



SPECIAL CONDITIONS OF CONTRACT

RT28-2024

**SUPPLY AND DELIVERY OF STERILIZATION-RELATED
ITEMS TO THE STATE FOR THE PERIOD OF 36 MONTHS**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD ON
24 OCTOBER 2023 ON MICROSOFT TEAMS ([Link for RT28-2024
Briefing Session](#))**

CLOSING DATE AND TIME OF BID

06 NOVEMBER 2023 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



Table of Contents

LIST OF ABBREVIATIONS.....	3
LIST OF ANNEXURES	4
LIST OF TABLES.....	4
SECTION A: INTRODUCTION AND TERMS OF REFERENCE	7
1. DESCRIPTION AND FORMAT OF THE BID	7
2. LEGISLATIVE AND REGULATORY FRAMEWORK	7
3. DURATION OF TRANSVERSAL CONTRACT	7
4. BRIEFING SESSION	7
5. TERMS OF REFERENCE.....	8
6. PART 1: EVALUATION CRITERIA	9
7. PART 2: ADDITIONAL BID REQUIREMENTS	17
8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS	20
SECTION C: CONDITIONS OF CONTRACT	22
9. CONCLUSION OF CONTRACT.....	22
10. PARTICIPATING STATE INSTITUTIONS	22
11. POST AWARD PARTICIPATION.....	22
12. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES	23
13. CONTRACT PRICE ADJUSTMENT	23
14. DELIVERY AND QUANTITIES.....	28
15. DELIVERY ADHERENCE, ORDERS AND PAYMENTS.....	29
16. PRODUCT ADHERENCE / BRAND CHANGE	29
17. CONTINUITY OF SUPPLY	30
18. PACKAGING AND LABELLING	30
19. SHELF-LIFE	32
20. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS	33
21. POST AWARD PRODUCT COMPLIANCE PROCEDURES.....	34
22. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS	34
23. MONITORING	34
24. TERMINATION.....	35

**LIST OF ABBREVIATIONS**

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

**LIST OF ANNEXURES**

Annexure 1	:	SBD and TCD Forms
Annexure 2	:	Technical Specification
Annexure 3	:	Pricing Schedule
Annexure 4	:	Cost Breakdown
Annexure 5	:	General Conditions of Contract

LIST OF TABLES

Table 1: Bid Document Checklist	5
Table 2: Summary of Technical Specifications Categories	8
Table 3: Evaluation Criteria	9
Table 4: Example of Cost Breakdown	16
Table 5: Contract Price Adjustment Formula	24
Table 6 - Contract Price Adjustment Cost Components.....	25
Table 7: Applicable Indices/References.....	25
Table 8: Price Adjustment Period.....	26
Table 9: CPA Rate of Exchange	27
Table 10: Rate of Exchange Average Periods	27



Table 1: Bid Document Checklist

#	Document Name ¹	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
PHASE 1: ADMINISTRATIVE REQUIREMENTS EVALUATION				
1.	SBD 1 Invitation to Bid	Yes	Yes	
2.	Proof of authority must be submitted as per SBD 1	No	Yes	
3.	SBD 4 Bidder's Disclosure	Yes	Yes	
4.	SBD 5 National Industrial Participation Program	Yes	Yes	
5.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
6.	Full CSD report	No	Yes	
7.	Written confirmation for disclosing tax status by SARS	No	Yes	
PHASE 2: MANDATORY REQUIREMENTS EVALUATION				
8.	Pricing Schedule (Annexure A)	Yes	Yes	
9.	SAHPRA License	No	Yes	
PHASE 3: TECHNICAL COMPLIANCE EVALUATION				
10.	Standards/Specifications (Where Applicable)	Yes	Yes	
11.	Test Reports (Where Applicable)	No	Yes	
12.	TCD 13 Authorization Declaration	Yes	Yes	
13.	TCD 13.1 List of Goods Or Services Offered	Yes	Yes	
14.	TCD 13.2 Letter of Undertaking	Yes	Yes	
PHASE 4: PRICE & SPECIFIC GOALS				
15.	Pricing Schedule (Annexure A)	Yes	Yes	
16.	Specific Goals (In line with the PPPFA 2022)	No	Yes	
OTHER BID DOCUMENTS REQUIREMENTS				
17.	Company Profile	No	Yes	

¹ Table 1 is provided as guidance to assist bidders with documents that must be returned with the bid. The list is not exhaustive, and it is the responsibility of the bidder to provide all required documents as per the provision of each clause in this bid



#	Document Name ¹	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
18.	CIPC Company Registration Documents	No	Yes	
19.	Special Conditions of Contract	Yes	Yes	
20.	General Condition of Contract	Yes	Yes	



SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

1.1 Supply and Delivery of sterilisation-related items to the State for a period of 36 months.

1.2 This bid document is structured as follows:

1.2.1 Section A : Introduction and Terms of Reference

1.2.2 Section B : Conditions of Bid

1.2.2.1 Part 1 : Evaluation Criteria

1.2.2.2 Part 2 : Additional Bid Requirements

1.2.2.3 Part 3 : Recommendation and Appointment of Bidders

1.2.3 Section C : Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2017 regulations.

2.2 The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

2.3 This bid is subject to all applicable industry related legislation, particularly the legislation stated below:

2.3.1 National Health Act No: 61 of 2003

3. DURATION OF TRANSVERSAL CONTRACT

3.1 The transversal contract shall be for a period of 36 months.

4. BRIEFING SESSION

4.1 A non-compulsory virtual briefing session will be held as follows:

Venue : Microsoft Teams. The link to register and attend the briefing session is
[Link for RT28-2024 Briefing Session](#)

Date : 24 October 2023

Time : 10h00 – 12h00



- 4.2 The bid information session is not compulsory but will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.
- 4.3 The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

5. TERMS OF REFERENCE

5.1 TECHNICAL SPECIFICATIONS

- 5.1.1 The bid for the Supply and Delivery of sterilization-related items to the state for the period of 36 months. The detailed technical specifications are as per the attached Annexure A.
- 5.1.2 The items are categorised as follows:

Table 2: Summary of Technical Specifications Categories

Category Description	Number of Items
Sterilization Wraps	20
Sterilization Tapes	16
Sterilization Indicators	12
Sterilization Bags	12
Sterilization Tubes	16
Labelling Device	12
Steri-Sheets	7
Detergents	11
Accessories and Consumables	28
Cleaning Brushes	9
Disinfecting Wipes	2
Total Number of Items	145

SECTION B: CONDITIONS OF BID



6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Administrative and Legislative Requirements	Mandatory and Other Bid Requirements	Technical Requirements	Price and Specific Goals
Compliance to Administrative and Legislative Requirements	Compliance with mandatory and other bid requirements	Compliance to Technical Requirements	Bids evaluated in terms of Price and Specific Goals

6.1.1 The State may conduct due diligence during any of the evaluation phases to confirm the information submitted by the bidder and any misrepresentation by the bidder may disqualify the bid thereof.

6.2 PHASE 1: ADMINISTRATION AND LEGISLATION REQUIREMENTS EVALUATION

6.2.1 Bidders are required to submit the legislative documents to comply with the policy to guide uniformity in procurement reform processes regarding the standardised bidding documents (SBDs) for the supply chain management. It is also a requirement for bidders to submit additional documents as detailed below:

6.2.1.1 **SBD 1** – Invitation form to bid.

6.2.1.2 **Proof of Authority** – This is a company resolution for the capacity under which this bid is signed as per SBD 1

6.2.1.3 **SBD 4** – Bidders Disclosure

6.2.1.4 **SBD 5** – National Industrial Participation Program

6.2.1.5 **SBD 6.1** – Preference points claim form.

6.2.1.6 **Central Supplier Database** – A full updated CSD report.

6.2.1.7 **Written Confirmation to disclose tax status** – It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.

6.3 PHASE 2: MANDATORY REQUIREMENTS



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

6.3.2 Pricing Schedule

6.3.2.1 The pricing schedule (see Annexure A) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. All pricing offered must be on a national level.

6.3.2.2 Bidders are required to complete and submit a mandatory Pricing Schedule Annexure A as a response on how much the items offered will be charged. No submission of the Pricing Schedule will invalidate the bid response.

6.3.2.3 Prices submitted for in this bid must be filled in on the field provided on the pricing schedule provided with the bid. Price structures that do not comply with this requirement may invalidate the bid.

6.3.3 SAHPRA License

6.3.3.1 All bidders must have a SAHPRA License for this bid. Failure to submit the SAHPRA License, bidders will be disqualified and not proceed to phase 3.

6.4 PHASE 3: TECHNICAL SPECIFICATION COMPLIANCE AND VISUAL SCREENING

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

6.4.2 Standards/Specifications

6.4.2.1 Items must comply with technical specifications as stated in the bid document of each item. The technical specification as per the pricing schedule (Annexure A) is a summary description and the attached detailed technical Specification of all the items. Non-compliance to the technical specification requirement will invalidate the items which the compliance is not adhered to.

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

6.4.2.3 The State may consider products which has a reasonable deviation of at least 10% in terms of sizes for items indicated on the technical specification This is subject to the deviation not causing any clinically and functional harm to the target population and users that the product is aimed at and that the functional output



of the item technical specification is achieved. This will therefore be decided upon based on the clinical judgement and expertise of the Bid Evaluation Committee.

6.4.3 Samples submitted to a testing institution

6.4.3.1 Samples must be submitted for visual screening of products offered for compliance to specification during this evaluation phase.

6.4.3.2 Bidders must submit samples for each item offered for physical evaluation.

6.4.3.3 All bidders, including current contractors, are required to submit samples for visual screening.

6.4.3.4 All samples submitted for visual screening must be a true representation of the product which will be supplied. Samples of all items awarded against this bid will be retained for the duration of the contract period.

6.4.3.5 When submitting samples, bidders must include list of samples submitted, listing the item number(s), description of product(s), of each item included. The representative responsible for the samples must sign the list. Please see a sample register attached to the bid.

6.4.3.6 Unsuccessful bidders who have submitted samples must collect such items within 3 months of the commencement of the contract. Samples not collected within this three (3) months from the commencement of the contract will be disposed of at the discretion of the State.

6.4.3.7 Bids not supported by samples will invalidate the bid for the item(s) for which samples are required not submitted.

6.4.3.8 Samples will ONLY be accepted on the stipulated date and time. No late samples will be accepted.

6.4.3.9 SAMPLES must be submitted to:

Venue: National Treasury, 240 Madiba Street, Pretoria

Date: 02, 03 and 06 November 2023

Time: From 09h00 to 15h00

Contact Person: Ngwato Nkuna

Contact Details: (012) 315 5802

6.4.3.10 Marking of Samples

6.4.3.11 Samples must be placed in suitable containers and be clearly marked on the outside with the bid number, item number(s), and the bidder's name. This detail must appear on a label attached to each individual item package.

6.4.3.12 All samples, including the labelling requirements, must be a true representation of the item that will be supplied during the transversal contract period.

6.4.3.13 Where applicable, packaging of samples submitted must be marked with the expiry date, batch identification prefixed by the "LOT" the word "sterile" and the sterilisation method, trade name or trademark of the manufacture and item code as relevant.

6.4.3.14 Failure to comply with this condition may invalidate the bid against the relevant item



6.4.3.15 **Manufacturers Technical Specification-Brochures** - Bidders must submit with the samples, an original manufacturer's technical specification (brochure) for all devices/equipment's offered, preferably in colour, with fully comprehensive product technical specification information. The brochure must clearly indicate the product name and description, make/model, device images and all information required to verify compliance to technical specification requirements. Bidders are also required to include the product brochures in a **USB/Flash drive** when submitting samples saved by item numbers.

6.4.3.16 **Collection of all samples** – Bidders will be informed of the date and time for which samples must be collected. This date may be immediately after the evaluation has been finalized. Samples not collected within the communicated periods and time frames will be disposed of at the discretion of the State and National Treasury bear no risk for uncollected samples.

6.4.3.17 **South African Bureau of Standards**

- a) SANS, SABS, ISO AND CKS specifications are available from South African Bureau of Standards office's countrywide. Obtaining of such standards will be the responsibility of and for the account of the prospective bidder.
- b) In order to purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales:

Postal Address: Private Bag X191, Pretoria, 0001; Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Tel: (012) 428 6883, Fax: (012) 428 6928, E-mail: sales@sabs.co.za , Website: www.sabs.co.za and follow the " Search/Buy Standards" link.

6.4.3.18 **South African National Accreditation System**

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

6.4.4 **Authorization Declaration**

6.4.4.1 All bidders must complete the "Authorisation Declaration" (TCD 13 and TCD 13.1) for all relevant goods or services in full, sign it and submit it together with the bid response at the closing date and time of the bid invitation.

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

- a) Item(s) number, item description and brand/model name.
- b) Letter must be on the original manufacturer's letter head, dated and signed.



- c) Letter must be not older than 30 days at the closing date and time of bid
 - d) Letter must have the contact's name, physical and postal address, telephone, and email details and the capacity which a person is signing the letter.
 - e) All the information on the letter must be in English.
- 6.4.4.3 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in this bid document.
- 6.4.4.4 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party (manufacturer or authorized importer/distributor). No agreement between the bidder and the third (3rd) party will be binding on the State.
- 6.4.4.5 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions may invalidate the bid for such goods or services offered.
- 6.5 **PHASE 4: PRICE AND SPECIFIC GOALS**
- 6.5.1 **Pricing Schedule and structure requirements**
- 6.5.1.1 Prices quoted must be furnished on the basis of "delivered to State facility" country-wide inclusive of VAT.
- 6.5.1.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule as a response on how much the items offered will be charged.
- 6.5.1.3 Due diligence on market related pricing reasonability may be conducted. The State reserve the right to disqualify bid offers in which are under quoted and or are above market value. In this case, the bidder may be required to submit supporting documentations to the State to proof that the pricing is not under quoted or above market value.
- 6.5.1.4 Conditional discounts offered will not be taken into consideration during evaluation.
- 6.5.1.5 Prices submitted for in this bid must be filled in on the field provided on the pricing schedule supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.
- 6.5.1.6 The Pricing Schedule (**see Annexure A**) must be submitted in two forms, as hardcopy which must be included in the bid document and in an excel spreadsheet saved in a USB/memory stick at the closing date and time of bid. Both the hard copy and the excel version must be the same (replica).



6.5.2 Preferential Point System

6.5.2.1 The pricing evaluation will be in terms of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10 preference point system based on:

- The bid price (Maximum of 90 points)
- Historically disadvantaged individuals as well as specific goals (maximum 10 points)

6.5.2.2 The following formula will be used to calculate the points for price:

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

Where,

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

6.5.2.3 **The following will be used to calculate the points for Historically disadvantaged individuals as well as specific goals.**

- The 90/10 preference points system will apply in terms of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and responsive proposals will be adjudicated as follows:
Price (Maximum of 90 points)
Specific Goals (Maximum 10 points)
- It is the Government's intention to promote the following goals with this bid, and the points to be allocated are indicated against each goal:

SPECIFIC GOALS	POINTS ALLOCATED OUT OF 10	FORMULA TO CALCULATE THE POINTS OUT OF 10
HDI: Who had no franchise in national elections before the 1983 and 1993 Constitution	4	$PSSG = MPA \times \frac{PEO}{100}$ <p>Where: PSSG = Points scored for a specific goal MPA = Maximum points allocated for a specific goal PEO = Percentage of equity</p>
HDI Who is a Female	4	
Youth	2	
POINTS	10	



- c) The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- d) Bidders are required to complete the SBD 6.1 form in order to claim preference points.
- e) Only a bidder who has completed and signed the declaration part of the SBD 6.1 preference points claim form will be considered for preference points.
- f) The tenderer must submit proof of its ownership. CSD report (submit full CSD report) together with the tenderers CIPC registration documents must be submitted to confirm proof of ownership.
- g) The tenderer must submit proof of disability (if claiming points for disability). A medical certificate/letter signed by a registered medical practitioner confirming disability status will serve as proof.
- h) Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- i) The office may at any time, require a tenderer to substantiate claims it has made with regard to preference.
- j) Points scored will be rounded off to the nearest 2 decimals.
- k) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.5.3 **Items Grouped as a Series**

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

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

6.5.4 **Applicable Taxes**

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

6.5.5 **Cost Breakdown**

6.5.5.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered. Should the



cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. The cost breakdown submitted will be utilized during the price adjustment considerations.

6.5.5.2 Bidders should itemise the cost of each item into various components which are cost-drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a percentage of the total cost.

6.5.5.3 Example:

Table 4: Example of Cost Breakdown

Cost-driver	% Total Cost
Imported raw material	30%
Local raw material	20%
Labour	15%
Transport	30%
Others (Indicate)	5%
Total price of item	100%

6.5.6 TCD 14 Historical Exchange Rates

6.5.6.1 In terms of cost price adjustment, bidders should make use of any relevant currency for the items offered by calculating the average for the period 1 April 2023 to 30 September 2023 using the Reserve Bank published rates for the specific currency. Bidders are to visit <https://www.resbank.co.za/> to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.

6.5.7 Responsive Bids

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



7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 COMPANY REGISTRATION AND ORGANOGRAM

7.1.1 Shareholding portfolio by proof of registration of the company with Companies Intellectual Property Commission (or use abbreviation if already abbreviated above – delete statement). An additional document detailing the shareholding of the bidder in an organogram format in support of the proof of company registration must be submitted.

7.1.2 If by law registration with CIPC is not required, proof of ownership/shareholding must be provided.

7.2 COMPANY PROFILE

7.2.1 Bidders are requested to submit company profile which includes, but is not limited, to the following: -

7.2.1.1 Business structure and strategies; and

7.2.1.2 Details of the bidder's directors/owners (Full name and surname and ID or passport number)

7.2.1.3 Years of company existence and experience relevant to this bid.

7.3 TERMS AND CONDITIONS OF BID

7.3.1 Counter Conditions

7.3.1.1 Bidders' attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by bidders may result in the invalidation of such bids.

7.3.1.2 The National Treasury reserves the right to change or supplement any information or to issue any addendum to this bid before the closing date and time. The National Treasury and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

7.3.1.3 If the National Treasury exercises its right to change or supplement information in terms of the above clause, it may seek amended bid documents from all bidders.

7.3.2 Fronting

7.3.2.1 The National Treasury supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent, and legally compliant manner. Against this background the National Treasury does not support any form of fronting.

7.3.2.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the



Department of Trade, Industry and Competition, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist.

- 7.3.2.3 Failure to do so by the bidder within a period of fourteen (14) days from date of notification by National Treasury may invalidate the bid / contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the National Treasury may have against the bidder concerned.

7.4 **SUBMISSION OF BIDS**

7.4.1 **PHYSICAL AND HARDCOPY BID SUBMISSION**

- 7.4.1.1 Bidders are required to submit hard copies at the National Treasury, 240 Madiba Street, TIC, Deposit the bid in the tender box.
- 7.4.1.2 The hard copy of the bid response will serve as the legal bid document.
- 7.4.1.3 Bidders' attention is drawn to the sequential submission format as per the checklist on Table 1.
- 7.4.1.4 Bidders must submit the bid at TIC situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria in the following format:
- a. One (1) original hard copy
 - b. One (1) memory stick or USB with all the documents on the original hard copy and an excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.
- 7.4.1.5 All documents on the USB submitted must be an exact copy of the hard copy documents. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.
- 7.4.1.6 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.
- 7.4.1.7 Submit all bid queries via email to Demand.Acquisition1@treasury.gov.za

7.5 **LATE BIDS**

- 7.5.1 Bids received after the closing date and time at the TIC will NOT be accepted for consideration and where practical, be returned unopened to the bidder.

7.6 **COMMUNICATION AND CONFIDENTIALITY**

- 7.6.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the transversal contract, or to extend the validity period of the bid, if necessary.



- 7.6.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.
- 7.6.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current, or complete.
- 7.6.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the National Treasury an opportunity to consider what corrective action is necessary (if any).
- 7.6.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 7.6.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.6.7 No representations made by or on behalf of the National Treasury in relation to this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).
- 7.6.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to this bid.
- 7.7 **CONTACT DETAILS**
- 7.7.1 **General:** - National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001. Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria
- 7.7.2 **Bid Enquiries:** - All enquiries should be in writing to Demand.Acquisition1@treasury.gov.za. The closing date for receipt of all enquiries is **31 October 2023**. All enquiries beyond the closing date will not be considered.



8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

8.1 Once the evaluation process is complete there will be a recommendation report by the BEC to the Bid Adjudication Committee (BAC) who has the authority to either support (approve) or not support (not approve) the recommendation/s and appointment/s.

8.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the master transversal agreement for the supply and delivery of radiographic materials of this bid and unsuccessful bidder(s) will be informed accordingly. The following paragraphs will be applicable when making a recommendation:

8.3 Tax Compliance Requirements

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

8.3.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit a bid.

8.3.3 Bidders are required to be registered on the Central Supplier Database (CSD) and National Treasury shall verify the bidder's tax compliance status through the CSD or through SARS.

8.3.4 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS.

8.4 Multiple Award

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

8.5 Negotiations

8.5.1 The State reserves the right to negotiate with the shortlisted bidders prior or post award. The terms and conditions for negotiations will be communicated to the shortlisted bidders prior to invitation to negotiations. This phase is meant to ensure value for money is achieved through the measure of quality that will assess the monetary cost of the items or services against the quality and or benefits of that item or services.

8.6 Due Diligence

8.6.1 The State reserves the right to conduct due diligence prior to final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation



thereof may disqualify the bid in whole or parts thereof.

8.6.2 The State also reserves the right to conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.

8.6.3 Where applicable, the BEC reserves the right to subject item samples to applicable clinical evaluations, applications, or test at any State facility to verify compliance with the technical specifications. This will be arranged with the bidder.

8.7 **Right of Award**

8.7.1 The State reserves its following rights -

8.7.1.1 To award the bid in part or in full,

8.7.1.2 Not to make any award in this bid or accept any bids submitted,

8.7.1.3 Request further technical information from any bidder after the closing date,

8.7.1.4 Verify information and documentation of the bidder(s),

8.7.1.5 Not to accept any of the bids submitted,

8.7.1.6 To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award, and

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



SECTION C: CONDITIONS OF CONTRACT

9. CONCLUSION OF CONTRACT

- 9.1 The Contract between National Treasury and the preferred bidder/s (Service Provider) collectively referred to as the Parties shall come into effect after the service provider has been issued with an unconditional letter of acceptance to their bid.
- 9.2 The Service Provider (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties in as far this RT28-2024 is concerned:
- 9.2.1 Bid Documents
 - 9.2.2 Letter of Appointment
 - 9.2.3 Award Documents
 - 9.2.4 Acknowledgement letter
- 9.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent. For purpose of Section B, the term "service provider" shall refer to the preferred bidder appointed in terms of RT28-2024 transversal contract.

10. PARTICIPATING STATE INSTITUTIONS

- 10.1 The following institution will be participating on the contract for RT28-2024:
- 10.1.1 **National Departments**
 - a) None
 - 10.1.2 **Provincial Departments**
 - a) Limpopo Department of Health
 - b) Free State Department of Health
 - c) Mpumalanga Department of Rural Development and Land Affairs

11. POST AWARD PARTICIPATION

- 11.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government may send an application to National Treasury post award to request participate on the transversal contract.
- 11.2 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions and public entities listed in schedule 1, 3A and 3C to the PFMA may opt to participate in a transversal contract facilitated by the relevant treasury.
- 11.3 Regulation 32 of the Municipal SCM Regulations provides that a Supply Chain Management policy may allow the accounting officer to procure goods or services for a municipality or municipal entity under a contract secured by another organ of the state.



12. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

12.1 Contract Administration

12.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on TCcontracts2@treasury.gov.za

12.1.2 Suppliers must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the transversal contract. Full particulars of such circumstances as well as the period of delay must be furnished.

12.2 Supplier Performance Management

12.2.1 Supplier performance management will be the responsibility of the purchasing institution and where supplier performance disputes cannot be resolved between the supplier and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.

12.2.2 Supplier performance rating Form (to be provided for by National Treasury after the bid award) will be instituted, and every supplier must complete it to ensure good performance.

12.2.3 End-user State institutions are required to report to National Treasury on where supplier's performance is not satisfactory.

12.2.4 Successful suppliers will have their performance scored. National Treasury will provide a template which will be used to measure overall performance in terms of the transversal contract. Suppliers who score the unacceptable performance rating may not be awarded future contract of the same bid and may have the transversal contract terminated prior to the end of transversal contract period.

13. CONTRACT PRICE ADJUSTMENT

13.1 Formula

13.1.1 Prices submitted for this bid will be regarded as non-firm and may be subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time.

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

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

**Table 5: Contract Price Adjustment Formula**

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

13.2 Formula component definitions

13.2.1 Adjustable amount

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

13.2.2 Fixed portion

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

13.2.3 Cost components and proportions

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

13.2.3.2 Bidders are requested to submit the cost breakdown of the bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document.



Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

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

Table 6 - Contract Price Adjustment Cost Components

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

13.2.4 **Applicable indices/references**

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

Table 7: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice. ²	Documentary evidence to accompany claim and ROE
D2 - Local Finished product (if applicable):	Specify (STATS SA Index)	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table	Table E - All Items (CPI Headline) OR Labour agreement to be provided/

² In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.



Cost component	Index Publication	Index Reference
	E; OR Labour agreement ³	Regulated Pricing Adjustment
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

13.2.5 Base index date

13.2.5.1 The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is **October 2023**.

13.2.6 End index date

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

13.2.7 Price adjustment periods

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

Table 8: Price Adjustment Period

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates from which adjusted prices will become effective
1 st Adjustment	3 June 2024	May 2024	2 September 2024
2 nd Adjustment	2 December 2024	October 2024	3 March 2025
3 rd Adjustment	2 June 2025	May 2025	1 September 2025
4 th Adjustment	1 December 2025	October 2025	2 March 2026

³ In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



5th Adjustment	1 June 2026	May 2026	1 September 2026
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13.2.8 Rates of exchange (RoE) – Base and average rates

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

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

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

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

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

Table 9: CPA Rate of Exchange

Currency Name	Rates of exchange:1 April 2023 to 30 September 2023
US Dollar	18.67
Euro	20.32
Pound	23.51

13.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 April 2023 to 30 September 2023** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 14 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

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

Table 10: Rate of Exchange Average Periods



Adjustment	Average exchange rates for the period:
1 st Adjustment	1 April 2023 - 30 September 2023
2 nd Adjustment	1 October 2023 – 31 March 2024
3 rd Adjustment	1 September 2024 - 31 March 2025
4 th Adjustment	1 April 2025 - 30 September 2025
5 th Adjustment	1 October 2025 – 31 March 2026
6 th Adjustment	1 September 2026 – 1 February 2027

13.2.9 General

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

14. DELIVERY AND QUANTITIES

14.1 Delivery Basis

- 14.1.1 Lead times for delivery of all sterilization items on transversal contract shall not exceed eight (8) weeks. Delivery period exceeding the prescribed maximum eight (8) weeks may be cancelled without notice.
- 14.1.2 Lead times for delivery of all accessories and consumables of items on transversal contract shall not exceed one (1) week.

14.2 Quantities



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

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

15. DELIVERY ADHERENCE, ORDERS AND PAYMENTS

15.1 Orders

15.1.1 Suppliers should note that each individual purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.

15.1.2 Suppliers should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing State institution(s).

15.1.3 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the Supplier deviate from the orders issued by the purchasing State institutions.

15.1.4 The State is under no obligation to accept any quantity(ies) which is in excess of the ordered quantity(ies).

15.2 Delivery Adherence

15.2.1 Delivery of items must be made in accordance with the instructions appearing on the official purchase order forms issued by purchasing State institutions.

15.2.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.

15.2.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.

15.2.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.

16. PRODUCT ADHERENCE / BRAND CHANGE

16.1 In the event where a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract period.

16.1.1 In the event that the brand is discontinued and or replaced with a new brand, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The contractor is required to submit supporting documents substantiating the changes.



- 16.1.2 It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item. The quality of the product must not be lower than the initial awarded product.
- 16.1.3 Furthermore, contractors are to take note that the price of the new brand should not be higher from the current contract price of the original product.
- 16.1.4 Contractors are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from National Treasury.

17. CONTINUITY OF SUPPLY

- 17.1 Contracted suppliers must:
 - 17.1.1 Maintain sufficient stock to meet demand throughout the duration of the contract;
 - 17.1.2 Inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:
 - a) Industrial action;
 - b) Manufacturing pipeline
 - c) Any other supply challenges.
 - 17.1.3 Official communication relating to continuity of supply must be directed to the National Treasury, Transversal Contracting as well as affected user departments;
 - 17.1.4 This official communication must include detail of corrective actions taken by contracted supplier to ensure continuity of supply.

18. PACKAGING AND LABELLING

- 18.1 **Packaging**
 - 18.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.
 - 18.1.2 Packaging must be suitable for further dispatch, storage and stacking according to Good Wholesaling Practice and Good Distribution Practice.
 - 18.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
 - 18.1.4 The packing must be uniform for the duration of the contract period. All products must be packed in acceptable containers, specifically developed for the product.
 - 18.1.5 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.



- 18.1.6 Where the contents of the shipper pack represent a standard supply quantity of an item, the following must be adhered to:
- 18.1.6.1 Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering
 - 18.1.6.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.
- 18.1.7 Where the contents of a shipper pack represent a non-standard supply quantity, the following must be adhered to:
- 18.1.7.1 Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering.
 - 18.1.7.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.
 - 18.1.7.3 The outer packaging must be clearly marked as a "Part Box".
- 18.1.8 Suppliers must ensure that products delivered are received in good order at the point of delivery.
- 18.2 Labelling**
- 18.2.1 All containers, packing and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.
- 18.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes packaging in at least English language:
- a) Proprietary name (if applicable)
 - b) Number of units in pack (e.g. for bulk packs 20 administration sets)
 - c) Batch Number
 - d) Expiry date
 - e) Storage conditions
 - f) Barcode
- 18.2.2.2 Where the contents of the shipper pack requires special attention in terms of storage or handling, e.g. thermos labile, fragile, etc., such instructions must be clearly and visibly indicated on the outer packaging on a brightly coloured background.



18.2.2.3 The following information must be clearly and indelibly printed in letters not less than 10pt in height, on all individual inner packing or on a suitable label which must be securely adhered (permanently attached) onto the inner packing:

- a) Product detail e.g. proprietary name, item description, size, etc
- b) A product code where relevant;
- c) Batch Number
- d) Date of manufacture;
- e) Expiry date if applicable;
- f) Trade name or trade mark of the manufacturer;
- g) Name and address of importer/distributor where applicable;
- h) Where applicable, the word “sterile” or “non-sterile” in prominent form as well as the sterilisation method and sterilisation expiry date.
- i) Special storage conditions, if applicable;
- j) All other information prescribed in the item specification, e.g. latex free, and/or relevant SANS/ISO Standards;
- k) The label must include a barcode.

18.2.2.4 Peel apart packs: Material and design of peel apart packs shall ensure:

- a) Easy opening with fingers, clean tearing without formation of loose paper shreds, fluff or fibres;
- b) The product is tamper proof and non re-sealable;
- c) Minimum risk of contamination of contents during opening and removal from the package;
- d) Maintenance of sterility of the contents under the prescribed storage conditions.

19. SHELF-LIFE

19.1 Products must have a shelf life of at least 18 months upon delivery.

19.2 Contracted suppliers may apply in writing to user Departments to supply a product with a shorter shelf life provided that:

19.2.1 Applications are accompanied by an undertaking that such short-dated products will be unconditionally replaced or credited before or after expiry;

19.2.2 Applications are approved before execution of orders;

19.2.3 Such products must be collected by the supplier at their own cost;



19.2.4 Failure to collect the products within 30 days after written notification to the supplier will result in the disposal of the product by the user department for the account of the supplier;

19.2.5 If short-dated products are delivered without the aforementioned undertaking the following discount formula will be applied for invoicing of short-dated products:

$A = (18 - \text{months to date of expiry}) \times 2\%$ of consignment value short dated product. Therefore, amount to be invoiced is: Consignment value minus A. of the outcome of the discount formula.

$$A = 0.02 (18 - ME) \times V$$

Where:

A = Short dated penalty

ME = Months to date of expiry

V = Consignment value of short dated product

19.2.6 User departments may, without prejudice, decline to accept product with a shelf life of less than 18 months.

20. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS

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

20.2 Assignments of Contract

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

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

20.3 Cession of Contracts

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

20.3.1.1 The written request for cession must be by the service provider and not a third party; and the written



request by the service provider must be accompanied by the cession agreement.

20.4 Changes in the Service Provider Contact Details

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

21. POST AWARD PRODUCT COMPLIANCE PROCEDURES

21.1 Suppliers must ensure that the product confirms to the technical specification and its relevant quality standards throughout the contract period. Where there is a justified concern regarding the quality of the product, the State reserves the right to request the supplier (at own cost) to submit product for testing to confirm compliance to the relevant item technical specification and requirements at the SANAS accredited institution.

21.2 The State reserves the right to conduct any sample or site inspection directly or through a third party appointed by the state.

22. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS

22.1 Suppliers must ensure continuous compliance with all statutory requirements which may affect their complying status on Central Supplier Database managed by National Treasury.

22.2 All suppliers must ensure registration on all participating institutions within 30 days of accepting the award.

22.3 Suppliers must ensure that they register with all the participating institutions the items which they have been awarded for in the contract. Suppliers must take note that the participating institutions have different systems that they use internally to capture awarded contract information including that of awarded suppliers.

22.4 Failure to meet this requirement will result in inability to process orders and payments for goods.

23. MONITORING

23.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Provincial Health Departments, and National Department of Health or by a service provider appointed by the State to determine continuous compliance to the product and terms of contract. The Participating Institutions, will monitor the performance of contracted suppliers and maintain a report for compliance to the terms of this contract as follows:

23.1.1 Compliance to delivery lead times.

23.1.2 Percentage of orders supplied in full first time.

23.1.3 Compliance with reporting requirements according to reporting schedule.

23.1.4 Attendance of compulsory meeting: The National Treasury compulsory meetings with suppliers to



- review supplier performance. The schedules of the meetings will be sent to successful bidders.
- 23.2 The state may conduct random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).
- 23.3 National Treasury will conduct meetings with the Participating Institutions and Suppliers to discuss transversal contracting issues.
- 23.4 The National Treasury may request Participating Institutions to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.
- 23.5 Any change in the status in supply performance during the contract period must be reported within seven (7) days of receipt of such information to National Treasury.
- 23.6 Reporting and Supplier(s) meetings will be on a six-monthly basis and will be scheduled post award.
- 23.7 All successful Suppliers are required to submit historical value and volume reports via e-mail on a quarterly basis to: Demand.Acquisition@treasury.gov.za
- 23.8 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

24. TERMINATION

- 24.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- 24.1.1 The Supplier decides to transfer the contract or cede the contract.
- 24.1.2 The supplier does not honour contractual obligations including submission of information.
- 24.1.3 The supplier is provisionally or finally liquidated, making it impossible for the supplier to perform its functions in terms of this transversal contract.
- 24.1.4 The supplier enters into settlement arrangements with their creditors.
- 24.1.5 The supplier commits an act of insolvency.
- 24.1.6 In the event that the supplier is a member of an unincorporated joint venture or consortium and the membership of such joint venture or consortium changes.
- 24.1.7 There is a change in ownership of the supplier that has the effect that over 50% ownership of the Supplier belongs to the new owner without prior written approval of the State.
- 24.1.8 Overall poor performance rating during the contract period.

END