this bid. This would include, but is not limited to, requesting the Respondents to provide supporting evidence. By submitting a bid, Respondents hereby irrevocably grant the necessary consent to Transnet to do so;
- request audited financial statements or other documentation for the purposes of a due diligence exercise;
- not accept any changes or purported changes by the Respondent to the bid rates after the closing date and/or after the award of the business, unless the contract specifically provides for it;
- to cancel the contract and/request that National Treasury place the Respondent on its Database of Restricted Suppliers for a period not exceeding 10 years, on the basis that a contract was awarded on the strength of incorrect information furnished by the Respondent or on any other basis recognised in law;

award the business to the next ranked bidder, provided that he/she is still prepared to provide the required Goods/Services at the quoted price, should the preferred bidder fail to sign or commence with the contract within a reasonable period after being requested to do so. Under such circumstances, the validity of the bids of the next ranked bidder(s) will be deemed to remain valid, irrespective of whether the next ranked bidder(s) were issued with a Letter of Regret. Bidders may therefore be requested to advise whether they would still be prepared to provide the required Goods/Services at their quoted price, even after they have been issued with a Letter of Regret.



## 10 Specification/Scope of Work

### A1.1 NATURE OF WORK

The nature of work required pertains to the supply and delivery of g-material to rehabilitate formation at Magaliesburg and Syferbult km 30 and 53 respectively along the railway line.

### A1.2 LOCATION OF SITE AND ACCESS

The material shall be delivered at Syferbult station, km 53 and at Magaliesburg km 30 next to the railway line, GPS coordinates are as shown in the pictures.

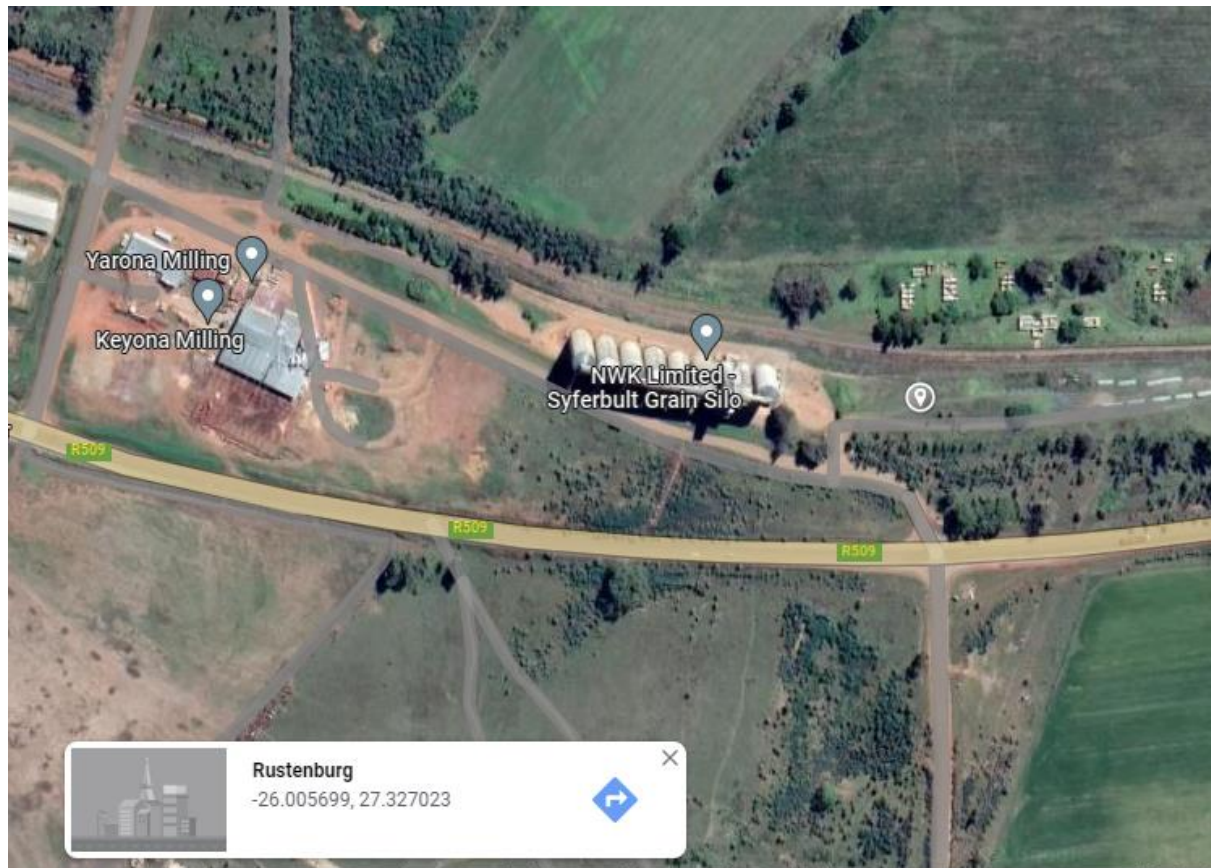
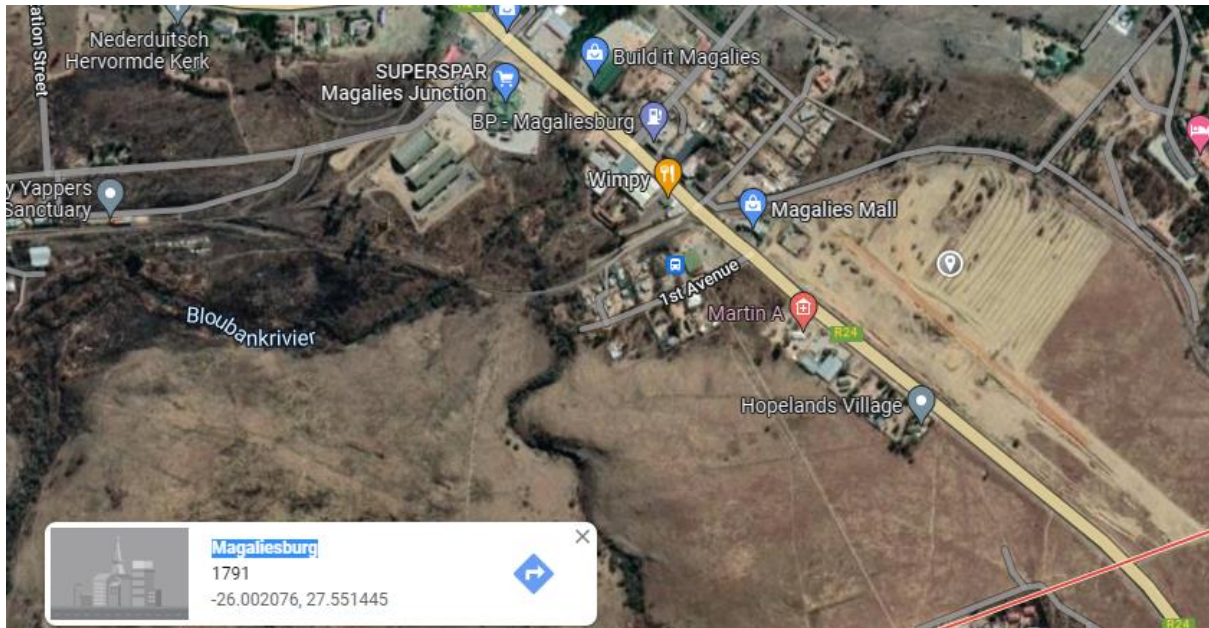


Figure 1 – Aerial view of the Delivery Site.





**Figure 2 – Aerial view of the Delivery Site.**

### **A.1.3. DURATION OF CONTRACT**

The material shall be delivered fully in 5 days.

Transnet Freight Rail reserves the right to cancel the contract if the standard of workmanship and accuracy as specified in the technical specifications of this document is not achieved. Such termination can be done at the sole discretion of the Project Manager and will be done in writing.

### **A2. DEFINITIONS**

For this contract:

Project Manager:	Means the project manager, for the duration of this project, to supervise and take charge of all contractual matters relating to this project.
Contractor :	Means the appointed supplier, for the duration of this project, to provide the toilets.
Technical Officer:	Person appointed to be onsite for the duration of the project to ensure technical compliance.

### **A3. ITEMS TO BE PROVIDED BY TRANSNET FREIGHT RAIL**

- Arrangements with landowners and statutory authorities regarding access and statutory requirements.
- Additional protection of the work sites and personnel as deemed necessary by the Technical Officer.
- Technical Officer on site for the supply of material.

### **A5. ITEMS TO BE PROVIDED BY THE CONTRACTOR**

- Supply all material specified in the bill of quantities, all material should comply with the S410 and S406 specifications.
- Provide a valid material test certificates before delivery of material commences, i.e., material certificates cannot be older than 6 months.
- 1 x Front End loader to clear site and stockpile the material.
- The Contractor must make his own arrangement for accommodation of his staff, if applicable.

## **Document version**

<b>Amendment number</b>	<b>Section amended</b>	<b>Summary of amendments</b>	<b>Date issued</b>
0		Original document	2004/05/01
1	6	Second revision – Figure 2, structural layers for 30t axle loading.	2006/03/01
2	3, 19, 20	Referring to SANS specification instead of SABS in the document.	2016/10/01
3	9.5, 9.7	Activity included in selection of material.	2016/10/01
3	9.91	Significance of initial consumption of lime (ICL) and lime demand included in the design requirement.	2016/10/01
3	13.4.2	Test Material.	2016/10/01
3	18.8	Wearing course requirement.	2016/10/01
4	3	Terminology is referred in terms of SANS 3001 standards and not TMH1 as previously.	2020/03/12
4	4.3	TMH1 test method to SANS 3001-GR30.	2020/03/12
4	4.10	Clarification on the definition of an Engineer	2020/03/12
4	9.4	Sieve size 13.2mm changed to 14mm.	2020/03/12
4	9.9.2.2	TMH1 Method A19 changed to SANS 3001-GR55.	2020/03/12
4	9.10.1	TMH1 Method B2 changed to SANS 3001-AG10.	2020/03/12

## **11 Scope**

This specification covers railway earthworks and service roads as well as other earthworks that may be specified in the project specification. These technical requirements must be used by existing and new suppliers as a guide for their proposal and include the minimum requirements.

This document supersedes all previous Railway earthworks specifications.

## **12 Related documentation**

The following documents are to be used in conjunction with this specification:

- Specification SANS 1200C, SANS 1200D and SANS 1200DN shall apply in addition to this specification unless in conflict herewith.
- All tests and terminology referred to herein are in terms of SANS 3001 standards.

## **13 Definitions**

- 4.1. Catchwater Drain: an open drain to intercept water and to lead it to suitable discharge points.
- 4.2. Catchwater Mound: a mound formed to intercept stormwater.
- 4.3. *Modified AASHTO Density*: the maximum dry density obtained when testing a sample of soil or granular material in accordance with SANS 3001-GR30.
- 4.4. *Non-Cohesive Soil*: a non-plastic material with not less than 93% passing a 4,75mm sieve and not more than 10% passing a 0,075mm sieve.
- 4.5. *Pedogenic Material*: a soil, which has become strongly, cemented e.g. ferricrete, calcrete and silcrete.

- 4.6. *Right-Of-Way*: the strip of land reserved by statute for a railway.
- 4.7. *Service Road*: a road alongside the railway line for maintenance purposes.
- 4.8. *Table Drain*: a shallow drain on the side of the formation to carry surface water.
- 4.9. *Activity*: the degree of the clay size fraction of the soil expressed as the ratio of the plasticity index of the whole sample to the percentage of clay size particles of the whole sample in the soil.
- 4.10. *Engineer*: Professionally registered person under either category of registration; Professional Engineer, Professional Engineering Technologist and Professional Engineering Technician and also having education, training and experience within sub-discipline geotechnical engineering and or pavement engineering according to the rules of conduct for registered persons, under Act No. 46 of 2000.

## **14 Background**

Earthworks material of good quality, engineering properties including strength and long term durability has been used by Transnet during rehabilitation and design of newly built track sections for safe passage of trains and reduction in maintenance.

The engineering selection of the railway formation material according to Railway Earthworks classification has been developed based on theoretical and empirical evaluation and analysis over the years. With the aim of the formation and the subgrade to optimally performs its function of safe superstructure bearing capacity support under all harsh conditions including resilient loading, resistance to ingress of moisture, chemical weathering due to increasing axle loading and should be readily available or sourced from natural material resource.

## **15 Order of work**

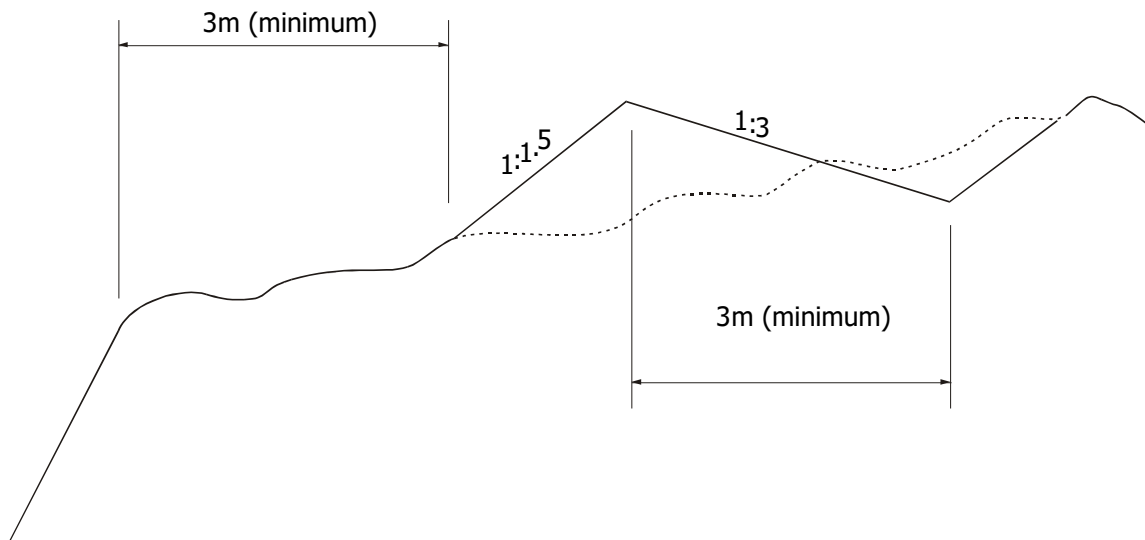
- 6.1. The Contractor shall carry out the work in the order specified, or as directed by the Engineer.

## **16 Drainage**

- 7.1. The prevailing drainage pattern and flow of water shall be maintained but, if temporarily altered, the original conditions shall be restored.

## **17 Table drains, catchwater drains and mounds**

- 8.1. Table drains shall be constructed true to line and level along the length of all cuttings on both sides of the formation and elsewhere if ordered, to dimensions specified.
- 8.2. Catchwater drains shall be constructed to dimensions and levels as specified. Material excavated shall be deposited on the low side of the drain to form a catch-water mound.
- 8.3. Where the crossfall at right angles to the track does not generally exceed 1 in 6, and unless otherwise directed by the Engineer, a catch-water drain and mound shall be formed by cutting at a slope of 1 in 3 against the natural slope as indicated in Figure 1.

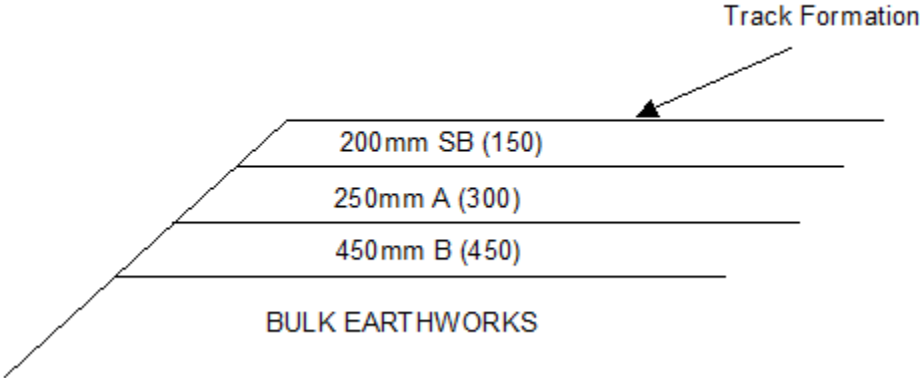


**Figure 1: Catchwater drain geometry**

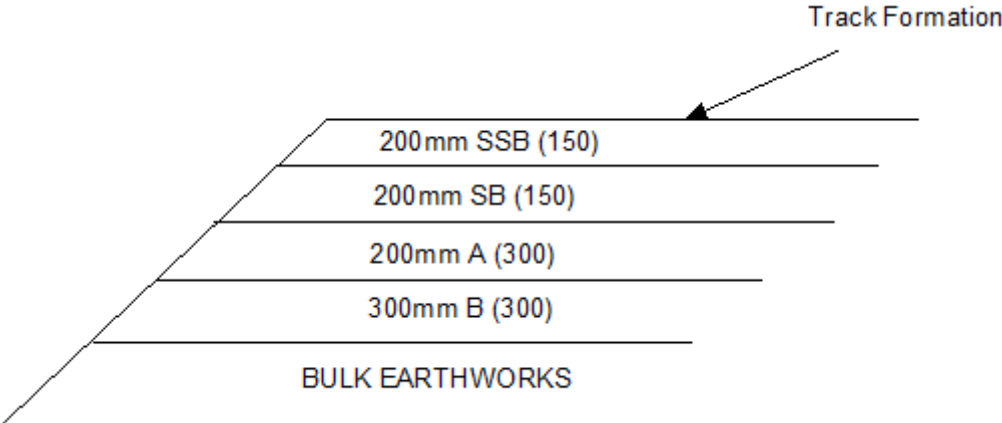
- 8.4. Where the ground conditions are such that the economic excavation of a drain is not possible, a catchwater mound 3m at a slope of 1 in 3 on the waterside shall be constructed of top soil or other selected material.
- 8.5. Catchwater mounds and drains shall be not closer that 3m from the top edges of cuttings or toes of fills and shall be completed as soon as possible to encourage the growth of vegetation transported with the material.

## **18 Properties and classification of materials for placing purposes**

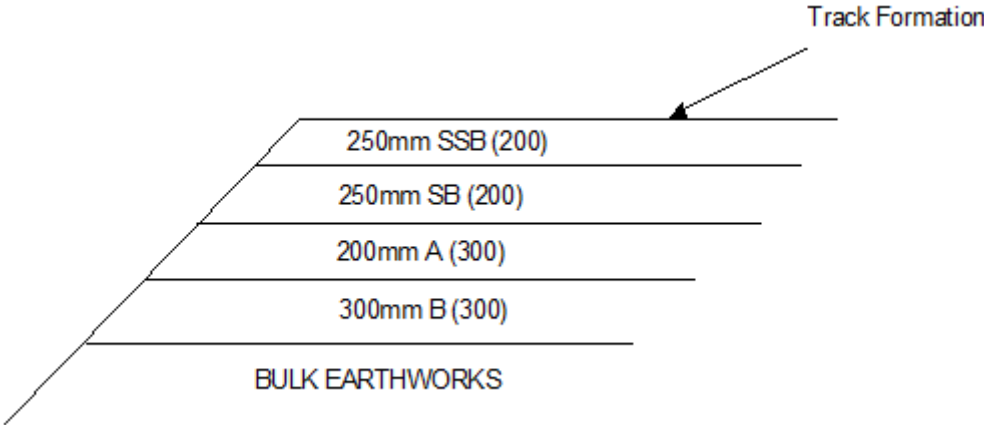
- 9.1. Material that consists of soil with rock not larger than two-thirds of the loose layer thickness is classified as soil. All other material is classified as rock.
- 9.2. Rock shall not be used within 900mm of the formation except with the permission of the Engineer.
- 9.3. The properties of the soil in the bulk earthworks and in the structural layers indicated in Figure 2 shall, subject to the requirements of 9.5 to 9.9, be as shown in Table 1.
- 9.4. Stabilisation of the sub-ballast Layers shall be performed only when suitable natural soils is not available and when directed by the Engineer.



**2.1 Structural layers for 20t axle loading**



**2.2 Structural layers for 26t axle loading**



### 2.3 Structural layers for 30t axle loading

- Notes: 1. Dimensions in brackets apply when layers SB and SSB are stabilised.  
2. Table 1 gives material properties, compaction and strength required.

**Figure 2: Structural layers between bulk earthworks and formation**

**Table 1: Material properties for earthworks construction**

L A Y E R		MATERIAL PROPERTIES									Minimum compaction % of modified AASHTO Density	Minimum strength after compaction CBR
		SAR Index	Min. Grading Modulus	% BY MASS PASSING SIEVE (sieve size in mm)					PI	Max. CBR Swell %		
				75	14.0	2.0	0.425	0.075				
S U B L A Y E R	SSB	<50	2.0	100	60-85	20-50	10-30	5-15	3-10	0.5	98	60 (o) (1.5-3 MPa)
	SB	<80	1.8	100	70-100	20-60	10-40	5-20	3-10	0.5	95	+ 30 (o) (1.5-3 MPa)
A		<110	1.0					<40	<12		95 100*	20
B		<155	0.5					<70	<17		93 98*	10
Bulk earth works									<25	2	90 95*	5
<p>* These densities apply to non-cohesive soils</p> <p><b>(o)</b> Strengths in brackets apply in place of CBR values where sub-ballast is stabilised</p> <p><b>+</b> Increase to 45 in the absence of Layer SSB unless otherwise specified (Increase not normally required in dry areas.)</p> <p><b>Note:-</b> See Appendix A for comparable road materials. The classifications shown may be used by the Contractor at his discretion when preparing preliminary assessments of availability of materials for use in the listed layers.</p>												

#### 9.5. In Table 1

9.5.1. The SAR Index is the sum of the Liquid Limit, the Plastic Limit and the percentage passing the 0,075mm sieve, expressed as a number (the sum of Liquid Limit and Plastic Limit shall be taken as 45 if tests for these limits cannot be performed by virtue of the nature of the material);

9.5.2. The grading modulus is the sum of the cumulative percentages of material retained on the 2.00; 0.425 and 0.075mm sieves divided by 100;

9.5.3. The maximum CBR swell is determined at 100% of modified AASHTO density;

9.5.4. The strength after compaction of stabilised layers is the unconfined compressive strength (UCS) determined when applying the curing times and methods as shown in Table 2;

9.5.5. Activity of the formation material SSB, SB, A and B layers should always be less than 1.2.

**Table 2: Recommended stabilising procedures**

<b>Stabilising Agent</b>	<b>Type of Cure</b>	<b>Curing time</b>	<b>Reference</b>
Cement or cement/slag	Normal	7 d	TMH1 method A14
Lime or lime/slag	Accelerated	48 h	Appendix C of M5, except that curing temperatures shall be 50°C

9.6. For bulk earthworks, the severity of the material in terms of collapse potential and dispersiveness should be evaluated where material is to be utilised in embankments. Problematic materials in terms of collapse potential and dispersiveness should be avoided at all costs.

9.7. For bulk earthworks, where material has activity greater than 1.2 and CBR less than 5%, undercut or insertion of appropriate geotextile for separation, reinforcement and control of change in moisture content should be done and approved by the Engineer.

9.8. Where pedogenic materials are used and accepted as such by the Engineer, the requirements given in Table 1 are modified as follows to allow for their anomalous behaviour.

9.8.1. The SAR Index and grading modulus requirements shall not apply.

9.8.2. The maximum passing the 0,075mm sieve for sub-ballast is increased to 25%.

9.8.3. The maximum PI for all materials is increased by 25%.

9.8.4. The compaction and CBR requirements remain unaltered.

9.9. Where the sub-ballast layers are stabilised, the requirements given in Table 1 are modified as follows: -

9.9.1. For Material to be stabilised: -

9.9.1.1. The SAR Index, minimum grading modulus, PI and maximum CBR swell requirements shall not apply.

9.9.1.2. If the stabilising agent is cement, the upper limit of the percentage by mass passing the 0.075mm sieve is increased to 25

9.9.1.3. In earthworks for 26t axle loads, the minimum grading modulus and grain size distribution requirements for the Layer SB material may be as given for Layers A material provided that the percentage by mass passing the 0.075mm sieve does not exceed 30

9.9.1.4. In all cases the initial consumption of lime (ICL) should be met first before initiation for stabilisation or modification of the material.

9.9.2. For stabilised material: -

9.9.2.1. The PI after stabilisation shall not exceed 6.

9.9.2.2. After compaction to the specified in situ density, the percentage loss shall not exceed 14 when tested in accordance with SANS 3001-GR55. Samples of the Layers SB material shall be brushed only



after the final cycle.

9.10. Where used without stabilisation in the sub-ballast layers, all rock, and especially residual

fine-grained sedimentary rock material shall comply with the following 10% FACT requirements when

tested in accordance with SANS 3001-AG10:-

9.10.1. Minimum crushing strength of dry material	110kN
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9.10.2. Minimum ratio of the crushing strengths of wet (24 h soaking) to dry material.	75%
--	-----

## **19 Placing of materials**

10.1. Structural Layers shall be placed to the dimensions in Fig.2 except that in cuttings or shallow fills.

Layers other than the top structural layer or portions thereof shall be omitted if the in situ material complies with the requirements specified for the omitted material, subject to confirmation by the Engineer.

10.2. The top structural layer shall be constructed in every case.

10.3. In hard cuttings, where excavation to the underside of the sub-ballast Layer within the tolerances

specified in 16 is not possible, the cutting shall be over-excavated, backfilled and compacted to

the underside of that Layer with material complying with the requirements for the Layer immediately below.

If any sub-ballast Layer(s) has (have) to be stabilised, the overexcavation and backfilling shall be done to

the underside of the lowest stabilised Layer.

## **20 Compaction**

11.1. The standard of compaction shall be as shown in Table 1. The contractor shall be solely responsible for attaining the minimum densities and strengths specified. In addition to the tests referred to in 10.4.1 and 10.4.2, the Contractor shall make use of the dynamic cone penetrometer as often as may be necessary to ensure that a uniformly high standard of compaction is achieved.

11.2. Irrespective of density requirements, each Layer shall be rolled at optimum moisture content with a minimum of 3 passes of a suitable roller.

11.3. Acceptable in situ material below undercuts and at the base of fills shall be compacted to the

density specified for the relevant Layer to a depth of 150mm.

## **21 Stabilisation**

- 12.1. Stabilisation shall be in accordance with specification S413 using approved equipment to produce thorough and uniform mixing to the full depth of each Layer.
- 12.2. Mix designs shall be submitted for approval by the Engineer prior to commencement of construction.
- 12.3. If required by the Engineer, samples of the material to be stabilised and the proposed stabilising agents shall be submitted together with the mix design.
- 12.4. Trail strips shall be laid for approval of the Engineer before work on stabilised Layers proceeds.
- 12.5. Payment will be made for approved final strips forming part of the Works.

## **22 Test Materials**

### **13.1. General**

- 13.1.1. The contractor shall erect field laboratories as necessary for testing materials and determining standards of compaction. The equipment provided by the Contractor shall be adequate for all the necessary tests in accordance with the procedures laid down in SANS 3001.
- 13.1.2. The Contractor shall provide full-time competent staff to carry out the tests, and shall maintain a record, in approved form, of all tests carried out. Copies of such records shall be submitted to the Engineer within 2 working days of completion of each test.
- 13.1.3. The costs of carrying out all tests except check tests ordered by the Engineer, shall be borne by the Contractor and shall be included in the scheduled rates for earthworks.

### **13.2. Check tests**

- 13.2.1. The Engineer may order check tests to confirm the Contractor's test results, which determine material classification or standard of compaction. These check tests shall be undertaken by the Contractor under conditions decided by the Engineer.

### **13.3. Material properties**

- 13.3.1. Although Transnet may supply information concerning the classification of the soil likely to be encountered during the course of the contract, the onus nevertheless rests on the Contractor to carry out, as the work proceeds, such tests as are necessary to ensure that the soils used are in accordance with the standards specified.

### **13.4. Control Tests**

- 13.4.1. The standard of compaction shall be established by field density determination using the sand replacement method. Nuclear instruments for control of density and moisture content will be permitted, provided that:-
  - 13.4.1.1. only instruments approved by the Engineer are used;

- 13.4.1.2. the instruments are in a state of proper calibration and wet density bias is not introduced;
- 13.4.1.3. the dry density as determined by the use of the instrument does not vary by more than 3% from that determined by the sand replacement method;
- 13.4.1.4. the equipment for field density tests by the sand replacement method is available on the site at all times.
- 13.4.2. Unless otherwise permitted by the Engineer, the number of tests performed by the Contractor to determine compliance with the requirements in Table 1 shall be:-
  - 13.4.2.1. at least two set of test to determine the material properties for every 5000m<sup>2</sup> of completed layer below the sub-ballast layer and at least two set of tests per 2000m<sup>2</sup> of completed sub-ballast layer;
  - 13.4.2.2. at least 3 density test per completed layer for each day's production, subject to a minimum of one test for every 1000m<sup>2</sup> of completed layer;
  - 13.4.2.3. at least 2 CBR test per 5000m<sup>2</sup> of completed sub-ballast layer, A layer, B layer and bulk earthworks layer.

## **23 Off-tracking platforms**

- 14.1. Off tracking platforms for ballast tamping machines shall be constructed at the sites indicated and to the dimensions and levels specified.
- 14.2. The platforms shall be constructed to the same standards as those of the adjacent earthworks except that layer A material compacted to not less than 95% of modified AASHTO density, shall be used in place of layer SB and SBB.

## **24 Stream Diversions Inlets and outlets of bridges and culverts**

- 15.1. The Contractor shall construct the earthworks for stream diversions and for inlets and outlets of bridges and culverts to the lines and levels specified.

## **25 Haul Roads**

- 16.1. The Contractor shall construct and maintain all haul roads necessary for the execution of the works.
- 16.2. Where the route has been designated by the Engineer, the Contractor shall follow such route.

## **26 Haulage**

- 17.1. Where the Contractor, at his own request, is permitted by the Engineer to undertake the work in order other than specified, overhaul and free haul will be calculated as though the work was

performed in accordance with the specified order of work.

## **27 Service Roads**

18.1. The Contractor shall construct a service road as shown on the drawings.

18.2. The road shall be suitable for an unloaded 7-ton flat truck to travel with reasonable ease and safety at a speed of 25 km/h.

18.3. The road shall be graded and handed over in good order on completion of the contract.

18.4. The following geometric standards shall apply:

18.4.1. Minimum width : 4m

18.4.2. Cross fall : 1 in 15 to 1 in 40

18.4.3. Maximum local depressions : 50mm and bumps

18.5. In all cases, effective drainage of the road shall be provided to prevent ponding. Unless otherwise specified, the cross fall shall be in a direction away from the earthworks.

18.6. The road shall have a foundation layer consisting of a 300mm thick layer B over bulk earthworks, both constructed to comply with §9.

18.7. Where specified, a wearing course, complying with the following, shall be provided over the foundation layer:

18.7.1. Thickness (minimum) : 150mm

18.7.2. Percentage by mass passing : 10 to 40mm the 0.075mm sieve

18.7.3. PI : 8 – 17

18.7.4. Compaction (minimum) : 93% of modified AASHTO density

18.7.5. Minimum CBR after 15 Compaction (minimum) :

18.8. Wearing course shall comply with the requirement of TRH 20, Table 1 in terms of the maximum aggregate size, grading coefficient and the shrinkage product.

## **28 Tolerances**

19.1. Permissible deviations of the finished work shall be as listed in SANS 1200 DN for Degree of accuracy II with the exception of the formation level for which a deviation of + 20mm shall apply. In addition, the plans of the formation when tested with a 3m straightedge shall have no deviation exceeding 20mm, subject to adjustment as necessary for vertical curves.

19.2. The tolerances on the thickness of the layers specified in Table 1 shall be + 20mm for each of the sub-ballast layers SSB and SB and + 50mm for each of the layers A and B. The permissible deviation of the finished level of

the bulk earthworks immediately below layer B shall be + 100mm.

19.3. Permissible deviations of moisture content during compaction and of density obtained after compaction shall be as listed in SANS 1200D for Degree of Accuracy II.

## **29 Measurement and Payment**

20.1. Measurement and payment for earthworks will be as specified in SANS 1200D and SANS 1200 DN

except for the following: -

20.1.1. Excavation and stockpiling of topsoil will be measured in cubic metres in cut computed from depths directed by the Engineer.

20.1.2. Over-excavation, backfilling and compaction described in 10.3 will be measured in square meters of surface treated. Scheduled rates shall include the cost of removal of the non-excavated material to fill or spoil; the provision of suitable backfill material and compaction and finishing within the specified tolerances.

20.1.3. Check tests will be measured by the number of tests confirming the Contractor's results. Scheduled rates shall include the cost of all labour equipment and consumable required to undertake each test.

20.2. The service road will be measured in square meters to the neat dimensions specified. Scheduled rates shall include the cost of forming, shaping and compacting. Cuts and fills exceeding 200mm in depth to form the foundation layer will be paid for separately.

### 30 APPENDIX A

#### COMPARABLE ROAD MATERIALS

*This information is provided as a guide only*

Layer	CBR Range	Unified	AASHTO
SSB	>60	GW	A-1-a
		GC	A-1-b
SB	30 - 60	GP	A-2-4
		GH	
		SW	
A	20 - 30	SC	A-2-5
		SP SM	A-3
B	10 - 20	HL	A-2-6
		CI	A-2-7
		CL	A-4
			A-5
			A-6

1. **GENERAL**

- 1.1 Stone for road pavement layers, concrete and ballast shall comply with SABS 1083 (latest revision). In addition, concrete and ballast stone shall comply with the requirements specified hereinafter. Acceptance of the stone shall also depend on a full petrographic analysis to identify any microfissuring, weaknesses and/or the presence of undesirable minerals that could lead to early degradation.

2. **CONCRETE STONE**

- 2.1 In the soundness test described in Appendix A, the loss in mass shall not exceed 5% after 10 cycles of the tests.
- 2.2 The Los Angeles abrasion value, determined in accordance with ASTM C 131 89 grading B, shall not exceed 30% for concrete subject to abrasion and 35% for any other concrete.
- 2.3 The relative density shall not be less than 2.5 or more than 3.1.

3. **BALLAST STONE**

- 3.1 In the soundness test described in *Appendix A*, the loss in mass shall not exceed 5% after 20 cycles of the test.
- 3.2 No doleritic stone shall be found to be broken when conducting the durability test described in *Appendix B*.
- 3.3 The Los Angeles abrasion value determined in accordance with ASTM C 131 - 89 grading B, shall not exceed 22%.
- 3.4 The plasticity index on the fines developed from the Los Angeles abrasion test shall be less than 6.
- 3.5 Flakiness index, measured in accordance with SABS 1083 (latest revision) shall not exceed 30%.
- 3.6 Voids measured in accordance with SABS 1083 (latest revision) shall not be less than 40%.
- 3.7 The relative density shall not be less than 2.5.



3.8 Grading shall comply with the following:  
**For ordinary lines ( N1, N2& N3 )**

Nominal aperture size of sieve mm	% by mass passing
63.0	100
53.0	90-100
37.5	40-70
26.5	10-30
19.0	0-5
13.2	0-1

**For heavy axle lines ( S1, )**

Nominal aperture size of sieve mm	% by mass passing
73.0	100
63.0	90-100
53.0	40-70
37.5	10-30
26.5	0-5
19.0	0-1
13.2	0

3.9 The Mill Abrasion value, determined according to test procedure described in *Appendix C*, shall not exceed 7%.

SPEC174.HC

## TRANSNET LIMITED

S406

### SPECIFICATION FOR STONE

#### APPENDIX A

#### TEST FOR SOUNDNESS OF STONE (SODIUM SULPHATE METHOD)

##### A1 TEST SOLUTION

Prepare a saturated solution of anhydrous Na SO or crystalline Na SO. 10H O is distilled or demineralised water between 33 °C and 35 °C. Use sufficient of the salt to give excess crystals after thorough stirring. Cool to between 22 °C and 24 °C and keep at this temperature for at least 16 h. Stir thoroughly before use.

##### A2 PREPARATION OF TEST SPECIMEN

From a representative sample of stone take a random specimen of at least 500 g passing a 19 mm and retained on a 13,2 mm sieve. Wash the specimen to remove all adhering material. Dry at 105 °C in a well ventilated oven and determine the mass after cooling. Continue drying until the decrease in mass after each of 2 successive drying periods of 4 h does not exceed 0,1 % of the total mass. Let this mass be M1.

##### A3 PROCEDURE

A3.1 Place the specimen in a porcelain dish and cover fully with test solution between 20 °C and 25 °C for 7 h. Decant the solution taking care that no stone is lost.

A3.2 Dry the specimen for 15 h at 105 °C. Allow the specimen to cool for 2 h. This completes one cycle of the soundness test.

A2.3 Repeat the cycle described in A3.1 and A3.2 as often as specified. After every fifth cycle, wash the specimen on a 1,70 mm sieve with hot water until no crystalline sodium sulphate is visible and continue the test with material retained on a 1,70 mm sieve.

A3.4 After completion of the final cycle, wash the specimen in hot water until the washings are free of sodium sulphate. Dry the specimen to constant mass and screen on a 1,70 mm sieve. Let the mass retained on the sieve be M2.

##### A4. LOSS

Calculate the percentage loss in mass from the formula.

$$\frac{(M1 - M2) \times 100\%}{M1}$$

## *APPENDIX B*

### **DURABILITY TEST FOR BALLAST STONE**

#### **B1. Preparation of test specimens**

From a representative sample of ballast stone take at random 100 stones passing a 53.0 mm and retained on a 26.5 mm sieve. Wash the stones to remove all adhering material. Dry the stones at 105°C in a well ventilated oven and determine the mass after cooling. Continue drying until the decrease in mass after each of 2 successive drying periods of 4 h does not exceed 0.1% of the total mass.

#### **B2. Procedure**

Place the 100 stones in a suitable container and cover with ethylene glycol between 18° and 25°C for 20 days. Determine the number of stones that have broken, or can be broken by hand.

## *APPENDIX C*

### **Mill abrasion test**

#### **1. Test method**

- 1.1 Prepare a test sample of the ballast under test, consisting of 1.5 kg each of the following two particle sizes:

<37.5 mm >26.5 mm and <26.5 mm >19 mm.

The particles shall be washed and oven-dried to a constant weight before it is weighed and tested.

( $W_o$  = the total weight of sample)

- 1.2 Place the sample in the porcelain mill pot and add 3 litres of distilled water. Ensure that the cork washer is correctly in position before tightening the lid securely.

- 1.3 The mill pot is placed in a horizontal position on the two rollers of the test apparatus with the lid on the side of the electric motor in order that the counter's sensor is activated with each revolution of the mill pot.
- 1.4 The mill pot shall be rotated at 33 r.p.m. for a total of 10 000 revolutions.
- 1.5 The sample shall then be wash-sieved through a 9.5 mm sieve placed on top of a 0.075 mm sieve and then oven-dried to a constant weight.
- 1.6 Record the dry mass of the material on the sieves:  
  
W1 = mass of material on 9.5 mm sieve.  
  
W2 = mass of material on 0.075 mm sieve

2. Evaluation method

Calculate the following abrasion value:

$$MA = \frac{W_0 - W_1 - W_2}{W_0} * 100 = \text{Mill Abrasion value.}$$

### 31 Legal review

A Proposal submitted by a Respondent will be subjected to review and acceptance or rejection of its proposed contractual terms and conditions by Transnet's Legal Counsel, prior to consideration for an award of business.

### 32 Security clearance

Acceptance of this bid could be subject to the condition that the Successful Respondent, its personnel providing the goods and its subcontractor(s) must obtain security clearance from the appropriate authorities to the level of CONFIDENTIAL/ SECRET/TOP SECRET. Obtaining the required clearance is the responsibility of the Successful Respondent. Acceptance of the bid is also subject to the condition that the Successful Respondent will implement all such security measures as the safe performance of the contract may require.

### 33 National Treasury's Central Supplier Database

Respondents are required to self-register on National Treasury's Central Supplier Database (CSD) which has been established to centrally administer supplier information for all organs of state and facilitate the verification of certain key supplier information. Transnet is required to ensure that price quotations are invited and accepted from prospective bidders listed on the CSD. Business may not be awarded to a respondent who has failed to register on the CSD. Only foreign suppliers with no local registered entity need not register on the CSD. The CSD can be accessed at <https://secure.csd.gov.za/>.

**For this purpose, the attached SBD 1 form must be completed and submitted as a mandatory returnable document by the closing date and time of the bid.**

### 34 Tax Compliance

Respondents must be compliant when submitting a proposal to Transnet and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).

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

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

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.

**Transnet urges its clients, suppliers and the general public to report any fraud or corruption to**

**TIP-OFFS ANONYMOUS:**



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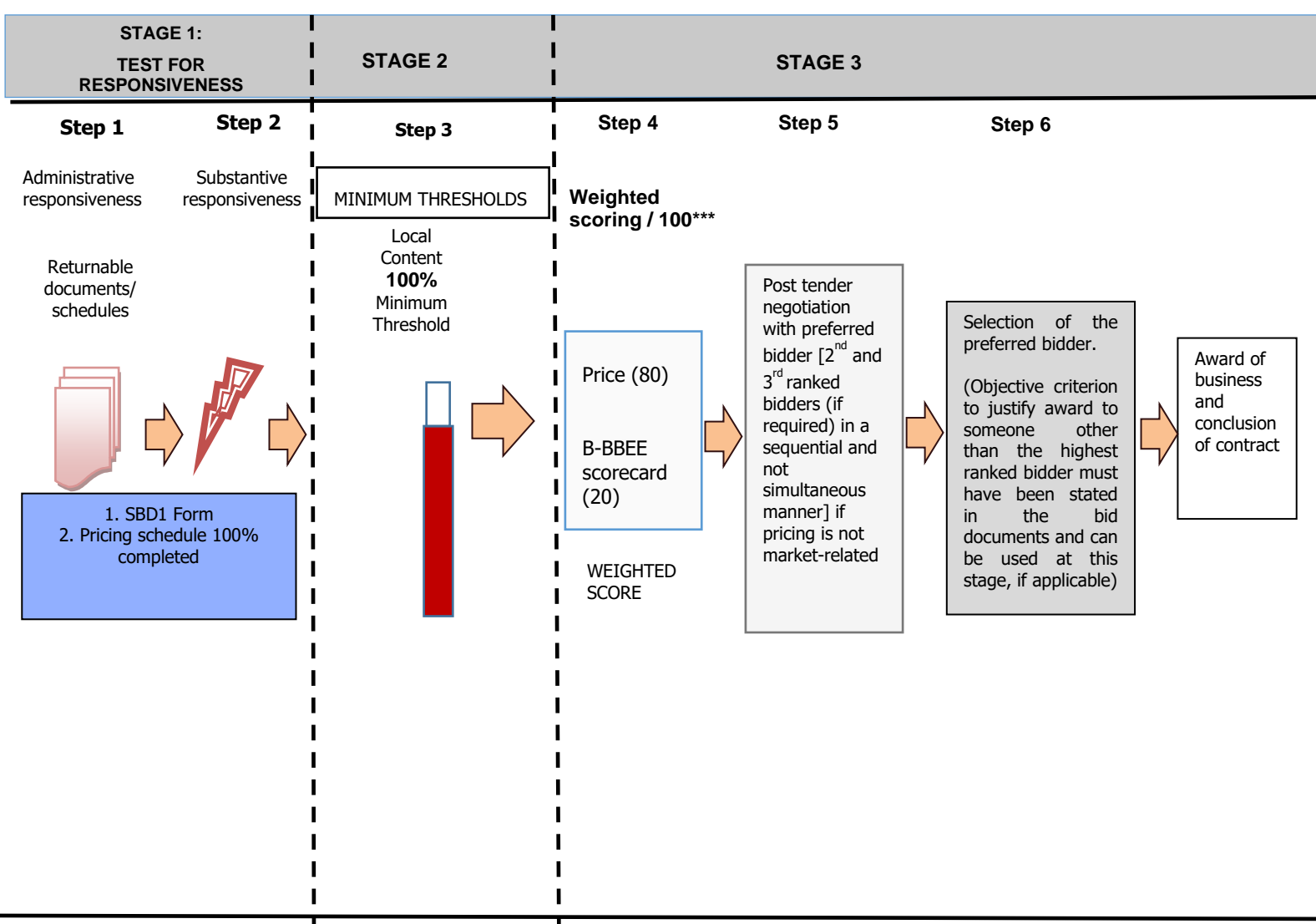
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## SECTION 3

### EVALUATION METHODOLOGY, CRITERIA AND RETURNABLE DOCUMENTS

#### 1 Evaluation Criteria

Transnet will utilise the following methodology and criteria in selecting a preferred Supplier:



##### 1.1 STEP ONE: Test for Administrative Responsiveness

The test for administrative responsiveness will include the following:

Administrative responsiveness check	RFQ Reference
<ul style="list-style-type: none"> <li>Whether the Bid has been lodged on time</li> </ul>	
<ul style="list-style-type: none"> <li>Whether all Returnable Documents and/or schedules [where applicable] were completed and returned by the closing date and time</li> </ul>	Section 3
<ul style="list-style-type: none"> <li>Verify the validity of all returnable documents</li> </ul>	Section 3
<ul style="list-style-type: none"> <li>Verify if the Bid document has been duly signed by the authorised respondent</li> </ul>	All sections

***The test for administrative responsiveness [Step One] must be passed for a Respondent's Proposal to progress to Step Two for further pre-qualification***

## 1.2 STEP TWO: Test for Substantive Responsiveness to RFQ

The test for substantive responsiveness to this RFQ will include the following:

Check for substantive responsiveness	RFQ Reference
<ul style="list-style-type: none"> <li>Whether any general pre-qualification criteria set by Transnet, have been met</li> </ul>	<i>All sections including: Section 2 paragraphs 2.2, 4</i>
<ul style="list-style-type: none"> <li>Whether the Bid contains a priced offer – price schedule must be fully completed 100% on all items.</li> </ul>	<i>Section 4 - Quotation Form</i>
<ul style="list-style-type: none"> <li>SBD1 Form must be fully completed 100%.</li> </ul>	

***The test for substantive responsiveness [Step Two] must be passed for a Respondent's proposal to progress to Step Three for further evaluation***

## 1.3 STEP THREE: Minimum Threshold of 100% for Local Content

Local Production and Content Threshold	RFQ REFERENCE
<ul style="list-style-type: none"> <li>A minimum threshold of <b>100%</b> is required for Local Content of Goods offered</li> </ul>	<i>Section 2, paragraph 3 Annexures B and C</i>

***The test for meeting the Local Content threshold [Step Three] must be passed for a Respondent's proposal to progress to Step Four for further evaluation***

- Respondents are to note that Transnet will not round off final Local Content scores for the purposes of determining whether the Local Content threshold has been met.
- A bid that fails to meet the minimum stipulated threshold for local production and content will be regarded as an unacceptable bid.

The test for the Technical and Functional threshold will include the following:

Respondents are to note that Transnet will round off final technical scores to the nearest 2 (two) decimal places for the purposes of determining whether the technical threshold has been met.

***The minimum threshold for technical/functionality [Step Three] must be met or exceeded for a Respondent's Proposal to progress to Step Four for final evaluation***

## 1.4 STEP FOUR: Evaluation and Final Weighted Scoring

a) **Price and TCO Criteria** [Weighted score 80 points]:

Evaluation Criteria	RFQ Reference
<ul style="list-style-type: none"> <li>Commercial offer</li> </ul>	<i>Section 4</i>



Transnet will utilise the following formula in its evaluation of Price:

$$PS = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where:

- $Ps$  = Score for the Bid under consideration  
 $Pt$  = Price of Bid under consideration  
 $Pmin$  = Price of lowest acceptable Bid

b) **Broad-Based Black Economic Empowerment criteria** [Weighted score 20 points]

- B-BBEE - current scorecard / B-BBEE Preference Points Claims Form
- Preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table indicated in Section 4.1 of the B-BBEE Preference Points Claim Form.

**1.5 STEP SIX: Post Tender Negotiations (if applicable)**

- Respondents are to note that Transnet may not award a contract if the price offered is not market-related. In this regard, Transnet reserves the right to engage in PTN with the view to achieving a market-related price or to cancel the tender. Negotiations will be done in a sequential manner i.e.:
  - first negotiate with the highest ranked bidder or cancel the bid, should such negotiations fail,
  - negotiate with the 2nd and 3rd ranked bidders (if required) in a sequential manner.
- In the event of any Respondent being notified of such short-listed/preferred bidder status, his/her bid, as well as any subsequent negotiated best and final offers (BAFO), will automatically be deemed to remain valid during the negotiation period and until the ultimate award of business.
- Should Transnet conduct post tender negotiations, Respondents will be requested to provide their best and final offers to Transnet based on such negotiations. Where a market related price has been achieved through negotiation, the contract will be awarded to the successful Respondent(s).

**1.6 STEP SEVEN: Objective Criteria (if applicable)**

Transnet reserves the right to award the business to the highest scoring bidder/s unless objective criteria justify the award to another bidder. The objective criteria Transnet may apply in this bid process include:

**1.7 STEP EIGHT: Award of business and conclusion of contract**

- Immediately after approval to award the contract has been received, the successful or preferred bidder(s) will be informed of the acceptance of his/their Quotation by way of a Letter of Award. Thereafter the final contract will be concluded with the successful Respondent(s).
- Otherwise, a final contract will be concluded and entered into with the successful Bidder at the acceptance of a letter of award by the Respondent.

**2 Validity Period**

Transnet requires a validity period of **90 [Ninety]** Business Days from the closing date of this RFQ, excluding the first day and including the last day.

Bidders are to note that they may be requested to extend the validity period of their bid, on the same terms and conditions, if the internal evaluation process has not been finalised within the validity period. However,

once the adjudication body has approved the process and award of the business to the successful bidder(s), the validity of the successful bidder(s)' bid will be deemed to remain valid until a final contract has been concluded.

### 3 Disclosure of contract information

#### Prices Quoted

Respondents are to note that, on award of business, Transnet is required to publish the tendered prices and preferences claimed of the successful and unsuccessful Respondents *inter alia* on the National Treasury e-Tender Publication Portal, ([www.etenders.gov.za](http://www.etenders.gov.za)), as required per National Treasury Instruction Note 01 of 2015/2016. **[This is not applicable if RFQ was not advertised on National Treasury e-Tender Publication Portal]**

#### Johannesburg Stock Exchange Debt Listing Requirements

Transnet may also be required to disclose information relating to the subsequent contract i.e. the name of the company, goods/services provided by the company, the value and duration of the contract, etc. in compliance with the Johannesburg Stock Exchange (JSE) Debt Listing Requirements.

#### Domestic Prominent Influential Persons (DPPI) OR Foreign Prominent Public Officials (FPPO)

Transnet is free to procure the services of any person within or outside the Republic of South Africa in accordance with applicable legislation. Transnet shall not conduct or conclude business transactions, with any Respondents without having:

- Considered relevant governance protocols;
- Determined the DPPI or FPPO status of that counterparty; and
- Conducted a risk assessment and due diligence to assess the potential risks that may be posed by the business relationship.

As per the Transnet Domestic Prominent Influential Persons (DPPI) and Foreign Prominent Public Officials (FPPO) and Related Individuals Policy available on Transnet website <https://www.transnet.net/search/pages/results.aspx?k=FPIDP#k=DPPI>, Respondents are required to disclose any commercial relationship with a DPPI or FPPO (as defined in the Policy) by completing the following section:

The below form contains personal information as defined in the Protection of Personal Information Act, 2013 (the "Act"). By completing the form, the signatory consents to the processing of her/his personal information in accordance with the requirements of the Act. Consent cannot unreasonably be withheld.						
<b>Is the Respondent</b> (Complete with a "Yes" or "No")						
<b>A DPPI/FPPO</b>		<b>Closely Related to a DPPI/FPPO</b>		<b>Closely Associated to a DPPI/FPPO</b>		
<b>List all known business interests, in which a DPPI/FPPO may have a direct/indirect interest or significant participation or involvement.</b>						
No	Name of Entity / Business	Role in the Entity / Business (Nature of interest/ Participation)	Shareholding %	Registration Number	Status (Mark the applicable option with an X)	
					<b>Active</b>	<b>Non-Active</b>

1						
2						
3						

Respondents declaring a commercial relationship with a DPIIP or FPPO are to note that Transnet is required to annually publish on its website a list of all business contracts entered into with DPIIP or FPPO. This list will include successful Respondents, if applicable.

#### 4 Returnable Documents

**Returnable Documents** means all the documents, Sections and Annexures, as listed in the tables below. There are three types of returnable documents as indicated below and Respondents are urged to ensure that these documents are returned with their bids based on the consequences of non-submission as indicated below:

Mandatory Returnable Documents	<b><i>Failure to provide all these Mandatory Returnable Documents at the Closing Date and time of this RFQ <u>will</u> result in a Respondent's disqualification.</i></b>
Returnable Documents Used for Scoring	<b><i>Failure to provide all Returnable Documents used for purposes of scoring a bid, by the closing date and time of this bid will not result in a Respondent's disqualification. However, Bidders will receive an automatic score of zero for the applicable evaluation criterion.</i></b>
Essential Returnable Documents	<b><i>Failure to provide essential Returnable Documents <u>will</u> result in Transnet affording Respondents a further opportunity to submit by a set deadline. Should a Respondent thereafter fail to submit the requested documents, this may result in a Respondent's disqualification.</i></b>

**All Returnable Sections, as indicated in the header and footer of the relevant pages, must be signed, stamped and dated by the Respondent.**

##### a) Mandatory Returnable Documents

Respondents are required to submit with their bid submissions the following **Mandatory Returnable Documents**, and also to confirm submission of these documents by so indicating [Yes or No] in the tables below:

<b>MANDATORY RETURNABLE DOCUMENTS</b>	<b>SUBMITTED [Yes/No]</b>
SECTION 1: SBD1 Form	
SECTION 4: Quotation Form – price schedule must be fully completed 100% on all items.	
ANNEXURE B – Declaration Certificate for Local Production and Content [SBD6.2] (SBD6.2 must be completed and submitted even if a complete Local Content exemption letter from DTI has been obtained)	

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
ANNEXURE C – Local Content Declaration: Summary Schedule (Annexure C must be completed and submitted even if a complete Local Content exemption letter from DTI has been obtained)	
A Local Content exemption letter from DTI (where applicable)	

**b) Returnable Documents Used for Scoring**

In addition to the requirements of section (a) above, Respondents are further required to submit with their

RETURNABLE DOCUMENTS USED FOR SCORING	SUBMITTED [Yes or No]
Valid proof of Respondent's compliance to B-BBEE requirements stipulated in Section 7 of this RFQ (Valid B-BBEE certificate or Sworn Affidavit).	

Proposals the following **Returnable Documents Used for Scoring** and also to confirm submission of these documents by so indicating [Yes or No] in the table below:

**c) Essential Returnable Documents:**

Over and the above the requirements of section (a) and (b) mentioned above, Respondents are further required to submit with their Proposals the following **Essential Returnable Documents** and also to

ESSENTIAL RETURNABLE DOCUMENTS & SCHEDULES	SUBMITTED [Yes or No]
In the case of Joint Ventures, a copy of the Joint Venture Agreement or written confirmation of the intention to enter into a Joint Venture Agreement	
SECTION 3: Evaluation Methodology, Criteria and Returnable Documents	
SECTION 5: Certificate of Acquaintance with RFQ Documents	
SECTION 6: RFQ Declaration and Breach of Law Form	
SECTION 7: B-BBEE Preference Claim Form	
ANNEXURE D – Imported Content Declaration: Supporting Schedule to Annexure C	
ANNEXURE E – Local Content Declaration: Supporting Schedule to Annexure C	
SECTION 8: Protection of Personal Information	

confirm submission of these documents by so indicating [Yes or No] in the table below:

**5 Continued validity of returnable documents**

The successful Respondent will be required to ensure the validity of all returnable documents, including but not limited to its valid proof of B-BBEE status, for the duration of any contract emanating from this RFQ. Should the Respondent be awarded the contract **[the Agreement]** and fail to present Transnet with such renewals as and when they become due, Transnet shall be entitled, in addition to any other rights and remedies that it may have in terms of the eventual Agreement, to terminate such Agreement immediately

without any liability and without prejudice to any claims which Transnet may have for damages  
against the Respondent.

## SECTION 4 QUOTATION FORM

I/We \_\_\_\_\_

hereby offer to supply the goods/services at the prices quoted in the Price Schedule below, in accordance with the conditions related thereto.

I/We agree to be bound by those terms and conditions in:

- the Standard RFQ Terms and Conditions for the Supply of Goods or Services to Transnet; and
- any other standard or special conditions embodied in this Request for Quotation.

I/We accept that unless Transnet should otherwise decide and so inform me/us, this Quotation [and, if any, its covering letter and any subsequent exchange of correspondence], together with Transnet's acceptance thereof shall constitute a binding contract between Transnet and me/us. I/We further agree that if, after I/we have been notified of the acceptance of my/our Quotation, I/we fail to deliver the said goods/service/s within the delivery lead-time quoted, Transnet may, without prejudice to any other legal remedy which it may have, cancel the order and recover from me/us any expenses incurred by Transnet in calling for Quotations afresh and/or having to accept any less favourable offer.

### Price Schedule

I/We quote as follows for the goods required, on a "delivered nominated destination" basis, including VAT:

Item No	Description of Goods / Services	Unit of Measure	Quantity	Unit Delivered Price (ZAR) Excl. Vat	Total Delivered Price Excl. Vat (Zar)
1	G2 (According to S410)	m3	300		
2	G5 (According to S410)	m3	360		
3	Front End Loader (for the duration of material delivery)	Each	1		
4	Ballast (According to S406)	m3	960		
<b>TOTAL PRICE, exclusive of VAT:</b>					
<b>VAT 15% (if applicable)</b>					
<b>Total Inclusive of VAT (where applicable)</b>					

**N/B. FAILURE TO PRICE FOR ALL ITEMS ON THE PRICING SCHEDULE WILL RESULT IN A BID DISQUALIFICATION.**

**Delivery Lead-Time from date of purchase order:** \_\_\_\_\_ **[days/weeks]**

*Respondents are to note that Transnet will round off final pricing scores to the nearest 2 (two) decimal places.*

**Notes to Pricing:**

- a) Respondents are to note that if the price offered by the highest scoring bidder is not market-related, Transnet may not award the contract to that Respondent. Transnet may-
  - (i) negotiate a market-related price with the Respondent scoring the highest points or cancel the RFQ;
  - (ii) if that Respondent does not agree to a market-related price, negotiate a market-related price with the Respondent scoring the second highest points or cancel the RFQ;
  - (iii) if the Respondent scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the Respondent scoring the third highest points or cancel the RFQ.

If a market-related price is not agreed with the Respondent scoring the third highest points, Transnet must cancel the RFQ.

- b) All Prices must be quoted in South African Rand, inclusive of VAT
- c) To facilitate like-for-like comparison bidders must submit pricing strictly in accordance with this price schedule and not utilise a different format. Deviation from this pricing schedule will result in a bid being disqualified.
- d) Please note that should you have offered a discounted price(s), Transnet will only consider such price discount(s) in the final evaluation stage if offered on an unconditional basis.



## SECTION 5

### CERTIFICATE OF ACQUAINTANCE WITH RFQ DOCUMENTS

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

1. Transnet's General Bid Conditions
2. Standard RFQ Terms and Conditions for the supply of Goods or Services to Transnet
3. Transnet's Supplier Integrity Pact
4. Non-disclosure Agreement

**Note:** Should a Respondent be successful and awarded the bid, they will be required to complete a Supplier Declaration Form for registration as a vendor onto the Transnet vendor master database.

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

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

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

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 \_\_\_\_\_

Name \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_

Name \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE: \_\_\_\_\_

NAME: \_\_\_\_\_

DESIGNATION: \_\_\_\_\_

## SECTION 6

### RFQ DECLARATION AND BREACH OF LAW FORM

NAME OF ENTITY: \_\_\_\_\_

We \_\_\_\_\_ do hereby certify that:

1. Transnet has supplied and we have received appropriate responses to any/all questions [as applicable] which were submitted by ourselves for RFQ Clarification purposes;
2. We have received all information we deemed necessary for the completion of this Request for Quotation [RFQ];
3. We have been provided with sufficient access to the existing Transnet facilities/sites and all relevant information relevant to the Supply of the Goods as well as Transnet information and Employees, and have had sufficient time in which to conduct and perform a thorough due diligence of Transnet's operations and business requirements and assets used by Transnet. Transnet will therefore not consider or permit any pre- or post-contract verification or any related adjustment to pricing, service levels or any other provisions/conditions based on any incorrect assumptions made by the Respondent in arriving at his Bid Price.
4. At no stage have we received additional information relating to the subject matter of this RFQ from Transnet sources, other than information formally received from the designated Transnet contact(s) as nominated in the RFQ documents;
5. We have complied with all obligations of the Bidder/Supplier as indicated in the Transnet Supplier Integrity Pact which includes but are not limited to ensuring that we take all measures necessary to prevent corrupt practices, unfairness and illegal activities in order to secure or in furtherance to secure a contract with Transnet;
6. We are satisfied, insofar as our entity is concerned, that the processes and procedures adopted by Transnet in issuing this RFQ and the requirements requested from Bidders in responding to this RFQ have been conducted in a fair and transparent manner;
7. We declare that a family, business and/or social relationship **exists / does not exist** [delete as applicable] between an owner / member / director / partner / shareholder of our entity and an employee or board member of Transnet including any person who may be involved in the evaluation and/or adjudication of this Bid;
8. We declare that an owner / member / director / partner / shareholder of our entity **is / is not** [delete as applicable] an employee or board member of the Transnet;
9. In addition, we declare that an owner / member / director / partner / shareholder/employee of our entity **has / has not been** [delete as applicable] a former employee or board member of Transnet in the past 10 years. I further declare that if they were a former employee or board member of Transnet in the past 10 years that they **were/were not** involved in the bid preparation or had access to the information related to this RFQ; and
10. If such a relationship as indicated in paragraph 7, 8 and/or 9 exists, the Respondent is to complete the following section:

FULL NAME OF OWNER/MEMBER/DIRECTOR/  
PARTNER/SHAREHOLDER/EMPLOYEE:  
ADDRESS:

---

---

Indicate nature of relationship with Transnet:

---

*[Failure to furnish complete and accurate information in this regard will lead to the disqualification of a response and may preclude a Respondent from doing future business with Transnet]. **Information provided in the declarations may be used by Transnet and/or its affiliates to verify the correctness of the information provided.***

11. We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet [other than any existing and appropriate business relationship with Transnet] which could unfairly advantage our entity in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.

#### **BIDDER'S DISCLOSURE (SBD4)**

### **12 PURPOSE OF THE FORM**

12.1 Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

12.2 Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

### **13 Bidder's declaration**

13.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state?

**YES/NO**

---

<sup>1</sup> the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

- 13.1.1. If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or a

Full Name	Identity Number	Name of State institution
y		
p		
e		
r		
s		
o		
n		

h

a

ving a controlling interest in the enterprise, in table below.

- 13.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution?

**YES/NO**

- 13.2.1. If so, furnish particulars:

.....  
.....

- 13.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

**YES/NO**

- 13.3.1. If so, furnish particulars:

.....  
.....

## 14 DECLARATION

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

14.1 I have read and I understand the contents of this disclosure;

14.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

- 14.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 14.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 14.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 14.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 14.7 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 12, 13 and 14 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

---

<sup>2</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

## BREACH OF LAW

12. We further hereby certify that *I/we **have/have not been*** [delete as applicable] found guilty during the preceding 5 [five] years of a serious breach of law, including but not limited to a breach of the Competition Act, 89 of 1998, by a court of law, tribunal or other administrative body. The type of breach that the Respondent is required to disclose excludes relatively minor offences or misdemeanours, e.g. traffic offences. This includes the imposition of an administrative fine or penalty.

Where found guilty of such a serious breach, please disclose:

NATURE OF BREACH:

\_\_\_\_\_

DATE OF BREACH: \_\_\_\_\_

Furthermore, I/we acknowledge that Transnet SOC Ltd reserves the right to exclude any Respondent from the bidding process, should that person or entity have been found guilty of a serious breach of law, tribunal or regulatory obligation.

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

For and on behalf of _____ duly authorised hereto	AS WITNESS:
Name:	Name:
Position:	Position:
Signature:	Signature:
Date:	Registration No of Company/CC _____
Place:	Registration Name of Company/CC _____

## SECTION 7

### B-BBEE PREFERENCE POINTS CLAIM FORM

This preference form must form part of all bids invited. It contains general information and serves as a claim for preference points for Broad-Based Black Economic Empowerment [B-BBEE] Status Level of Contribution.

Transnet will award preference points to companies who provide valid proof of their B-BBEE status using either the latest version of the generic Codes of Good Practice or Sector Specific Codes (if applicable).

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

#### 1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- 1.2 The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable. Despite the stipulated preference point system, Transnet shall use the lowest acceptable bid to determine the applicable preference point system in a situation where all received acceptable bids are received outside the stated preference point system.
- 1.3 The 80/20 preference point system will be applicable to this tender.
- 1.4 Preference points for this bid shall be awarded for:
- (a) Price; and
  - (b) B-BBEE Status Level of Contribution.
- 1.5 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

- 1.6 Failure on the part of a bidder to submit proof of B-BBEE status level of contributor together with the bid will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.7 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser

#### 2. DEFINITIONS

- (a) **"All applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- (b) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (c) **"B-BBEE status level of contributor"** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice

on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

- (d) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the supply/provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- (e) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (f) **"EME"** means an Exempted Micro Enterprise as defines by Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (g) **"functionality"** means the ability of a bidder to provide goods or services in accordance with specification as set out in the bid documents;
- (h) **"Price"** includes all applicable taxes less all unconditional discounts.
- (i) **"Proof of B-BBEE Status Level of Contributor"** means:
  - 1) B-BBEE status level certificate issued by an unauthorised body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act.
- (j) **"QSE"** means a Qualifying Small EEnterprise in terms of a Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 ( Act No. 53 of 2003);
- (k) **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties.

### 3. POINTS AWARDED FOR PRICE

#### 3.1 THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 points is allocated for price on the following basis:

#### 80/20

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

Where

- Ps = Points scored for comparative price of bid under consideration
- Pt = Comparative price of bid under consideration
- Pmin = Comparative price of lowest acceptable bid

### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8



6	6
7	4
8	2
Non-compliant contributor	0

4.2 The table below indicates the required proof of B-BBEE status depending on the category of enterprises:

Enterprise	B-BBEE Certificate & Sworn Affidavit
<b>Large</b>	Certificate issued by SANAS accredited verification agency
<b>QSE</b>	Certificate issued by SANAS accredited verification agency Sworn Affidavit signed by the authorised QSE representative and attested by a Commissioner of Oaths confirming annual turnover and black ownership (only black-owned QSEs - 51% to 100% Black owned) [Sworn affidavits must substantially comply with the format that can be obtained on the DTI's website at <a href="http://www.dti.gov.za/economic_empowerment/bee_codes.jsp">www.dti.gov.za/economic_empowerment/bee_codes.jsp</a> .]
<b>EME<sup>3</sup></b>	Sworn Affidavit signed by the authorised EME representative and attested by a Commissioner of Oaths confirming annual turnover and black ownership Certificate issued by CIPC (formerly CIPRO) confirming annual turnover and black ownership Certificate issued by SANAS accredited verification agency only if the EME is being measured on the QSE scorecard

4.3 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE Status Level verification certificate for every separate bid.

4.4 Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

4.5 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.

4.6 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

4.7 Bidders are to note that the rules pertaining to B-BBEE verification and other B-BBEE requirements may be changed from time to time by regulatory bodies such as National Treasury or the DTI. It is the Bidder's responsibility to ensure that his/her bid complies fully with all B-BBEE requirements at the time of the submission of the bid.

## 5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

## 6. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 6.1

6.1 B-BBEE Status Level of Contribution: . = .....(maximum of 20 points)

<sup>3</sup> In terms of the Implementation Guide: Preferential Procurement Regulations, 2017, Version 2, paragraph 11.11 provides that in the Transport Sector, EMEs can provide a letter from accounting officer or get verified and be issued with a B-BBEE certificate by SANAS accredited professional or agency as the Transport Sector Code has not been aligned to the generic Codes. EMEs in the Transport Sector are not allowed to provide a Sworn Affidavit as the generic codes are not applicable to them.

(Points claimed in respect of paragraph 6.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

## 7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES		NO	
-----	--	----	--

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES		NO	
-----	--	----	--

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

<b>Designated Group: An EME or QSE which is at least 51% owned by:</b>	<b>EME ✓</b>	<b>QSE ✓</b>
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

## 8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

### 8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

### 8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....  
.....

### 8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider

- ☐ Other service providers, e.g. transporter, etc.  
 [ *TICK APPLICABLE BOX* ]

8.7 Total number of years the company/firm has been in business:.....

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contribution indicated in paragraphs 4.1 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 4.1 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have-
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) if the successful bidder subcontracted a portion of the bid to another person without disclosing it, Transnet reserves the right to penalise the bidder up to 10 percent of the value of the contract;
  - (e) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (f) forward the matter for criminal prosecution.

WITNESSES

- 1. ....
- 2. ....

.....  
 SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

## SECTION 8

### PROTECTION OF PERSONAL INFORMATION

1. The following terms shall bear the same meaning as contemplated in Section 1 of the Protection of Person information act, No.4 of 2013.("POPIA"):  
  
consent; data subject; electronic communication; information officer; operator; person; personal information; processing; record; Regulator; responsible party; special information; as well as any terms derived from these terms.
2. Transnet will process all information by the Respondent in terms of the requirements contemplated in Section 4(1) of the POPIA:  
  
Accountability; Processing limitation; Purpose specification; Further processing limitation; Information quality; Openness; Security safeguards and Data subject participation.
3. The Parties acknowledge and agree that, in relation to personal information that will be processed pursuant to this RFQ, the Responsible party is "Transnet" and the Data subject is the "Respondent". Transnet will process personal information only with the knowledge and authorisation of the Respondent and will treat personal information which comes to its knowledge as confidential and will not disclose it, unless so required by law or subject to the exceptions contained in the POPIA.
4. Transnet reserves all the rights afforded to it by the POPIA in the processing of any of its information as contained in this RFQ and the Respondent is required to comply with all prescripts as detailed in the POPIA relating to all information concerning Transnet.
5. In responding to this bid, Transnet acknowledges that it will obtain and have access to personal information of the Respondent. Transnet agrees that it shall only process the information disclosed by Respondent in their response to this bid for the purpose of evaluating and subsequent award of business and in accordance with any applicable law.
6. Transnet further agrees that in submitting any information or documentation requested in this RFQ, the Respondent is consenting to the further processing of their personal information for the purpose of, but not limited to, risk assessment, assurances, contract award, contract management, auditing, legal opinions/litigations, investigations (if applicable), document storage for the legislatively required period, destruction, de-identification and publishing of personal information by Transnet and/or its authorised appointed third parties.
7. Furthermore, Transnet will not otherwise modify, amend or alter any personal data submitted by the Respondent or disclose or permit the disclosure of any personal data to any third party without the prior written consent from the Respondent. Similarly, Transnet requires the Respondent to process any personal information disclosed by Transnet in the bidding process in the same manner.
8. Transnet shall, at all times, ensure compliance with any applicable laws put in place and maintain sufficient measures, policies and systems to manage and secure against all forms of risks to any information that may be

shared or accessed pursuant to this RFQ (physically, through a computer or any other form of electronic communication).

9. Transnet shall notify the Respondent in writing of any unauthorised access to information, cybercrimes or suspected cybercrimes, in its knowledge and report such crimes or suspected crimes to the relevant authorities in accordance with applicable laws, after becoming aware of such crimes or suspected crime. The Respondent must take all necessary remedial steps to mitigate the extent of the loss or compromise of personal information and to restore the integrity of the affected personal information as quickly as is possible.
10. The Respondent may, in writing, request Transnet to confirm and/or make available any personal information in its possession in relation to the Respondent and if such personal information has been accessed by third parties and the identity thereof in terms of the POPIA. The Respondent may further request that Transnet correct (excluding critical/mandatory or evaluation information), delete, destroy, withdraw consent or object to the processing of any personal information relating to the Respondent in Transnet's possession in terms of the provision of the POPIA and utilizing Form 2 of the POPIA Regulations.
11. In submitting any information or documentation requested in this RFQ, the Respondent is hereby consenting to the processing of their personal information for the purpose of this RFQ and further confirming that they are aware of their rights in terms of Section 5 of POPIA.

**Respondents are required to provide consent below:**

<b>YES</b>		<b>NO</b>	
------------	--	-----------	--

12. Further, the Respondent declares that they have obtained all consents pertaining to other data subject's personal information included in its submission and thereby indemnifying Transnet against any civil or criminal action, administrative fines or other penalty or loss that may arise as a result of the processing of any personal information that the Respondent submitted.
13. The Respondent declares that the personal information submitted for the purpose of this RFQ is complete, accurate, not misleading, is up to date and may be updated where applicable.

Signature of Respondent's authorised representative: \_\_\_\_\_

Should a Respondent have any complaints or objections to processing of its personal information, by Transnet, the Respondent can submit a complaint to the Information Regulator on <https://www.justice.gov.za/infoereg/>, click on contact us, click on complaints.IR@justice.gov.za

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

TO: ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS

ACCOUNTING OFFICERS OF ALL MUNICIPALITIES AND MUNICIPAL ENTITIES

ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES

HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 2 OF 2017/2018:

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL  
PRODUCTION AND CONTENT FOR RAIL PERMANENT WAY SECTOR

## 1. PURPOSE

- 1.1 The purpose of this circular is to regulate the environment within which accounting officers (AOs) and accounting authorities (AAs) may procure Rail Permanent Way Sector which have been designated as a sector for local production and content.

## 2. BACKGROUND

- 2.1 The Preferential Procurement Regulations, 2017 ('the regulations') made in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) which came into effect on 01 April 2017 make provision for the Department of Trade and Industry (the dti) to designate sectors in line with national development and industrial policies for local production.
- 2.2 Regulation 8(1) and 8(2) of the Preferential Procurement Regulations 2017 prescribe that in the case of a designated sector, an organ of state must advertise the invitation to tender with a specific condition that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 2.3 To this end, the dti has designated and determined the stipulated minimum threshold for the Rail Permanent Way sector for local production and content.

## 3. SECTOR DESIGNATION

- 3.1 A permanent way is the structure consisting of the rails, fasteners, railroad ties (sleepers) and ballast or slab track, plus the underlying subgrade. It enables trains to move by providing a dependable surface for their wheels to roll.
- 3.2 In this circular, the Rail Permanent Way sector system/subsystem and components have been recommended for designation.
- 3.3 Rail permanent way sector system/subsystem and components refers to:
  - 3.3.1 Rails which are widely used in the making of rail tracks and consist of two parallel steel tracks and lies steadily on the railway sleepers. These will also include rail joints.
  - 3.3.2 Ballasts refer to gravel or coarse stone used to form the bed of a railway track.
  - 3.3.3 Ballastless track consists of steel rail resting on concrete supports via rubberised cork absorption pads with galvanised steel tie beams which wrap around the concrete members rather than being cast into the concrete as with other ladder tracks.

3.34 Turnouts, crossings and accessories comprise of mechanical installations enabling railway plays an important role is as far as safety is concerned, it allows the train to switch from one track to another. This will also include frogs and blades.

3.3.5 Railway sleepers support and restrain the rails. They transfer and spread the vertical load from the bottom of the rail to the ballast. Sleepers can be made of steel, concrete or wood, plastics or other materials.

3.3.6 Rail fastening system and accessories is used to fix rails to railway sleeper or railroad ties, which is usually comprised of rail anchors, rail tie plates, fishplate, chairs, fasteners, spikes, track bolt, nut and bolt, oval neck, diamond neck, button-head, cast iron shoulders, pressed mild steel shoulders, elastic clips, gage tie bar, check rail, screw & track spike, etc.

3.3.7 Maintenance of way plant & equipment includes railway track maintenance and construction machines for 1067mm and 1435mm gauge, both rail-bound and road rail. These include track maintenance equipment (i.e. sleeper, rail drilling, rail grinding, ballast tamping, ballast screener, ballast regulator and drain cleaning machines) as well as conditioning monitoring machinery, track safety equipment and track lubricators, cranes and material handlers.

3.4 Table 1 indicates the stipulated minimum local content rail permanent sector

Table 1: Rail Permanent Sector

System/ Sub-systems and Component	Local content threshold
Rail Permanent Way sector	

3.5 Table 2 provides the stipulated minimum threshold for local content for Rail Permanent Way Sector. To ensure that the minimum local content designated is applied on manufacturing activities, the following system/subsystem and components which have been designated must also be included in bid invitations of bids for CAPEX & OPEX:

Table 2: Rail Permanent Way Sector s stem/subs stem and com onents

	ys m Su -sys ems an omponents	Local content threshold
1.	Rails and rail joints	100%
2.	Ballasts	100%
3.	Ballastless	100%
4.	Turnouts [switches and crossings	100%
5.	Railway sleepers	100%
6.	Rail fastening and accessories	100%
7.	Railway maintenance of way plant & equipment	
8.	Assembly and testing of fully built units	100%

3.6 All primary steel related products: flat products (plates, coils and seamless tubes) and long products (rounds, forged, angles, sections and wire related products) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local steelmaking capacity.

3.7 All castings and forgings related products made of ductile iron; aluminium; stainless steel; and mild steel, relating to the assembly and manufacture of Rail permanent way sector (system/subsystem and

components as indicated in paragraph 3.2 to 3.5) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local foundry industry and the creation of additional castings and forging capabilities.

- 3.8 In this designation, imported input raw materials (i.e. concrete products additives, steel products additives, coke - refractories, raw copper rod, paper and boards for insulation; aluminum billets and rod; ceramics, porcelain, reinforced fibre glass, polymers (i.e Hytrel) and epoxy resins are deemed as locally manufactured input materials. These inputs should be imported in raw material form for further fabrication in South Africa.
- 3.9 The imported input raw materials and finished components indicated in 3.8 used for the assembly and manufacture of Rail Permanent Way Sector will be deemed to have been sourced locally for the purposes of calculating local content.
- 3.10 Organs of state may contact the dti in instances where the stipulated minimum threshold for local content cannot be met in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.
- 3.1 1 For further information, bidders and procuring state organs may contact the Metal Fabrication, Capital and Transport Equipment Unit within the dti at telephone 012 394 1356/3138/3522 or email Thandi Phele: [TPhele@thedti.gov.za](mailto:TPhele@thedti.gov.za)

#### 4. INVITATION OF BIDS FOR RAIL PERMANENT WAY SECTOR

- 4.1 Bids in respect of Rail Permanent Way Sector must contain a specific bidding condition that:
- 4.1 .1. Only locally produced or locally manufactured Rail Permanent Way Sector with a stipulated minimum threshold for local production and content will be considered.
- 4.1 .2. If the quantity of materials and/or products required cannot be wholly sourced from South African (SA) based manufacturers and/or at the designated local content threshold stipulated in paragraph 3.4 and 3.5 at any particular time, bidders and the procuring entity should obtain written approval from the dti to supply the remaining portion at a lower local content threshold. Such approval requests should be submitted and approvals should be obtained prior to the closure of the bid(s) concerned. the dti, in consultation with the procuring organ of state and the local industry, may grant such approval on a case-by-case basis and will consider the following: ● required volumes in the particular bid; o available collective SA industry manufacturing capacity at that time; o delivery times; ● security of supply; ● availability of input materials, key components; and o technical considerations including operating conditions.
- 4.2 AOs/AAs must stipulate in bid invitations that:
- 4.2. I The exchange rate to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) on the date of advertisement of the bid; and
- 4.2.2 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.
- 4.3 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation.

$$LC = (1 - Wy) * 100$$
 Where x is the imported content in Rand  $Y$  is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB on the date of advertisement of the bid.



- 4.4 AOs/AAs must clearly stipulate in the bid documentation that the SABS approved technical specification number SATS 1286:2011 and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all potential bidders on the dti's official website [http://www.thedti.gov.za/industrial\\_development/ip.isp](http://www.thedti.gov.za/industrial_development/ip.isp) at no cost.
- 4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, the attached Declaration Certificates for Local Production and Content (SBD/MBD 6.2) must form part of the bid documentation. The SBD 6.2 is for use by all national and provincial departments, constitutional institutions and public entities listed in schedules 2, 3A, 3B, 3C and 3D to the Public Finance Management Act whilst the MBD 6.2 is for use by all municipalities and municipal entities to which the Municipal Finance Management Act (MFMA) applies.
- 4.6 AOs/AAs must stipulate in the bid documentation that:
- (a) The Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with Annex C (Local Content Declaration: Summary Schedule) must be completed, duly signed and submitted by the bidder at the closing date and time of the bid; and
  - (b) The rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.
- 4.7 Market related prices:
- 4.7. I AOs/AAs are required to ensure that reasonable or market related prices are secured for Rail Permanent Way being procured taking into account factors such as value for money and economies of scale.
- 4.8. Bid specifications for the sector referred in paragraph 3 above may be done in collaboration with the dti. Contact information in this regard is provided in paragraph 8 below.
- 5. EVALUATION OF BIDS FOR RAIL PERMANENT WAY SECTOR**
- 5.1 An evaluation process in line with Preferential Procurement Regulations, 2017 must be followed.
- 6. EVALUATION OF BIDS BASED ON FUNCTIONALITY**
- 6.1 Whenever it is deemed necessary to evaluate bids on the basis of functionality, the prescripts contained in regulation 5 of the PPR of 2017 and paragraphs 6 of the Implementation Guide must be followed.
- 7. POST AWARD AND REPORTING REQUIREMENTS**
- 7.1. Once bids are awarded, the dti must be:
- (i) Notified of all the successful bidders and the value of the contracts; and
  - (ii) Provided with copies of the contracts, the SBD/MBD 6.2 Certificates together with the Declaration C submitted by the successful bidders.
- 7.2 The purpose of the requirements of paragraph 7.1 above is for the dti to among others conduct compliance audits with a view to monitor the implementation of the industrial development strategies.
- 7.3 Contractors must not be allowed to sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 7.4. Where, after the award of a bid, contractors experience challenges in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

## 8. CONTACT INFORMATION

8.1 Any enquiries in respect of Local Production and Content and all documents to be submitted to the dti in respect of paragraph 7.1 above must be directed as follows: The Department of Trade and Industry  
Private Bag X84  
Pretoria  
0001

For Attention.

Dr Tebogo Makube  
Chief Director: Industrial Procurement  
Tel: (012) 394 3927  
Fax: (012) 394 4927  
Email: [TMakube@thedti.gov.za](mailto:TMakube@thedti.gov.za)

## 9. APPLICABILITY

9.1 This circular applies to all national and provincial departments, constitutional institutions, public entities listed in schedules 2 and 3 to the PFMA and municipalities and municipal entities to which the MFMA applies.

## 10. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

1 0.1 Heads of provincial treasuries are requested to bring the contents of this circular to the attention of accounting officers and supply chain management officials of their respective provincial departments.

1 0.2 Accounting officers of national and provincial departments are requested to bring the contents of this circular to the attention of accounting authorities and the supply chain management officials of Schedule 3A and 3C public entities reporting to their respective executive authorities.

10.3 Accounting officers of municipalities and municipal entities are requested to bring the contents of this circular to the attention of the supply chain management officials of their municipalities and municipal entities.

10.4 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this circular to the attention of the supply chain management officials of their public entities.

## 11. NOTIFICATION TO THE AUDITOR-GENERAL

1 1 .1 A copy of this Circular will be forwarded to the Auditor-General for notification.

## 6 12. AUTHORITY FOR THIS CIRCULAR AND EFFECTIVE DATE

12.1 This circular is issued in terms of Regulation 8(1) and 8(2) of PPR, 2017 and takes effect on 2 December 2017.



**WILLIE MILLIE MAATHEBULA** ACTING CHIEF

**ANNEXURE B**

**SBD 6.2**

**DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED  
SECTORS**

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

**1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) makes provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. In terms of Regulation 16(2) of the Preferential Procurement Regulations, 2017, any sector designated and minimum threshold determined for local production and content for purposes of regulation 9 of the 2011 Regulations and in force immediately before the repeal of the 2011 Regulations, are regarded as having been done under regulation 8(1) of the 2017 Regulations.
- 1.4. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.5. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.6. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

**The SABS approved technical specification number SATS 1286:2011 is accessible on <http://www.thedti.gov.za/industrial development/ip.jsp> at no cost.**

- 1.7. A bid will be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

**2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
--	-------------------------------------

<b>Ballast</b>	<b>100%</b>
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4. Does any portion of the services, works or goods offered have any imported content?

**(Tick applicable box)**

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

5. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

**LOCAL CONTENT DECLARATION**  
**(REFER TO ANNEX B OF SATS 1286:2011)**

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO. CRAC-KGG-38493**

**ISSUED BY:** TRANSNET FREIGHT RAIL SOC LTD

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thdti.gov.za/industrial\\_development/ip.jsp](http://www.thdti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (Full names), do hereby declare, in my capacity as ..... of.....(name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**FAILURE TO FULLY COMPLETE, DECLARE, SIGN & DATE THIS ANNEXURE C WILL RESULT IN THE BID BEING NON-RESPONSIVE & DISQUALIFIED**

[illegible]

		Calculation of local content						Tender summary			
Tender item no's	List of items	Tender price - each (excl VAT)	Exempted imported value	Tender value net of exempted imported content	Imported value	Local value	Local content % (per item)	Tender Qty	Total tender value	Total exempted imported content	Total Imported content
(C8)	(C9)	(C10)	(C11)	(C12)	(C13)	(C14)	(C15)	(C16)	(C17)	(C18)	(C19)
1	Formation and Ballast Stones							960			
(C20) Total tender value								R 0			
(C21) Total Exempt imported content									R 0		
(C22) Total Tender value net of exempt imported content									R 0		
								(C23) Total Imported content		R 0	
								(C24) Total local content		R 0	
Date:								(C25) Average local content % of tender			

**This total must correspond with  
Annex C - C 23**



				SATS 1286.2011
<b>Annex E</b>				
<b>ESSENTIAL RETURNABLE DOCUMENT:</b> <b>FAILURE TO FULLY COMPLETE, DECLARE, SIGN &amp; DATE THIS ANNEXURE E MAY RESULT IN THE BID BEING NON-RESPONSIVE &amp; DISQUALIFIED</b>				
<b>Local Content Declaration - Supporting Schedule to Annex C</b>				
(E1)	<b>Tender No.</b>	CRAC-KGG-38493	<b>Note:</b> VAT to be excluded from all calculations	
(E2)	<b>Tender description:</b>	Formation Materials and Ballast Stones		
(E3)	<b>Designated products:</b>	Rail Permanent Way Sector		
(E4)	<b>Tender Authority:</b>	Transnet Freight Rail		
(E5)	<b>Tendering Entity name:</b>			
	<b>Local Products (Goods, Services and Works)</b>	<b>Description of items purchased</b>	<b>Local suppliers</b>	<b>Value</b>
		(E6)	(E7)	(E8)
		<b>(E9) Total local products (Goods, Services and Works)</b>		R 0
(E10)	<b>Manpower costs</b>	(Tenderer's manpower cost)		R 0
(E11)	<b>Factory overheads</b>	(Rental, depreciation & amortisation, utility costs, consumables etc.)		R 0
(E12)	<b>Administration overheads and mark-up</b>	(Marketing, insurance, financing, interest etc.)		R 0
		<b>(E13) Total local content</b>		R 0
				<b>This total must correspond with Annex C - C24</b>
<b>Signature of tenderer from Annex B</b>				
<b>Date:</b>				

## SECTION 9: SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE - GENERAL

I, the undersigned,

<b>Full name &amp; Surname</b>	
<b>Identity number</b>	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a Member / Director / Owner (**Select one**) of the following enterprise and am duly authorised to act on its behalf:

<b>Enterprise Name:</b>	
<b>Trading Name (If Applicable):</b>	
<b>Registration Number:</b>	
<b>Vat Number (If applicable)</b>	
<b>Enterprise Physical Address:</b>	
<b>Type of Entity (CC, (Pty) Ltd, Sole Prop etc.):</b>	
<b>Nature of Business:</b>	
<b>Definition of "Black People"</b>	<p>As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians –</p> <p>(a) who are citizens of the Republic of South Africa by birth or descent; or</p> <p>(b) who became citizens of the Republic of South Africa by naturalisation-</p> <ol style="list-style-type: none"> <li>i. before 27 April 1994; or</li> <li>ii. on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date;"</li> </ol>

<b>Definition of "Black Designated Groups"</b>	<p>"Black Designated Groups means:</p> <ul style="list-style-type: none"> <li>(a) unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution;</li> <li>(b) Black people who are youth as defined in the National Youth Commission Act of 1996;</li> <li>(c) Black people who are persons with disabilities as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act;</li> <li>(d) Black people living in rural and under developed areas;</li> <li>(e) Black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011;"</li> </ul>
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3. I hereby declare under Oath that:

- The Enterprise is \_\_\_\_\_% Black Owned using the flow-through principle as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise is \_\_\_\_\_% Black Female Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- The Enterprise is \_\_\_\_\_% Black Designated Group Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
- Black Designated Group Owned % Breakdown as per the definition stated above:
  - Black Youth % = \_\_\_\_\_%
  - Black Disabled % = \_\_\_\_\_%
  - Black Unemployed % = \_\_\_\_\_%
  - Black People living in Rural areas % = \_\_\_\_\_%
  - Black Military Veterans % = \_\_\_\_\_%
- Based on the Audited Financial Statements/Financial Statements and other information available on the latest financial year-end of \_\_\_\_\_ (DD/MM/YYYY), the annual Total Revenue was R10,000,000.00 (Ten Million Rands) or less
- Please Confirm on the below table the B-BBEE Level Contributor, **by ticking the applicable box.**

100% Black Owned	<b>Level One</b> (135% B-BBEE procurement recognition level)	
At least 51% Black Owned	<b>Level Two</b> (125% B-BBEE procurement recognition level)	
Less than 51% Black Owned	<b>Level Four</b> (100% B-BBEE procurement recognition level)	

4. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the Owners of the Enterprise which I represent in this matter.
5. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Commissioner of Oaths  
Signature & stamp Date:

## **GENERAL BID CONDITIONS**

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## 2 DEFINITIONS

Where the following words or phrases are used in this Agreement, such words or phrases shall have the meaning assigned thereto in this clause, except where the context clearly requires otherwise:

- 2.1 **Bid** shall mean a Respondent's tendered response / proposal to a Transnet RFP or RFQ;
- 2.2 **Bid Document(s)** shall mean a reference to a Request for Proposal or Request for Quotation;
- 2.3 **Business Day** shall mean any day other than a Saturday, Sunday or public holiday;
- 2.4 **Goods** shall mean the goods required by Transnet as specified in its Bid Document;
- 2.5 **Parties** shall mean Transnet and the Respondents to a Bid Document;
- 2.6 **Respondent(s)** shall mean a respondent/bidder to a Bid Document;
- 2.7 **RFP** shall mean Request for Proposal;
- 2.8 **RFQ** shall mean Request for Quotation;
- 2.9 **RFX** shall mean RFP or RFQ, as the case may be;
- 2.10 **Services** shall mean the services required by Transnet as specified in its Bid Document;
- 2.11 **Service Provider or Supplier** shall mean the successful Respondent;
- 2.12 **Tax Invoice** shall mean the document as required by Section 20 of the Value-Added Tax Act, 89 of 1991, as may be amended from time to time;
- 2.13 **Transnet** shall mean Transnet SOC Ltd, a State Owned Company; and
- 2.14 **VAT** shall mean Value-Added Tax in terms of the Value-Added Tax Act, 89 of 1991, as may be amended from time to time.

## 3 GENERAL

All Bid Documents and subsequent contracts and orders shall be subject to the following general conditions as laid down by Transnet and are to be strictly adhered to by any Respondent to this RFX.

## 4 SUBMITTING OF BID DOCUMENTS

- 4.1 A Bid, which shall hereinafter include reference to an RFP or RFQ, shall be submitted to Transnet no later than the closing date and time specified in accordance with the directions issued in the Bid Documents. Late Bids will not be considered.
- 4.2 The Bid Documents must be completed in their entirety and Respondents are required to complete and submit their Bid submissions by uploading them into the system against each tender selected. The bidder guide can be found on the Transnet Portal [transnetetenders.azurewebsites.net](https://transnetetenders.azurewebsites.net).

## 5 USE OF BID FORMS

- 5.1 Where special forms and/or formats are issued by Transnet for the submission of Bids, Respondents are required to submit their Bids by completion of the appropriate sections on such official forms and/or formats and not in other forms and/or formats or documents bearing their own terms and conditions of contract. Non-compliance with this condition may result in the rejection of a Bid.
- 5.2 Respondents must note that the original Bid forms and/or formats must be completed for submission.

5.3 Only if insufficient space has been allocated to a particular response may a Respondent submit additional information under separate cover using the Company's letterhead. This must be duly cross-referenced in the RFX.

## **6 BID FEES**

A bid fee is not applicable. The Bid Documents may be downloaded directly from National Treasury's e-Tender Publication Portal at [www.etenders.gov.za](http://www.etenders.gov.za) and may also be downloaded from the Transnet website at [www.transnet.net](http://www.transnet.net) free of charge.

## **7 VALIDITY PERIOD**

- 7.1 The Respondents must hold their Bid valid for acceptance by Transnet at any time within the requested validity period after the closing date of the bid.
- 7.2 Respondents may be requested to extend their validity period for a specified additional period. In such instances, Respondents will not be allowed to change any aspect of their Bid, unless they are able to demonstrate that the proposed change/s is as a direct and unavoidable consequence of Transnet's extension of the validity period.

## **8 SITE VISITS / BRIEFING SESSIONS**

Respondents may be requested to attend a site visit or briefing session where it is necessary to view the site in order to prepare their Bids, or where Transnet deems it necessary to provide Respondents with further information to allow them to complete their Bids properly. Where such visits or sessions are indicated as compulsory in the RFX Document, Respondents are obliged to attend these meetings as failure to do so will result in their disqualification.

## **9 CLARIFICATION BEFORE THE CLOSING DATE**

Should clarification be required on any aspect of the Bid before the closing date, the Respondent must upload questions onto the Transnet e-Tender Submission Portal or direct such queries to the contact person listed in the RFX Document in the stipulated manner.

## **10 COMMUNICATION AFTER THE CLOSING DATE**

After the closing date of a Bid (i.e. during the evaluation period) the Respondent may only communicate with the contact person listed in the RFX Document.

## **11 UNAUTHORISED COMMUNICATION ABOUT BIDS**

Respondents may at any time communicate with the contact person listed in the RFX Document on any matter relating to its Bid but, in the absence of written authority from the delegated individual (BEC chairperson), no communication on a question affecting the subject of a Bid shall take place between Respondents or other potential service providers or any member of the Bid Adjudication Committee or official of Transnet during the period between the closing date for the receipt of the Bid and the date of the notification of the successful Respondent(s). A Bid, in respect of which any such unauthorised communication has occurred, may be disqualified.



## **12 RETURNABLE DOCUMENTS**

All returnable documents listed in the RFX Documents must be submitted with Respondent's Bid. Failure to submit mandatory returnable schedules / documents will result in disqualification. Failure to submit other schedules / documents may result in disqualification.

## **13 DEFAULTS BY RESPONDENTS**

If the Respondent, after it has been notified of the acceptance of its Bid fails to:

- 13.1 enter into a formal contract when called upon to do so within such period as Transnet may specify; or
- 13.2 accept an order in terms of the Bid;
- 13.3 furnish satisfactory security when called upon to do so for the fulfilment of the contract; or
- 13.4 comply with any condition imposed by Transnet,

Transnet may, in any such case, without prejudice to any other legal remedy which it may have, proceed to accept any other Bid or, if it is necessary to do so, call for Bids afresh, and may recover from the defaulting Respondent any additional expense incurred by Transnet in calling for new offers or in accepting a less favourable offer.

## **14 CURRENCY**

All monetary amounts referred to in a Bid response must be in Rand, the currency of the Republic of South Africa [**ZAR**], save to the extent specifically permitted in the RFP.

## **15 PRICES SUBJECT TO CONFIRMATION**

Prices which are quoted subject to confirmation will not be considered.

## **16 ALTERATIONS MADE BY THE RESPONDENT TO BID PRICES**

All alterations made by the Respondent to its Bid price(s) prior to the submission of its Bid Documents must be done by deleting the incorrect figures and words where required and by inserting the correct figures and words against the items concerned. All such alterations must be initialled by the person who signs the Bid Documents. Failure to observe this requirement may result in the particular item(s) concerned being excluded in the matter of the award of the business.

## **17 EXCHANGE AND REMITTANCE**

- 17.1 The Respondent should note that where the whole or a portion of the contract or order value is to be remitted overseas, Transnet shall, if requested to do so by the Supplier/Service Provider, effect payment overseas directly to the foreign principal or manufacturer of such percentage of the contract or order value as may be stipulated by the Respondent in its Bid Documents.
- 17.2 It is Transnet's preference to enter into Rand-based agreements. Transnet would request, therefore, that the Respondent give favourable consideration to obtaining forward exchange cover on the foreign currency portion of the Agreement at a cost that is acceptable to Transnet to protect itself against any currency rate fluctuation risks for the duration of any resulting contract or order.

- 17.3 The Respondent who desires to avail itself of the aforementioned facility must at the time of bidding furnish the information called for in the Exchange and Remittance section of the Bid Documents and also furnish full details of the principals or manufacturer to whom payment is to be made.
- 17.4 The South African Reserve Bank's approval is required before any foreign currency payments can be made to or on behalf of Respondents.
- 17.5 Transnet will not recognise any claim for adjustment of the order and/or contract price if the increase in price arises after the date on which the Goods/Services were to be delivered, as set out in the order and/or contract, or any subsequent agreement between the parties.
- 17.6 Transnet reserves the right to request a pro-forma invoice/tax invoice in order to ensure compliance with the contract and Value-Added Tax Act no. 89 of 1991 [VAT Act].

## **18 ACCEPTANCE OF BID**

- 18.1 Upon the acceptance of a Bid by Transnet, the parties shall be bound by these General Bid Conditions and any contractual terms and/or any schedule of "Special Conditions" or otherwise which form part of the Bid Documents.
- 18.2 Where the Respondent has been informed by Transnet of the acceptance of its Bid, an email communication that has been successfully sent to the Respondent shall be regarded as proof of delivery to the Respondent 1 day after the date of submission.

## **19 NOTICE TO UNSUCCESSFUL RESPONDENTS**

- 19.1 Unsuccessful Respondents shall be advised in writing that their Bids have not been accepted as soon as possible after the closing date of the Bid. On award of business to the successful Respondent all unsuccessful Respondents must be informed of the name of the successful Respondent and of the reason as to why their Bids had been unsuccessful.

## **20 TERMS AND CONDITIONS OF CONTRACT**

- 20.1 The Supplier/Service Provider shall adhere to the Terms and Conditions of Contract issued with the Bid Documents, together with any schedule of "Special Conditions" or otherwise which form part of the Bid Documents.
- 20.2 Should the Respondent find any conditions unacceptable, it should indicate which conditions are unacceptable and offer amendments/ alternatives by written submission on a company letterhead. Any such submission shall be subject to review by Transnet's Legal Counsel who shall determine whether the proposed amendments /alternative(s) are acceptable or otherwise, as the case may be. Respondents will be afforded an opportunity to withdraw an unacceptable deviation, failing which the respondent will be disqualified.

## **21 CONTRACT DOCUMENTS**

- 21.1 The contract documents will comprise these General Bid Conditions, the Terms and Conditions of Contract and any schedule of "Special Conditions" which form part of the Bid Documents.

- 21.2 The abovementioned documents together with the Respondent's Bid response will constitute the contract between the parties upon receipt by the Respondent of Transnet's letter of acceptance, subject to all additional amendments and/or special conditions thereto as agreed to by the parties.
- 21.3 Should Transnet inform the Respondent that a formal contract will be signed, the abovementioned documents together with the Respondent's Bid response [and, if any, its covering letter and any subsequent exchange of correspondence] as well as Transnet's Letter of Acceptance, shall constitute a binding contract until the final contract is signed.

## **22 LAW GOVERNING CONTRACT**

The law of the Republic of South Africa shall govern the contract created by the acceptance of a Bid. The *domicilium citandi et executandi* shall be a place in the Republic of South Africa to be specified by the Respondent in its Bid at which all legal documents may be served on the Respondent who shall agree to submit to the jurisdiction of the courts of the Republic of South Africa. A foreign Respondent shall, therefore, state in its Bid the name of its authorised representative in the Republic of South Africa who is empowered to sign any contract which may be entered into in the event of its Bid being accepted and to act on its behalf in all matters relating to the contract.

## **23 IDENTIFICATION**

If the Respondent is a company, the full names of the directors shall be stated in the Bid. If the Respondent is a close corporation, the full names of the members shall be stated in the Bid. If the Respondent is a partnership or an individual trading under a trade name, the full names of the partners or of such individual, as the case may be, shall be furnished.

## **24 RESPONDENT'S SAMPLES**

- 24.1 If samples are required from Respondents, such samples shall be suitably marked with the Respondent's name and address, the Bid number and the Bid item number and must be despatched in time to reach the addressee as stipulated in the Bid Documents on or before the closing date of the Bid. Failure to submit samples by the due date may result in the rejection of a Bid.
- 24.2 Transnet reserves the right to retain samples furnished by Respondents in compliance with Bid conditions.
- 24.3 Payment will not be made for a successful Respondent's samples that may be retained by Transnet for the purpose of checking the quality and workmanship of Goods/Services delivered in execution of a contract.
- 24.4 If Transnet does not wish to retain unsuccessful Respondents' samples and the Respondents require their return, such samples may be collected by the Respondents at their own risk and cost.

## **25 SECURITIES**

- 25.1 The successful Respondent, when called upon to do so, shall provide security to the satisfaction of Transnet for the due fulfilment of a contract or order. Such security shall be in the form of a Deed of

Suretyship [Deed of Suretyship] furnished by an approved bank, building society, insurance or guarantee corporation carrying on business in South Africa.

- 25.2 The security may be applied in whole or part at the discretion of Transnet to make good any loss or damage which Transnet may incur in consequence of a breach of the contract or any part thereof.
- 25.3 Such security, if required, shall be an amount which will be stipulated in the Bid Documents.
- 25.4 For the purpose of clause 25.125.1 above, Transnet will supply a Deed of Suretyship form to the successful Respondent for completion and no guarantee in any other form will be accepted. A copy of such form will be supplied to Respondents on request. For this purpose a Deed of Suretyship form will be provided which shall be completed and returned to Transnet or a designated official by the successful Respondent within 30 [thirty] calendar days from the date of the letter of acceptance. No payment will be made until the form, duly completed, is delivered to Transnet. Failure to return the Deed of Suretyship within the prescribed time shall, save where prior extension has been granted, entitle Transnet without notice to the Supplier/Service Provider to cancel the contract with immediate effect.
- 25.5 Additional costs incurred by Transnet necessitated by reason of default on the part of the Supplier/Service Provider in relation to the conditions of this clause 254 will be for the account of the Supplier/Service Provider.

## **26 PRICE AND DELIVERY BASIS FOR GOODS**

- 26.1 Unless otherwise specified in the Bid Documents, the prices quoted for Goods must be on a Delivered Duty Paid [latest ICC Incoterms] price basis in accordance with the terms and at the delivery point or points specified in Transnet's Bid Documents. Bids for supply on any other basis of delivery are liable to disqualification. The lead time for delivery stated by the Respondent must be inclusive of all non-working days or holidays, and of periods occupied in stocktaking or in effecting repairs to or overhauling plant, which would ordinarily occur within the delivery period given by the Respondent.
- 26.2 Respondents must furnish their Bid prices in the Price Schedule of the Bid Documents on the following basis:

**27** Local Supplies - Prices for Goods to be manufactured, produced or assembled in the Republic of South Africa, or imported supplies held in South Africa, to be quoted on a Delivered RSA named destination basis.

**28** Imported Supplies - Prices for Goods to be imported from all sources to be quoted on a Delivered Duty Paid [latest ICC Incoterms] basis, to end destination in South Africa, unless otherwise specified in the Bid Price Schedule.

## **29 EXPORT LICENCE**

The award of a Bid for Goods to be imported may be subject to the issue of an export licence in the country of origin or supply. If required, the Supplier/Service Provider's manufacturer or forwarding agent shall be required to apply for such licence.

### **30 QUALITY OF MATERIAL**

Unless otherwise stipulated, the Goods offered shall be NEW i.e. in unused condition, neither second-hand nor reconditioned.

### **31 VALUE-ADDED TAX**

31.1 In respect of local supplies, i.e. Goods to be manufactured, produced or assembled in the Republic of South Africa, or imported supplies held or already in transit to South Africa, the prices quoted by the Respondent are to be inclusive of VAT which must be shown separately at the standard rate on the Tax Invoice.

31.2 In respect of foreign Services rendered:

- a) the invoicing by a South African Service Provider on behalf of its foreign principal rendering such Service represents a Service rendered by the principal; and
- b) the Service Provider's Tax Invoice(s) for the local portion only [i.e. the "commission" for the Services rendered locally] must show the VAT separately.

### **32 IMPORTANT NOTICE TO RESPONDENTS REGARDING PAYMENT**

32.1 Method of Payment

**33** The attention of the Respondent is directed to the Terms and Conditions of Contract which set out the conditions of payment on which Bid price(s) shall be based.

**34** However, in addition to the foregoing the Respondent is invited to submit offers based on alternative methods of payment and/or financing proposals.

**35** The Respondent is required to give full particulars of the terms that will be applicable to its alternative offer(s) and the financial merits thereof will be evaluated and taken into consideration when the Bid is adjudicated.

**36** The Respondent must, therefore, in the first instance, tender strictly in accordance with clause 32.1 (a) above. Failure to comply with clause 32.1 (33 above) may preclude a Bid from further consideration.

NOTE: The successful Respondent [the **Supplier/Service Provider**] shall, where applicable, be required to furnish a guarantee covering any advance payments.

36.1 Conditional Discount

Respondents offering prices which are subject to a conditional discount applicable for payment within a specific period are to note that the conditional period will be calculated as from the date of receipt by Transnet of the Supplier/Service Provider's month-end statement reflecting the relevant Tax Invoice(s) for payment purposes, provided the conditions of the order or contract have been fulfilled and the Tax Invoice is correct in all respects as referred to in the contract or order. Incomplete and/or incorrect Tax Invoices shall be returned and the conditional period will be recalculated from the date of receipt of the correct documentation.

### **37 CONTRACT QUANTITIES AND DELIVERY REQUIREMENTS**

37.1 Contract Quantities

**38** It must be clearly understood that although Transnet does not bind itself to purchase a definitive quantity under any contract which may be entered into pursuant to this Bid, the successful Respondent nevertheless undertakes to supply against the contract such quantities as may be ordered against the contract, which orders are posted or delivered by hand or transmitted electronically on or before the expiry date of such contract.

**39** It is furthermore a condition that Transnet will not accept liability for any material/stocks specially ordered or carried by the Respondent with a view to meeting the requirements under any such contract.

**40** The estimated planned quantities likely to be ordered by Transnet per annum are furnished in relevant section of the Bid Documents. For avoidance of doubt the estimated quantities are estimates and Transnet reserves the right to order only those quantities sufficient for its operational requirements.

#### 40.1 Delivery Period

#### **41** Period Contracts and Fixed Quantity Requirements

It will be a condition of any resulting contract/order that the delivery period embodied therein will be governed by the provisions of the Terms and Conditions of Contract.

#### **42** Progress Reports

The Supplier/Service Provider may be required to submit periodical progress reports with regard to the delivery of the Goods/Services.

#### **43** Emergency Demands as and when required

If, due to unforeseen circumstances, supplies of the Goods/Services covered by the Bid are required at short notice for immediate delivery, the Supplier/Service Provider will be given first right of refusal for such business. If it is unable to meet the desired critical delivery period, Transnet reserves the right to purchase such supplies as may be required to meet the emergency outside the contract if immediate delivery can be offered from any other source. The *Total or Partial Failure to Perform the Scope of Supply* section in the Terms and Conditions of Contract will not be applicable in these circumstances.

### **44 PLANS, DRAWINGS, DIAGRAMS, SPECIFICATIONS AND DOCUMENTS**

#### 44.1 Copyright

Copyright in plans, drawings, diagrams, specifications and documents compiled by the Supplier/Service Provider for the purpose of contract work shall be governed by the Intellectual Property Rights section in the Terms and Conditions of Contract.

#### 44.2 Drawings and specifications

In addition to what may be stated in any Bid Document, the Respondent should note that, unless notified to the contrary by Transnet or a designated official by means of an official amendment to the Bid Documents, it is required to tender for Goods/Services strictly in accordance with the drawings and/or specifications supplied by Transnet, notwithstanding that it may be aware that alterations or amendments to such drawings or specifications are contemplated by Transnet.

#### 44.3 Respondent's drawings

Drawings required to be submitted by the Respondent must be furnished before the closing time and date of the Bid. The non-receipt of such drawings by the appointed time may disqualify the Bid.

#### 44.4 Foreign specifications

The Respondent quoting for Goods/Services in accordance with foreign specifications, other than British and American standards, is to submit translated copies of such specifications with the Bid. In the event of any departures or variations between the foreign specification(s) quoted in the Bid Documents, full details regarding such departures or variations must be furnished by the Respondent in a covering letter attached to the Bid. Non-compliance with this condition may result in disqualification.

### 45 BIDS BY OR ON BEHALF OF FOREIGN RESPONDENTS

45.1 Bids submitted by foreign principals may be forwarded directly by the principals or by its South African representative or agent to the designated official of Transnet according to whichever officer is specified in the Bid Documents.

45.2 In the case of a representative or agent, written proof must be submitted to the effect that such representative or agent has been duly authorised to act in that capacity by the principal. Failure to submit such authorisation by the representative or agent shall disqualify the Bid.

45.3 When legally authorised to prepare and submit Bids on behalf of their principals not domiciled in the Republic of South Africa, representatives or agents must compile the Bids in the names of such principals and sign them on behalf of the latter.

45.4 South African representatives or agents of a successful foreign Respondent must when so required enter into a formal contract in the name of their principals and must sign such contract on behalf of the latter. In every such case a legal Power of Attorney from their principals must be furnished to Transnet by the South African representative or agents authorising them to enter into and sign such contract.

**46** Such Power of Attorney must comply with Rule 63 (Authentication of documents executed outside the Republic for use within the Republic) of the Uniform Rules of Court: Rules regulating the conduct of the proceedings of the several provincial and local divisions of the Supreme Court of South Africa.

**47** The Power of Attorney must be signed by the principal under the same title as used in the Bid Documents.

**48** If a Power of Attorney held by the South African representative or agent includes matters of a general nature besides provision for the entering into and signing of a contract with Transnet, a certified copy thereof should be furnished.

**49** The Power of Attorney must authorise the South African representative or agent to choose the *domicilium citandi et executandi*.

49.1 If payment is to be made in South Africa, the foreign Supplier/Service Provider [i.e. the principal, or its South African agent or representative], must notify Transnet in writing whether, for payment by electronic funds transfer [EFT]:

**50** funds are to be transferred to the credit of the foreign Supplier/Service Provider's account at a bank in South Africa, in which case the name and branch of such bank shall be furnished; or

**51** funds are to be transferred to the credit of its South African agent or representative, in which case the name and branch of such bank shall be furnished.

- 51.1 The attention of the Respondent is directed to clause 25 above [Securities] regarding the provision of security for the fulfilment of contracts and orders and the manner and form in which such security is to be furnished.

## **52 DATABASE OF RESTRICTED SUPPLIERS**

The process of restriction is used to exclude a company/person from conducting future business with Transnet and other organs of state for a specified period. No Bid shall be awarded to a Bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. Transnet reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been restricted with National Treasury by another government institution.

## **53 CONFLICT WITH ISSUED RFX DOCUMENT**

- 53.1 Should a conflict arise between these General Bid Conditions and the issued RFX document, the conditions stated in the RFX document shall prevail.





## **NON-DISCLOSURE AGREEMENT**

**THIS AGREEMENT is made between**

**Transnet SOC Ltd [Transnet]** [Registration No. 1990/000900/30]

whose registered office is at 49<sup>th</sup> Floor, Carlton Centre, 150 Commissioner Street, Johannesburg 2001,

**and**

**the Company as indicated in the RFQ bid response hereto**

**WHEREAS**

Transnet and the Company wish to exchange Information [as defined below] and it is envisaged that each party may from time to time receive Information relating to the other in respect thereof. In consideration of each party making available to the other such Information, the parties jointly agree that any dealings between them shall be subject to the terms and conditions of this Agreement which themselves will be subject to the parameters of the Bid Document.

**IT IS HEREBY AGREED**

**1. INTERPRETATION**

In this Agreement:

- 1.1 **Agents** mean directors, officers, employees, agents, professional advisers, contractors or sub-contractors, or any Group member;
- 1.2 **Bid** or **Bid Document** means Transnet's Request for Information [**RFI**] Request for Proposal [**RFP**] or Request for Quotation [**RFQ**], as the case may be;
- 1.3 **Confidential Information** means any information or other data relating to one party [the **Disclosing Party**] and/or the business carried on or proposed or intended to be carried on by that party and which is made available for the purposes of the Bid to the other party [the **Receiving Party**] or its Agents by the Disclosing Party or its Agents or recorded in agreed minutes following oral disclosure and any other information otherwise made available by the Disclosing Party or its Agents to the Receiving Party or its Agents, whether before, on or after the date of this Agreement, and whether in writing or otherwise, including any information, analysis or specifications derived from, containing or reflecting such information but excluding information which:
  - 1.3.1 is publicly available at the time of its disclosure or becomes publicly available [other than as a result of disclosure by the Receiving Party or any of its Agents contrary to the terms of this Agreement]; or
  - 1.3.2 was lawfully in the possession of the Receiving Party or its Agents [as can be demonstrated by its written records or other reasonable evidence] free of any restriction as to its use or disclosure prior to its being so disclosed; or
  - 1.3.3 following such disclosure, becomes available to the Receiving Party or its Agents [as can be demonstrated by its written records or other reasonable evidence] from a source other than the

Disclosing Party or its Agents, which source is not bound by any duty of confidentiality owed, directly or indirectly, to the Disclosing Party in relation to such information;

1.4 **Group** means any subsidiary, any holding company and any subsidiary of any holding company of either party; and

1.5 **Information** means all information in whatever form including, without limitation, any information relating to systems, operations, plans, intentions, market opportunities, know-how, trade secrets and business affairs whether in writing, conveyed orally or by machine-readable medium.

## 2. CONFIDENTIAL INFORMATION

2.1 All Confidential Information given by one party to this Agreement [the **Disclosing Party**] to the other party [the **Receiving Party**] will be treated by the Receiving Party as secret and confidential and will not, without the Disclosing Party's written consent, directly or indirectly communicate or disclose [whether in writing or orally or in any other manner] Confidential Information to any other person other than in accordance with the terms of this Agreement.

2.2 The Receiving Party will only use the Confidential Information for the sole purpose of technical and commercial discussions between the parties in relation to the Bid or for the subsequent performance of any contract between the parties in relation to the Bid.

2.3 Notwithstanding clause 2.1 above, the Receiving Party may disclose Confidential Information:

2.3.1 to those of its Agents who strictly need to know the Confidential Information for the sole purpose set out in clause 2.2 above, provided that the Receiving Party shall ensure that such Agents are made aware prior to the disclosure of any part of the Confidential Information that the same is confidential and that they owe a duty of confidence to the Disclosing Party. The Receiving Party shall at all times remain liable for any actions of such Agents that would constitute a breach of this Agreement; or

2.3.2 to the extent required by law or the rules of any applicable regulatory authority, subject to clause 2.4 below.

2.4 In the event that the Receiving Party is required to disclose any Confidential Information in accordance with clause 2.3.2 above, it shall promptly notify the Disclosing Party and cooperate with the Disclosing Party regarding the form, nature, content and purpose of such disclosure or any action which the Disclosing Party may reasonably take to challenge the validity of such requirement.

2.5 In the event that any Confidential Information shall be copied, disclosed or used otherwise than as permitted under this Agreement then, upon becoming aware of the same, without prejudice to any rights or remedies of the Disclosing Party, the Receiving Party shall as soon as practicable notify the Disclosing Party of such event and if requested take such steps [including the institution of legal proceedings] as shall be necessary to remedy [if capable of remedy] the default and/or to prevent further unauthorised copying, disclosure or use.

2.6 All Confidential Information shall remain the property of the Disclosing Party and its disclosure shall not confer on the Receiving Party any rights, including intellectual property rights over the Confidential Information whatsoever, beyond those contained in this Agreement.

### **3. RECORDS AND RETURN OF INFORMATION**

- 3.1 The Receiving Party agrees to ensure proper and secure storage of all Information and any copies thereof.
- 3.2 The Receiving Party shall keep a written record, to be supplied to the Disclosing Party upon request, of the Confidential Information provided and any copies made thereof and, so far as is reasonably practicable, of the location of such Confidential Information and any copies thereof.
- 3.3 The Company shall, within 7 [seven] days of receipt of a written demand from Transnet:
- 3.3.1 return all written Confidential Information [including all copies]; and
- 3.3.2 expunge or destroy any Confidential Information from any computer, word processor or other device whatsoever into which it was copied, read or programmed by the Company or on its behalf.
- 3.4 The Company shall on request supply a certificate signed by a director as to its full compliance with the requirements of clause 3.3.2 above.

### **4. ANNOUNCEMENTS**

- 4.1 Neither party will make or permit to be made any announcement or disclosure of its prospective interest in the Bid without the prior written consent of the other party.
- 4.2 Neither party shall make use of the other party's name or any information acquired through its dealings with the other party for publicity or marketing purposes without the prior written consent of the other party.

### **5. DURATION**

The obligations of each party and its Agents under this Agreement shall survive the termination of any discussions or negotiations between the parties regarding the Bid and continue thereafter for a period of 5 [five] years.

### **6. PRINCIPAL**

Each party confirms that it is acting as principal and not as nominee, agent or broker for any other person and that it will be responsible for any costs incurred by it or its advisers in considering or pursuing the Bid and in complying with the terms of this Agreement.

### **7. ADEQUACY OF DAMAGES**

Nothing contained in this Agreement shall be construed as prohibiting the Disclosing Party from pursuing any other remedies available to it, either at law or in equity, for any such threatened or actual breach of this Agreement, including specific performance, recovery of damages or otherwise.

### **8. PRIVACY AND DATA PROTECTION**

- 8.1 The Receiving Party undertakes to comply with South Africa's general privacy protection in terms Section 14 of the Bill of Rights in connection with this Bid and shall procure that its personnel shall observe the provisions of such Act [as applicable] or any amendments and re-enactments thereof and any regulations made pursuant thereto.
- 8.2 The Receiving Party warrants that it and its Agents have the appropriate technical and organisational measures in place against unauthorised or unlawful processing of data relating to the Bid and against accidental loss or destruction of, or damage to such data held or processed by them.

## **9. GENERAL**

- 9.1 Neither party may assign the benefit of this Agreement, or any interest hereunder, except with the prior written consent of the other, save that Transnet may assign this Agreement at any time to any member of the Transnet Group.
- 9.2 No failure or delay in exercising any right, power or privilege under this Agreement will operate as a waiver of it, nor will any single or partial exercise of it preclude any further exercise or the exercise of any right, power or privilege under this Agreement or otherwise.
- 9.3 The provisions of this Agreement shall be severable in the event that any of its provisions are held by a court of competent jurisdiction or other applicable authority to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.
- 9.4 This Agreement may only be modified by a written agreement duly signed by persons authorised on behalf of each party.
- 9.5 Nothing in this Agreement shall constitute the creation of a partnership, joint venture or agency between the parties.
- 9.6 This Agreement will be governed by and construed in accordance with South African law and the parties irrevocably submit to the exclusive jurisdiction of the South African courts.

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**Important Note: All potential bidders must read this document and certify in the RFQ Declaration Form that they have acquainted themselves with, and agree with the content. The contract with the successful bidder will automatically incorporate this Integrity Pact as part of the final concluded contract.**

#### **INTEGRITY PACT**

Between

#### **TRANSNET SOC LTD**

Registration Number: 1990/000900/30

("Transnet")

And The Bidder / Supplier/ Service Provider / Contractor (hereinafter referred to as the "Bidder / Supplier")

## **PREAMBLE**

Transnet values full compliance with all relevant laws and regulations, ethical standards and the principles of economical use of resources, fairness and transparency in its relations with its Bidders / Suppliers.

In order to achieve these goals, Transnet and the Bidder / Supplier hereby enter into this agreement hereinafter referred to as the "Integrity Pact" which will form part of the Bidder's / Supplier's application for registration with Transnet as a vendor.

The general purpose of this Integrity Pact is to agree on avoiding all forms of dishonesty, fraud and corruption by following a system that is fair, transparent and free from any undue influence prior to, during and subsequent to the currency of any procurement and / or reverse logistics event and any further contract to be entered into between the Parties, relating to such event.

All Bidders / Suppliers will be required to sign and comply with undertakings contained in this Integrity Pact, should they want to be registered as a Transnet vendor.

## **7 OBJECTIVES**

7.1 Transnet and the Bidder / Supplier agree to enter into this Integrity Pact, to avoid all forms of dishonesty, fraud and corruption including practices that are anti-competitive in nature, negotiations made in bad faith and under-pricing by following a system that is fair, transparent and free from any influence / unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:

- a) Enable Transnet to obtain the desired contract at a reasonable and competitive price in conformity to the defined specifications of the works, goods and services; and
- b) Enable Bidders / Suppliers to abstain from bribing or participating in any corrupt practice in order to secure the contract.

## **8 COMMITMENTS OF TRANSNET**

Transnet commits to take all measures necessary to prevent dishonesty, fraud and corruption and to observe the following principles:

- 8.1 Transnet hereby undertakes that no employee of Transnet connected directly or indirectly with the sourcing event and ensuing contract, will demand, take a promise for or accept directly or through intermediaries any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to any contract.
- 8.2 Transnet will, during the registration and bidding process treat all Bidders / Suppliers with equity, transparency and fairness. Transnet will in particular, before and during the registration process, provide to all Bidders / Suppliers the same information and will not provide to any Bidders / Suppliers confidential / additional information through which the Bidders / Suppliers could obtain an advantage in relation to any bidding process.
- 8.3 Transnet further confirms that its employees will not favour any prospective bidder in any form that could afford an undue advantage to a particular bidder during the tendering stage, and will further treat all Bidders / Supplier participating in the bidding process in a fair manner.
- 8.4 Transnet will exclude from the bidding process such employees who have any personal interest in the Bidders / Suppliers participating in the bidding process.

## 9 OBLIGATIONS OF THE BIDDER / SUPPLIER

9.1 Transnet has a '**Zero Gifts**' Policy. No employee is allowed to accept gifts, favours or benefits.

- a) Transnet officials and employees **shall not** solicit, give or accept, or from agreeing to solicit, give, accept or receive directly or indirectly, any gift, gratuity, favour, entertainment, loan, or anything of monetary value, from any person or juridical entities in the course of official duties or in connection with any operation being managed by, or any transaction which may be affected by the functions of their office.
- b) Transnet officials and employees **shall not** solicit or accept gifts of any kind, from vendors, suppliers, customers, potential employees, potential vendors, and suppliers, or any other individual or organisation irrespective of the value.
- c) Under **no circumstances** should gifts, business courtesies or hospitality packages be accepted from or given to prospective suppliers participating in a tender process at the respective employee's Operating Division, regardless of retail value.
- d) Gratuities, bribes or kickbacks of any kind must never be solicited, accepted or offered, either directly or indirectly. This includes money, loans, equity, special privileges, personal favours, benefit or services. Such favours will be considered to constitute corruption.

9.2 The Bidder / Supplier commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any ensuing contract stage in order to secure the contract or in furtherance to secure it and in particular the Bidder / Supplier commits to the following:

- a) The Bidder / Supplier will not, directly or through any other person or firm, offer, promise or give to Transnet or to any of Transnet's employees involved in the bidding process or to any third person any material or other benefit or payment, in order to obtain in exchange an advantage during the bidding process; and
- b) The Bidder / Supplier will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any employee of Transnet, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

9.3 The Bidder / Supplier will not collude with other parties interested in the contract to preclude a competitive bid price, impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract. The Bidder / Supplier further commits itself to delivering against all agreed upon conditions as stipulated within the contract.

9.4 The Bidder / Supplier will not enter into any illegal or dishonest agreement or understanding, whether formal or informal with other Bidders / Suppliers. This applies in particular to certifications, submissions or non-submission of documents or actions that are restrictive or to introduce cartels into the bidding process.

9.5 The Bidder / Supplier will not commit any criminal offence under the relevant anti-corruption laws of South Africa or any other country. Furthermore, the Bidder / Supplier will not use for illegitimate purposes or for restrictive purposes or personal gain, or pass on to others, any information provided by Transnet as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.



- 9.6 A Bidder / Supplier of foreign origin shall disclose the name and address of its agents or representatives in South Africa, if any, involved directly or indirectly in the registration or bidding process. Similarly, the Bidder / Supplier of South African nationality shall furnish the name and address of the foreign principals, if any, involved directly or indirectly in the registration or bidding process.
- 9.7 The Bidder / Supplier will not misrepresent facts or furnish false or forged documents or information in order to influence the bidding process to the advantage of the Bidder / Supplier or detriment of Transnet or other competitors.
- 9.8 Transnet may require the Bidder / Supplier to furnish Transnet with a copy of its code of conduct. Such code of conduct must address the compliance programme for the implementation of the code of conduct and reject the use of bribes and other dishonest and unethical conduct.
- 9.9 The Bidder / Supplier will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- 9.10 The Bidder/Supplier confirms that they will uphold the ten principles of the United Nations Global Compact (UNGC) in the fields of Human Rights, Labour, Anti-Corruption and the Environment when undertaking business with Transnet as follows:
- a) Human Rights
    - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
    - Principle 2: make sure that they are not complicit in human rights abuses.
  - b) Labour
    - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
    - Principle 4: the elimination of all forms of forced and compulsory labour;
    - Principle 5: the effective abolition of child labour; and
    - Principle 6: the elimination of discrimination in respect of employment and occupation.
  - c) Environment
    - Principle 7: Businesses should support a precautionary approach to environmental challenges;
    - Principle 8: undertake initiatives to promote greater environmental responsibility; and
    - Principle 9: encourage the development and diffusion of environmentally friendly technologies.
  - d) Anti-Corruption
    - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## **10 INDEPENDENT BIDDING**

- 10.1 For the purposes of this undertaking in relation to any submitted Bid, the Bidder declares to fully understand that the word "competitor" shall include any individual or organisation, other than the Bidder, whether or not affiliated with the Bidder, who:
- a) has been requested to submit a Bid in response to this Bid invitation;
  - b) could potentially submit a Bid in response to this Bid invitation, based on their qualifications, abilities or experience; and
  - c) provides the same Goods and Services as the Bidder and/or is in the same line of business as the Bidder.

- 10.2 The Bidder has arrived at his submitted Bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium will not be construed as collusive bidding.
- 10.3 In particular, without limiting the generality of paragraph 4.2 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- a) prices;
  - b) geographical area where Goods or Services will be rendered [market allocation];
  - c) methods, factors or formulas used to calculate prices;
  - d) the intention or decision to submit or not to submit, a Bid;
  - e) the submission of a Bid which does not meet the specifications and conditions of the RFP; or
  - f) bidding with the intention of not winning the Bid.
- 10.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the Goods or Services to which his/her Bid relates.
- 10.5 The terms of the Bid as submitted have not been, and will not be, disclosed by the Bidder, directly or indirectly, to any competitor, prior to the date and time of the official Bid opening or of the awarding of the contract.
- 10.6 Bidders are aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, Bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and/or may be reported to the National Prosecuting Authority [NPA] for criminal investigation and/or may be restricted from conducting business with the public sector for a period not exceeding 10 [ten] years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

## **11 DISQUALIFICATION FROM BIDDING PROCESS**

- 11.1 If the Bidder / Supplier has committed a transgression through a violation of paragraph 3 of this Integrity Pact or in any other form such as to put its reliability or credibility as a Bidder / Supplier into question, Transnet may reject the Bidder's / Supplier's application from the registration or bidding process and remove the Bidder / Supplier from its database, if already registered.
- 11.2 If the Bidder / Supplier has committed a transgression through a violation of paragraph 3, or any material violation, such as to put its reliability or credibility into question, Transnet may after following due procedures and at its own discretion also exclude the Bidder / Supplier from future bidding processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, which will include amongst others the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder / Supplier and the amount of the damage. The exclusion will be imposed for up to a maximum of 10 (ten) years. However, Transnet reserves the right to impose a longer period of exclusion, depending on the gravity of the misconduct.
- 11.3 If the Bidder / Supplier can prove that it has restored the damage caused by it and has installed a suitable corruption prevention system, or taken other remedial measures as the circumstances of the case may require, Transnet may at its own discretion revoke the exclusion or suspend the imposed penalty.

## 12 DATABASE OF RESTRICTED SUPPLIERS

- 12.1 The process of restriction is used to exclude a company/person from conducting future business with Transnet and other organs of state for a specified period. No Bid shall be awarded to a Bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. Transnet reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been restricted with National Treasury by another government institution.
- 12.2 All the stipulations on Transnet's restriction process as laid down in Transnet's Supply Chain Policy and Procurement Procedures Manual are included herein by way of reference. Below follows a condensed summary of this restriction procedure.
- 12.3 On completion of the restriction procedure, Transnet will submit the restricted entity's details (including the identity number of the individuals and registration number of the entity) to National Treasury for placement on National Treasury's Database of Restricted Suppliers for the specified period of exclusion. National Treasury will make the final decision on whether to restrict an entity from doing business with any organ of state for a period not exceeding 10 years and place the entity concerned on the Database of Restricted Suppliers published on its official website.
- 12.4 The decision to restrict is based on one of the grounds for restriction. The standard of proof to commence the restriction process is whether a "*prima facie*" (i.e. on the face of it) case has been established.
- 12.5 Depending on the seriousness of the misconduct and the strategic importance of the Goods/Services, in addition to restricting a company/person from future business, Transnet may decide to terminate some or all existing contracts with the company/person as well.
- 12.6 A supplier or contractor to Transnet may not subcontract any portion of the contract to a restricted company.
- 12.7 Grounds for restriction include: If any person/Enterprise which has submitted a Bid, concluded a contract, or, in the capacity of agent or subcontractor, has been associated with such Bid or contract:
- a) Has, in bad faith, withdrawn such Bid after the advertised closing date and time for the receipt of Bids;
  - b) has, after being notified of the acceptance of his Bid, failed or refused to sign a contract when called upon to do so in terms of any condition forming part of the bid documents;
  - c) has carried out any contract resulting from such bid in an unsatisfactory manner or has breached any condition of the contract;
  - d) has offered, promised or given a bribe in relation to the obtaining or execution of the contract;
  - e) has acted in a fraudulent or improper manner or in bad faith towards Transnet or any Government Department or towards any public body, Enterprise or person;
  - f) has made any incorrect statement in a certificate or other communication with regard to the Local Content of his Goods or his B-BBEE status and is unable to prove to the satisfaction of Transnet that:
    - (i) he made the statement in good faith honestly believing it to be correct; and
    - (ii) before making such statement he took all reasonable steps to satisfy himself of its correctness;
  - g) has submitted false information regarding any other matter required in terms of the Preferential Procurement Regulations, 2017 issued in terms of the Preferential Procurement Policy Framework

Act which will affect the evaluation of a Bid or where a Bidder has failed to declare any subcontracting arrangements;

- h) caused Transnet damage, or to incur costs in order to meet the contractor's requirements and which could not be recovered from the contractor;
- i) has litigated against Transnet in bad faith.

### **13 PREVIOUS TRANSGRESSIONS**

- 13.1 The Bidder / Supplier hereby declares that no previous transgressions resulting in a serious breach of any law, including but not limited to, corruption, fraud, theft, extortion and contraventions of the Competition Act 89 of 1998, which occurred in the last 5 (five) years with any other public sector undertaking, government department or private sector company that could justify its exclusion from its registration on the Bidder's / Supplier's database or any bidding process.
- 13.2 If it is found to be that the Bidder / Supplier made an incorrect statement on this subject, the Bidder / Supplier can be rejected from the registration process or removed from the Bidder / Supplier database, if already registered, for such reason (refer to the Breach of Law Form contained in the applicable RFX document.)

### **14 SANCTIONS FOR VIOLATIONS**

- 14.1 Transnet shall also take all or any one of the following actions, wherever required to:
  - a) Immediately exclude the Bidder / Supplier from the bidding process or call off the pre-contract negotiations without giving any compensation to the Bidder / Supplier. However, the proceedings with the other Bidders / Suppliers may continue;
  - b) Immediately cancel the contract, if already awarded or signed, without giving any compensation to the Bidder / Supplier;
  - c) Recover all sums already paid by Transnet;
  - d) Encash the advance bank guarantee and performance bond or warranty bond, if furnished by the Bidder / Supplier, in order to recover the payments, already made by Transnet, along with interest;
  - e) Cancel all or any other contracts with the Bidder / Supplier;
  - f) Exclude the Bidder / Supplier from entering into any bid with Transnet and other organs of state in future for a specified period; and
  - g) If the Supplier subcontracted a portion of the bid to another person without declaring it to Transnet, Transnet must penalise the Supplier up to 10% of the value of the contract.

### **15 CONFLICTS OF INTEREST**

- 15.1 A conflict of interest includes, inter alia, a situation in which:
  - a) A Transnet employee has a personal financial interest in a bidding / supplying entity; and
  - b) A Transnet employee has private interests or personal considerations or has an affiliation or a relationship which affects, or may affect, or may be perceived to affect his / her judgment in action in the best interest of Transnet, or could affect the employee's motivations for acting in a particular manner, or which could result in, or be perceived as favouritism or nepotism.
- 15.2 A Transnet employee uses his / her position, or privileges or information obtained while acting in the capacity as an employee for:

- a) Private gain or advancement; or
- b) The expectation of private gain, or advancement, or any other advantage accruing to the employee must be declared in a prescribed form.

Thus, conflicts of interest of any bid committee member or any person involved in the sourcing process must be declared in a prescribed form.

- 15.3 If a Bidder / Supplier has or becomes aware of a conflict of interest i.e. a family, business and / or social relationship between its owner(s) / member(s) / director(s) / partner(s) / shareholder(s) and a Transnet employee / member of Transnet's Board of Directors in respect of a bid which will be considered for the bid process, the Bidder / Supplier:
- a) must disclose the interest and its general nature, in the Request for Proposal ("RFX") declaration form; or
  - b) must notify Transnet immediately in writing once the circumstances have arisen.
- 15.4 The Bidder / Supplier shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any committee member or any person involved in the sourcing process, where this is done, Transnet shall be entitled forthwith to rescind the contract and all other contracts with the Bidder / Supplier.

## 16 DISPUTE RESOLUTION

- 16.1 Transnet recognises that trust and good faith are pivotal to its relationship with its Bidders / Suppliers. When a dispute arises between Transnet and its Bidder / Supplier, the parties should use their best endeavours to resolve the dispute in an amicable manner, whenever possible. Litigation in bad faith negates the principles of trust and good faith on which commercial relationships are based. Accordingly, following a restriction process as mentioned in paragraph 12 above, Transnet will not do business with a company that litigates against it in bad faith or is involved in any action that reflects bad faith on its part. Litigation in bad faith includes, but is not limited to the following instances:
- a) **Vexatious proceedings:** these are frivolous proceedings which have been instituted without proper grounds;
  - b) **Perjury:** where a supplier makes a false statement either in giving evidence or on an affidavit;
  - c) **Scurrilous allegations:** where a supplier makes allegations regarding a senior Transnet employee which are without proper foundation, scandalous, abusive or defamatory; and
  - d) **Abuse of court process:** when a supplier abuses the court process in order to gain a competitive advantage during a bid process.

## 17 GENERAL

- 17.1 This Integrity Pact is governed by and interpreted in accordance with the laws of the Republic of South Africa.
- 17.2 The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the law relating to any civil or criminal proceedings.
- 17.3 The validity of this Integrity Pact shall cover all the bidding processes and will be valid for an indefinite period unless cancelled by either Party.
- 17.4 Should one or several provisions of this Integrity Pact turn out to be invalid the remainder of this Integrity Pact remains valid.



- 17.5 Should a Bidder / Supplier be confronted with dishonest, fraudulent or corruptive behaviour of one or more Transnet employees, Transnet expects its Bidders / Suppliers to report this behaviour directly to a senior Transnet official / employee or alternatively by using Transnet's "Tip-Off Anonymous" hotline number 0800 003 056, whereby your confidentiality is guaranteed.

The Parties hereby declare that each of them has read and understood the clauses of this Integrity Pact and shall abide by it. To the best of the Parties' knowledge and belief, the information provided in this Integrity Pact is true and correct.

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