

an Operating Division of **TRANSNET SOC LTD**

[Registration No. 1990/000900/30]

[hereinafter referred to as **Transnet**]

REQUEST FOR QUOTATION [RFQ] No CAC-ELF-37868

**ONCE OFF SUPPLY AND DELIVERY OF THE SINGLE-PHASE STEPDOWN POWER TRANSFORMER
50KVA, 50KV/230V COMPLETE WITH ITS COMPONENTS AS PER SANS 780, NRS005, SANS
1019 AT ELANDSFONTEIN DEPOT**

FOR DELIVERY TO:	ELANDSFONTEIN DEPOT
ISSUE DATE:	02 JUNE 2022
CLOSING DATE:	23 JUNE 2022
CLOSING TIME:	10:000 AM
VALIDITY PERIOD:	17 APRIL 2023 (180 Business Working Days)

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. 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 ONCE OFF SUPPLY AND DELIVERY OF THE SINGLE-PHASE STEPDOWN POWER TRANSFORMER 50KVA, 50KV/230V COMPLETE WITH ITS COMPONENTS AS PER SANS 780, NRS005, SANS 1019 AT ELANDSFONTEIN DEPOT, A DIVISION TRANSNET SOC LTD

BID NUMBER:	CRAC-ELF-37868	ISSUE DATE:	02 JUNE 2022	CLOSING DATE:	23 JUNE 2022	CLOSING TIME:	10:00AM
DESCRIPTION	ONCE OFF SUPPLY AND DELIVERY OF THE SINGLE-PHASE STEPDOWN POWER TRANSFORMER 50KVA, 50KV/230V COMPLETE WITH ITS COMPONENTS AS PER SANS 780, NRS005, SANS 1019 AT ELANDSFONTEIN DEPOT						

BID RESPONSE DOCUMENTS SUBMISSION

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.

RESPONDENTS ARE TO UPLOAD THEIR BID RESPONSE PROPOSALS ONTO THE TRANSNET SYSTEM AGAINST EACH TENDER/Rfq SELECTED.

The Transnet e-Tender Submission Portal can be accessed as follows:

- Log on to the Transnet eTenders management platform website (<https://www.transnet.net>);
- Click on "TENDERS";
- Scroll towards the bottom right hand side of the page;
- Click on "register on our new eTender Portal";
- Click on "ADVERTISED TENDERS" to view advertised tenders;
- Click on "SIGN IN/REGISTER – for bidder to register their information (must fill in all mandatory information);
- Click on "SIGN IN/REGISTER" - to sign in if already registered;
- Toggle (click to switch) the "Log an Intent" button to submit a bid;
- Submit bid documents by uploading them into the system against each tender selected.
- No late submissions will be accepted. The bidder guide can be found on the Transnet Portal transnetetenders.azurewebsites.net

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	Unathi Manentsa	CONTACT PERSON	Unathi Manentsa
TELEPHONE NUMBER	011 878 7141	TELEPHONE NUMBER	011 878 7141
FACSIMILE NUMBER	N/A	FACSIMILE NUMBER	N/A
E-MAIL ADDRESS	Unathi.Manentsa@transnet.net	E-MAIL ADDRESS	Unathi.Manentsa@transnet.net

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
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
1 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]		2 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]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO					
DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO					
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO					
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO					
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> YES <input type="checkbox"/> NO					
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.					

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-FILED 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 4 [*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 **Transformers, Shunt Reactors and associated equipment** 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 **80%** [Eighty percent] will be required for the goods specified in SBD 6.2 to be manufactured by a successful Respondent.

Only locally produced or locally manufactured material 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.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/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 **[Unathi Manentsa]** before **10:00 am on 10 June 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 Transnet Acquisition Council on any matter relating to its RFQ response:

Telephone 011 584 0821

Email: 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

Item No.	Item description
1	Supply and delivery of the single-phase stepdown power transformer 50kVA ,50kV/230V, complete with its components as per SANS 780, NRS005, SANS 1019. Detailed Specification attached on Annexure G

11 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.

12 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.

13 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.

14 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:

**Ethics Helpdesk**
Integrity Management Systems™

You can choose to be Anonymous or Non-Anonymous on ANY of the platforms
PLEASE RETAIN YOUR REFERENCE NUMBER



AI Voice Bot "Jack"
Speak to our AI Voice Chat Bot "JACK". you converse with him like chatting to a human, with the option to record a message and speak to an agent at anytime.



What's App
Speak to an Agent via What's App.




Speak to an Agent
Speak to an Agent via the platform with no call or data charge.



Telegram
Speak to an Agent via Telegram.

**0800 003 056**

**086 551 4153**

**reportit@ethicshelpdesk.com**

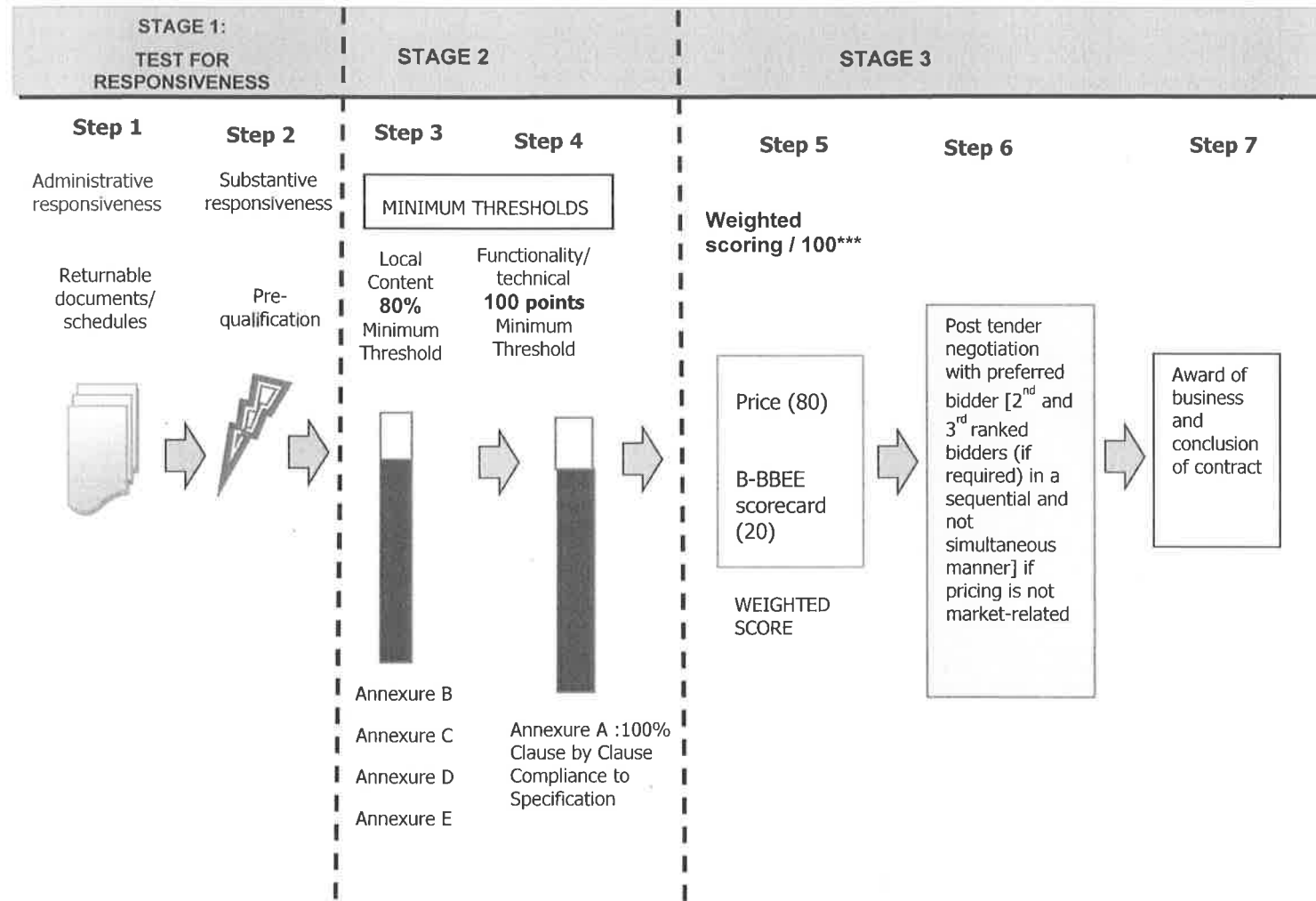
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SECTION 3

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
• Whether the Bid has been lodged on time	
• Whether all Returnable Documents and/or schedules [where applicable] were completed and returned by the closing date and time	<i>Section 3</i>
• Verify the validity of all returnable documents	<i>Section 3</i>
• Verify if the Bid document has been duly signed by the authorised respondent	<i>All sections</i>
• Annexure D – Imported Content Declaration: Supporting Schedule to Annexure C	<i>Section 2</i>
• Annexure E – Local Content Declaration: Supporting Schedule to Annexure C	<i>Section 2</i>

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
❖ SECTION 1: SBD1 Form	<i>Section 1</i>
• Proof of CSD Registration	
• SECTION 4: Whether the Bid contains a 100% Completed priced offer. (The pricing schedule has been provided in the RFQ, bidders to complete the provided pricing schedule failure to complete and submit the provided pricing schedule will result in a bid disqualification).	<i>Section 4 – Quotation Form</i>
• Annexure B – Declaration Certificate for Local Production and Content [SBD 6.2]	<i>Section 2</i>
• Annexure C – Local Content Declaration: Summary Schedule (Declare local content fully on Annexure C, Failure will lead to tender disqualification)	<i>Section 2</i>

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 for Local Content

Local Production and Content Threshold	RFQ REFERENCE
• A minimum threshold of 80% is required for Local Content of Goods offered	<i>Section 2, paragraph 3 Annexures B and C</i>
• ANNEXURE B – Declaration Certificate for Local Production and Content [SBD6.2]	<i>Section 2</i>
• (SBD6.2 must be completed and submitted even if a complete Local Content exemption letter from DTI has been obtained)	
• ANNEXURE C – Local Content Declaration: Summary Schedule	<i>Section 2</i>
• (Annexure C must be completed and submitted even if a complete Local Content exemption letter from DTI has been obtained) (Declare local content fully on Annexure C, Failure will lead to tender disqualification)	

• A Local Content exemption letter from DTI (where applicable)	<i>Section 2</i>
• Annexure D – Imported Content Declaration: Supporting Schedule to Annexure C	<i>Section 2</i>
• Annexure E – Local Content Declaration: Supporting Schedule to Annexure C	<i>Section 2</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.

1.4 STEP FOUR: Minimum Threshold 100 points for Technical Criteria

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

- Annexure A: which include a 100% Clause by Clause Compliance to Specification, and **Failure to submit and comply 100% to the technical Clause by Clause Compliance to Transnet's Specification will result in a bid being disqualified. Bidder to ensure that the document is submitted and that they respond to each statement of compliance.**

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

1.5 STEP FIVE: Evaluation and Final Weighted Scoring

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

Evaluation Criteria	RFQ Reference
• Commercial offer	<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.

1.6 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).

1.7 STEP SEVEN: 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 180 [One Hundred and Eighty] 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), as required per National Treasury Instruction Note 01 of 2015/2016.

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 (DPIP) 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 DPIP 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 (DPIP) 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=DPIP>, Respondents are required to disclose any commercial relationship with a DPIP 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.						
Is the Respondent (Complete with a "Yes" or "No")						
A DPIP/FPPO		Closely Related to a DPIP/FPPO		Closely Associated to a DPIP/FPPO		
List all known business interests, in which a DPIP/FPPO may have a direct/indirect interest or significant participation or involvement.						
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)	
					Active	Non-Active
1						
2						
3						

Respondents declaring a commercial relationship with a DPIP or FPPO are to note that Transnet is required to annually publish on its website a list of all business contracts entered into with DPIP 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	<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>
Returnable Documents Used for Scoring	<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>
Essential Returnable Documents	<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>

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:

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
❖ SECTION 1: SBD1 Form Proof of CSD Registration	Section 1
❖ SECTION 4: Whether the Bid contains a 100% Completed priced offer. (The pricing schedule has been provided in the RFQ, bidders to complete the provided pricing schedule failure to complete and submit the provided pricing schedule will result in a bid disqualification).	Section 4 – Quotation Form
❖ Annexure B – Declaration Certificate for Local Production and Content [SBD 6.2]	Section 2
❖ Annexure C – Local Content Declaration: Summary Schedule (Declare local content fully on Annexure C, Failure will lead to tender disqualification)	Section 2

b) Returnable Documents Used for Scoring

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

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).	
Annexure A: 100% Clause by Clause Compliance to Specification	

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

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	
Valid Tax Pin	
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	
SECTION 8: Protection of Personal Information	

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 Item	Unit Of Measure	Quantity	Unit Price	TOTAL PRICE OF ITEM [ZAR]
1	50kVA Stepdown transformer Supply and delivery of the single-phase stepdown power transformer 50kVA ,50kv/230V, complete with its components as per SANS 780, NRS005, SANS 1019 and attached SPEC on Annexure G	Each	1		
TOTAL PRICE, exclusive of VAT:					
VAT 15% (if applicable)					
Total Inclusive of VAT (where applicable)					

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) Any disbursement not specifically priced for will not be considered/accepted by Transnet.
- d) 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.
- e) 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.
- f) Bidders are to fully quote for the item, failure to quote for the item will lead to disqualification.

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 interest¹ in the enterprise, employed by the state?

YES/NO

- 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 any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

¹ 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.

13.2 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 consortium¹ 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.

¹ 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.

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.

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 _____	AS WITNESS:
duly authorised hereto	
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
 - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 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 Either 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-BBBEE 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

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

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

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

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
Large	Certificate issued by SANAS accredited verification agency
QSE	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 www.dti.gov.za/economic_empowerment/bee_codes.jsp .]
EME¹	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

¹ 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.

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

(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:

Designated Group: An EME or QSE which is at least 51% owned by:	EME ✓	QSE ✓
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		
OR		
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:

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

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/inforeg/>, click on contact us, click on complaints.IR@justice.gov.za

ANNEXURE A

CLAUSE BY CLAUSE TO SPECIFICATION

ANNEXURE A

CLAUSE BY CLAUSE DECLARATION TO SPECIFICATIONS

The compliance response is to contain ONLY the following statement, "**Comply**" or "**Do not comply**" or a tick (✓) on 'comply' or 'do not comply' box.

Bidders are to refer to the Scope of Work (Annexure A) For Full Detailed Specification:

RFQ FOR ONCE OFF SUPPLY AND DELIVERY OF THE SINGLE-PHASE STEPDOWN POWER TRANSFORMER 50KVA, 50KV/230V COMPLETE WITH ITS COMPONENTS AS PER SANS 780, NRS005, SANS 1019 AT ELANDSFONTEIN DEPOT.

THE BIDDERS MUST FULLY COMPLY WITH THE TECHNICAL CLAUSE BY CLAUSE STATEMENT OF COMPLIANCE, FAILURE TO DO SO WILL LEAD TO DISQUALIFICATION.

NB: FAILURE TO FULLY COMPLETE CLAUSE BY CLAUSE DECLARATION, COMPLY (100%) TO SPECIFICATION AND SUBMIT DECLARATION TOGETHER WITH RFQ WILL RESULT IN BID DISQUALIFICATION

CLAUSENUMBER	DESCRIPTION	COMPLY	DO NOT COMPLY
1	50kVA Stepdown transformer Supply and delivery of the single -phase stepdown power transformer 50kVA ,50kv/230V, complete with its components as per SANS 780, NRS005, SANS 1019 and attached SPEC on Annexure G		

LOCAL CONTENT

- ❖ The SABS approved technical specification number SATS 1286:2011
- ❖ Guidance Document for the Calculation of Local Content
- ❖ Instruction Note
- ❖ Annexure B
- ❖ Annexure C
- ❖ Annexure D
- ❖ Annexure E

**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:

Description of services, works or goods

Stipulated minimum threshold

Supply and delivery of the single-phase stepdown power transformer 50kVA
,50kV/230V, complete with its components as per SANS 780, NRS005, SANS 1019.

80%

4. Does any portion of the services, works or goods offered have any imported content?

(***Tick applicable box***)

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

- 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

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-ELF-37868

ISSUED BY: TRANSNET 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. 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 (Transformers, Shunt Reactors and associated equipment)	80%

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 (PPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

ANNEXURE C

Date: _____

ANNEXURE D

ANNEXURE E

Date: _____

ANNEXURE F

- ❖ The SABS approved technical specification number SATS 1286:2011
- ❖ Guidance Document for the Calculation of Local Content
- ❖ Instruction Note

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SATS 1286:2011

Edition 1

SABS STANDARDS DIVISION

Technical specification

Local goods, services and works — Measurement and verification of local content

This document does not have the status of a South African National Standard:

Published by SABS Standards Division
1 Dr Lategan Road Groenkloof ☒ Private Bag X191 Pretoria 0001
Tel: +27 12 428 7911 Fax: +27 12 344 1568
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SATS 1286:2011

Edition 1

Table of changes

Change No.	Date	Scope

Foreword

This South African technical specification was approved by National Committee SABS TC 180, *Conformity assessment (CASCO)*, in accordance with procedures of the SABS Standards Division, in compliance with annex 3 of the WTO/TBT agreement.

This SATS was published in November 2011.

This document is being issued as a South African technical specification because there is a need for clarity and the ability to measure and validate the local content of goods, works and services in order to implement a procurement system that takes the local content into account.

This document will in future be revised and issued as a national standard.

Reference is made in 1.1 and 2.6 to the "relevant national legislation". In South Africa, this means the Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

Reference is made in the note to 2.10 to a "national accreditation body". In South Africa, this means the South African National Accreditation System (SANAS).

Reference is made in 5.1(a) to an "accredited verification body". In South Africa, this means a body accredited by the South African National Accreditation System (SANAS).

Reference is made in 5.1(b) to an "independent registered auditor". In South Africa, this means a registered auditor approved by the Independent Regulatory Board for Auditors (IRBA) in terms of the Auditing Profession Act, 2005 (Act No. 26 of 2005).

Annexes A and B form an integral part of this document.

Introduction

Preferential procurement policies and their associated regulations, such as local content requirements, are mechanisms used by the government and organs of state in the adjudication of tenders, to give consideration to procuring locally manufactured products that comply with specified requirements. Governments may identify specific industries which are deemed to be of critical importance to the economic sustainability and industrial development of their country.

In order to calculate and verify local content, a standardized approach is essential, and this document specifies the approach used in South Africa.

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Edition 1

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Local goods, services and works — Measurement and verification of local content

1 Scope

1.1 This technical specification specifies requirements and procedures to define, measure, declare and verify the local content of goods, services and works when required for procurement and other purposes, in terms of the relevant national legislation (see foreword):

NOTE The product should contain no less than the level of local content as determined by the relevant national legislation (see foreword) and other procurement requirements.

1.2 This technical specification does not specify the required safety, quality or other properties of the product.

The responsibility to include the above requirements rests with the procurement authority.

2 Definitions

For the purposes of this document, the following definitions apply.

2.1
component

elementary part (element or portion) of a product

2.2
imported content

that portion of the tender price represented by

a) the cost of imported components, and

b) the cost of parts or materials which have been or are still to be imported (whether by the suppliers or the suppliers' subcontractors or any other third party) the costs of which are inclusive of the costs abroad,

plus freight and other direct importation costs, such as landing cost, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry excluding value added tax (VAT)

2.3
local content

that portion of the tender price that is not included in the imported content, provided that local manufacturing takes place and is calculated in accordance with the local content formula (see 3.1)

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2.4

manufacture

any kind of working or processing, including assembly or specific operations

2.5

material

ingredient, raw material, component or part used in the manufacture of a product

2.6

products

produced goods, services or works, or manufactured goods as defined in the relevant national legislation (see foreword)

2.7

tender price

price offered by the tenderer, excluding value added tax (VAT)

2.8

tenderer

person or organization that submits a tender offer

[ISO 10845-1:2010]

2.9

verification

confirmation through the provision of objective evidence that the specified requirements have been fulfilled.

2.10

verification body

body that provides assurance of the claims of local content made by the supplier

NOTE In order to provide assurance as to the competence of the verification body, the user may require that the verification body be accredited to perform these functions by a national accreditation body (see foreword).

3 Local content measurement

3.1 Calculation of local content

The local content percentage of the product shall be as specified (see annex A). The local content, LC, expressed as a percentage of the tender price, shall be calculated as follows:

$$LC = (1 - x/y) * 100$$

where

x is the imported content (see 2.2), in Rand (ZAR);

y is the tender price (see 2.7), in Rand (ZAR).

Prices referred to in the determination of x shall all be converted to Rand (ZAR) by using the exchange rate as specified (see annex A).

3.2 Documentation required for the calculation of local content

3.2.1 Documentation used for the purposes of measuring local content shall include, but is not limited to, details of all imported components, parts or materials indicating origin, manufacturer, freight cost and other direct importation costs, such as landing cost, dock duties, and import duty and sales duty, i.e. landed cost.

3.2.2 Documentary proof used for calculating x in the measurement of local content and proof of the tender price y shall be kept accessible for a period of no less than five years.

3.2.3 The tenderer shall be responsible for the accuracy of the information, including the imported content in the supply chain.

3.2.4 If information on the origin of components, parts or materials is not available, it will be deemed to be imported content.

3.3 Control of documents and records by the tenderer

Documents and records to provide evidence of compliance with the requirements of this technical specification shall be controlled.

A documented procedure to define the controls needed for the identification, storage, protection, retrieval, retention and disposition of records shall be established.

Records shall remain legible, readily identifiable and retrievable.

4 Declaration

The tenderer shall attach the declaration in annex B signed by the 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) to the purchaser stating the local content percentage of the product, calculated in accordance with 3.1, and confirming the final tender price.

5 Verification

5.1 The procurement authority may require that the measurement of local content be verified. The verification shall be conducted by:

- a) an accredited verification body (see foreword); or
- b) an independent registered auditor (see foreword).

5.2 Those conducting the verification shall have defined and documented procedures for the verification activities.

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Annex A

(normative)

Notes to purchasers

In addition to data clearly describing the product ordered, the following requirements shall be specified in tender invitations and in each order or contract:

- a) the local content percentage requirements (see 3.1), and
- b) the exchange rate requirements (see 3.1).

Annex B
(normative)

Local content declaration

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 TENDER No.
ISSUED BY: (Procurement Authority):

NB The obligation to complete and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the tenderer.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of (name of tendering entity),
the following:

- (a) The facts herein contained are within my own personal knowledge.
- (b) I have satisfied myself that the goods/services to be delivered in terms of the above-specified tender comply with the minimum local content requirements as specified in the tender, and as measured in terms of SATS 1286.
- (c) The local content has been calculated using the formula given in clause 3 of SATS 1286 and the following figures:

	Rand (ZAR)
Tender price, excluding VAT	
Less imported content, as calculated in terms of SATS 1286	
Local content	
Local content %	

If the tender is for more than one product, a schedule of the local content by product shall be attached.

- (d) I accept that the Procurement Authority has the right to request that the local content be verified in terms of the requirements of SATS 1286.
- (e) I understand that the awarding of the tender 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, may result in the procurement authority imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations promulgated under the Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

SATS 1286:2011
Edition 1

Bibliography

ISO 10845:2010, *Construction procurement – Part 1: Processes, methods and procedures.*

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SABS – Standards Division

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South African National Standards are updated by amendment or revision. Users of South African National Standards should ensure that they possess the latest amendments or editions.

The SABS continuously strives to improve the quality of its products and services and would therefore be grateful if anyone finding an inaccuracy or ambiguity while using this standard would inform the secretary of the technical committee responsible, the identity of which can be found in the foreword.

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Tel: +27 (0) 12 428 6666 Fax: +27 (0) 12 428 6928 E-mail: info@sabs.co.za



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Private Bag X84, PRETORIA, 0001, the dti Campus, 77 Meintjies Street, Sunnyside, 0002, Tel: (012) 394 0000

the dti Customer Contact Centre local: 0861 843 384 International: +27 12 394 9500, www.thedti.gov.za

Guidance Document for the Calculation of Local Content

1. DEFINITIONS

Unless explicitly provided in this guideline, the definitions given in SATS 1286:2011 apply.

2. GENERAL

2.1. Introduction

This guideline provides tenderers with a detailed description of how to calculate local content of products (goods, services and works) by components/material/services and enables them to keep an updated record for verification requirements as per the SATS 1286:2011 Annexure A and B.

The guideline consists of two parts, namely:

- a written guideline; and
- three declarations that must be completed:
 - Declaration C: "Local Content Declaration – Summary Schedule" (see Annexure C);
 - Declaration D: "Imported Content Declaration – Supporting Schedule to Annex C" (see Annexure D); and
 - Declaration E: "Local Content Declaration – Supporting Schedule to Annex C" (see Annexure E).

The guidelines and declarations should be used by tenderers when preparing a tender. A tenderer must complete Declarations D and E, and consolidate the information on Declaration C.

Annexure C must be submitted with the tender by the closing date and time as determined by the Tender Authority. The Tender Authority reserves the right to request that Declarations D and E also be submitted.

If the tender is successful, the tenderer must continuously update Declarations C, D and E with actual values for the duration of the contract.

NOTE:

Annexure A is a note to the purchaser in SATS 1286:2011; and
Annexure B is the Local Content Declaration IN SATS 1286:2011.

2.2. What is local content?

According to SATS 1286:2011, the local content of a product is the tender price less the value of imported content, expressed as a percentage. It is, therefore, necessary to first compute the imported value of a product to determine the local content of a product.

2.3. Categories: Imported and Local Content

The tenderer must differentiate between imported content and local content.

Imported content of a product by components/material/services is separated into two categories, namely:

- products imported directly by the tenderer; and
- products imported by a third party and supplied to the tenderer.

2.3.1. Imported Content

Identify the imported content, if any, by value for products by component/material/services. In the case of components/materials/services sourced from a South African manufacturer, agent, supplier or subcontractor (i.e. third party), obtain that information and Declaration D from the third party.

Calculate the imported content of components/materials/services to be used in the manufacture of the total quantity of the products for which the tender is to be submitted.

As stated in clause 3.2.4 of SATS 1286:2011: "If information on the origin of components, parts or materials is not available, it will be deemed to be imported content."

2.3.1.1. Imported directly by the tenderer:

When the tenderer import products directly, the onus is on the tenderer to provide evidence of any components/materials/services that were procured from a non-domestic source. The evidence should be verifiable and pertain to the tender as a whole. Typical evidence will include commercial invoices, bills of entry, etc.

When the tenderer procures imported services such as project management, design, testing, marketing, etc and makes royalty and lease payments, such payments relating to the tender must be included when calculating imported content.

2.3.1.2. Imported by a third party and supplied to the tenderer:

When the tenderer supplies components/material/services that are imported by any third party (for example, a domestic manufacturer, agent, supplier or subcontractor in the supply chain), the onus is on the tenderer to obtain verifiable evidence from the third party.

The tenderer must obtain Declaration D from all third parties for the related tender. The third party must be requested by the tenderer to continuously update Declaration D. Typical evidence of imported content will include commercial invoices, bills of entry etc.

When a third party procures imported services such as project management, design, testing, marketing etc. and makes royalty and lease payments, such payments relating to the tender must be included when calculating imported content.

2.3.1.3. Exempt Imported Content:

Exemptions, if any, are granted by the Department of Trade and Industry (**the dti**). Evidence of the exemptions must be provided and included in Annexure D.

2.3.2. Local Content

Identify and calculate the local content, by value for products by components/materials/services to be used in the manufacture of the total quantity of the products.

3. ANNEXURE C

3.1. Guidelines for completing Annexure C: Local Content Declaration – Summary Schedule

Note: The paragraph numbers correspond to the numbers in Annexure C.

C1. Tender Number

Supply the tender number that is specified on the specific tender documentation.

C2. Tender description

Supply the tender description that is specified on the specific tender documentation.

C3. Designated products

Supply the details of the products that are designated in terms of this tender (i.e. buses).

C4. Tender Authority

Supply the name of the tender authority.

C5. Tendering Entity name

Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd).

C6. Tender Exchange Rate

Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

C7. Specified local content %

Provide the specified minimum local content requirement for the tender (i.e. 80%), as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MDB) 6.2.

C8. Tender item number

Provide the tender item number(s) of the products that have a local content requirement as per the tender specification.

C9. List of items

Provide a list of the item(s) corresponding with the tender item number.
This may be a short description or a brand name.

Calculation of local content

C10. Tender price

Provide the unit tender price of each item excluding VAT.

C11. Exempted imported content

Provide the ZAR value of the exempted imported content for each item, if applicable. These value(s) must correspond with the value(s) of column D16 on Annexure D.

C12. Tender value net of exempted imported content

Provide the net tender value of the item, if applicable, by deducting the exempted imported content (C11) from the tender price (C10).

C13. Imported value

Provide the ZAR value of the items' imported content.

C14. Local value

Provide the local value of the item by deducting the Imported value (C13) from the net tender value (C12).

C15. Local content percentage (per item)

Provide the local content percentage of the item(s) by dividing the local value (C14) by the net tender value (C12) as per the local content formula in SATS 1286.

Tender Summary

C16. Tender quantity

Provide the tender quantity for each item number as per the tender specification.

C17. Total tender value

Provide the total tender value by multiplying the tender quantity (C16) by the tender price (C10).

C18. Total exempted imported content

Provide the total exempted imported content by multiplying the tender quantity (C16) by the exempted imported content (C11). These values must correspond with the values of column D18 on Annexure D.

C19. Total imported content

Provide the total imported content of each item by multiplying the tender quantity (C16) by the imported value (C13).

C20. Total tender value

Total tender value is the sum of the values in column C17.

C21. Total exempted imported content

Total exempted imported content is the sum of the values in column C18. This value must correspond with the value of D19 on Annexure D.

C22. Total tender value net of exempted imported content

The total tender value net of exempt imported content is the total tender value (C20) less the total exempted imported content (C21).

C23. Total imported content

Total imported content is the sum of the values in column C19. This value must correspond with the value of D53 on Annexure D.

C24. Total local content

Total local content is the total tender value net of exempted imported content (C22) less the total imported content (C23). This value must correspond with the value of E13 on Annexure E.

C25. Average local content percentage of tender

The average local content percentage of tender is calculated by dividing total local content (C24) by the total tender value net of exempted imported content (C22).

4. ANNEXURE D

4.1. Guidelines for completing Annexure D: “Imported Content Declaration – Supporting Schedule to Annexure C”

Note: The paragraph numbers correspond to the numbers in Annexure D.

D1. Tender number

Supply the tender number that is specified on the specific tender documentation.

D2. Tender description

Supply the tender description that is specified on the specific tender documentation.

D3. Designated products

Supply the details of the products that are designated in terms of this tender (i.e. buses).

D4. Tender authority

Supply the name of the tender authority.

D5. Tendering entity name

Provide the tendering entity name (i.e. Unibody Bus Builders (Pty) Ltd).

D6. Tender exchange rate

Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

Table A. Exempted Imported Content

D7. Tender item number

Provide the tender item number(s) of the product(s) that have imported content.

D8. Description of imported content

Provide a list of the exempted imported product(s), if any, as specified in the tender.

D9. Local supplier

Provide the name of the local supplier(s) supplying the imported product(s).

D10. Overseas supplier

Provide the name(s) of the overseas supplier(s) supplying the exempted imported product(s).

D11. Imported value as per commercial invoice

Provide the foreign currency value of the exempted imported product(s) disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

D12. Tender exchange rate

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D13. Local value of imports

Convert the value of the exempted imported content as per commercial invoice (D11) into the ZAR value by using the tender exchange rate (D12) disclosed in the tender documentation.

D14. Freight costs to port of entry

Provide the freight costs to the South African Port of the exempted imported item.

D15. All locally incurred landing costs and duties

Provide all landing costs including customs and excise duty for the exempted imported product(s) as stipulated in the SATS 1286:2011.

D16. Total landed costs excl VAT

Provide the total landed costs (excluding VAT) for each item imported by adding the corresponding item values in columns D13, D14 and D15. These values must be transferred to column C11 on Annexure C.

D17. Tender quantity

Provide the tender quantity of the exempted imported products as per the tender specification.

D18. Exempted imported value

Provide the imported value for each of the exempted imported product(s) by multiplying the total landed cost (excl. VAT) (D16) by the

tender quantity (D17). The values in column D18 must correspond with the values of column C18 of Annexure C.

D19. Total exempted imported value

The total exempted imported value is the sum of the values in column D18. This total must correspond with the value of C21 on Annexure C.

Table B. Imported Directly By Tenderer

D20. Tender item numbers

Provide the tender item number(s) of the product(s) that have imported content.

D21. Description of imported content:

Provide a list of the product(s) imported directly by tender as specified in the tender documentation.

D22. Unit of measure

Provide the unit of measure for the product(s) imported directly by the tenderer.

D23. Overseas supplier

Provide the name(s) of the overseas supplier(s) supplying the imported product(s).

D24. Imported value as per commercial Invoice

Provide the foreign currency value of the product(s) imported directly by tenderer disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

D25. Tender rate of exchange

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D26. Local value of imports

Convert the value of the product(s) imported directly by the tenderer as per commercial invoice (D24) into the ZAR value by using the tender exchange rate (D25) disclosed in the tender documentation.

D27. Freight costs to port of entry

Provide the freight costs to the South African Port of the product(s) imported directly by the tenderer.

D28. All locally incurred landing costs and duties

Provide all landing costs including customs and excise duty for the product(s) imported directly by the tenderer as stipulated in the SATS 1286:2011.

D29. Total landed costs excl VAT

Provide the total landed costs (excluding VAT) for each item imported directly by the tenderer by adding the corresponding item values in columns D26, D27 and D28.

D30. Tender quantity

Provide the tender quantity of the product(s) imported directly by the tenderer as per the tender specification.

D31. Total imported value

Provide the total imported value for each of the product(s) imported directly by the tenderer by multiplying the total landed cost (excl. VAT) (D29) by the tender quantity (D30).

D32. Total imported value by tenderer

The total value of imports by the tenderer is the sum of the values in column D31.

Table C. Imported by Third Party and Supplied to the Tenderer

D33. Description of imported content

Provide a list of the product(s) imported by the third party and supplied to the tenderer as specified in the tender documentation.

D34. Unit of measure

Provide the unit of measure for the product(s) imported by the third party and supplied to tenderer as disclosed in the commercial invoice.

D35. Local supplier

Provide the name of the local supplier(s) supplying the imported product(s).

D36. Overseas supplier

Provide the name(s) of the overseas supplier(s) supplying the imported products.

D37. Imported value as per commercial invoice

Provide the foreign currency value of the product(s) imported by the third party and supplied to the tenderer disclosed in the commercial invoice accepted by SARS.

D38. Tender rate of exchange

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D39. Local value of imports

Convert the value of the product(s) imported by the third party as per commercial invoice (D37) into the ZAR value by using the tender exchange rate (D38) disclosed in the tender documentation.

D40. Freight costs to port of entry

Provide the freight costs to the South African Port of the product(s) imported by third party and supplied to the tenderer.

D41. All locally incurred landing costs and duties

Provide all landing costs including customs and excise duty for the product(s) imported by third party and supplied to the tenderer as stipulated in the SATS 1286:2011.

D42. Total landed costs excluding VAT

Provide the total landed costs (excluding VAT) for each product imported by third party and supplied to the tenderer by adding the corresponding item values in columns D39, D40 and D41.

D43. Quantity imported

Provide the quantity of each product(s) imported by third party and supplied to the tenderer for the tender.

D44. Total imported value

Provide the total imported value of the product(s) imported by third party and supplied to the tenderer by multiplying the total landed cost (D42) by the quantity imported (D43).

D45. Total imported value by third party

The total imported value from the third party is the sum of the values in column D44.

Table D. Other Foreign Currency Payments

D46. Type of payment

Provide the type of foreign currency payment. (i.e. royalty payment for use of patent, annual licence fee, etc).

D47. Local supplier making the payment

Provide the name of the local supplier making the payment.

D48. Overseas beneficiary

Provide the name of the overseas beneficiary.

D49. Foreign currency value paid

Provide the value of the listed payment(s) in their foreign currency.

D50. Tender rate of exchange

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

D51. Local value of payments

Provide the local value of each payment by multiplying the foreign currency value paid (D49) by the tender rate of exchange (D50).

D52. Total of foreign currency payments declared by tenderer and/or third party

The total of foreign currency payments declared by tenderer and/or a third party is the sum of the values in column D51.

D53. Total of imported content and foreign currency payment

The total imported content and foreign currency payment is the sum of the values in column D32, D45 and D52. This value must correspond with the value of C23 on Annexure C.

5. ANNEXURE E

5.1. Guidelines to completing Annexure E: “Local Content Declaration-Supporting Schedule to Annexure C”

The paragraph numbers correspond to the numbers in Annexure E

E1. Tender number

Supply the tender number that is specified on the specific tender documentation.

E2. Tender description

Supply the tender description that is specified on the specific tender documentation.

E3. Designated products

Supply the details of the products that are designated in terms of this tender (for example, buses/canned vegetables).

E4. Tender authority

Supply the name of the tender authority.

E5. Tendering entity name

Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd) Ltd).

Local Goods, Services and Works

E6. Description of items purchased

Provide a description of the items purchased locally in the space provided.

E7. Local supplier

Provide the name of the local supplier that corresponds to the item listed in column E6.

E8. Value

Provide the total value of the item purchased in column E6.

E9. Total local products (Goods, Services and Works)

Total local products (goods, services and works) is the sum of the values in E8.

E10. Manpower costs:

Provide the total of all the labour costs accruing only to the tenderer (i.e. not the suppliers to tenderer).

E11. Factory overheads:

Provide the total of all the factory overheads including rental, depreciation and amortisation for local and imported capital goods, utility costs and consumables. (Consumables are goods used by individuals and businesses that must be replaced regularly because they wear out or are used up. Consumables can also be defined as the components of an end product that are used up or permanently altered in the process of manufacturing, such as basic chemicals.)

E12. Administration overheads and mark-up:

Provide the total of all the administration overheads, including marketing, insurance, financing, interest and mark-up costs.

E13. Total local content:

The total local content is the sum of the values of E9, E10, E11 and E12. This total must correspond with C24 of Annexure C.



national treasury

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 INSTRUCTION NUMBER 12 OF 2016/2017.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT

1 PURPOSE

- 1.1 The purpose of this instruction is to regulate the environment within which accounting officers (AOs) and accounting authorities (AAs) may procure **transformers, shunt reactors and associated equipment** which have been designated for local production and content.

2 BACKGROUND

- 2.1 The Preferential Procurement Regulations, 2011 ("the regulations") issued in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) which came into effect on 7 December 2011, make provision for the Department of Trade and Industry (**the dti**) to designate sectors in line with the national development and industrial policies for local production.
- 2.2 Regulation 9 (1) of the Regulations prescribes that, in the case of designated sectors, wherein the award of bids for 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.
- 2.3 **The dti** has designated and determined the stipulated minimum threshold for **transformers, shunt reactors and associated equipment** for local production and content.

3 PRODUCT DESIGNATION

- 3.1 A transformer can be defined as a device that transforms electrical power from one circuit to another. These devices have a critical role at various phases of the electricity delivery process, as the voltage of electricity produced in power stations may not be

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT.

suitable for transmission, whereas the voltage that is suitable for transmission may not be suitable for use by consumers. Table 1 categorises transformers in the classes.

Table 1: Classes of Transformers

Transformer Class	Power Rating, MVA (Range)	Voltage Rating, kV (Range)
Class 0	0.001 to 1	220V to 22
Class 1	1.25 to 160	11 to 132
Class 2	40 to 315	220 to 275
Class 3A	360 to 500	220 to 275
Class 3B	40 to 1000	320 to 400
Class 4	40 to 2000	>420 to 800

- 3.2 Whereas Shunt reactors are electrical devices which are intended to consume reactive power measured in volt amperes (VAr) produced by an electrical power system which leads to an increase in the system's energy efficiency. Shunt reactors are commonly used for reactive power compensation in long high-voltage transmission lines and cable systems, as well as power distribution systems. Table 2 provides the classes of shunt reactors in Mega Volt Ampere reactive (MVar) and voltage rating.

Table 2: Classes of Shunt Reactors

Shunt Reactor	Reactive Power Rating, MVar (Range)	Voltage Rating, kV (Range)
Class 1	≤ 80 MVar	11kV to 132 kV
Class 2	>80 MVar	132kV to 275 kV
Class 3	100MVar - 250 MVar	>275 kV – 420 kV
Class 4	>100 MVar	>420 kV – 765 kV

- 3.3 In this instruction, the classes are inclusive of transformers and shunt reactors.
- 3.4 Table 3 provides the stipulated minimum threshold for local content and production for transformers, shunt reactors and associated equipment categorised by classes. To ensure that the minimum local content designated is discharged on manufacturing activities, the components and conversion activities in the manufacture of transformers, shunt reactors and associated equipment are further designated and must also be included in bid invitations.

Table 3: Minimum Local Content Thresholds on Fully-Built Units

Table 3a: Minimum Local Content for Class 0

Classes of Transformers and Shunt Reactors	Local Content Threshold
	From the Effective Date
Class 0	90%

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT.

Table 3b: Minimum Local Content for Classes 1 and 2

Classes of Transformers and Shunt Reactors	Local Content Threshold	
	From the Effective Date	01/01/2018
Class 1	70%	80%
Class 2	70%	80%

Table 3c: Minimum Local Content for Classes 3 to 4

Classes of Transformers and Shunt Reactors	Local Content Threshold		
	From the Effective Date	01/01/2018	01/01/2020
Class 3	45%	60%	80%
Class 4	10%	20%	20%

- 3.5 To ensure that the above minimum local content on the different classes is achieved on the actual manufacturing activities, it must be discharged against the following components and manufacturing processes:

Table 4: Components and Manufacturing Process for Class 0

Components and manufacturing processes	% local content from the Effective Date
Fabrication of the tank ¹ and parts	100%
Fabrication of the core ²	100%
Manufacture ³ of windings and assembly	100%
Manufacture of bushings	100%
Off-circuit tap switch	100%
Oil (i.e. blending, processing and handling)	100%
Accessories Category A: Radiators Fans Kiosks Oil conservator Breather canisters	100%
Accessories Category B: Valves Cables	70% (by the valves instruction) 90% (by the cables instruction)
Assembly and Testing	100%

¹ Fabrication of the tank includes cutting, welding, sand-blasting and painting processes.

² Fabrication of the core includes sizing, slitting, cutting, stacking and clamping processes.

³ Manufacture of windings includes rolling, sizing and insulation.

Table 5: Components and Manufacturing Process for Class 1

Components and manufacturing processes	% local content from the Effective Date	% local content from 01/01/2018
Fabrication of the tank and parts	100%	100%
Fabrication of the core	100%	100%
Manufacture of windings and assembly	50%	100% (Conductors localised)
Oil (i.e. blending, processing and handling)	100%	100%
Accessories Category A: Radiators Fans Kiosks Oil conservator Breather canisters	100%	100%
Accessories Category B: Valves Cables	70% (by the valves instruction) 90% (by the cables instruction)	
Assembly and Testing	100%	100%

Table 6: Components and Manufacturing Process for Class 2

Components and manufacturing processes	% local content from the Effective Date	% local content from 01/01/2018
Fabrication of the tank and parts	100%	100%
Fabrication of the core	100%	100%
Manufacture of windings and assembly	50%	100% (Conductors localised)
Oil (i.e. blending, processing and handling)	100%	100%
Accessories Category A: Radiators Fans Kiosks Oil conservator Breather canisters	100%	100%
Accessories Category B: Valves Cables	70% (by the valves instruction) 90% (by the cables instruction)	
Assembly and Testing	100%	100%

Table 7: Components and Manufacturing Process for Class 3

Components and manufacturing processes	% local content from the Effective Date	% local content from 01/01/2018	% local content from 01/01/2020
Fabrication of the tank and parts	100%	100%	100%
Fabrication of the Core	-	-	100%
Windings processes	-	40% Winding conductors localised	100% Manufacture of windings and assembly inclusive of conductors localised
Oil (i.e. blending, processing and handling)	100%	100%	100%
Accessories Category A: Radiators Fans Kiosks Oil conservator Breather canisters	100%	100%	100%
Accessories Category B: Valves Cables	70% (by the valves instruction) 90% (by the cables instruction)		
Assembly and Testing	100%	100%	100%

Table 8: Components and Manufacturing Process for Class 4

Components and manufacturing processes	% local content from the Effective Date	% local content from 01/01/2018	% local content from 01/01/2020
Winding Conductor	-	100%	100%
Oil (i.e. blending, processing and handling)	100%	100%	100%
Accessories Category A: Radiators Fans Kiosks Oil conservator Breather canisters	100%	100%	100%
Accessories Category B: Valves Cables	70% (by the valves instruction) 90% (by the cables instruction)		

- 3.6 Table 3a, 3b and 3c must be read and applied in conjunction with Tables 4 to 8 to ensure that the local content requirements are discharged against the designated components and manufacturing processes.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT.

- 3.7 All primary steel related products: flat products (plates and coils) and long products (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.
- 3.8 The following primary input materials used in the manufacture of transformers, shunt reactors and associated equipment are deemed as local in this designation:
- steel products (i.e. laminated sheets, grain-oriented electrical core, amorphous core);
 - raw copper rod, sheets and twin enamelled epoxy conductor;
 - paper and boards for insulation;
 - aluminium billets and rod;
 - porcelain insulators (used in shunt reactor cores);
 - ceramics/porcelain; reinforced fibre glass and/or polymers; and
 - un-blended transformer oil.
- These inputs should be imported in raw material form for further fabrication and processing in South Africa.
- 3.9 The imported input raw materials indicated in 3.8 used for the assembly and manufacture of transformers, shunt reactors and associated equipment will be deemed to have been sourced locally for the purposes of calculating local content.
- 3.10 The designated local content thresholds (on the components/conversion processes and on the overall) apply to new purchases; refurbishments, replacements and general overhauls.
- 3.11 Bidders must clearly indicate in their bids the quantities to be supplied and the level of local content for each product.
- 3.12 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.
- 3.13 For further information, bidders and procuring state organs may contact the Metals Fabrication, Capital and Rail Transport Equipment Unit within **the dti** at telephone 012 394 1356 or email Thandi Phele at Tphele@thedti.gov.za
- 3.14 Bid specifications for the designated products in this instruction may be may be done in collaboration with **the dti**.
- 4 INVITATION OF BIDS FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT**
- 4.1 Bids in respect of transformers, shunt reactors and associated equipment (broken into classes as shown in tables 3 to 8 above) must contain a specific bidding condition which states that:
- 4.1.1 Only locally manufactured transformers, shunt reactors and associated equipment with a stipulated minimum threshold for local production and content will be considered.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT.

- 4.2 If the quantity; input materials; and/or components of transformers, shunt reactors and associated equipment required cannot be wholly sourced from South African (SA) based manufacturers to achieve the designated local content threshold at any particular time, bidders should request and obtain written exemption from **the dti**. Such exemption applications 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, will consider the exemption applications on a case-by-case basis and will consider the following:
- required volumes in the particular bid;
 - available collective SA industry manufacturing capacity at that time;
 - delivery times;
 - availability of input materials and components;
 - technical considerations including operating conditions and technical compliance protocol;
 - quality and reliability;
 - materials of construction;
 - security of supply and emergencies;
 - localisation plans aimed at establishing and/or increasing local manufacturing capacity through ramping-up of capital investments in the initial phases;
 - replacements of components/conversion processes on the existing fleet (i.e. transformers procured prior to the implementation of this instruction notes) in order to honour the warranties and guarantees.
- 4.3 Bidders must clearly indicate in their bids the quantities of transformers, shunt reactors and associated equipment to be supplied and the level of local content for each product.
- 4.4 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.
- 4.5 For further information, bidders and procuring state organs may contact the Metals Fabrication, Capital and Rail Transport unit within **the dti** at telephone 012 394 1356 or email Thandi Phele at TPhele@thedti.gov.za.
- 4.6 AOs/AAs must stipulate in bid invitations that:
- 4.6.1 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 bid.
- 4.7 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.
- 4.8 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:
- $$LC = \left(1 - \frac{x}{y}\right) * 100$$

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT.

Where

x is the imported content in Rand

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

- In the case of turnkey projects x and y will only refer to the value of the Transformers, Shunt reactors and associated equipment in the project
- 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.

- 4.9 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.jsp at no cost.
- 4.10 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) apply.
- 4.11 AOs/AAs must stipulate in the bid documentation that:
- 4.11.1 the Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with the 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
- 4.11.2 The rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy

5 EVALUATION OF BIDS FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT

- 5.1. A two stage evaluation process may be followed to evaluate the bids received.

5.1.1. First stage: Evaluation in terms of the stipulated minimum threshold for local production and content

- (a) Bids must be evaluated in terms of the minimum threshold stipulated in the bid documents.
- (b) The declaration made by the bidder in the Declaration Certificate for Local Content (SBD / MBD 6.2) and Annex C (Local Content Declaration: Summary Schedule) must be used for this purpose. If the

- bid is for more than one product, the local content percentages for each product contained in Annex C must be used.
- (c) The amendment of the stipulated minimum threshold for local production and content is not allowed.
 - (d) AOs/AAs must ensure that the **Declaration Certificate for Local Content** (SBD/MBD 6.2) and **Annex C** (Local Content Declaration: Summary Schedule) are submitted as part of the bid documentation.
 - (e) AOs/ AAs must verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate for Local Content (SBD / MBD 6.2)

5.1.2. Second stage: Evaluation in terms of the 80/20 or 90/10 preference point systems

- (a) Only bids that achieve the minimum stipulated threshold for local production and content may be evaluated further. Unless otherwise exempted by the Minister of Finance, the evaluation must be done in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations, 2011.
- (b) AOs/AAs must ensure that bids for products that are designated in this instruction are awarded at prices that are market related taking into account, among others, benchmarking prices, value for money and economies of scale.
- (c) Where appropriate, prices may be negotiated with short listed or preferred bidders. Such negotiations must not prejudice any other bidders.

6 BENCHMARK / MARKET RELATED PRICES

- 6.1. AOs/AAs are required to ensure that reasonable or market related prices are secured for the products being procured taking into account factors such as benchmark prices, value for money and economies of scale.
- 6.2. For this purpose, AOs/AAs may approach **the dti** to assist, where possible, with benchmark prices. **The dti** will be in a position to provide price references for the different products that have been designated for local production and content.

7 EVALUATION OF BIDS BASED ON FUNCTIONALITY

Whenever it is deemed necessary to evaluate bids on the basis of functionality, the prescripts contained in regulation 4 of the Preferential Procurement Regulations, 2011 and paragraphs 6 and 11 of the Implementation Guide must be followed.

8 POST AWARD AND REPORTING REQUIREMENTS

- 8.1 Once bids are awarded, **the dti** must be:
 - 8.1.1. Notified of all the successful bidders and the value of the contracts; and

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF
CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT
REACTORS AND ASSOCIATED EQUIPMENT.

- 8.1.2. Provided with copies of the contracts, the SBD/MBD 6.2 Certificates together with the annexure C submitted by the successful bidder(s).
- 8.2. 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.
- 8.3. 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.
- 8.4. 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.

9 CONTACT INFORMATION

- 9.1. Any enquiries in respect of Local Production and Content and all documents to be submitted to the dti must be directed as follows:**

The Department of Trade and Industry
Private Bag X 84
Pretoria
0001

For Attention:
Dr. Tebogo Makube
Chief Director: Industrial Procurement
Tel: (012) 394 3927
Fax: (012) 394 4927
EMAIL: TMakube@thedti.gov.za

10 APPLICABILITY

- 10.1. This instruction 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 apply.

11 DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION

- 11.1. Heads of provincial treasuries are requested to bring the contents of this instruction to the attention of accounting officers and supply chain management officials of their respective provincial departments.
- 11.2. Accounting officers of national and provincial departments are requested to bring the contents of this instruction 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.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR TRANSFORMERS, SHUNT REACTORS AND ASSOCIATED EQUIPMENT.

- 11.3. Accounting officers of municipalities and municipal entities are requested to bring the contents of this instruction to the attention of the supply chain management officials of their municipalities and municipal entities.
- 11.4. Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this instruction to the attention of the supply chain management officials of their public entities.

12. NOTIFICATION TO THE AUDITOR-GENERAL

- 12.1. A copy of this instruction will be forwarded to the Auditor-General for notification.

13. REPEAL OF INSTRUCTION DATED 28 SEPTEMBER 2015

- 13.1. The Instruction on invitation and evaluation of bids based on a stipulated minimum threshold of conversion processes for local production and content for transformers, shunt reactors and associated equipment dated 28 September 2015 and effective on 21 October 2015 is hereby repealed.

14. AUTHORITY FOR THIS INSTRUCTION AND EFFECTIVE DATE

- 13.1. The Minister of Finance has approved the issuance of this instruction in terms of regulation 9(2) of the regulations.

- 13.2. This instruction takes effect on **25 August 2016**.


KENNETH BROWN
CHIEF PROCUREMENT OFFICER
DATE:

29/7/2016.

Transnet Request for Quotation No: CRAC-ELF-37868
Once Off Supply and delivery of the Single-Phase Stepdown Power Transformer 50kva, 50kv/230v complete with its components as per SANS 780, NRS005, SANS 1019 at Elandsfontein Depot

ANNEXURE G

TRANSNET'S SPECIFICATION



TECHNOLOGY MANAGEMENT

SPECIFICATION

HIGH VOLTAGE SUPPLY TRANSFORMERS IN ACCORDANCE WITH IEC 60076 AND BS 171. (For nominal system voltages 33 kV up to 132 kV)

Author:	Chief Engineering Technician Technology Management	L .N. Makhathini
Approved:	Chief Engineering Technician Technology Management	W. Schoeman
Authorised:	Senior Engineer Technology Management	L.O. Borchard

Date: 25 June 2018

Circulation Restricted To:

Transnet Freight Rail – Chief Engineer Infrastructure
- Technology Management

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1.0 SCOPE

This specification covers Transnet freight rail's requirements for the design, manufacture, testing and delivery of three phase supply transformers with ratings up to 3MVA and the HV windings rated for nominal system voltages from 33kV up to 132 kV.

2.0 BACKGROUND

Supply transformers are used on Transnet freight rail as step down transformers for power distribution of the 11kV and 6,6 kV Transnet freight rail reticulation systems and the 11 kV and 6,6 kV transmission line network.

3.0 STANDARDS AND PUBLICATIONS

The transformer shall comply with all relevant requirements of the latest edition of the following specifications unless otherwise specified. The standards used in this specification are as follows.

3.1 INTERNATIONAL ELECTROTECHNICAL COMMISSION

IEC 60076-1:	Power Transformer. Part 1 General
IEC 60137:	Insulated bushings for alternating voltages above 1000V
IEC 60354:	Loading guide for oil immersed power transformers.

3.2 BRITISH STANDARDS

BS 171:	Power Transformers
---------	--------------------

3.3 SOUTH AFRICAN NATIONAL STANDARDS

SANS 121:	Hot-dip Galvanized coatings for fabricated iron or steel articles.
SANS 555:	Unused and reclaimed mineral Insulating Oil for Transformers and Switchgear.
SANS 1019:	Standard voltages, currents and insulation levels for electricity supply.
SANS 1091:	National colour standard
SANS 9001:	Quality Management systems - Requirements

3.4 TRANSNET FREIGHT RAIL

CEE.0224:	Drawings, Catalogues, Instruction Manuals and Spares list for Electrical Equipment supplied under contract.
-----------	---

4.0 APPENDICES

The following appendices form an integral part of this specification:

- Appendix 1: Schedule of requirements.
- Appendix 2: Information provided by the tenderers.

5.0 TENDERING PROCEDURE

- 5.1 Tenderers shall indicate clause by clause compliance with the specification. This shall take the form of a separate document listing all the specifications clause numbers indicating the individual statement of compliance or non-compliance.
- 5.2 The tenderer shall motivate a statement of non-compliance.
- 5.3 Tenderers shall complete Appendix 2. "Information to be provided by tenderers"

5.4 Tenderers shall submit descriptive literature consisting of detailed technical specifications, general constructional details and principal dimensions, together with clear illustrations of the equipment offered.

5.5 Failure to comply with clauses 5.1, 5.2, 5.3 and 5.4 could preclude a tender from consideration.

6.0 SERVICE CONDITIONS.

The transformers shall be designed to operate under the following conditions.

6.1 ATMOSPHERIC CONDITIONS

Altitude:	0 to 1800m above sea level.
Ambient temperature:	-5°C to +45 °C.
Relative humidity:	10% to 90%.
Lightning Conditions:	12 ground flashes per square kilometre per annum.
Pollution:	Heavily salt laden or polluted with smoke from industrial sources.

6.2 ELECTRICAL CONDITIONS

Frequency: The AC high voltage supply will normally be supplied by Eskom. The frequency will be 50 ± 2.5 Hz.

Nominal Supply voltage: As specified in Appendix B

No of Phases: Three phase systems.

Fault Levels: A three-phase short circuit on the supply will be limited to the following levels.

Nominal Supply Voltage	Fault level
Up to 66kV	20kA
88kV	25kA
132kV	40Ka

Harmonics: For the supply transformers installed at the traction substations to supply power to the 11 kV and 6,6 kV transmission lines systems, it can be expected that the low voltage winding of such transformers shall be subjected to the total voltage harmonic distortion of up to 27%.

7.0 SUPPLY TRANSFORMERS

7.1 GENERAL

7.1.1 Unless specified the transformers shall be for outdoor use and of the oil natural air natural (ONAN) cooled type and shall comply with all relevant requirements of specifications IEC 60076-1 and BS 171.

7.1.2 All components used in the supply transformer shall be free from polychlorinated biphenyls. (PCB free)

7.2 TRANSFORMER TANK CONSTRUCTURAL REQUIREMENTS.

7.2.1 The transformer tank shall be of welded construction type and shall be designed for the fitting of radiators.

7.2.2 The transformer tank shall be constructed of steel plate not less than 6 mm thick.

7.2.3 The transformer shall be free breathing.

- 7.2.4 The transformer main tank cover joint shall be welded on all transformers with a ranking below 1MVA
- 7.2.5 All transformers with a rating of 1MVA and higher shall be fitted with O-Rings on the main tank cover, inspection covers and all flanges.
- 7.2.6 The welded joint of the main tank cover shall be designed to permit removal of the weld with the minimum damage to the mating flanges so that they will be suitable for rewelding.
- 7.2.7 The tank cover shall be fitted with lifting lugs for the fitting or removal.
- 7.2.8 Inspection covers or manholes on the transformer tank shall be bolted and shall be provided with gasket seals. Sturdy handles shall be provided for removal of inspection or manhole covers.
- 7.2.9 Transformers shall not be fitted with rollers, but be provided with a substantial base, which will enable it to be supported on steel skid rails, which are embedded in a concrete plinth. The spacing between centers of the skid rails is 1000 mm.
- 7.2.10 Provision shall be made on the transformer base for the attachment of a tackle for the purpose of hauling the transformer.
- 7.2.11 Four jacking pads and lifting lugs shall be provided for the jacking and lifting the transformer complete with oil.
- 7.2.12 Provision shall be made for the fitting of filtration and main drain valves on the transformer tank.
- 7.2.13 Tenderers shall submit dimensioned drawings showing details of the tank and base construction.
- 7.2.14 Valves shall be steel fittings and NOT brass.
- 7.2.15 Drain valves shall be lockable.

7.3 TRANSFORMER FITTINGS REQUIRED

RADIATORS

- 7.3.1 The transformer shall be fitted with detachable radiators with drain and filling plugs.
- 7.3.2 The design of the cooling radiators shall ensure sufficient circulation of cooling oil.
- 7.3.3 Provision shall be made for radiator shut off valves to allow the removal of the radiators without having to drain the oil from the transformer tank.
- 7.3.4 The radiators shall be provided with lifting lugs for fitting or removal.
- 7.3.5 The radiators shall be hot dipped galvanized for coastal areas.

CONSERVATOR TANK AND BREATHER

- 7.3.6 The transformer shall be fitted with a conservator tank with its oil level gauge and drain cock.
- 7.3.7 The connecting pipe to the conservator shall extend at least 50 mm into it. All pipe connections shall have flange joints.
- 7.3.8 A silica gel dehydrating breather shall be provided with the conservator.
- 7.3.9 Where specified in Appendix 1 the conservator shall be provide with a sealed oil preservation bag.
- 7.3.9.1 The bag shall not restrict the normal draining of the conservator or the flow of oil to the transformer.
- 7.3.9.2 The bag shall allow for expansion without any increase in pressure or the causing of a partial vacuum over the specified temperature range.
- 7.3.10 Lifting lugs shall be fitted to the conservator.

OIL AND WINDING TEMPERATURE RELAYS

- 7.3.11 Provision shall be made for thermometer pockets on the transformer tank.
- 7.3.12 The transformer shall be fitted with a weatherproof dial type thermometer graduated in °C for registering "top oil" temperature. The instrument shall be fitted with a resettable maximum temperature indicator.
- 7.3.12.1 Adjustable contacts shall be fitted to the thermometer. The contacts shall normally be set to operate at a temperature of 90°C. The trip contacts shall be liberally rated and adequate for closing 110 volt, 6 Ampere DC circuits. If not suitable, auxiliary relays may be provided.
- 7.3.13 A thermal type overload relay to protect the transformer windings against sustained overloads. This relay shall have a load—temperature characteristic approximately the same as the transformer winding hot spot. Suitable means for compensation for variation of ambient air temperature shall be provided. Full details shall be submitted.
- 7.3.13.1 The relay shall be provided with trip contacts. The tenderer is to recommend the temperature setting for these contacts which are normally set at 115 °C. The trip contacts shall be liberally rated and adequate for closing 110 volt, 6 Ampere DC circuits. If not suitable, auxiliary relays shall be provided.

GAS AND OIL OPERATED RELAY (BUCHOLZ)

- 7.3.14 A single—float Buchholz relay fitted with contacts for alarm and trip conditions.
- 7.3.14.1 The relay shall be fitted with accessible test and sample valves.

PRESSURE RELIEF DEVICE

- 7.3.15 A suitable pressure relief device shall be fitted on the main tank, the provision of the pressure relief device shall not affect the efficiency of the Bucholz relay in the event of a transformer fault.

MARSHALLING BOX

- 7.3.16 A marshalling box shall be fitted to the transformer tank. The degree of protection shall be IP55 and shall be corrosion protected.
- 7.3.17 All terminals in the marshalling box shall be clearly labeled.

8.0 TERMINALS AND BUSHINGS

- 8.1 All terminals shall be extended to the top of the transformer tank through suitable outdoor type bushings.
- 8.2 These bushings shall conform to the insulation levels as specified in IEC 60137 for the system nominal supply voltage at which the equipment must operate.
- 8.3 All bushings, stems and terminals shall be of sufficient size to ensure sufficient mechanical strength of attaching and supporting external connections and shall not be smaller than
 - a) 19 mm diameter for primary and secondary connections
 - b) 12 mm diameter for auxiliary supply connections.
- 8.4 Where cable boxes are required, bushings shall be provided for the termination of the cables in the cable box.
- 8.5 Provision shall be made for earthing terminals fitted on the outside of the transformer tank for the connection of a 95 mm² cable.

9.0 TRANSFORMER WINDINGS

- 9.1 The AC supply system can have a fault capacity specified in clause 6.2.3.
- 9.2 The transformer windings shall be able to withstand the electromagnetic and mechanical stresses caused by high fault currents.
- 9.3 Tenderers shall submit details of the construction of the windings and clamping arrangements.

10.0 TEMPERATURE RISE AND RATING.

- 10.1 The temperature rise of the transformer windings after thermal equilibrium and a steady temperature has been reached on continuous full load, shall not exceed 65°C.
- 10.2 The temperature rise of the windings shall be measured by the increase of resistance method. Standard correction for cooling during the measurement of resistance shall be applied.

11.0 VOLTAGE RATIO AND TAPPINGS

- 11.1 The transformer shall be designed to operate at the nominal system voltage as specified in the schedule of requirements.
- 11.2 Tappings shall be provided on the primary windings. (5 tap position).
- 11.3 The tap range shall be $\pm 2,5\%$ and $\pm 5\%$ of the nominal voltages.
- 11.4 The transformers shall supply full load output at all tappings.
- 11.5 The full load regulation of the transformer shall not be more than 5%. Refer to "Appendix 2". Clause 20.5.
- 11.6 The tap changing gear must be:
- External
 - Manually operated
 - Positively locking
 - Single off load type and shall operate all 3 phases.
 - Rotary type having high-pressure type contacts

The arrangement shall be such that excessive backlash will not affect the making of proper contact when the tap changing gear is operated in either direction.

- 11.7 The tap changing switch shall be lockable with provision for a padlock.
- 11.8 The positions of the tap changing switch shall be clearly marked.

12.0 INSULATION LEVELS.

- 12.1 Transformer bushings shall comply with IEC 60137.
- 12.2 Test voltages and minimum creepage distances for normal and polluted atmospheres shall be in accordance with IEC 60137.

13.0 CORROSION PROTECTION AND PAINTING**13.1 PREPARATION OF TRANSFORMER TANK**

- 13.1.1 Rust and millscale shall be removed by shot blasting or acid cleaning. Welds which are not ground smooth shall be shot blasted or otherwise descaled and cleaned.

13.2 PAINTING

- 13.2.1 The outer surface of the transformer tank shall be painted Grey to the colour code G12 in accordance with SANS 1091. The conservator shall be painted white. The total paint thickness shall be at least 75 microns. For coastal or heavily polluted conditions it shall be at least 125 microns.
- 13.2.2 Internal surfaces of the conservator above oil level shall be cleaned and painted with one coat of oil resistant rust inhibiting etch primer.
- 13.2.3 The radiators shall be hot dipped galvanized. It is recommended that galvanized radiators used at heavily polluted areas be painted.

14.0 TRANSFORMER OIL

14.1 The tendered prices shall include the first filling of oil. The oil shall comply with SANS 555.

14.2 The oil shall be readily miscible with the oil supplied in conformity with the above mentioned specification by the major oil companies in South Africa, without detriment to the chemical, physical and electrical properties of the oil.

15.0 RATING PLATES

A non—corrosive metal plate shall be fixed to each transformer tank (not cooling tubes), giving the following information:

- Maker's name
- Maker's serial No.
- Transnet freight rail's serial No. (Left blank)
- Rated output in MVA
- Frequency
- Secondary voltage and current
- Primary voltage and current
- Primary voltage tapplings
- Transformer reactance (%)
- Transformer impedance (%)
- Vector diagram
- Diagram of connections
- Quantity of oil in litres
- Conservator fitted with bag.
- Total mass of transformer inclusive of oil in kg
- Transport mass of transformer in kg.
- Year of manufacture.

16.0 TESTS AND DATA TO BE SUBMITTED BY SUCCESSFUL TENDERERS

16.1 Manufacturer's type and routine tests as well as impulse voltage withstand including chopped—wave type tests shall be carried out on the transformers in accordance with the current edition of IEC 60076 and BS 171.

16.2 Heat runs shall be carried on the first transformers of a new or different design.

16.3 Transnet freight rail shall be provided with type test certificates and two copies of test sheets, which record the values of the routine tests, or special tests that are carried out on the transformers.

16.4 Transnet freight rail reserves the right to be present/witness all routine including type tests were required.

16.5 Type tests including impulse tests must be quoted for separately.

16.6 The Senior Engineer, Technology Management must be notified timeously for routine or impulse test to be witnessed.

17.0 DRAWINGS AND MAINTENANCE MANUALS

- 17.1 Drawings, instruction manuals and spares lists shall be supplied in accordance with Transnet freight rail's specification CEE.0224.
- 17.2 Three copies of each of the following drawings shall be submitted to the responsible project manager for approval within 7 days of the order being placed.
- 17.2.1 Dimension drawings showing external arrangements of transformer.
- 17.2.2 External wiring diagrams for the transformer.
- 17.2.3 Vector diagram and rating plate.

18.0 GUARANTEE AND DEFECTS

- 18.1 The contractor shall guarantee the transformer and accept liability for maker's defects, which may appear in design, materials and workmanship.
- 18.2 The guarantee period for the transformer shall expire after a period of 12 months commencing on the date of commissioning of the equipment.

19.0 QUALITY ASSURANCE

- 19.1 Tenderers must indicate what steps have been taken to implement a Quality Assurance system in terms of the ISO 9000 series of recommendations.

END

SCHEDULE OF REQUIREMENTS

To be filled by client (depot) tick the correct box

SYSTEM DETAIL

1.0 Transformer required for : Loop 10 50kv Line substation/location2.0 Nominal system voltage: 50 kV3.0 Number of phases: 1 (Single)4.0 Frequency: 50 Hz

5.0 Neutral point effectively earthed :

yes	<input checked="" type="checkbox"/>	no	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

TRANSFORMER DETAIL

1.0 Type of transformer: Outdoor: ☒ Indoor: ☐2.0 Number of phases: Single phase: ☒ Three phase: ☐3.0 Rated power: 50 kVA4.0 Impedance percentage %: 4.5%5.0 Primary voltage rating: 50 kV6.0 Secondary voltage rating: 230V ~~4V~~7.0 Vector group:

8.0 Off circuit tap switch

8.1 Number of tap positions: 5 (2,5%)

10.0 Bushings Required

High voltage side

Low voltage side

11.0 Cable box required

High voltage side: Low voltage side: ☒

12.0 Neutral required

High voltage side

Low voltage side

13.0 Dimensions (if critical)

Length: mm. Breadth: mm. Height: mm

14.0 Special requirements:

1.0 Conservator to be fitted with oil preservation bag.

2.0 Radiators galvanised.

yes	<input checked="" type="checkbox"/>	no	<input type="checkbox"/>
yes	<input checked="" type="checkbox"/>	no	<input type="checkbox"/>
yes	<input checked="" type="checkbox"/>	no	<input type="checkbox"/>

yes	<input checked="" type="checkbox"/>	no	<input type="checkbox"/>
yes	<input checked="" type="checkbox"/>	no	<input type="checkbox"/>

yes	<input type="checkbox"/>	no	<input checked="" type="checkbox"/>
yes	<input type="checkbox"/>	no	<input checked="" type="checkbox"/>

3.0 Other special requirements: _____

- Rated insulation level based on equivalent 3 phase 88kV system (Um= 100kV). _____
- Rated lightning impulse to withstand 450kV peak. _____
- Rated power frequency withstand voltage of 185 kV r.m.s. _____

INFORMATION TO BE PROVIDED BY TENDERERS

1.0 GENERAL

1.1 Manufacturers name: _____

2.0 TRANSFORMER DETAIL

1.0 Type of transformer: Outdoor: _____ Indoor: _____

2.0 Number of phases: Single phase: _____ Three phase: _____

3.0 Rated power: _____ kVA

4.0 Impedance (percentage) %: _____

5.0 Primary voltage rating: _____ kV

6.0 Secondary voltage rating: _____ kV

7.0 Tapping Switch.

No of positions: _____ %Steps: _____

8.0 Vector group: _____

9.0 Free Breathing

yes		no	
-----	--	----	--

10.0 Method of Cooling: _____

11.0 Overall dimensions: Length _____ mm. Breadth _____ mm. Height _____ mm

12.0 Winding material: HV _____ LV _____

13.0 Mass of core and windings: _____ kg

14.0 Oil capacity: _____ (Litres)

15.0 Mass of transformer complete with oil: _____ kg

16.0 HV end turns insulation reinforced

yes		no	
-----	--	----	--

17.0 Type of breather and dehydrating agent: _____

18.0 The following information refers to the transformer when connected on the principal tapping and appropriate reference temperature for the class of insulation used.

18.1 Iron loss (Watts): _____

18.2 Copper loss at full load: _____ at _____ °C

18.3 Total load losses (Watts): _____ at _____ °C

18.4 Impedance at full load (percentage) _____ Z _____ X

18.5 Regulation at full load at: 1.0 PF _____ Percent, 0.8 PF _____ Percent at _____ °C

18.6 Efficiency at full load at: 1.0 PF _____ Percent, 0.8 PF _____ Percent at

18.7 Temperature rise at rated voltage and power of:

Windings: _____ ° Top oil: _____ °C

Transnet Request for Quotation No: CRAC-ELF-37868

Once Off Supply and delivery of the Single-Phase Stepdown Power Transformer 50kva, 50kv/230v complete with its components as per SANS 780, NRS005, SANS 1019 at Elandsfontein Depot

ANNEXURE H

STANDARD TERMS AND CONDITIONS OF CONTRACT

Transnet Request for Quotation No: CRAC-ELF-37868
Once Off Supply and delivery of the Single-Phase Stepdown Power Transformer 50kva, 50kv/230v complete with its components as per SANS 780, NRS005, SANS 1019 at Elandsfontein Depot



STANDARD TERMS AND CONDITIONS OF CONTRACT

between

TRANSNET SOC LTD

Registration Number 1990/000900/30

And

.....

Registration Number

ONCE OFF SUPPLY AND DELIVERY OF THE SINGLE PHASE STEPDOWN POWER TRANSFORMER 50KVA, 50KV/230V COMPLETE WITH ITS COMPONENTS AS PER SANS 780, NRS005, SANS 1019 AT ELANDSFONTEIN DEPOT

CONTRACT NUMBER CRAC-ELF-37868

DURATION ONCE OFF

EXPIRY DATE 09 MARCH 2023

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Schedule 1 – SCHEDULE OF REQUIREMENTS

1 SOLE AGREEMENT

Unless otherwise agreed in writing, these terms [**Terms** and each **Term**] and Transnet's purchase order(s) [**Order** or **Orders**] represent the only conditions upon which Transnet SOC Ltd [**Transnet**] procures Goods/Services [**the Goods/Services**] specified in the Order from the person to whom the Order is addressed [**the Supplier/Service Provider**]. Transnet does not accept any other conditions which the Supplier/Service Provider may specify, unless otherwise agreed to by Transnet in writing. In the event of any inconsistency between these Terms and any Order, these Terms shall take precedence.

2 CONFORMITY WITH ORDER

Goods/Services shall conform strictly with the Order. The Supplier/Service Provider shall not vary the quantities specified and/or the specification, if any, stipulated in the Order, without the prior written consent of Transnet. The Supplier/Service Provider warrants that the Goods/Services shall be fit for their purpose and of satisfactory quality.

3 DELIVERY AND TITLE

- 3.1 The delivery dates and addresses are those in the Order. Time shall be of the essence in respect of the Supplier/Service Provider's obligations under the Order.
- 3.2 The Supplier/Service Provider will not be excused for delay in delivery or performance except due to circumstances outside its control and then only subject to the Supplier/Service Provider having notified Transnet in writing on becoming aware of such circumstances. Transnet may terminate an Order, in whole or in part, without incurring any liability to the Supplier/Service Provider if such a delay becomes, in Transnet's absolute opinion, significant.
- 3.3 If on delivery, the Goods/services do not conform to the Order, Transnet may reject the Goods/Services and the Supplier/Service Provider shall promptly rectify any defects or in Transnet's opinion, supply appropriate replacement Goods/Services at the Supplier/Service Provider's expense within the specified delivery times, without any liability due by Transnet.

4 PRICE AND PAYMENT

- 4.1 Prices specified in an Order cannot be increased. Payment for the Goods/Services shall be made by Transnet against an original undisputed invoice(s) [a Tax Invoice], supporting documentation and month-end statement from the Supplier/Service Provider. Tax Invoices plus supporting documentation shall be posted to the address shown in the Order.
- 4.2 Payment of the Supplier/Service Provider's valid Tax Invoice(s) will be made by Transnet in the South African currency and on the terms stated in the Order, the standard payment terms being 30 [thirty] days from date of receipt by Transnet of a month-end statement, unless otherwise agreed to in writing. Transnet shall arrange for payment of such Tax Invoices and any pre-authorised additional expenses incurred, provided that the authorised expenses are supported by acceptable documentary proof of expenditure incurred [where this is available]. Any amounts due in terms of these Terms shall be paid to the Supplier/Service Provider, taking into account any deduction or set-off and bank charges.

5 PROPRIETARY RIGHTS LIABILITY

If any allegations should be made or any claim asserted against Transnet that ownership of, or any act or omission by Transnet in relation to Goods/Services or any written material provided to Transnet relating to any Goods/Services or pursuant to an Order being a violation or infringement of any third party's contractual, industrial, commercial or intellectual property rights including but not limited to any patent, registered design, design right, trade mark, copyright or service mark on any application thereof, the Supplier/Service Provider hereby indemnifies Transnet against and hold it harmless from any and all losses, liabilities, costs, claims, damages and expenses [including any legal fees] arising directly or indirectly from such allegation or claim provided that this indemnity shall not apply where the allegation or claim arises solely as a result of the Supplier/Service Provider following a design or process originated and furnished by Transnet. The Supplier/Service Provider shall either

- a) procure for Transnet the right to continue using the infringing Goods/Services; or
- b) modify or replace the Goods/services so that they become non-infringing, provided that in both cases the Goods/services shall continue to meet Transnet's requirements and any specifications stipulated in the Order. Should neither option be possible, the Supplier/Service Provider may remove, with Transnet's prior written consent, such Goods/services and will pay to Transnet a sum equivalent to the purchase price. If Transnet refuses to give such consent, the Supplier/Service Provider shall have no liability in respect of any continued use of the infringing Goods/services after Supplier/Service Provider's prior written request to remove the same.

6 PROPRIETARY INFORMATION

All information which Transnet has divulged or may divulge to the Supplier/Service Provider and any information relating to Transnet's business which may have come into the Supplier/Service Provider's possession whilst carrying out an Order, and the existence of the Order, shall be treated by the Supplier/Service Provider as confidential information and shall not, without Transnet's prior written consent, be disclosed to any third party, or be used or copied for any purposes other than to perform the Order. This clause does not apply to information which is public knowledge or available from other sources other than by breach of this Term. Upon request by Transnet, the Supplier/Service Provider shall return all materials issued pursuant to the Order and, pending this, shall protect Transnet's rights in any such materials. Such confidential information shall at all material times be the property of Transnet.

7 PROTECTION OF PERSONAL INFORMATION

- a) The following terms shall bear the same meaning as contemplated in Section 1 of the Protection of Personal Information Act 4 of 2013 ("POPIA"):
consent; person; personal information; processing; record; Regulator as well as any terms derived from these terms of the POPIA
- b) 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.

- c) Transnet agrees that in submitting any information or documentation requested in the RFP and in this Agreement, the Supplier/Service Provider consents to the processing of their personal information for the purpose of, but not limited to, risk assessment, contract award, contract management, auditing, legal opinions/litigation, 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.
- d) The Parties agree that they may obtain and have access to personal information for the fulfilment of the rights and obligations contained herein. In performing the obligations as set out in this Agreement, the Parties shall at all times ensure that:
- i. they process personal information only for the express purpose for which it was obtained;
 - ii. once processed for the purposes for which it was obtained, all personal information will be destroyed to an extent that it cannot be reconstructed to its original form, subject to any legal retention requirements;
 - iii. Personal information is provided only to authorised personnel who strictly require the personal information to carry out the Parties' respective obligations under this Agreement;
 - iv. they do not disclose personal information of the other Party, other than in terms of this Agreement;
 - v. they have all reasonable technical and organisational measures in place to protect all personal information from unauthorised access and/or use;
 - vi. they have appropriate technical and organisational measures in place to safeguard the security, integrity and authenticity of all information in their possession or under their control in terms of this Agreement;
 - vii. they identify all reasonably foreseeable internal and external risks to personal information in their possession or under their control; establish and maintain appropriate safeguards against the risks identified; regularly verify that the safeguards are effectively implemented; and ensure that the safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards;
 - viii. such personal information is protected against unauthorised or unlawful processing, accidental loss, destruction or damage, alteration, disclosure or access.
- 7.1. The Parties agree that if personal information will be processed for additional purposes beyond the original purpose for which it was obtained, explicit consent must be obtained beforehand from those persons whose information will be subject to such processing.
- 7.2. Should it be necessary for either Party to disclose or otherwise make available the personal information to any third party (including sub-contractors and employees) that is not already consented to, it may do so only with the prior written consent of the other Party. The Party requiring such consent shall require

of all such third parties, appropriate written undertakings to be provided, containing similar terms to that set forth in this clause, and dealing with that third party's obligations in respect of its processing of the personal information. Following approval by the other Party, the Party requiring consent agrees that the provisions of this clause shall mutatis mutandis apply to all authorised third parties who process personal information.

- 7.3. The Parties shall ensure that any persons authorized to process information on their behalf (including employees and third parties) will safeguard the security, integrity and authenticity of all information. Where necessary to meet this requirement, the Parties shall keep all personal information and any analyses, profiles, or documents derived therefrom logically separated from all other information and documentation held by it.
- 7.4. The Parties shall carry out regular assessments to identify all reasonably foreseeable internal and external risks to the personal information in its possession or under its control. The Parties shall implement and maintain appropriate safeguards against the risks which it identifies and shall also regularly verify that the safeguards which it has in place have been effectively implemented.
- 7.5. The Parties agree that they will promptly return, destroy or de-identify any personal information in their possession or control which belongs to the other Party once it no longer serves the purpose for which it was collected in relation to this Agreement, subject to any legal retention requirements. This may be at the request of the other Party and includes circumstances where a person has requested the Parties to delete all instances of their personal information. The information will be destroyed or de-identified in such a manner that it cannot be reconstructed to its original form, linking it to any particular individual or organisation.
- 7.6. Personal Information security breach:
 - a) Each Party shall notify the other party in writing as soon as possible after it becomes aware of or suspects any loss, unauthorised access or unlawful use of any personal information and shall, at its own cost, 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. The Parties shall also be required to provide each other with details of the persons affected by the compromise and the nature and extent of the compromise, including details of the identity of the unauthorised person who may have accessed or acquired the personal information.
 - b) The Parties shall provide on-going updates on the progress in resolving the compromise at reasonable intervals until such time as the compromise is resolved.
 - c) Where required, the Parties must notify the South African Police Service; and/or the State Security Agency and the Information Regulator and the affected persons of the security breach. Any such notification shall always include sufficient information to allow the persons to take protective measures against the potential consequences of the compromise.
 - d) The Parties undertake to co-operate in any investigations relating to security which is carried out by or on behalf of the other including providing any information or material in its possession or control and implementing new security measures.

8 PUBLICITY

The Supplier/Service Provider shall not name Transnet or use its trademarks, service marks [whether registered or not] or Goods in connection with any publicity without Transnet's prior written consent.

9 DEVELOPMENT WORK IN THE PRODUCTION OF GOODS

If the production or provision of any Goods involves research and/or development which are wholly or partly funded by Transnet, then all intellectual property or other rights as a result thereof shall be the property of Transnet on creation.

10 AFTER SALES SERVICE

The Supplier shall provide replacement parts necessary to ensure the uninterrupted operation of the Goods supplied for the duration of the warranty period, from delivery of any particular item of the Goods and if requested by Transnet shall make these parts available to a third party maintainer of Transnet's choice at the same price as if the parts had been supplied to Transnet. The Supplier undertakes to provide a maintenance service for Goods, should Transnet so request, on terms to be agreed. If the Order so indicates, the Supplier will provide a warranty service for the Goods at a level to be agreed with Transnet.

11 TERMINATION OF ORDER

11.1 Notwithstanding the date of signature hereof, the commencement date of this Order is once off

- this Order is terminated by either Party in accordance with the provisions incorporated herein or in any schedules or annexures appended hereto, or otherwise in accordance with law or equity; or
- this Order is extended at Transnet's option for a further period to be agreed by the Parties; or
- the allocated maximum contract value is depleted before the contract expiry date.

11.2 Transnet may cancel this Order in whole or in part at any time upon at least 30 [thirty] days' written notice to the Supplier/Service Provider, or when there is a change in control of the Supplier/Service Provider or the Supplier/Service Provider commits any serious breach or any repeated or continued material breach of its obligations under these Terms and/or Order or shall have been guilty of conduct tending to bring itself into disrepute, on written notice to the Supplier/Service Provider when such work on the Order shall stop.

11.3 Transnet shall pay the Supplier/Service Provider a fair and reasonable price for justified work in progress, where such price reflects only those costs not otherwise recoverable by the Supplier/Service Provider, at the time of termination, and the Supplier/Service Provider shall give Transnet full assistance to check the extent of such work in progress. Payment of such price shall be in full and final satisfaction of any claims arising out of such termination and upon such payment the Supplier/Service Provider shall deliver to Transnet all work, including any materials, completed or in progress. The sum payable to the Supplier/Service Provider under this clause will not in any event exceed the total amount that would have been payable to the Supplier/Service Provider had the Order not been terminated.

11.4 In the event of termination the Supplier/Service Provider must submit all claims within 2 [two] months of termination after which time claims will only be met in what Transnet considers exceptional circumstances.

11.5 If the Goods/services are not provided in accordance with an Order, the Order shall be deemed terminated and the Supplier/Service Provider shall compensate Transnet for any costs incurred in obtaining substitute Goods/services or any damage caused due to the failure or delay in the delivery.

11.6 Both parties to this agreement reserve the right to terminate this agreement:

12.6.1. If the other commits a material breach of this contracts and fails to remedy such breach within a stipulated time frame or within a reasonable time;

12.6.2. There is non-performance from either of the parties; or

12.6.3. If the other party is unable to perform its obligations under this agreement.

12 ACCESS

The Supplier/Service Provider shall be liable for the acts, omissions and defaults of its personnel or agents who, for the purposes of the Order, shall be treated as if they are the Supplier/Service Provider's employees. The Supplier/Service Provider shall ensure that any such personnel or agents, whilst on Transnet's premises, shall comply with Transnet's health and safety, security and system security rules and procedures as and where required.

13 WARRANTY

The Supplier/Service Provider warrants that it is competent to supply the Goods/services in accordance with these Terms to the reasonable satisfaction of Transnet and that all Goods/services delivered under the Order: (a) conform and comply in all relevant legislation, standards, directives and orders related to *[inter alia]* the Goods/services in force at the time of delivery, and to any specifications referred to in the Order; (b) will not cause any deterioration in the functionality of any Transnet equipment; and (c) do not infringe any third party rights of any kind. The Supplier/Service Provider hereby indemnifies Transnet against all losses, liabilities, costs, claims, damages, expenses and awards of any kinds incurred or made against Transnet in connection with any breach of this warranty.

14 INSOLVENCY

If the Supplier/Service Provider shall have a receiver, manager, administrator, liquidator or like person appointed over all or any part of its assets or if the Supplier/Service Provider compounds with its creditors or passes a resolution for the writing up or administration of the Supplier/Service Provider, Transnet is at liberty to terminate the Order or Orders forthwith, or at its option, to seek performance by any such appointed person.

15 SUBCONTRACTING

15.1 The Supplier/Service Provider may only enter into a subcontracting arrangement with the approval of Transnet. If the Supplier subcontracts a portion of the contract to another person without declaring it to Transnet, Transnet must penalise the Supplier up to 10% of the value of the contract.

- 15.2 Should Transnet approve the Supplier's/Service Provider's subcontracting arrangement, the Supplier/Service Provider and not the sub-contractor will at all times be held liable for performance in terms of its contractual obligations.
- 15.3 The Supplier/Service Provider may not subcontract 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.
- 15.4 The Supplier/Service Provider may not subcontract 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 of contributor than the Supplier, unless the contract is subcontracted to an Exempted Micro Enterprise (EME) that has the capability and ability to execute the subcontract.

16 PAYMENT TO SUB-CONTRACTORS

- 16.1 Transnet reserves the right, in its sole discretion, to make payment directly to the sub-contractor of the Supplier/Service Provider, subject to the following conditions:
 - e) Receipt of an undisputed invoice from the sub-contractor; and
 - f) Receipt of written confirmation from the Supplier/Service Provider that the amounts claimed by the sub-contractor are correct and that the services for which the sub-contractor has requested payment were rendered to the satisfaction of the Supplier/Service Provider, against the required standards.
- 16.2 Nothing contained in this clause must be interpreted as bestowing on any sub-contractor a right or legitimate expectation to be paid directly by Transnet. Furthermore, this clause does not bestow any right or legitimate expectation on the Supplier/Service provider to demand that Transnet pay its sub-contractor directly. The decision to pay any sub-contractor directly, remains that of Transnet alone.
- 16.3 The Supplier/Service Provider remains liable for its contractual obligations under the Agreement, including all services rendered by the sub-contractor.
- 16.4 This clause does not establish any contractual relationship between Transnet and any sub-contractor of the Supplier/Service Provider, whatsoever.

17 ASSIGNMENT

The Supplier/Service Provider shall not assign its obligations under an Order without Transnet's prior written consent, which consent shall not be unreasonably withheld or delayed.

18 SUPPLIER INTEGRITY PACT

The Supplier/Service Provider shall observe and ensure compliance with all requirements and objectives of the Transnet Supplier Integrity Pact as agreed to in response to the RFQ. The general purpose of the Supplier Integrity Pact is to agree to avoid 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 the procurement event leading to this Agreement and this Agreement itself;

19 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.

20 NOTICES

Notices under these Terms shall be delivered by hand to the relevant addresses of the parties in the Order or may be served by facsimile or by email, in which event notice shall be deemed served on acknowledgement of receipt by the recipient.

21 LAW

Orders shall be governed by and interpreted in accordance with South African law and any disputes arising herein shall be subject to South African arbitration under the rules of the Arbitration Foundation of South Africa, which rules are deemed incorporated by reference in this clause. The reference to arbitration shall not prevent Transnet referring the matter to any South African courts, having jurisdiction, to which the Supplier/Service Provider hereby irrevocably submits but without prejudice to Transnet's right to take proceedings against the Supplier/Service Provider in other jurisdictions and/or obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision in other courts or from instituting in any court of competent jurisdiction any proceedings for an interdict or any other injunctive relief. If the Supplier/Service Provider does not have a registered office in the South Africa it will at all times maintain an agent for service of process in South Africa and shall give Transnet the name and address of such agent as such may be amended, in writing, from time to time.

22 GENERAL

Completion or termination of an Order shall be without prejudice to any Term herein which by its nature would be deemed to continue after completion or termination, including but not limited to clauses 5, 6, 7 and 8. Headings are included herein for convenience only. If any Term herein be held illegal or unenforceable, the validity or enforceability of the remaining Terms shall not be affected. No failure or delay by Transnet to enforce any rights under these Terms will operate as a waiver thereof by Transnet. All rights and remedies available to either party under these Terms shall be in addition to, not to the exclusion of, rights otherwise available at law.

23 COUNTERPARTS

These Terms and conditions may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this agreement by signing any such counterpart.

Thus signed by the Parties and witnessed on the following dates and at the following places:

SIGNED for and on behalf of Transnet SOC Ltd duly authorised hereto	SIGNED for and on behalf of duly authorised hereto
Registration Number 1990/000900/30	Registration Number
Signature	Signature
Name:	Name:
Position:	Position:
Date:	Date:
Place:	Place:
AS WITNESS: Signature	AS WITNESS: Signature
Name	Name