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## **SPECIAL CONDITIONS OF CONTRACT**

**RT47-1-2022**

**APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF REFLECTIVE  
MARKING OF VEHICLES FOR THE STATE FOR THE PERIOD ENDING 31 MARCH  
2025**

**NON-COMPULSORY VIRTUAL BRIEFING SESSION TO BE HELD ON  
16 NOVEMBER 2023 FROM 10:00AM TO 12:00PM  
ON MICROSOFT TEAMS**

**CLOSING DATE AND TIME OF BID  
29 NOVEMBER 2023 AT 11H00**

**BID VALIDITY PERIOD: 180 DAYS**

National Treasury  
Transversal Contracting



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**LIST OF ABBREVIATIONS**

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BQRC	Bid Quality Review Committee
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempted Micro Enterprise
NT	National Treasury
OCPO	Office of the Chief Procurement Office
PPR 2022	Preferential Procurement Regulation 2022
QSE	Qualified Small Enterprise
RSA	Republic of South Africa
SLA	Service Level Agreement
SARS	South African Revenue Service
SCC	Special Conditions of Contract
SBD	Standard Bidding Document
TCBD	Transversal Contract Bidding Documents
TC	Transversal Contracts



TIC	Tender Information Centre
VAT	Value Added Tax
COMM SAFETY	Department of Community Safety
SAPS	South African Police Service
SABS	South African Bureau Standards
SANS	South African National Standards
ECE	Economic Commission for Europe
QMS	Quality Management System
PPE	Personal Protective Equipment
PPPFA	Preferential Procurement Policy Framework Act

#### LIST OF ANNEXURES

- Annexure 1 : Scope of Service Compliance document (Scope of Work)
- Annexure 1A : Scope of work (Specification-Motorbikes-Motorcycles/Quadracycles)
- Annexure 1B : Scope of work (Specification-Trailers)
- Annexure 2 : Pricing Schedule
- Annexure 3 : SBD Forms
- Annexure 4 : Briefing Session Presentation
- Annexure 5 : General Conditions of Contract



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## DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
consortium or joint venture	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Historically Disadvantaged Individuals	<p>South African citizen:</p> <p>i) 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 Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (the interim Constitution) and/or</p> <p>ii) Who is female; and/or</p> <p>iii) Who has a disability.</p> <p>Provided that a person who obtained South African citizenship on or after the coming to effect of the interim Constitution, is deemed not to be an HDI.</p>



## SPECIAL CONDITIONS OF CONTRACT FOR RT47-1-2022

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Female	refers to a female person who is a South African citizen
Functionality	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
Person with Disability	are persons who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into or advancement in employment.
Specific Goals	means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994



Table 1: Bid Document Checklist and Returnable Documents

#	Document Name <sup>1</sup>	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
<b>PHASE 1: MANDATORY REQUIREMENTS</b>				
1.	Pricing Schedule (Annexure 2)	Yes	Yes	
2.	Warrantee/Guarantee	No	Yes	
3.	Professional Liability and Third-Party Insurance / Quotation with a policy number	No	Yes	
4.	Scope of Service Compliance Document (Specification) (Annexure 1 / Special conditions of contract, Annexure 1A, Annexure 1B)	Yes	Yes	
<b>PHASE 2: LEGISLATIVE AND OTHER STANDARD BIDDING REQUIREMENTS</b>				
<b>STANDARD BIDDING DOCUMENTS</b>				
5.	SBD 1 Invitation to Bid	Yes	Yes	
6.	Proof of authority must be submitted as per SBD 1 e.g., company resolution for the capacity under which this bid is signed	No	Yes	
7.	SBD 4 Declaration of Interest	Yes	Yes	
8.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
9.	Full CSD report	No	Yes	
<b>OTHER DOCUMENTS</b>				

<sup>1</sup> 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 <sup>1</sup>	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
10.	Company Registration and Organogram	No	Yes	
11.	CIPC documents	No	Yes	
12.	General Condition of Contract fully Signed and initialed on every page	Yes	Yes	
13.	Special Conditions of Contract fully Signed and initialed on every page	Yes	Yes	
<b>PHASE 3: TECHNICAL AND SAMPLE EVALUATION</b>				
14.	TCBD 1 Authorization Declaration	Yes	Yes	
15.	TCBD 1.1 List of goods or services offered	Yes	Yes	
16.	TCBD 1.2 Authorization Letter Template	Yes	Yes	
<b>PHASE 4: PRICE &amp; SPECIFIC GOALS</b>				
17.	Pricing Schedule (Annexure 2)	Yes	Yes	
18.	Proof of specific Goals requirements	No	Yes	
19.	Subcontracting Agreement	No	Yes	
20.	Cost Breakdown	Yes	Yes	





## SECTION A: INTRODUCTION AND TERMS OF REFERENCE

### 1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This supplementary bid is for the appointment of a service provider(s) for the provision of reflective marking of vehicles for the State for the period of twelve (12) 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 2022 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 contract is subject to all applicable industry related legislation, particularly the legislation stated below. Contravention of any provision of the below mentioned legislation as well as the following legislation may result in disqualification of this bid or termination of Contract in the event that the contravention occurs after the contract award: -
- i. National Road Traffic Act, 1996 (No. 93 of 1996);
  - ii. National Road Traffic Regulations, 2000;
  - iii. Basic Conditions of Employment Act 75 of 1997;
  - iv. Compensation for Occupational Injuries and Diseases Act (130 of 1993);
  - v. Occupational Health and Safety Act 85 of 1993
  - vi. Standard Act, 1993 (Act 29 of 1993)
- 2.4 Contravention of any provision of the above-mentioned legislation may result in disqualification of this



bid or termination of Contract in the event that the contravention occurs after the contract award.

### **3. DURATION OF TRANSVERSAL CONTRACT**

- 3.1 The transversal supplementary contract shall be for a period of twelve (12) 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 attached below as:

[RT47-1-2022 Non-Compulsory Tender Briefing Session](#)

Date : 16 November 2023

Time : 10:00am to 12:00pm

- 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**

- 5.2 The South African Police Service and Department of Community Safety and other State institutions requires visibility and identification markings, which are to be die-cut or computer cut and applied/fitted to identify new vehicles/damaged repaired vehicles for national standardization and uniformity of appearance of the end-user's vehicle fleet.
- 5.3 In the event of damaged to one specific panel of a vehicle, all the old marking on the panel must be removed and replaced with new marking as per the specifications.
- 5.4 The bidder is responsible for the purchase of material from a specific manufacturer.
- 5.5 In case of damaged to a marked vehicle that does not comply to this specification, all existing marking including cracked or faded markings must be removed and vehicle remarked according to these specifications.
- 5.6 Failure to comply with the above conditions will invalidate your bid.



## 5.7 ITEM AND CATEGORIES

- 5.7.1 The bidder must comply and bid for all line items and categories as listed below, the contract consists of forty-one (41) line-items respectively.
- 5.7.2 All items are supported by detailed scope of service and/or South African National Standards. Detailed scope of work: Annexure 1A,1B and Pricing Schedule: Annexure 2.

### 5.7.3 Table 2: Category Name

Category Name for South African Police Services (SAPS)	Subcategory	Number of items for SAPS
1. Motorcycles		6
2. Quadricycles		6
3. Trailers		
	Roadblock trailer	5
	Horse box trailer	5
	K9 Dog Trailer	5
	Luggage Trailer	5
	Toilet Trailer	5
Category Name for The Department of Community Safety	Subcategory	Number of items for The Department of Community Safety
4. Vehicles	Sedan/Hatch/SUV	1
	Light Delivery Vehicles (LDV): Double Cabs	1
5. Minibus / Panel Vans		1
6. Bus/Truck		1

## 6. END-USER REQUIREMENTS

- 6.1 A list was established (attached as Annexure 2 Pricing Schedule) of all the items required for marking by the end users. The items to be marked are as listed below:
- i. Motorcycles ;
  - ii. Quadricycles ;
  - iii. Trailers;



- iv. Motorbikes;
- v. Hatchbacks;
- vi. Light Delivery Vehicles (Double Cab with Canopy)
- vii. Trucks
- viii. Crafters
- ix. Buses / Minibuses / Panel Vans

**SECTION B: CONDITIONS OF BID****7. PART 1: EVALUATION CRITERIA**

7.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Mandatory Requirements	Legislation and other standard bidding Requirements	Technical Evaluation and Sample Evaluation	Price and Specific Goals
Compliance with mandatory bid requirements	Compliance with legislative and other bid requirement	Compliance with technical specifications and requirements	Bids evaluated in terms of the 90/10 preference system

**7.2 PHASE 1: MANDATORY REQUIREMENTS**

7.2.1 Bidders will be evaluated based on the documents submitted at the closing date and time of the bid. Only bidders who have complied with Phase 1 mandatory requirements will be evaluated on Phase 2.

**7.2.1.1 Pricing Schedule**

7.2.1.1.1 Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule for the individual items and all required forms.

7.2.1.1.2 Non-submission of the pricing schedule will invalidate the bid .

**7.2.1.2 Professional Liability and Third-Party Insurance**

7.2.1.2.1 Bidders must submit a copy of insurance schedule or quotation with a policy number from the insurer.

7.2.1.2.2 Failure to submit the insurance schedule at the closing date and time of the bid will invalidate the bid.

**7.2.1.3 Warrantee / Guarantee**

7.2.1.3.1 The durability of the reflective material (fluorescent, retro-reflective, colour and adhesion) must be guaranteed.

7.2.1.3.2 Bidders must provide a document to substantiate the warrantee on the following product offerings:

7.2.1.3.2.1 A minimum of five (5) years for orange, fluorescent, reflective material (prismatic);

7.2.1.3.2.2 A minimum of seven (7) years for white reflective fleet marking grade material;

7.2.1.3.2.3 A minimum of seven (7) years for blue reflective fleet marking grade material;



- 7.2.1.3.2.4 A minimum of five (5) years for yellow-green, fluorescent, reflective material (prismatic);
- 7.2.1.3.2.5 A minimum of five (5) years for 835 metallic silver , fluorescent, reflective material (prismatic)
- 7.2.1.3.2.6 Failure by a bidder to comply to this requirement will invalidate the bid.
- 7.2.1.4 **Scope of Services (Specification) Mandatory document**
- 7.2.1.4.1 The bidder must indicate compliance to the compliance specification document **Annexure 1A and AB**, failure to submit will invalidate the bid.
- 7.2.2 **Failure to submit all the required document with the bid at the closing date and time of the bid will result in disqualification.** Only bidders who have complied with Phase 1 mandatory requirements will be evaluated on Phase 2.
- 7.3 **PHASE 2: LEGISLATIVE AND OTHER STANDARD BIDDING DOCUMENTS**
- 7.3.1 **Legislative Requirements**

Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government as per section 2 of Practice Note No SCM 1 of 2003 regarding bid documentation for supply chain management. It is also a requirement for bidders to submit the other legislative documents as detailed below.
- 7.3.2 **SBD 1** invitation form to bid.
- 7.3.3 **SBD 4** bidder's disclosure.
- 7.3.4 **SBD 6.1** preference points claim form.
- 7.3.5 **Company Registration and Organogram**
- 7.3.5.1 Shareholding portfolio by **proof of registration of the company** with Companies Intellectual Property Commission. An additional document detailing the shareholding of the bidder in an **organogram** format in support of the proof of company registration must be submitted by bidders at the closing date and time.
- 7.3.6 **Conditions of Contract**
- 7.3.6.1 **General Condition of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.
- 7.3.6.2 **Special Conditions of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.
- 7.3.6.3 **Non submission of the required documents may result in disqualification.**



## **7.4 PHASE 3: TECHNICAL REQUIREMENTS AND SAMPLE EVALUATION**

### **7.4.1 TCD 13 Authorization Declaration**

- 7.4.1.1 All bidders must complete the Authorisation Declaration (TCD 13 to 13.1) for all relevant goods or services.
- 7.4.1.2 Any bidder who is sourcing goods or services from a third party must submit a valid Third-Party Undertaking (template provided as TCD 13.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:
  - 7.4.1.2.1 List of item(s) number, item description and brand/model name and number,
  - 7.4.1.2.2 Letter must be on the original manufacturer's and or third-party undertaking letter head, dated and signed,
  - 7.4.1.2.3 Letter must not be older than 30 days at the closing date and time of the bid,
  - 7.4.1.2.4 Have contact person's name, physical and postal address, telephone, and email details, and
  - 7.4.1.2.5 All information on the letter must be in English.
- 7.4.1.3 The letter of undertaking must be from a registered operator. The letter of undertaking and supporting documents must submitted with the bid at the closing date and time of the bid.
- 7.4.1.4 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 the bid documents.
- 7.4.1.5 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.
- 7.4.1.6 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions will invalidate the bid for such goods or services offered.

## **7.5 Test Reports**

- 7.5.1.1 Bidders must ensure that items that requires test report are supported by a valid test report. All items offered will be verified against this requirement. Bidders must submit valid test reports from SANS/equivalent accredited institutions for all the items offered that requires test reports. Bidders are required to pay attention to specification list **Annexure 1A and 1B** as not all items require test report.
- 7.5.1.2 If bidder will submit an offer for item that requires test and fail to submit the test report for the applicable item will result in the disqualification of the item offered.
- 7.5.1.3 For compliance purpose bidder must submit the test report every six (6) months to confirm that the



material complies with the relevant SANS, ECE and SABS or higher specification, prior and after the award to the relevant end-user department.

## **7.6 SOUTH AFRICAN NATIONAL STANDARDS**

- 7.6.1.1 The material shall comply with the requirements of SANS 1519-1 and SANS 20104 (ECE R104) or equivalent or higher.
- 7.6.1.2 The bidder must obtain the latest test reports from the reflective material manufacturer.
- 7.6.1.3 Items must comply with standards and/or specification as stated in the bid document of each item. The specification as per the **Annexure 1A and 1B** is a summary description and the attached Specifications are detailed technical specification of all the items.
- 7.6.1.4 Bidders must enquire at the SANS accredited institutions for the relevant standards. A list of accredited institutions is available on the SANS website <http://www.sans.co.za> or <http://www.sans.co.za/contact.php>.

## **7.7 SOUTH AFRICAN BUREAU OF STANDARDS (SABS):**

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

## **7.8 SAMPLE SUBMISSION FOR VISUAL SCREENING**

- 7.8.1.1 **Only shortlisted bidders are required to submit samples for the items offered at the venue, date, and time indicated below. Failure to submit samples will invalidate the items which the samples are not submitted.**
- 7.8.1.2 Samples must be submitted for the purpose of visual screening for the products offered for compliance to specification during the evaluation phase.
- 7.8.1.3 Bidders must submit the samples for each item offered for visual screening.
- 7.8.1.4 Samples of all requested material types and colours must be submitted with the bid and clearly marked with the product name as well as the bidder's name should not exceed 1m I size and must be clearly marked permanently.
- 7.8.1.5 Representative sample should be submitted where different sizes and colour of the same product are





called for against different item numbers, only one sample must be submitted but recorded/labelled accordingly to indicate all the item numbers represented.

- 7.8.1.6 All bidders, including current contractors, are required to submit samples for visual screening.
- 7.8.1.7 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.
- 7.8.1.8 Bids not supported by samples will invalidate the bid for the item(s) for which samples are not submitted.
- 7.8.1.9 Samples will ONLY be accepted on the stipulated date and time to be communicated by the office. No late samples will be accepted.

**7.9 SAMPLES MUST BE SUBMITTED TO:**

- 7.9.1.1 Venue: National Treasury. 240 Madiba Street, Pretoria
- 7.9.1.2 Date: **15 January 2024** (Bidders must schedule for time slot for submission)
- 7.9.1.3 Time: **09:00am to 15:00pm**
- 7.9.1.4 Contact Person: [Demand.Acquisition3@treasury.gov.za](mailto:Demand.Acquisition3@treasury.gov.za)

**7.10 MARKING OF SAMPLES TO BE SUBMITTED FOR VISUAL SCREEN EVALUATION**

- 7.10.1.1 The following requirements for the marking and submission of samples are applicable to samples that are submitted for visual screening as well as for samples submitted to testing institutions.
- 7.10.1.2 Samples must be placed in suitable containers and be clearly marked with a **HANG TAG(S)** 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. **For ease of handling during evaluation process, laminating stickers or lose papers should not be submitted with the sample as the identity of the sample can be misplaced.**
- 7.10.1.3 All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period.
- 7.10.1.4 Failure to comply with this condition may invalidate the bid against the relevant item.

**7.11 COLLECTION OF ALL SAMPLES :**

- 7.11.1 Where samples are to be collected, bidders will be informed of the date, time, and place where samples may be collected. If samples have not been collected by the bidder after National Treasury have issued a request to bidders to collect the samples, the samples will be disposed of at the discretion of National Treasury.



## **7.12 PROTOTYPE MARKINGS**

- 7.12.1.1 All shortlisted bidders are required to mark end-user's vehicles as prototype markings.
- 7.12.1.2 One (1) vehicles of each type (sedan, hatchback and LDV with canopy) is to be marked at the bidder's cost.
- 7.12.1.3 The vehicles will be subjected to strict inspections and acceptance by members of the end-user's Bid Evaluation Committee.
- 7.12.1.4 The vehicles must be marked at the premises decided upon by the end-users, on request of the Bid Evaluation Committee.
- 7.12.1.5 Shortlisted bidders will be provided with an authorisation letter to obtain material for the purpose of prototype marking.
- 7.12.1.6 Non-compliance with the specification will result in disqualification.
- 7.12.1.7 Once a bidder has complied with technical compliance (sample evaluation on item level), it would further be evaluated on phase 4.

## **7.13 PHASE 4: PRICE AND SPECIFIC GOALS**

### **7.13.1.1 Pricing Schedule and structure requirements**

- 7.13.1.2 Prices quoted for all categories must be furnished in rands.
- 7.13.1.3 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. No submission of the Pricing Schedule will invalidate the bid response.
- 7.13.1.4 Prices submitted for this must be filled in on the field provided on the pricing schedule supplied with the bid.
- 7.13.1.5 Bidders must submit one final delivery price inclusive of all costs such as transport, labour, and packaging costs.
- 7.13.1.6 Failure to comply with the above will invalidate the bid.

### **7.13.2 Bid Completion**

- 7.13.2.1 It is a condition of bid that all items must be completed.
- 7.13.2.2 Non-compliance with this condition will invalidate the bid for such service offered.

### **7.13.3 Preference Point System**

- 7.13.3.1 The pricing evaluation will be in terms of regulation 5 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.

7.13.3.2 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 bids will be adjudicated as follows:

7.13.3.2.1 Price (Maximum of 90 points)

7.13.3.2.2 Specific Goals (Maximum 10 points)

7.13.3.3 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

#### 7.13.4 Points Scored for Specific Goals

7.13.4.1 The following formula will be used to calculate the points for specific goals:

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

Where,

$PSSG$  = Points scored for specific goals

$MPA$  = Maximum points allocated for a specific goal

$POE$  = Percentage of equity ownership by an HDI

#### 7.13.5 Proof of equity ownership and related matters

7.13.5.1 The specific goals contemplated in paragraph 7.13.4.1 above 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.

7.13.5.2 In the event that the percentage of ownership contemplated in paragraph 7.13.4.1 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.



7.13.5.3 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.

7.13.5.4 All claims made for specific goals must be considered according to the following criteria:

7.13.5.4.1 Equity in private companies must be based on the percentage of equity ownership, and

7.13.5.4.2 Preference points may not be awarded to public companies and tertiary institutions.

7.13.5.5 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,

7.13.5.6 Documentation to substantiate the validity of the credentials of the trustees contemplated in paragraph 7.13.5.5 above must be submitted to the Office.

7.13.5.7 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.

7.13.5.8 A tenderer must submit proof of its ownership.

7.13.5.9 A tenderer who does not submit proof of their ownership may not be disqualified from the bidding process, but they score points out of 90 for price and zero (0) points out of 10 for specific goals.

7.13.5.10 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.

7.13.6 **Specific Goals**

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

- a. A maximum of 10 points may be awarded to a bidder for being a historically disadvantaged individual and/or subcontracting with a historically disadvantaged individual and/or achieving any of the specified goals stipulated in regulation 2022 of the Preferential Procurement regulations. For this bid, the maximum number of points that could be allocated to a bidder is indicated in the paragraph above. The State reserves the right to arrange contracts with more than one contractor.
- b. The government intends to promote the following goals with this bid, and the points to be allocated are indicated against each goal:



Table 4: Preference Point System

SPECIFIC GOALS	POINTS ALLOCATED OUT OF 10	FORMULA TO CALCULATE THE POINTS OUT OF 10
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") and or	5	$PSSG = MPA \times \frac{PEO}{100}$ <p>Where: PSSG = Points scored for a specific goal MPA = Maximum points allocated for a specific goal PEO = Percentage of equity by an HDI</p>
Who is Sub-contracting 30% of the contract value to EME or QSE which is at least 51% owned by black people Youth or people with disability	5	
<b>POINTS</b>	<b>10</b>	

- 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 and 6.1(a) forms in order to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 and 6.1(a) preference points claim forms will be considered for preference points.
- e. The bidders must submit Identity Documents (ID), Central Supplier Database (CSD) and CIPC registration documents. These documents will serve as proof of ownership and directorship of the company.
- f. 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.
- g. The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made about preference.
- h. Points scored will be rounded off to the nearest 2 decimals.
- i. 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.

- j. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- 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.

#### **7.13.7 Items Grouped as a Series**

- 7.13.7.1 Items will be evaluated as group series. Allocation of points will be as per the total value of the series group.
- 7.13.7.2 Bidders are required to offer prices for all units of measure specified in the series, and for all items within a group series.
- 7.13.7.3 Failure to submit all offer will invalidate the bid.

#### **7.13.8 Specific Goal Objective criteria**

- 7.13.8.1 The specific goal objective criteria for this bid is to award to a tender who is subcontracting at least 30% of the value of the contract to an EME or QSE which is at least 51% owned by black people.
  - a. In terms of section 2(1) (f) of the PPPFA Act, the state may award a contract to a tenderer that did not score the highest points.
  - b. With the above provision, a tender may be awarded to a bidder who is subcontracting at least 30% of the value of the contract to an EME or QSE which is at least 51% owned by black people than the tenderer scoring the highest points.
- 7.13.8.2 The bidder must proof that the subcontractor is an EME or QSE which is at least 51% owned by black people.
- 7.13.8.3 The bidder must submit a signed subcontracting agreement.

#### **7.13.4 Applicable Taxes**

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

#### **7.13.5 Cost Breakdown**

- 7.13.5.1 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. Bidders will not be allowed to change the cost breakdown of price during the tenure of the transversal contract.

- 7.13.5.2 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 Rand value. The Rand value of the cost drivers should be expressed as a percentage of the total cost.

Example:

Table 5: Example of Cost Breakdown

Cost-driver	% of Total Cost
Local raw material	20%
Labour	15%
Transport	30%
Other	5%
Total price of item	100%

## 8. PART 2: ADDITIONAL BID REQUIREMENTS

### 8.1 TERMS AND CONDITIONS

#### 8.1.1 Counter Conditions

- 8.1.1.1 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.

- 8.1.1.2 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.

- 8.1.1.3 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.

#### 8.1.2 Fronting



- 8.1.2.1 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 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.
- 8.1.2.2 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.
- 8.1.2.3 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.

### **8.1.3 Right Of Award**

- 8.1.3.1 The State reserves its following rights -
- 8.1.3.1.1 To award the bid in part or in full,
- 8.1.3.1.2 In terms of section 2(1) (f) of the PPPFA Act, the state may award a contract to a tenderer that did not score the highest points.
- 8.1.3.1.3 Not to make any award in this bid or accept any bids submitted,
- 8.1.3.1.4 Request further technical information from any bidder after the closing date,
- 8.1.3.1.5 Verify information and documentation of the bidder(s),
- 8.1.3.1.6 Not to accept any of the bids submitted,
- 8.1.3.1.7 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
- 8.1.3.1.8 If an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

## **8.2 SUBMISSION OF BIDS**

### **8.2.1 ONLINE AND HARD COPY BID SUBMISSION**

- 8.2.1.1 Bidders are required to submit (upload) a replica bid of the hard copy online and physically deposit the hard copy to the Tender Information Centre bid box by the closing date and time.
- 8.2.1.2 Bidders to adhere to all the rules for the online and hard copy bid submission.





8.2.1.3 Bidders' attention is drawn to the sequential submission format as per the checklist on Table 1.

8.2.1.4 The Technical Specifications and Pricing Schedule (Annexure 2) should be in an XLSX excel sheet format and not any other format.

8.2.1.5 Non-compliance with online bid submission may invalidate the bidder's response.

## 8.2.2 **PHYSICAL AND HARDCOPY BID SUBMISSION**

8.2.2.1 Bidders to submit one (1) original hard replica copy as the online submission by the closing date and time at the Tender Information Centre (TIC) situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria.

8.2.2.2 Bidders' attention is drawn to the sequential submission format as per the checklist on Table 1.

8.2.2.3 The Technical Specifications and Pricing Schedule (Annexure 3) should be in an XLSX excel sheet format and not any other format in a memory stick.

8.2.2.4 Non-compliance with both online bid submission and hardcopy replica submissions may invalidate the bidder's response.

8.2.2.5 Bidders must submit the bid at Tender Information Centre (TIC) situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria in the following format:

8.2.2.5.1 One (1) original hard copy clearly marked as "original";

8.2.2.5.2 One (1) duplicate electronic copy (The Technical Specification and Pricing Schedule to be in an XLSX excel sheet format) on a memory stick to the National Treasury (NT): TIC by the closing date and time of the bid invitation.

8.2.2.5.3 All memory sticks should be clearly marked with the bid number and bidder's name.

8.2.2.5.4 Non-compliance with submission format above may invalidate the bidder's response.

8.2.2.5.5 Any discrepancies between the electronic bid copy and the hard copy may invalidate the bid response for the above-mentioned items and/or services in question.

8.2.2.5.6 Submit all bid queries via email to [demand.acquisition3@treasury.gov.za](mailto:demand.acquisition3@treasury.gov.za).

## 8.3 **COMMUNICATION AND CONFIDENTIALITY**

8.3.1 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 prior to the award of the transversal contract, or to extend the validity period of the bid, if necessary.

8.3.2 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.

- 8.3.3 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 with respect to any information communicated which is not accurate, current, or complete.
- 8.3.4 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 in order to afford the National Treasury an opportunity to consider what corrective action is necessary (if any).
- 8.3.5 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.
- 8.3.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 8.3.7 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).
- 8.3.8 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 the purpose of developing a response to this bid.

#### **8.4 CONTACT DETAILS**

- 8.4.1 **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
- 8.4.2 **Bid Enquiries:-** All enquiries should be in writing to [demand.acquisition3@treasury.gov.za](mailto:demand.acquisition3@treasury.gov.za) The closing date for receipt of all enquiries is 27 November 2023. All enquiries beyond the closing date will not be considered.

#### **9. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS**

- 9.1.1 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.

- 9.1.2 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 appointment of service provider(s) for reflective marking of vehicles and unsuccessful bidder(s) will be informed accordingly.

9.2 **Tax Compliance Requirements**

- 9.2.1 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.

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

- 9.2.3 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.

- 9.2.4 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.

- 9.2.5 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.

9.3 **NEGOTIATIONS**

- 9.3.1 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.

9.4 **DUE DILIGENCE**

- 9.4.1 The State reserves the right to:

- 9.4.1.1 Conduct due diligence during the evaluation process to determine the ability of the bidder to honour contractual obligations that might emanate from this tendering process. The due diligence is not only limited to the bidder but to all parties the bidder might have confirmed to do business with for the fulfilment of the contract that might be awarded.

- 9.4.1.2 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.

- 9.4.1.3 Conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.

9.5 **MULTIPLE AWARD**

- 9.5.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to end-user requirements.

**SECTION C: CONDITIONS OF CONTRACT**

**10 CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT**

- 10.1 The Master Transversal Agreement between National Treasury and the Supplier(s)<sup>2</sup> collectively referred to as Parties shall come into effect after the Supplier(s) have been issued with an unconditional letter of acceptance of their bids.
- 10.2 It is a requirement that the awarded Supplier(s) and the participating State institution(s) sign a Participation Agreement at the respective Participating State Institution's department within a period of 90 days.
- 10.3 The preferred bidder(s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. If the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the good and/or services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT47-1-2022 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of the RT47-1-2022 transversal contract.
- 10.4 The following will form part of the Master Transversal Agreement documents between the Parties in as far as RT47-1-2022 is concerned:
- 10.4.1 Bid Documents,
- 10.4.2 Award Letters,
- 10.4.3 Contract Circular and its annexures,

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<sup>2</sup> For section C of this Special Conditions of Contract, awarded bidders are referred to Suppliers.



10.4.4 Master Transversal Agreement, and

10.4.5 Participation Agreement.

10.5 If there is any contradiction between the abovementioned documents, the order of precedence will be as follows; only in as far as it relates to goods and/or service -related matters:

10.5.1 Participation Agreement,

10.5.2 Master Transversal Agreement, and

10.5.3 Bid documents.

10.6 If there is any contradiction relation to all other matters,

10.6.1 Master Transversal Agreement,

10.6.2 Participation Agreement,

10.6.3 Service Request, and

10.6.4 Bid documents.

## **11. PARTICIPATING STATE INSTITUTIONS**

11.1 South African Police Services

11.2 Department of Community Safety

## **12. POST AWARD PARTICIPATION**

12.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government are all welcome to participate on the transversal contract.

12.2 The participating letter will be customised to allow participation on completion and signing thereof as the transversal contract is arranged by means of a competitive bidding process by National Treasury, subject to a formal letter from the Contract Manager or a delegate from TC.

12.3 Supplier(s) will be notified of new participants; the list of participants will be published on the website. Model change, price adjustments and any other transversal contract information will be published on the website for both the benefit of Supplier(s) and Participants.

12.4 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 term contract facilitated by the relevant treasury.

12.5 Public entities listed in schedule 2, 3B and 3D to the PFMA, may participate in transversal term contract facilitated by the relevant treasury through approval from their accounting authorities.



- 12.6 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.

### **13. DELIVERY, QUANTITIES, AND ORDERS**

#### **13.1 Delivery Basis**

- 13.1.1 Bidders must adhere to firm lead times for delivery as quoted for the duration of the contract period
- 13.1.2 Transit and storage conditions applicable to the relevant product must be adhered to.

#### **13.2 Quantities**

- 13.2.1 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.
- 13.2.2 Orders will be placed by participating State institutions, and they will also be responsible for the payment to bidders for the equipment delivered and/or services rendered.

#### **13.3 Quality Assurance**

- 13.3.1 Where specific specification and/or standards are applicable on service, the quality of services shall not be less than the requirements of the latest edition of such specifications and/or standards.

#### **13.4 Orders**

- 13.4.1 Suppliers should note that each individual purchasing institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 13.4.2 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).
- 13.4.3 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.

#### **13.5 DELIVERY AND SERVICE REQUEST**

##### **13.5.1 Delivery Adherence**

- 13.5.1.1 Delivery of goods must be made in accordance with the instructions appearing on the service request forms issued by the institutions.
- 13.5.1.2 Marking must commence within 48 hours after placement of service order.



13.5.1.3 Bidder should have capacity to fully mark 10 vehicles per one (1) working day and have sufficient number of skilled staff at each centre to attend to marking and repairs.

13.5.1.4 Bidder must implement a marking programme for all SAPS and Department of Community Safety/ participating end-user department garages and new vehicle warehouses that complies with the new vehicle specification i.e. working catalogue for easy reference with pricing for partial marking orders. SAPS, Department of Community safety, and participating end-user departments to be supplied with one hundred and thirty (130) copies of this catalogue.

### **13.6 Service Request**

13.6.1 Suppliers should note that each institution is responsible for generating service request as well as the payment(s) thereof.

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

13.6.3 The instructions appearing on the service request form regarding the supply, dispatch, delivery and submission of invoices must be strictly adhered to and under no circumstances should the Supplier deviate from the service request issued by the purchasing institutions.

13.6.4 The State is under no obligation to accept any quantity which is in excess of the requested quantity.

### **13.7 PAYMENT OF SERVICES PROVIDERS**

13.7.1 Payment to the Service Providers by the user department will take place once an invoice is received from the Service Provider.

### **13.8 PATENT RIGHTS**

13.8.1 The SAPS and Department of Community Safety will not be responsible for any violations on patent rights.

13.8.2 If any aspect of the specification reflects on such a violation, it must be understood that it was done completely unintentionally.

### **13.9 COPYRIGHTS**

13.9.1 The SAPS and Department of Community Safety and any other participating State institution retains all rights to this unique design.

13.9.2 Only a company with written authority/permission may apply this design to SAPS, Department of Community Safety and any other participating State institution's vehicles for the duration of this contract only.



13.9.3 With the expiry of contract, the company must within 7 days return the original design to SAPS, Department of Community Safety, and any other participating State institution, with a certificate indicating that the design is returned and no copy is made.

13.9.4 Authorisation and written permission to this effect will be awarded to the successful bidder(s) only.

#### **14. QUALITY ASSURANCE**

14.1 The material being applied to the vehicles, the manner which it is applied, and the completion of markings on vehicles by the successful bidder, will be subjected to quality inspections by members of the SAPS, Department of Community Safety and any other participating State institution(s).

#### **15. WARRANTY/GAURANTEEE**

15.1 The durability of the reflective material(fluorescent, retro-reflection, colour and adhesion) must be guaranteed.

15.2 Orange, fluorescent, reflective material (prismatic) must have a warrantee of minimum of 5 years

15.3 Orange, fluorescent, reflective material (prismatic) – minimum of 5 years;

15.4 White reflective vehicle fleet marking grade material - minimum of 7 years;

15.5 Blue reflective vehicle fleet marking grade material - minimum of 7 years;

15.6 Yellow-green, fluorescent reflective material (Prismatic, 5 year material);

15.7 The ink must be of high quality and clear coat must have UV protection of at least up to seven (7) years

#### **16. TRANSVERSAL CONTRACT PRICE ADJUSTMENT**

##### **16.1 Formula**

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

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

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

16.1.4 The indicative calculator that will be used for transversal contract price adjustment is shown on Table 7:

**Table 6: Indicative Transversal Contract Price Adjustment Calculator**





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

## 16.2 Formula component definitions

### 16.2.1 Adjustable amount

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

### 16.2.2 Fixed portion

16.2.2.1 The fixed portion represents the 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 transversal contract period.

### 16.2.3 Cost components and proportions

16.2.3.1 The cost components of the transversal contract price usually constitute the cost of materials (raw material or finished item), cost of direct labour, cost of transport and those other costs which are inclined to change.



The proportions are the contribution to the transversal contract price of each of these cost components. In this bid the following cost components will be used to calculate transversal contract price adjustments.

16.2.3.2 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 transversal contract.

**Table 7: Transversal Contract Price Adjustment Cost Components**

16.3	Cost Component	% Contribution
	D1 – Imported Raw Material / Finished item (if applicable)	
	D2 - Local Raw Material / Finished item (if applicable)	
	D3 - Labour	
	D4 – Transport	
	D5 – Other	
	<b>TOTAL (Cost components must add up to 100%)</b>	<b>100 %</b>

**Applicable indices / references**

16.3.1 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 8: Indicative Indices**

Cost component	Index Publication	Index Reference
D2 – Local Raw Material/Finished Product	Manufacturer/Supplier Invoice(s) OR Specify (STATS SA Index)	Manufacturer/Supplier Invoice(s) OR Specify (STATS SA Index - Table)
D3 - Labour	STATS SA CPI PO141 Table E OR Labour Agreement	All items Table E OR Labour agreement to be provided



Cost component	Index Publication	Index Reference
D4 – Transport	STATS SA CPI PO141 Table E	Table E Other Running Costs
D5- Other	Specify	Documentary evidence to accompany claim

**16.4 Base Index Date**

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

**16.5 End Index Date**

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

**16.6 Transversal Contract Price Adjustment Periods**

**16.6.1** Price adjustment shall be applied on an annual basis at the anniversary of the transversal contract from commencement date.

**16.6.2** The application must be sent to National Treasury one (1) months before the effective date of the new adjusted price.

Table 9: Price Adjustment Periods

Adjustment	Application date	End Index Date	Date from which adjusted prices will become effective
1 <sup>st</sup> Adjustment	1 February 2024	December 2023	1 March 2024

**16.7 General**

**16.7.1** Unless prior approval has been obtained from National Treasury, Transversal Contracting, no adjustment in transversal contract prices will be made.

**16.7.2** Applications for transversal contract price adjustment must be accompanied by documentary evidence in support of any adjustment.



- 16.7.3 CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 16.7.4 Transversal contract price adjustment applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 16.7.5 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.
- 16.7.6 Bidders are referred to the paragraph regarding counter conditions.
- 16.7.7 An electronic transversal contract price adjustment calculator will be available on request from Transversal Contracting.
- 16.7.8 The State reserves the right to negotiate a transversal contract price adjustment or not to grant any transversal contract price adjustment.

## **17 CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES**

### **17.1 Contract Administration**

- 17.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to [TCcontracts2@treasury.gov.za](mailto:TCcontracts2@treasury.gov.za)
- 17.1.2 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.

### **17.2 Contract Performance Management**

- 17.2.1 Contract performance management will be the responsibility of Participants and where Supplier performance disputes cannot be resolved between the Supplier and the Participant, National Treasury: Transversal Contracting must be informed for corrective action.
- 17.2.2 The reporting template for Participants to effect contract performance management will be provided post award.

### **17.3 Procurement Guideline**

- 17.3.1 The procurement guideline will guide on the operational functioning of the transversal contract for both Participants and Suppliers to ensure effective implementation and equal opportunities for Suppliers.

### **17.4 Post Award Reporting**

- 17.4.1 Suppliers will be expected to report on the implementation of the transversal contract on a quarterly basis.



- 17.4.2 A reporting template will be provided post-award of the transversal contract.
- 17.4.3 National Treasury may conduct implementation meetings with either the Participants and/or Suppliers to discuss any transversal contracting implementation matters.
- 17.4.4 All supplier performance reports must be submitted to: [TCcontracts2@treasury.gov.za](mailto:TCcontracts2@treasury.gov.za).

## **18 TERMINATION**

### **18.1 The State shall be entitled to terminate this agreement if one or more of the following occur:**

- 18.1.1 the service provider decides to transfer the contract or cede the contract;
- 18.1.2 the service provider does not honour contractual obligations including submission of information;
- 18.1.3 the service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;
- 18.1.4 the service provider enters settlement arrangements with their creditors;
- 18.1.5 the service provider commits an act of insolvency;
- 18.1.6 in the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.
- 18.1.7 The State reserves its right to terminate the Contract in the event that there is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.
- 18.1.8 Either Party may terminate this Contract for breach in the event that the other party fails to comply with any of its obligations in terms of this Contract and have failed to remedy such breach within fourteen (14) calendar day's written notice to remedy such non-compliance.
- 18.1.9 Notwithstanding the provisions above, either Party may terminate this Contract by giving the other Party 30 (thirty) days' written notice to that effect.

**END**