



SPECIAL CONDITIONS OF THE CONTRACT

RT75-2025

**SUPPLY AND DELIVERY OF MALE AND FEMALE CONDOMS AND
LUBRICATION TO THE STATE FOR SIXTY (60) MONTHS**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD VIRTUALLY ON
12 DECEMBER 2024 ON THE MICROSOFT TEAMS PLATFORM**

CLOSING DATE AND TIME OF BID

31 JANUARY 2025 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



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LIST OF ATTACHMENTS AND ANNEXURES

- i. Standard Bidding Documents (SBD's)
- ii. Transversal Contracting Documents (TCD's)
- iii. General Conditions of Contract (GCC)
- iv. Annexure A1, A2, A3 and A4 -Technical Specification
- v. Annexure B - Pricing Schedule

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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
SABS	South African Bureau of Standards
SANAS	South African National Accreditation System
SBD	Standard Bidding Document
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



BID DOCUMENT CHECKLIST AND RETURNABLE

Table 2: Bid Document Checklist and Returnable

#	Document Name ¹	Included in the published bid document?	To be returned by the bidder?	Bidder to tick Yes if the 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.	TCD 13 Authorization Declaration	Yes	Yes	
7.	TCD 13.1 List of goods or services offered	Yes	Yes	
8.	Written confirmation for disclosing tax status by SARS	No	Yes	
9.	Central Supplier Database Report	No	Yes	
10.	CIPC Company Registration Documents	No	Yes	
11.	Copy of Identity Documents of the Owners and Directors	No	Yes	
PHASE 2: MANDATORY REQUIREMENTS EVALUATION				
12.	Pricing Schedule (Annexure B)	Yes	Yes	
13.	SAHPRA License	No	Yes	
PHASE 3: FUNCTIONALITY EVALUATION				
14.	Company Experience and Previous Performance	No	Yes	
15.	Capacity	No	Yes	
16.	Good Standing Letter	No	Yes	
17.	Risk Management Strategy	No	Yes	
PHASE 3: TECHNICAL COMPLIANCE EVALUATION				
18.	Detailed Technical Specifications (Annexure A1, A2, A3 and A4)	Yes	Yes	

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



#	Document Name ¹	Included in the published bid document?	To be returned by the bidder?	Bidder to tick Yes if the document is submitted
19.	Quality Assurance Certificate	Yes	Yes	
20.	TCD 13.2 Authorization Letter of Undertaking	No	Yes	
21.	WHO Review Committee Approval Documents (Female Condoms Only)	No	Yes	
22.	SABS Mark Documentation (Male and Female Condom Only)	No	Yes	
23.	Manufacturer Capability Report	No	Yes	
24.	Test Reports from an Accredited Institution	No	Yes	
PHASE 4: PRICE & SPECIFIC GOALS EVALUATION				
25.	Pricing Schedule (Annexure B)	Yes	Yes	
26.	Local Content and Production Documents	Yes	Yes	



SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the supply and delivery of supply and delivery of male and female condoms and lubrication to the State for sixty (60) months.
- 1.2 This bid document is structured as follows:
- a) Section A: Introduction and Terms of Reference
 - b) Section B: Conditions of Bid
 - c) Part 1: Evaluation Criteria
 - d) Part 2: Additional Bid Requirements
 - e) Part 3: Recommendation and Appointment of Bidders
 - f) Section C: Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contracts emanating therefrom will be subject to General Conditions of Contract issued per Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2022 regulations.
- 2.2 The Special Conditions of Contract (SCC) are supplementary to that of the 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:
- a. Medicines and Related Substances Amendment Act, No. 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and its Regulations and Guidelines.
 - b. Patents Act, 1978 (Act 57 of 1978) and the Trademarks Act, 1993 (Act 194 of 1993)

3. OBJECTIVE OF THE BID

- 3.1 To arrange the RT75-2025 transversal contract for the supply and delivery of male and female condoms and lubrication to the State for the period of 60 months.
- 3.2 For the promotion of historically disadvantaged individuals as per the specific goals (maximum 2 points) and Local Content and Production as a specific goal (maximum 8 points) allocated in terms of Preferential Procurement Regulations 2022 issued according to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).



- 3.3 As per section 2(1) (f) of the PPPFA Act, give preference to bids offering goods with local content and/or local value added according to the objective criteria set.

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 included in the National Treasury website and e-tenders. Bidders can click on this link below to access the briefing session:

[RT75-2025 Briefing Session link](#)

Date: 12 December 2024

Time: 10h00 am

- 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. The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

5. TECHNICAL SPECIFICATIONS REQUIREMENTS

- 5.1 The detailed technical specification requirements are as per Annexures A1, A2, A3 and A4 for the supply and delivery of male and female condoms and lubrication. The bid consists of four (4) categories with a total of 12 number of line items. The summary details are as follows:

Table 1: Summary of Technical Specifications Categories

CATEGORY #	ITEM DESCRIPTION	SCENT	ANNUAL ESTIMATED QUANTITIES	TOTALS
RT75-01	Lubricants	Natural	20 000 000	20 000 000
RT75-02	Male Condoms	Vanilla	100 000 000	800 000 000
		Strawberry	240 000 000	
		Banana	220 000 000	
		Grape	240 000 000	
RT75-03	Male Youth Condoms	Vanilla	50 000 000	200 000 000
		Strawberry	50 000 000	
		Banana	50 000 000	
		Grape	50 000 000	
RT75-04	Female Condoms	Strawberry	20 000 000	40 000 000
		Vanilla	10 000 000	
		Caramel	10 000 000	
TOTAL				1 060 000 000



SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 2: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Administration Requirements	Mandatory and other bid requirements	Functional Evaluation	Technical Compliance	Price and Specific Goals
Compliance with the Administration documents requirements	Compliance with mandatory and other bid requirements	Compliance with functionality requirements	Compliance with the technical specifications and requirements	Bids evaluated in terms of the 90/10 preference system

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 must submit the following documents below to comply with the policy to guide uniformity in procurement reform processes.

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

6.2.1.2 **Proof of Authority** – This is proof that the company representative has been given authority by the company to sign bid documents on their behalf as required on SBD 1.

6.2.1.3 **SBD 4** – Bidders Disclosure

6.2.1.4 **SBD 5** – The National Industrial Participation Programme

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

6.2.1.6 **TCD 13 and 13.1 - Authorization Declaration** - All bidders are required to 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.

6.2.1.7 **Central Supplier Database** – Bidders are required to submit their Central Supplier Database report.

6.2.1.8 **Written Confirmation to disclose tax status** – Bidders must submit a Tax Pin issued by SARS. This tax pin is deemed as a confirmation that on an ongoing basis during the bid evaluation and the tenure of the transversal contract, the State may access the bidder’s tax compliance status.



- 6.2.1.9 **Company registration documents issued by CIPC** - Bidder must submit proof of registration with the Companies Intellectual Property Commission (CIPC). In a case where the shareholding percentage is not indicated on the CIPC registration documents, an additional shareholding certificate issued by the relevant authority detailing the shareholding of the bidder must be submitted.
- 6.2.1.10 **Copy of Identity Document (Directors/Owners)** – Bidders are required to submit a copy of an identity document of the directors and/or owners.
- 6.2.2 Failure to submit the documents indicated above even after the bidder has been notified and given a maximum of seven calendar days to rectify may invalidate the bid.
- 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. 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 B**) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed in full without changing the structure thereof.
- 6.3.2.2 Bidders are required to complete a mandatory Pricing Schedule Annexure B as a response to how much the items offered will be charged. Failure to submit the Pricing Schedule will invalidate the bid response.
- 6.3.2.3 The pricing for this bid is required to be on a national level.
- 6.3.3 **South African Health Products Regulatory Authority (SAHPRA): Medical Devices and In Vitro Diagnostic Regulation Licence**
- 6.3.3.1 Bidders must submit a Manufacturers, distributors and or wholesalers' licence as per the Medical Devices and In Vitro Diagnostic Regulations as referred to in Section 22C(1)(b) of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must submit a licence for the manufacturing, importing, exporting, distribution and or wholesaling of medical devices and IVDs, as issued by the South African Regulatory Authority at the closing date and time of bid.
- 6.3.3.2 The licence must be valid at the closing date and time of the bid. Failure to submit the valid licence will invalidate the bid response.
- 6.3.3.3 Upon such time that medical devices and In Vitro Diagnostic products are called up for registration, via publication in the Government Gazette, bidders, who have been licensed as medical device establishments will be required to comply with the requirement by submitting a licence/registration certificate of the said medical device and IVDs products



6.4 PHASE 3: FUNCTIONALITY EVALUATION

- 6.4.1 During this phase bidders' responses will be evaluated for functionality based on achieving a minimum total score of 66% for the functional requirements. Only bidders who have complied with mandatory requirements will be evaluated for functionality.
- 6.4.2 Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) will evaluate and score the respective bids based on their submissions and the information provided.
- 6.4.3 The value scored for each criterion will be multiplied by the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.
- 6.4.4 Bidders who have achieved the minimum qualifying score of 66% for functionality will be evaluated further in Phase IV of the evaluation. Functionality will be evaluated based on the responses and supporting documentation supplied by the bidders as follows:

Table 3: Maximum scores for each criterion

No	Functional Requirements	Weighting
1.	Company Experience and Previous Performance	35
2	Capacity	35
3	Good Standing Letter	15
4.	Risk Management Strategy	15
	Total	100

- 6.4.5 Each BEC member will rate each criterion on the score sheet using the value scale as follows:

Table 4: Scoring scale

Performance	Description	Score
Very good	Response addresses and exceeds the functionality requirements	3
Compliant	The response addresses all functionality requirements	2
Partially compliant	Response partially addresses the functionality requirements	1
Inadequate	The response <u>did not address</u> the functionality requirements	0



6.4.6 Company Previous Experience and Performance (Total weight =30 points)

6.4.6.1 Bidders to provide a comprehensive illustration of the company's experience in the condom/ lubrication industry or other related industry (medical field only) which is high volume driven (at least 1 million units over a single contract) in the public and or private sector.

6.4.6.2 This evaluation criteria is divided into two parts, **PART 1 applies to ONLY** bidders who have been awarded RT75-2018, RT75-2021 and or RT75-1-2021 and **PART 2 applies ONLY** to bidders who have not been awarded RT75-2018, RT75-2021, and or RT75-1-2021 contracts.

6.4.6.3 **PART 1 (Total 35 points) – Bidders Previously awarded RT75-2018, RT75-2021 and or RT75-1-2021**

- a) The total overall performance during a single contract period will be considered during the scoring of this criteria. If a bidder was awarded both contracts, the performance of the latest RT75 contract awarded will be considered for scoring.
- b) With the above, bidders are required to obtain a performance review letter, issued by the National Department of Health. The letter must indicate the total allocated quantities versus orders received and quantities delivered to date.
- c) Bidders must send the request for the letter to Livhuwani.Lifhiga@health.gov.za
- d) The National Treasury reserve the right to obtain copies of the letters above from National Health for verification.
- e) The scoring will be as follows for contract holders:

Table 5: Previous work performance referral score

Performance	Description	Score
Very good	Supplied over 70% of the allocated quantities	3
Compliant	Supplied over 50% of the allocated quantities	2
Partially compliant	Supplied less than 50% of the allocated quantities	1
Inadequate	Supplied less than 30% of the allocated quantities	0



6.4.6.4 **PART 2 (Total 35 points) – Bidders NOT Previously awarded RT75-2018, RT75-2021 and or RT75-1-2021**

- a) Bidders are required to submit a minimum of three reference letters which indicate a proven track record of previous work performance as follows:

6.4.6.5 Bidders are therefore required to submit a minimum of **three (3) reference letters** which indicate a proven track record of the bidders for the above.

a) To consider the reference letter valid, the letter must comply with the following:

- i) Letters must be from previous clients in the last five years (between 2019 and 2024), from health institutions in the public or private health institution supplying health-related consumable products with at least 1 million units in one contract/ or one customer
- ii) The letter must be on the letterhead of the client, with contactable details (name of institution/ company, physical address, email, cell/telephone number).
- iii) Each reference letter must be accompanied by a valid purchasing order and a valid delivery note from the relevant institution.

b) The letter must include the following elements:

- i) The letter must include the type of medical consumable products, and the relevant brand(s) supplied to the client
- ii) The letter must indicate If the **lead time to deliver** the products at the specified location was adhered to.
- iii) The letter must indicate if the products delivered adhered to the technical specification requirements prescribed in the agreement/ contract
- iv) The letter must include total quantities and values (of a contract) supplied for the relevant product to the client within a contract period.

- c) The scoring will be as follows:

Table 6: Previous work performance referral score

Performance	Description	Score
Very good	4 and above valid reference letters are submitted and address all 5 elements indicated.	3
Compliant	3 valid reference letters are submitted and address all 5 elements indicated.	2
Partially compliant	2 valid reference letters are submitted and address all 5 elements indicated.	1
Inadequate	1 or no valid reference letter with or without addressing the listed elements	0



6.4.7 Capacity (35 Points)

6.4.7.1 Bidders must demonstrate that they have the necessary capacity to undertake a national project of this nature. Bidder is required to have national coverage to be able to service the end-users across South Africa. In this regard, bidders are required to submit the following:

- a) **Geographical locations of the bidder's office and warehousing facility: It is required that bidders have an office and at least one (1) warehousing facility.** Bidders are required to submit a municipal utility account for where their offices and warehousing facilities are located. The holder of the municipal account must be the bidder.
- b) **Financial capability –** To meet minimum requirements for this criterion, bidders must have an annual revenue of at least 3 million or have a financial guarantee from a registered financial institution with a minimum amount of R3 million or more.
 - i) Bidders must submit a 2023/ 2024 audited financial statement or submit the financial statement reviewed by an independent accountant. Bidders who have a lower revenue (R3 million) must submit a financial guarantee of at least R3 million from a registered financial institution.
- c) The scoring will be as follows:

Table 7: Capacity Scoring

Performance	Description	Score
Very good	Submitted proof of an office and warehousing facility and financial statement with a revenue of more than R3 million.	3
Compliant	Submitted proof of an office and warehousing facility and financial statement with revenue of R3 million or financial guarantee of R3 million	2
Partially compliant	Submitted proof of an office and warehousing facility and financial statement with revenue of less than R3 million or financial guarantee of less than R3 million	1
Inadequate	No proof of office and warehousing and no financial statement which is audited or reviewed	0



6.4.8 Letter of Good Standing with Manufacturer (15 points)

6.4.8.1 Bidders must submit a letter of good standing issued by the manufacturer indicated on the Pricing Schedule for all items offered. The letter of good standing must include the following:

- a) Indicate if the bidder is in good standing with the manufacturer
- b) Indicate quantities for each item the manufacturer has allocated to supply the bidder annually

Table 8: Operational strategy scoring

Performance	Description	Score
Very good	The letter indicates that the bidder is in good standing with the manufacturer and indicates the allocation of at least 10% or more of the required quantities as per the Pricing Schedule	3
Compliant	The letter indicates that the bidder is in good standing with the manufacturer and indicates the allocation of at least 7% or more of the required quantities as per the Pricing Schedule	2
Partially compliant	The letter indicates that the bidder is in good standing with the manufacturer and indicates the allocation of at least 5% or more of the required quantities as per the Pricing Schedule	1
Inadequate	No letter or letter submitted indicates partial information required in paragraphs 6.8.4.1 (a) and (b)	0

6.4.8.2 Risk Management Strategy Plan (15 points)

Bidders must submit a risk management strategy plan relevant to RT75-2025 offered items to mitigate against any supply risk which seeks to address the following:

- a) Products callouts/re-calls.
- b) Plans to protect against the risk of rates of exchange fluctuations.
- c) Back-up plans in the event of product damages/force majors
- d) Communication strategy plan with all stakeholders

Table 9: Risk management plan scoring

Performance	Description	Score
Very good	The strategy plan submitted is practical, relevant to RT75 products and implementable covering all 4 points indicated.	3
Compliant	The strategy plan submitted is practical, relevant to RT75 products and implementable covering all 3 points indicated.	2
Partially compliant	The strategy plan submitted is practical, relevant to RT75 products and implementable covering all 2 points indicated.	1
Inadequate	No strategy or the strategy plan submitted is irrelevant or does not cover any element and or is not practical to implement.	0



6.5 PHASE 4: TECHNICAL SPECIFICATION REQUIREMENTS

6.5.1 During this phase bidders' responses will be evaluated based on technical requirements for each item offered on the pricing schedule. Non-compliance to the applicable requirements for each item below will result in disqualification of the relevant line item being evaluated. Items must comply with technical specifications requirements and quality standards as stated in the bid document of each item. Bidders are referred to the detailed specifications attached as follows:

- a) Annexure A1: Male Condoms
- b) Annexure A2: Male Youth Condoms
- c) Annexure A3: Female Condoms
- d) Annexure A4: Lubrication

6.5.2 Compliant with Item Standards/Specifications Requirements

6.5.2.1 Items must comply with technical specifications (attached as **Annexure A1, A2, A3 and A4**) as stated in the bid document of each item. The item specification indicated in the pricing schedule is a summary item description and the attached **Annexures A1, A2, A3 and A4** are the detailed Technical Specifications of the items. Non-compliance to the technical specification requirement will invalidate the items to which the compliance is not adhered.

6.5.2.2 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.

6.5.2.3 Where specific technical specifications and/ or standards, e.g., SABS, SANS, EU, ADA, CKS, BP, BPC, USP, USNE, EP, ISO, or DIN, are applicable on materials and supplies, the quality of products shall not be less than the requirements of the latest edition of such technical specifications and/or standard.

6.5.2.4 The State may consider products that have a reasonable deviation from the technical specification. This is subject to the deviation providing a better output and provided that the deviation not causing functional harm to the target population and users that the product is aimed at and that the functional output of the item's technical specification is achieved. This will therefore be decided upon based on the expertise judgement provided for by the Bid Evaluation Committee.

6.5.3 Quality Assurance Requirements

6.5.3.1 Bidders must submit at the closing date and time of bid, valid quality assurance certificates ISO 13485 to confirm compliance for the items offered as per the pricing schedule. The holder of the certificates must be the original product manufacturer of the product. Failure to submit these documents will invalidate your bid.





6.5.4 **Authorization Letter - Third-Party Authorization Letter of Undertaking**

6.5.4.1 Any bidder who is not an original product manufacturer of the product offered as per the pricing schedule, must submit a valid Third-Party Undertaking letter (template provided as TCBD 13.2) in full for all relevant goods or services. **Only a letter from an Original Product Manufacturer (OPM) will be considered.** The letter of undertaking from the manufacturer must include but not be limited to the following:

- a) The letter must list the Item(s) number, item description, and brand/model name offered by the third-party manufacturer.
- b) The letter must be on the original product manufacturer's letterhead, dated and signed.
- c) The letter must not be older than the date of the bid advertisement.
- d) The letter must have the third-party contact person's name, physical and postal address, telephone, and email details, and the capacity with which a person is signing the letter.
- e) All the information on the letter must be in English.

6.5.4.2 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 bidder will be disqualified for all items and further, the State may exercise additional legal remedies available.

6.5.4.3 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.

6.5.5 **World Health Organization (WHO) – Review Committee Approval Documentation**

6.5.5.1 This clause applies to female condoms Only. Bidders must submit complete documentation indicating that the product offered has World Health Organization (WHO) Female Condom Review Committee approval for Female Condoms at the closing date and time of bid. Failure to comply will invalidate the bid for the relevant items.

6.5.6 **SABS Mark Permit Documentation**

6.5.6.1 This clause applies to Only Female and Male Condoms. Bidders must submit a copy of the complete documentation "SABS permit to Apply Certificate Mark" i.e. not a face sheet but all additional documentation including the precise manufacturing process (es) that the certificate mark applies to.

6.5.7 **Manufacturer's Capability Report**

6.5.7.1 All bidders must submit a Manufacturer's Capability Report which covers the items offered with the bid documents at the closing date and time of the bid. The capability report must be issued by the South African Bureau of Standards (SABS) to the manufacturers. The capability report must address manufacturers' capability and capacity to manufacture the required male condoms, female condoms



and or lubrication product(s) depending on which products the bidder offered.

6.5.7.2 The capability report must address the following elements but not limited to:

- a) Production capacity and capability (per Batch, Monthly and Yearly
- b) Company organisation
- c) Physical address of the manufacturing facility
- d) Facilities
- e) Quality control systems
- f) Incoming inspections
- g) In-process quality control
- h) Final inspection
- i) Packaging
- j) Non-conforming product
- k) Communication/documentation control and work movement

6.5.7.3 In the event of the bidder sourcing the product(s) from another manufacturer, a capability report from that manufacturer must be obtained. The capability report must accompany the bid at the closing date and time.

6.5.7.4 The capability report must not be older than twelve (12) months.

6.5.7.5 The cost of obtaining the capability report will be for the account of the bidder.

6.5.7.6 If a capability report cannot be obtained from SABS before the closing date and time of the bid, the bidder must obtain proof (issued by SABS) that the capability audit has been requested from the institution before or on the closing date and time of the bid. In this case, bidders must submit the capability reports to the National Treasury within 30 days from the closing date and time of the bid.

6.5.7.7 It is the responsibility of the bidder to ensure that the capability report is submitted to the National Treasury within the stipulated timelines.

6.5.8 Submission of Test Report from the South African Bureau of Standards (SABS)

6.5.8.1 Where the item technical specification indicates a standard, bidders must submit samples for testing to SABS

6.5.8.2 Bidders have fourteen (14) calendar days after the closing date and time of bid to submit a test report (which is not older than 12 months at the closing date of bid) or a sample submission letter issued by SABS confirming that samples have been submitted for testing.

6.5.8.3 The test report or confirmation letter must be submitted to Baningi.Masilela@treasury.gov.za. Failure to submit a test report or confirmation letter issued by SABS at the specified period will disqualify the



relevant item.

- 6.5.8.4 The procedures for sampling frame guidelines and testing for product compliance may differ and should be obtained from SABS before the submission of samples. The cost of compliance testing will be for the account of the prospective bidder.
- 6.5.8.5 Where a bidder has submitted a letter from SABS instead of a test report, bidders are required to submit the test report as soon as it is issued by the relevant institution. It is the responsibility of the bidder to ensure that the test reports are submitted to the National Treasury as soon as the test report is issued.
- 6.5.8.6 Bidders must enquire at the SABS office countrywide for the relevant standards specifications for SANS, SABS, ISO, and CKS. Obtaining any standards/specifications will be the responsibility and for the account of the prospective bidder. To purchase standards, obtain quotes, or enquire about the availability of e-standards, please contact Standards Sales

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria

Contact person: Ms Mildred Mamabolo

Tel: (012) 428 6690/071354 6690

E-mail: Mildred.Mamabolo@sabs.co.za

SABS website: www.sabs.co.za and follow the "Search/Buy Standards" link

6.6 Evaluation of Test Report from a SANAS Accredited Institution

- 6.6.1 The purpose of the test report is to prove compliance with the relevant standard indicated in the item's technical specification.
- 6.6.2 A test report submitted that indicates non-compliance to the standard or which is invalid will result in disqualification for the relevant item. A test report which is older than eighteen (12) months at the closing date of the bid will be regarded as invalid and will not be accepted for consideration.
- 6.6.3 The state reserves the right to apply clause 6.4.2.4 above in terms of the valid test report submitted.
- 6.6.4 Where a bidder has submitted a letter from SABS, bidders are required to submit the test report as soon as it is issued. It is the responsibility of the bidder to ensure that the test reports are submitted to the National Treasury as soon as the test report is issued.
- 6.6.5 By submitting this bid, it is taken that consent is given to the SABS to provide the National Treasury with relevant information regarding the bidders who submitted samples for testing and for SABS to provide the National Treasury with copies of the test reports.



6.7 PHASE 5: PRICE AND SPECIFIC GOALS

6.7.1 Pricing Schedule and Structure Requirements

- 6.7.1.1 Prices quoted must be furnished based on “delivered to State facility” country-wide inclusive of VAT.
- 6.7.1.2 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 to how much the items offered will be charged.
- 6.7.1.3 Due diligence on market-related pricing reasonability may be conducted. The State reserves the right to disqualify bid offers that are under-quoted and or are above market value. In this case, the bidder may be required to submit supporting documentation to the State to prove that the pricing is not under-quoted or above market value.
- 6.7.1.4 Conditional discounts offered will not be taken into consideration during evaluation.
- 6.7.1.5 Prices submitted 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.
- 6.7.1.6 To allow the National Treasury to export the information effectively, it is requested that the Pricing Schedule (**Annexure B**) be submitted online in an XLSX Excel sheet.

6.7.2 Preferential Point System

- 6.7.2.1 The pricing evaluation will be in terms of the Preferential Procurement Regulations as per 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:

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

- 6.7.2.2 The following formula will be used to calculate the points for the price out of 90 points

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

Where,

P_s = Points scored for the comparative price of the bid under consideration.

P_t = Comparative price of a bid under consideration

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

- 6.7.2.3 **The Objective Criteria** – As per section 2(1) (f) of the PPPFA Act, it is the objective criterion of this bid to allocate at least 50% of the male and youth condoms quantities and 100% of lubrication quantities to bids offering goods with local content and/or local value added as follows:



Table 10: Male Condom and Youth Condoms Local Content and Production Threshold

Requirements	Minimum Threshold
<u>Material Component</u>	<u>Overall (70%)</u>
Latex	0%
Chemicals	50%
Foiling	100%
Silicon	100%
Shelf and Outer Packaging	100%
<u>Manufacturing Process</u>	<u>Overall (100%)</u>
Dipping	100%
Tumbling	100%
Testing	100%
Packaging	100%

Table 11: Female Condom - Local Content and Production Threshold

Requirements	Minimum Threshold
Materials Component	0%
Manufacturing Process	50%

Table 12: Lubrication - Local Content and Production Threshold

Requirements	Minimum Threshold
Materials Component	100%
Manufacturing Process	100%

6.7.2.4 The following specific goals will be used to allocate the points out of 10 points.

GOALS	POINTS
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections before the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993), ("the Interim Constitution")	2
Reconstruction Developmental Programme (RDP) Goals: - Local Produced Product	8

- The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- SBD 6.1:** Bidders are required to complete the SBD 6.1 forms to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 preference points claim forms will be considered for preference points.



- c) The bidder's Central Supplier Database (CSD) report, CIPC registration documents, and Identity Documents (ID) copies submitted will serve as proof of ownership and directorship of the company.
- d) Failure on the part of a bidder to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender will not be allocated with the points claimed.
- e) The State may, before a bid is adjudicated or at any time, require a bidder to submit any relevant additional supporting documents to substantiate claims it has made about preference.
- f) Points scored will be rounded off to the nearest 2 decimals.
- g) If two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- h) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- i) 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.

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

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

Where:

PSSG= Points scored for a specific goal

MPA = Maximum points allocated for a specific goal

PEO = Percentage of equity ownership by an HDI

6.7.2.6 Specific goals with Proof of equity ownership requirements and related matters

- a) The specific goals contemplated in the paragraph above and are related to equity ownership must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.
- b) If the percentage of ownership contemplated in the paragraph above changes after the closing date of the tender, the tenderer must notify the Office, and such tenderer will not be eligible for any preference points.



- c) Equity in private companies must be based on the percentage of equity ownership.
- d) Preference points may not be awarded to public companies and tertiary institutions.
- e) Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.
- f) Documentation to substantiate the validity of the credentials of the trustees contemplated in the paragraph above must be submitted to the Office.
- g) A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.
- h) A tenderer who does not submit proof of ownership may not be disqualified from the bidding process but will be allocated zero points for the relevant specific goals for ownership.

6.7.2.7 Specific goals in relation to procuring locally produced products

- a) Preference points may only be claimed for products, which will be manufactured (fabricated, processed or assembled), in the Republic of South Africa. In cases where production has not yet commenced at the time of bid closure, evidence shall be produced that at the time of bid closure, the bidder was irrevocably committed to local production of the product
- b) Bidders are therefore required to submit a completed SBD 6.2 to provide additional information with regards to local content for the items offered for which local content points are claimed.
- c) Local content means that portion of the bid price, that is not included in imported content, provided that local manufacture does take place.
- d) Imported content means that portion of the bid price represented by the costs of components, parts, or materials that have been or are still to be imported (whether by the bidder or his suppliers or sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duties, sales duties, or other similar taxes or duties at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies for which a bid has been submitted are manufactured.
- e) Bidders must indicate in the pricing schedule (**Annexure B**) which product(s) [item number(s)] is/are manufactured locally and indicate the local content % of each product/item in relation to the bid price. The points will be calculated automatically in the pricing schedule. Points claimed will be indicated in the "points claimed" column.
- f) The following formula must be applied to calculate the number of points out of the points



allocated to ownership for specific goals:

$$\text{PSLC} = \text{MLC} \times \text{PLC} / 100$$

Where:

PSLC= Points scored for local content

MLC = Maximum points allocated for Local Content

PLC = Percentage of Local Content for product offered

- g) To qualify for the points of local manufacturing, the definition of a locally produced product will be limited to at least the conversion process (substantiated value adds) being in the Republic of South Africa. Substantial supporting documents may be required at any point in time before and post-award of the contract. Due diligence, which includes site visits, may be conducted in this regard. The following aspects must be complied with:
- i) The site/s of manufacturing and/or assembling of the product offered is in South Africa.
 - ii) Demonstrated capacity to service the required volumes is confirmed.
 - iii) Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
 - iv) The product offered meets the minimum requirement as per technical specification requirements.
- h) In the event of a contract being awarded as a result of points claimed, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct. If the claims are found to be incorrect, the State, in addition to any other remedy it may have –
- i) Recover all costs, losses, or damages it has incurred or suffered as a result of the bidder's conduct.
 - ii) Cancel the contract and claim any damages that it has suffered as a result of having to make less favourable arrangements due to such cancellation.
 - iii) Impose a financial penalty more severe than the theoretical financial preference associated with the claim that was made in the bid.

6.7.3 Applicable Tax

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



6.7.4 Cost Breakdown

6.7.4.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered on the response fields allocated on the pricing schedule for each item offered. The cost breakdown submitted will be utilized during the price adjustment considerations.

6.7.4.2 Bidders should itemize 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.

6.7.4.3 Example:

Table 13: Example of Cost Breakdown

Cost-driver	% Total Cost
Imported raw material	30%
Local raw material	20%
Labour	15%
Transport	30%
Other (Indicate)	5%
The total % of the item	100%

6.7.5 TCD 14 Historical Exchange Rates

6.7.5.1 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 May 2024 to 31 October 2024** 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.

6.7.6 Responsive Bids

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

6.7.7 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.

6.7.8 The technical specification and the Guidance on the calculation of local content together with the Local Content Declaration Templates namely [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)] is accessible to all bidders on the dti's website http://www.dti.gov.za/industrial_development/ip.jsp at no cost.

- 6.7.9 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula:

$$LC = (1 - X/Y) * 100$$

Where:

X is the imported content in Rand

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

- 6.7.10 Prices referred to in the determination of X must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid.\
- 6.7.11 The DTI has a right, as and when necessary, to request auditors' certificates confirming the authenticity of the declarations made in respect of local content.
- 6.7.12 Items which have been declared that are produced locally (primary or secondary) and do not meet the minimum threshold of the local content will be disqualified and will not be evaluated further.
- 6.7.13 Suppliers must not sub-contract in such a manner that the local production and content of the overall value of the items concerned is reduced to below the stipulated minimum threshold.
- 6.7.14 Where, after the award of this bid, suppliers experience challenges in meeting the stipulated minimum threshold for local content, the DTI must be informed accordingly to verify and in consultation with the National Treasury provide directives in this regard.



7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 TERMS AND CONDITIONS OF BID

7.1.1 Counter Conditions

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

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

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

7.1.2 Fronting

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

7.1.2.2 The National Treasury, in ensuring that bidders lawfully conduct themselves will, as part of the bid evaluation processes, conduct, or initiate the necessary inquiries/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 inquiry/investigation, the onus will be on the bidder to prove that fronting does not exist.

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

7.1.3 ONLINE BID SUBMISSION

7.1.3.1 Bidders must submit their bids online through the e-Tender Publication portal.

7.1.3.2 Manual or hardcopy bids are not acceptable.

7.1.3.3 The online e-Tender publication portal can be accessed at the following link:
<https://www.etenders.gov.za/>

7.1.3.4 The link to the guide for online bid submission is as follows:
<https://youtu.be/B7pNseNJYHM>



- 7.1.3.5 Bidder must contact the e-tender call centre for any assistance regarding Online bid submission at **(012) 406 9222** or email eTenders@treasury.gov.za
- 7.1.3.6 Bidders to adhere to all the rules for the online bid submission.
- 7.1.3.7 Bidders' attention is drawn to the sequential submission format as per the checklist in Table 1.
- 7.1.3.8 The Technical Specifications and Pricing Schedule (Annexure B) should be in an XLSX Excel sheet format and not any other format.
- 7.1.3.9 Non-compliance with online bid submission WILL invalidate the bidder's response.

7.2 **LATE BIDS**

- 7.2.1 Bids received after the closing date and time will NOT be accepted for consideration.

7.3 **COMMUNICATION AND CONFIDENTIALITY**

- 7.3.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and before the award of the transversal contract, or extend the validity period of the bid, if necessary.
- 7.3.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.
- 7.3.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees, and advisors will not be liable concerning any information communicated which is not accurate, current, or complete.
- 7.3.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error, or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency to allow the National Treasury to consider what corrective action is necessary (if any).
- 7.3.5 Any actual discrepancy, ambiguity, error, or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 7.3.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.3.7 No representations made by or on behalf of the National Treasury about this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).



7.3.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for developing a response to this bid.

7.4 **CONTACT DETAILS**

7.4.1 **General:** - National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001. Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria

7.4.2 **Bid Enquiries:** - All inquiries should be in writing to Demand.Acquisition2@treasury.gov.za. The closing date for receipt of all inquiries is **29 January 2025**. All inquiries 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 Bid Evaluation Committee (BEC) to the Bid Adjudication Committee (BAC) which 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 male and female condoms and lubrication of this bid, and the unsuccessful bidder(s) will be informed accordingly. The following paragraphs will be applicable when the BEC makes the recommendation to the BAC.

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 the 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 the National Treasury shall verify the bidder's tax compliance status through the CSD or 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 SARS.

8.4 Multiple Award

8.5 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. The same brand will therefore not be awarded to more than one bidder of the same line item.

8.6 Stock Availability Report

8.6.1.1 The products on this tender are essential for the rollout implementation of the HIV/ Aids programme and campaigns and therefore it is highly critical for the bidders to declare their pipeline stock agreements with their manufacturers.

8.6.2 The state will take into consideration the letter of good standing issued by the manufacturers when allocating quantities to the successful bidders

**8.7 Negotiations**

- 8.7.1 The State reserves the right to negotiate with the shortlisted bidders before or after the award. The terms and conditions for negotiations will be communicated to the shortlisted bidders before the 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.

8.8 Due Diligence

- 8.8.1 The State may conduct due diligence before the 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 is verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof.
- 8.8.2 The State also reserves the right to conduct any evaluation verifications before the final award or at any time during the transversal term contract period.

8.9 Right of Award

- 8.9.1 The State reserves its following rights -
- 8.9.1.1 To award the bid in part or in full,
 - 8.9.1.2 Not to make any award in this bid or accept any bids submitted,
 - 8.9.1.3 Request further technical information from any bidder after the closing date,
 - 8.9.1.4 Verify information and documentation of the bidder(s),
 - 8.9.1.5 Not to accept any of the bids submitted,
 - 8.9.1.6 To withdraw or amend any of the bid conditions by notice in writing to all bidders before closing of the bid and post-award, and
 - 8.9.1.7 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 Supplier (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties as far as this RT75-2025 is concerned:
- 9.2.1 Bid Documents
 - 9.2.2 Letter of Appointment
 - 9.2.3 Award Documents
 - 9.2.4 Transversal Contracting Agreement (TCA)
- 9.3 If there is any contradiction between the abovementioned documents, the special conditions of the contract shall take precedence. For Section B, the term "Supplier" shall refer to the preferred bidder appointed in terms of the RT75-2025 transversal contract.

10. PARTICIPATING STATE INSTITUTIONS

- 10.1.1 This transversal contract RT75-2025 is intended to be utilized by various organs of the State as listed below:

Table 14: Participating Government Institutions

#	DEPARTMENT NAME
1	Department of Health: Eastern Cape
2	Department of Health: Free State
3	Department of Health: Gauteng
4	Department of Health: Kwa-Zulu Natal
5	Department of Health: Limpopo
6	Department of Health: Northern Cape
7	Department of Health: Western Cape



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 the National Treasury post-award to request participation in 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 schedules 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 TCcontracts1@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 the 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 the 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 that will be used to measure overall performance in terms of the transversal contract. Suppliers who score an unacceptable performance rating may not be awarded future contracts of the same bid and may have the transversal contract terminated before the end of the 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.
- 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 15: Contract Price Adjustment Formula

$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$		
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 that will not change over the adjustment period and do 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 that 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 who are direct importers of raw material / finished products 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 16: 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 references will be applicable:

Table 17: 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 the claim and ROE

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
D2 - Local Finished product (if applicable):	Specify (STATS SA Index)	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour Agreement ³	Table E - All Items (CPI Headline) OR Labour agreement to be provided/ 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 **November 2024**.

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 the closing date of the bid.

Table 18: 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	19 June 2026	May 2026	01 August 2026
2 nd Adjustment	18 June 2027	May 2027	01 August 2027
3 rd Adjustment	17 June 2028	May 2028	01 August 2028
4 th Adjustment	16 June 2029	May 2029	01 August 2029

13.2.8 Rates of exchange (RoE) – Base and average rates

13.2.8.1 If 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 referred paragraph in the below paragraph and the average RoE rate over the period under review indicated in the below paragraph.

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



- 13.2.8.3 If 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 the 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 the paragraph above and at the predetermined dates indicated in the paragraph above.
- 13.2.8.5 The Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item (s) to South African currency is indicated in the table below.

Table 19: CPA Rate of Exchange

Currency Name	Rates of exchange: (1 May 2024 to 31 October 2024)
US Dollar	18.05
Euro	19.68
Pound	23.28

- 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 May 2024 to 31 October 2024** 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 20: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period	Dates from which adjusted prices will become effective
1 st Adjustment	1 December 2025 to 31 May 2026	01 August 2026
2 nd Adjustment	1 December 2026 to 31 May 2027	01 August 2027
3 rd Adjustment	1 December 2027 to 31 May 2028	01 August 2028
4 th Adjustment	1 December 2028 to 31 May 2029	01 August 2029

13.2.9 General

- 13.2.9.1 Unless prior approval has been obtained from the 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 If 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 in 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, QUANTITIES AND ORDERS

14.1 Delivery Basis

- 14.1.1 Firm lead times for delivery must be quoted for the duration of the contract period.
- 14.1.2 The initial lead time as proposed in the bid response document will be calculated from the date of award of the contract and NOT the date of placement of the first order. This period should not exceed 90 calendar days from the date of award.
- 14.1.3 Lead-time within the contract period is defined as the time from submission of order to supplier to time of receipt by the department as confirmed by the Proof of Delivery document. This lead time may not exceed 42 calendar days.
- 14.1.4 Failure to comply with the contractual lead-time will result in penalties being enforced as per sections 21 and 22 of the General Conditions of Contract.
- 14.1.5 Delivery of goods must be made in accordance with the instructions including specified delivery points appearing on the official order forms issued by purchasing institutions.
- 14.1.6 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.
- 14.1.7 In respect of items awarded to them, contractors must adhere strictly to the delivery lead times quoted in their bids.
- 14.1.8 Transit and storage conditions applicable to relevant products must be adhered to and must not compromise the quality of the product.
- 14.1.9 The state reserves the right to negotiate delivery lead times

14.2 Quantities

- 14.2.1 The quantities reflected in the bid forms are estimated quantities and no guarantee is given or implied as to the actual quantity which will be procured during the contract period.



14.2.2 The State reserves the right to negotiate with the bidder's adjustment of their minimum order quantities prior to the award of the bid.

14.3 Orders

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

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

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

14.3.4 The State is under no obligation to accept any quantity which is over the ordered quantity.

15. CONTINUITY OF SUPPLY

15.1 The contractor must maintain sufficient stock to meet demand throughout the contract and inform the National Department of Health at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:

15.1.1 Industrial action,

15.1.2 Manufacturing Pipeline

15.1.3 Any other supply challenges.

15.2 Official communication relating to continuity of supply must be directed to the Department of National Health Livhuwani.Lifhiga@health.gov.za and copy motsem@health.gov.za; as well as Participating Authorities. This official communication must include details of corrective actions taken by the contracted supplier to ensure continuity of supply.

15.3 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the Department of Health reserves the right to purchase outside of the contract to meet its requirements if:

15.3.1 The contracted supplier fails to perform in terms of the contract.

15.3.2 The item(s) are urgently required and not immediately available; in the case of an emergency.

16. SHELF LIFE

16.1 Condoms (male and female) and lubrications must have a shelf-life of at least 5 years on manufacturing and all products must have a remaining shelf life of at least 3 years upon delivery.

16.2 Participating Departments may, without prejudice, decline to accept products with a shelf-life of less



than 3 years.

- 16.3 Contractors may make written applications to the purchasing institution to deliver goods with a shorter shelf-life, provided such applications are accompanied by an undertaking that unused short-dated stock shall be unconditionally replaced before or after expiry.
- 16.4 Any delivery of short, dated supplies without prior written approval must be collected by the respective suppliers at their own cost.
- 16.5 Any participating institution may, without prejudice, decline written applications to deliver short, dated stock.

17. PACKAGING AND LABELLING

17.1 Packaging

- 17.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.
- 17.1.2 Packaging must be suitable for further dispatch, storage and stacking according to Good Wholesaling Practice and Good Distribution Practice.
- 17.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
- 17.1.4 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.
- 17.1.5 The number of units in the unit pack, shelf pack and shipper pack must be completed in the Bid Response Document.
- 17.1.6 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.
- 17.1.7 Where the contents of the shipper pack represent a standard supply quantity of an item, the following must be adhered to:
- 17.1.7.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering
- 17.1.7.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.
- 17.1.8 Where the contents of a shipper pack represent a non-standard supply quantity, the following must be adhered to:
- 17.1.8.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.



17.1.8.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.

17.1.8.3 The outer packaging must be marked as a "Part Box".

17.1.9 Suppliers must ensure that products delivered are received in good order at the point of delivery.

17.2 Labelling

17.2.1 All containers, packing and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.

17.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes:

- 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) Barcode
- f) Storage conditions

17.3 Barcodes

17.3.1 It is mandatory that all products supplied must include a barcode (number plus symbology). All shipper, shelf and unit packs must be marked with the appropriate number and symbology. The European Article Numbering Code 13 (EAN 13) has been accepted as standard.

17.3.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the following information:

- a) Brand name
- b) Batch number
- c) Expiry date

18. PRODUCT ADHERANCE / BRAND AND MANUFACTURING CHANGE

18.1 Any intention to change the condom manufacturing source prior to the commencement of the contract or during the lifetime of the contract must be approved by the National Treasury.

18.2 If a bidder offers a product from a specific manufacturer against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the awarded product manufactured by the same manufacturer throughout the contract period.

18.3 If the brand is discontinued, replaced with a new brand, or there is a change and or an addition of the manufacturer, 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 all supporting documents from the old and new manufacturers substantiating the changes.

- 18.4 It must be noted that the new product and manufacturer will be required to undergo the evaluation process before receiving approval for the change issued by the National Treasury.
- 18.5 The new product must adhere to the technical specifications for the item. The quality of the product must not be lower than the initial awarded product. National Treasury reserves the right not to approve any change of product or manufacturer.
- 18.6 Furthermore, contractors are to take note that the price of the item affected will not be changed to be higher than the current contract price of the original product.
- 18.7 Contractors are not allowed to deliver any new product or use any new manufacturer other than the product and the manufacturer awarded to them before approval of change from the National Treasury.

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

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

19.2 Assignments of Contract

- 19.2.1 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 Supplier 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.
- 19.2.2 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.

19.3 Cession of Contracts

- 19.3.1 Cession refers to the transfer of only the rights a Supplier 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 Institutions).
- 19.3.1.1 The written request for cession must be by the Supplier and not a third party and the written request by the Supplier must be accompanied by the cession agreement.

19.4 Changes in the Supplier Contact Details



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

20. POST AWARD PRODUCT COMPLIANCE PROCEDURES

20.1 CONSIGNMENT/BATCH TESTING

- 20.1.1 All contractors must arrange for lot(s) sampling (Sampling frame according to SABs guidelines) at the point of packaging the finished products before any distribution can take place. Sampling must be carried out by an independent and SANAS-recognised organisation. Samples must be taken from production lots produced at the source factory within the preceding 30 days from the date of sampling. Samples must be submitted for batch testing which will be done according to National Department of Health/World Health Organisation standards and specifications.
- 20.1.2 To ensure the security of supply, alternative laboratories will be considered for batch testing post-award. The lab must be SANAS accredited and be approved by the National Department of Health to be utilized for consignment testing.
- 20.1.3 The contractors shall before the confirmation of orders and issue of delivery site quantities and delivery dates, provide the STI & HIV Aids Prevention unit of the Department of Health with compliance certificates proving adherence to the specification for each batch before shipment from the manufacturer.
- 20.1.4 Copies of these certificates must also accompany the proof of delivery documentation submitted for payment.
- 20.1.5 At the time of sampling the sampling agent will require certified documentation from the manufacturer indicating the batch size of every batch sampled.
- 20.1.6 Sampling and testing organisations appointed by the Department of Health shall carry out all these certification tests.
- 20.1.7 The cost of these tests shall be borne by the Department of Health. The cost of tests in the event of failure of batches will be for the account of the contractor.
- 20.1.8 Test results are final and no requests for testing by other testing laboratories will be entertained by the Department of Health. Any performance failure (water, airburst, package seal integrity tests) will result in immediate and non-negotiable rejection of the batch.
- 20.1.9 Any cases of minor design failures will be treated on a case-by-case basis taking into account the needs of the programme in relation to the particular failure. However, if an application for a concession is made by a contractor and subsequently granted by the Department of Health, all testing costs for the concession batches will be borne by the contractor.



20.1.10 All lot sizes for testing shall be at least 1000 gross (i.e. 144 000 pieces), up to a maximum of 288 000 pieces. All lot sizes must be certified at the time of sampling and this information must be communicated by the contractor to the Department of Health as soon as possible after certification. A lot is a single grade, class and composition manufactured under essentially the same conditions. All condoms comprising a lot will:

- a) Have an identical formulation.
- b) Have the same dimensions, shape, colour and texture
- c) Be manufactured on the same production line
- d) Be vulcanised under identical conditions
- e) Be manufactured within 24 hours
- f) Not be made up of separate interrupted runs

20.1.11 Concerning the female condoms the supplier must submit complete documentation on the in-house manufacturing level, quality assurance programme in place at the point of manufacture. This will include descriptions of sampling and testing protocols, equipment in use including place of manufacture, date commissioned and calibration schedules and procedures. Original compliance test reports for every production batch (including tensile (cross-sectional seam), air inflation (measuring peak pressure) and water leakage tests), duly certified by senior management must be provided at the time of sampling.

21. COMPLIANCE TESTED STOCK LEVELS

21.1 Contractors will be required to maintain, for the duration of the contract, an in-country stockholding of three months available for immediate distribution. This stock must be tested and certified. Stock levels should be estimated from the anticipated requirements of the Department as indicated in the contract award unless otherwise instructed in writing by the Department. The required levels for compliant products may be adjusted by the Department to respond to changing programmatic requirements.

21.2 Suppliers will be expected to deliver condoms according to delivery schedules issued periodically by the Department of Health against current compliant stock levels to any or all of 150–200 sites within the country. Delivery quantities shall generally range from 60,000 to 2,000,000 condoms per male condom site and 5,000 to 60,000 condoms per female condom site. Once the delivery sites and quantities list are issued to suppliers, deliveries shall be made within the time specified by the supplier on the bid document. To the extent possible for male condoms, the procurer will serve sites utilising stock available in the nearest proximity.

22. TRAINING

22.1 All female condom suppliers are expected to provide training for all provinces on the products that they are supplying. The national condom team will liaise closely with the suppliers to plan for this training that is compulsory before distribution and during the tender period as needed at the expense of the supplier.

**23. SECURITY AND CONFIDENTIALITY INFORMATION**

- 23.1 All successful contractors may be subject to a State Security Agency (SSA) clearance process which will be facilitated by the National Treasury.
- 23.2 The State may enforce section 23 (termination for default) of the General Condition of Contract in a case where the contractor's clearance has a negative outcome.
- 23.3 The Supplier will regard all information which he/she obtains or is entrusted with concerning the participating department or its members whilst executing the contract, as confidential, secret or top secret.
- 23.4 The Supplier, his/her employees, sub-contractors, or agents may not make any such information obtained or entrusted to any other person or the media.

24. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS

- 24.1 Suppliers must ensure continuous compliance with all statutory requirements which may affect their complying status on the Central Supplier Database managed by the National Treasury.
- 24.2 All suppliers must ensure registration on all participating institutions within 30 days of accepting the award.
- 24.3 Suppliers must ensure that they register with all the participating institutions the items that they have been awarded 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
- 24.4 Failure to meet this requirement will result in an inability to process orders and payments for goods.

25. MONITORING

- 25.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Participating Institutions, and or by a Supplier appointed by the State to determine continuous compliance with the product and terms of the contract. The Participating Institutions, will monitor the performance of contracted suppliers and maintain a report for compliance with the terms of this contract as follows:
- a) Compliance with delivery lead times
 - b) Percentage of orders supplied in full first time.
 - c) Compliance with reporting requirements according to the reporting schedule.
 - d) Attendance of compulsory meetings: The National Treasury compulsory meetings with suppliers to review supplier performance. The schedules of the meetings will be sent to successful bidders.
- 25.2 The state may conduct a random audit(s) with or without prior appointment arrangements with the



appointed Supplier(s).

- 25.3 The National Treasury will conduct meetings with the Participating Institutions and Suppliers to discuss transversal contracting issues.
- 25.4 The National Treasury may request Participating Institutions to impose penalties, where deemed necessary, as per Sections 21 and 22 of the General Conditions of Contract.
- 25.5 Any change in the status of supply performance during the contract period must be reported within seven (7) days of receipt of such information to the National Treasury.
- 25.6 Reporting and Supplier(s) meetings and schedules will be communicated to successful bidders.
- 25.7 All successful Suppliers are required to submit historical value and volume reports via e-mail every quarter to: TCcontracts1@treasury.gov.za.
- 25.8 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

26. TERMINATION OF CONTRACT

- 26.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- 26.2 The Supplier decides to transfer the contract or cede the contract.
- 26.3 The supplier does not honour contractual obligations including the submission of information.
- 26.4 The supplier is provisionally or finally liquidated, making it impossible for the supplier to perform its functions in terms of this transversal contract.
- 26.5 The supplier enters settlement arrangements with their creditors.
- 26.6 The supplier commits an act of insolvency.
- 26.7 If the supplier is a member of an unincorporated joint venture or consortium and the membership of such joint venture or consortium changes.
- 26.8 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.
- 26.9 Overall poor performance rating during the contract period

END