



SPECIAL CONDITIONS OF CONTRACT

RT32

**SUPPLY AND DELIVERY OF SURGICAL SUNDRIES TO
THE STATE FOR A PERIOD OF SIXTY (60) MONTHS
ANTICIPATED TO COMMENCE**

1 MARCH 2023 TO 28 FEBRUARY 2028

**A VIRTUAL NON-COMPULSORY BRIEFING SESSION WILL BE
HELD ON 17 AUGUST 2022 AT 11H00**

CLOSING DATE AND TIME OF BID

02 SEPTEMBER 2022 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury
Transversal Contracting



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LIST OF ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
CFDA	China Food and Drug Administration
CPA	Contract Price Adjustment
CSD	Central Supplier Database
CPI	Consumer Price Index
COVID 19	Corona Virus 19
DDP	Delivered Duty Paid
DTIC	Department of Trade, Industry and Competition
FFP	Filtering Facepiece
ISO	International Organization for Standard
IVD	In Vitro Diagnostic
LC	Local Content
NT	National Treasury
NMPA	National Medical Products Administration
PPE	Personal Protective Equipment
PPR 2017	Preferential Procurement Regulations 2017
RoE	Rate of Exchange
SABS	South African Bureau of Standards
SAHPRA	South African Health Product Regulatory Authority
SANAS	South African National Accreditation System
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
SMS	Spun-bond–Melt-blown–Spun-bond
SCC	Special Conditions of Contract
STATS SA	Statistics South Africa
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TCD	Transversal Contracting Document
TIC	Tender Information Centre
VAT	Value Added Tax
XLSX	Microsoft Excel Open XML Spreadsheet
ZAR	Rand



LIST OF ANNEXURES

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**Table 1: Bid Document Checklist and Returnables**

#	Document Name	Mandatory	Included in the published bid document?	To be returned by bidder?
PHASE 1: MANDATORY AND OTHER BID REQUIREMENTS				
1	Standard Bidding Document (SBD) 1: Invitation to Bid		Yes	Yes
2	SBD 4 Bidder's Disclosure		Yes	Yes
3	SBD 5 National Industrial Participation Program		Yes	Yes
4	SAHPRA License	Mandatory	No	Yes
5	Proof of authority must be submitted e.g., company resolution for the capacity under which this bid is signed		No	Yes
6	Written confirmation for disclosing tax status by SARS		No	Yes
7	CSD full report and not summarized		No	Yes
8	General Condition of Contract Fully Signed and initialed on every page		Yes	Yes
9	Special Conditions of Contract Fully Signed and initialed on every page		Yes	Yes
PHASE 2: LOCAL PRODUCTION & CONTENT AND DUE DILIGENCE				
10	Exchange Rate for Local Production and Content at Closing Date		No	Yes
11	Annex C: Local Content Declaration – Summary Schedule	Mandatory	Yes	Yes
12	Annex D: Imported Content Declaration		Yes	Yes
13	Annex E: Local Content Declaration – Supporting Schedule to Annex C		Yes	Yes
14	SBD 6.2 Local Content	Mandatory	Yes	Yes
15	Exemption letter by DTIC where raw material or input is not available locally (where applicable)		No	Yes
16	Local Production and Content Exemption Process (Annexure 5)		Yes	No
PHASE 3: TECHNICAL COMPLIANCE & VISUAL SCREENING				
17	Technical Specifications (Annexure 2)	Mandatory	Yes	Yes
18	Import permit letter (where applicable)	Mandatory	No	Yes
19	TCD 13 Authorization Declaration (Annexure 7)	Mandatory	Yes	Yes
20	Certificate of calibration	Mandatory	No	Yes
21	Quality assurance certificate ISO 9001 or ISO 13485	Mandatory	No	Yes
22	Test Report(s) (where applicable) or Proof (issued by the testing institution) that the sample has been submitted to the testing institution before the closing date	Mandatory	No	Yes
PHASE 4: PRICE & B-BBEE				
23	Pricing Schedule (Annexure 2)	Mandatory	Yes	Yes
24	TCD 14 Historical Exchange Rates (Annexure 8)		Yes	No
25	Original and valid B-BBEE status level verification certificate or a certified copy thereof or an affidavit		No	Yes
26	SBD 6.1 Preference Points Claim Form		Yes	Yes
27	Cost breakdown (Annexure 3)		Yes	Yes



SECTION A

1. INTRODUCTION

This bid is for the supply and delivery of surgical sundries to the state for a period of sixty (60) months to commence 01 March 2023 to 28 February 2028.

This bid document is divided as follows:

- 1.1 Section A : Introduction and Technical Specifications
- 1.2 Section B : Conditions of bid
 - 1.2.1 Part 1 : Evaluation Criteria
 - 1.2.2 Part 2 : Additional Bid Requirements
- 1.3 Section C : Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

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) as well as the section 217 of the constitutions. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

3. BID INFORMATION SESSION

- 3.1 A Virtual non-compulsory information session will be scheduled as follows:

Venue : Microsoft Teams. The link to register and attend the briefing session is attached as [Click here to join the meeting](#)

Date : 17 August 2022

Time : 11h00

- 3.2 The briefing 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.
- 3.3 The state reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.



- 3.4 Bidders are encouraged to prepare questions upfront and send them to National Treasury (NT) by e-mail to transversal.contracting2@treasury.gov.za before the briefing session. Post-briefing session questions are also welcome up until 31 August 2022. All enquiries beyond this closing date will not be considered.

4. TECHNICAL SPECIFICATIONS

- 4.1 The supply and delivery of surgical sundries to the state for a sixty (60) months period to commence 01 March 2023 to 28 February 2028 requirements has twenty-five (25) categories summarized below:

Table 2: Summary of Technical Specification Categories

#	Category Name	Number of items	#	Category Name	Number of items
1	Surgical and respiratory masks	29	14	Incontinence pads	9
2	Perforators	2	15	Incontinence diaper	10
3	Thermometers	5	16	Disposable diaper	7
4	Applicators	2	17	Gowns, Aprons and Scrub suit	33
5	Covers	2	18	Body bags and Shrouds	25
6	Overshoe and Caps	7	19	Face Shield and Goggles	2
7	Sleeve protector	2	20	Pants and Briefs	13
8	Brush	2	21	Coveralls	7
9	Identification band	4	22	Paper towel and Medical under pads	8
10	Eye care	4	23	Bib	2
11	Cervical collar	5	24	Electrode	6
12	Vaginal speculum	4	25	Clamp	1
13	Sanitary pad	3			
TOTAL NUMBER OF ITEMS					197

4.2 Brief descriptions of the technical specification categories

Surgical mask is a loose-fitting, disposable gear that creates a physical barrier between the mouth and nose of the wearer and potential contaminants in the immediate environment. Although a surgical mask may be effective in blocking splashes and large-particle droplets, it does not provide protection against very small airborne particles, airborne viruses, or other nanoscale contaminants.

Respirators are used to prevent airborne particles and liquids from contaminating the face of the wearer. Respiratory masks are composed of a three-layer nonwoven spun-bond–melt-blown–spun-bond (SMS) fabric laminate. The inner spun-bond nonwoven fabric layer absorbs moisture released by the wearer, and the outer layer is a waterproof nonwoven fabric, which is mainly used to create a barrier between the external liquids and the users. The middle melt-blown nonwoven fabric of polypropylene is the filter layer which provides protection from airborne particles. The filtering mechanism of respiratory masks is dominated by brownian diffusion entrapment, inertial collision, gravity sedimentation, and electrostatic adsorption. The



first four physical processes are delivered by the melt-blown nonwoven polypropylene fabric and achieves ~35% filtration.

Perforator is used to rupture the amniotic membrane with minimal risk of trauma to the fetus or mother.

Thermometer non-mercury is used in preference to mercury for meteorological measurements of minimum temperatures and can be used down to -70°C (-94°F). The physical limitation of the ability of a thermometer to measure low temperature is the freezing point of the liquid used.

Thermometer, non-mercury, semi-disposable is used instead of mercury to register the temperature like liquid mercury, the alcohol expands in volume as it gets warmer, causing the liquid to move up the thin tube inside the glass thermometer.

Thermometer suitable for wall mounting digital display is specifically designed for high accuracy and for the prevention of cross-contamination that can expose patients to infections such as corona virus 19 (COVID-19).

Thermometer refrigerators regulate the temperature of the fridge or freezer for safe storage of contents. It is hooked onto a shelving rail or place in the fridge using the stand to provide an easy constant reassurance that it is operating within a recommended temperature. It must read measures between -30°C to 30°C , with large easy to read dials.

Applicator orange stick is used to apply ointments on the skin, for manicuring fingernails, or to depress the tongue during oral examination; they are also used in some biting tests that help determine proper mandible function.

Applicator haemolysis is used to haemolyse blood samples by breaking the membrane around the individual blood cells causing the release of haemoglobin and other internal components into the surrounding fluid.

Bedpan cover is used to cover the bedpan which is a receptacle used for the toileting of a bedridden patient in a health care facility.

Urinal covers offer an aspect of infection prevention by providing a barrier to prevent spilling.

Overshoes help maintain a sanitary environment by eliminating tracked-in dirt and microbes and they protect the wearer from accidental spills and bodily fluids.

Caps are ideal to prevent hair from falling from the head or scalp of surgical personnel and contaminating the environment with germs that create potential hygienic threat to sterilised environments like the operating area.

Sleeve protectors are worn over garments as an extra layer of protection, or over a bare arm. They are designed to cover the gap created as a barrier gown's sleeves



rise and fall with movement. They serve as a block to chemicals, blood borne pathogens, particles and mold and those sleeve protectors with cuff-technologies.

Surgical brush promotes patient safety by helping to prevent environmental contamination; prevent the transfer of transient microorganisms and debris from the hands and forearms; decrease the number of resident microorganisms to an irreducible minimum.

Identification Bands provide positive identity to help identify mothers, fathers, and new born babies. Matching band serial numbers ensure infants and parents are properly correlated. The band material must be made from extra soft plastic with non-irritating snap for comfort.

Eye cover/posy for phototherapy helps prevent rubbing or pressure on the eye until it has healed. **Eye bands** are commonly used after surgical procedures on the eye.

Shield eye cartella is used to over the eye pad dressing that is applied after cataract surgery or other eye procedures.

Cervical collar is an instrument used to support the neck and spine and limit head movement after an injury. Its purpose is to prevent one from moving one's head and neck until the injury is healed.

A **vaginal speculum** is a medical instrument that allows physicians and health providers to better view a woman's cervix and vagina during pelvic exams. Most specula are made of metal and plastic, and physicians insert a portion of the speculum into the patient's vagina to separate the vaginal walls.

Sanitary pads are to absorb and retain menstrual fluid and isolate menstrual fluids from the body.

Incontinence pads anatomically shaped for men are designed specifically to absorb urine leakage and protect the skin from wetness and rash. Male pads are intended to be worn inside close-fitting underwear, where they are held in place by an adhesive strip on the back of the pad. They are slightly elasticated at the outer edges to form a cup shape so that they fit neatly around the penis and scrotum.

Incontinence diaper is mainly for faecal incontinence, however it can also be useful for temporary urine containment, to maintain dignity while transferring from change room to pool.

The main purpose of wearing a **disposable diaper** is to absorb the moisture of the baby's excretions so that the baby does not become immediately fussy and does not wake up due to the dampness.

Isolation gowns are used to protect the wearer from the spread of infection or illness if the wearer comes in contact with potentially infectious liquid and solid material. They may also be used to help prevent the isolation gown wearer from transferring



microorganisms that could harm vulnerable patients, such as those with weakened immune systems.

Hospital gowns is a long loose piece of clothing worn in a hospital by someone doing or having an operation. It can be used as clothing for bedridden patients.

Reinforced Surgical Gown is a cloth for surgeons to wear during hospital surgery or treatment of patients. The ultra-fabric is used in the reinforced impermeable sleeves and chest area in the reinforced surgical gown. This non-woven fabric provides effective fluid resistance and cloth like feel.

Hospital personnel are often required to wear suitable **Plastic Apron** because of the potential risk of exposure to a variety of hazards within the hospital environment.

Scrubs are the sanitary clothing worn by physicians, nurses, and other workers involved in patient care in hospitals.

Coveralls are essentially a full body protection suit, generally worn over the top of personal clothing, and can protect workers against several hazards, including hazards of a chemical, mechanical, thermal, or biological nature.

Body bag is a large bag made of heavy material and used to transport a dead body, as from the scene of a death to a morgue.

A **Shroud** is any covering wrapped around a corpse for protection after death in the hospital. Traditionally a shroud is an animal skin or piece of cloth that is wrapped around a body in preparation for burial or cremation.

Face shields provide a high level of protection for the wearer. They cover the whole face, the mouth, nose, and eyes and prevent high percentage of viral particles from reaching the wearer. Face shields are arguably best at protecting from coughs and sneezes.

Goggles are the primary protectors intended to shield the eyes against liquid or chemical splash, irritating mists, vapours, and fumes.

Net Pants are designed for keeping shaped pads in place for optimum leakage security.

Underwear, disposable (Briefs) helps to hold the pads where they should be and can also help to protect c-section stitches.

Paper towel: type medical dressing is designed to draw fluids away from the wound site and help clean dirt and germs from the injured area.

Medical under pads are used to protect the skin of patients who are incontinent. These products effectively absorb moisture and present a quick-drying surface to the skin.



Bib is a garment worn hanging from the neck on the chest to protect clothing from accidentally spilled food.

Electrocardiogram is a test that can be used to check the heart's rhythm and electrical activity. Sensors attached to the skin are used to detect the electrical signals produced by the heart each time it beats.

The clamp helps stop bleeding from the blood vessels in the umbilical cord. A medicine is sometimes applied to the cord as part of a baby's first care.

4.3 **Other technical specification consideration**

- 4.6.1 The technical specifications represent minimum requirements. Any item offer that provides equivalent performance or capabilities, or exceeds the stated requirements, will be acceptable, subject to Bid Evaluation Committee (BEC) decision.
- 4.6.2 Different offers that meet the technical specification may be offered against each line item.



SECTION B

CONDITIONS OF BID

5. PART 1: EVALUATION CRITERIA

The details of the evaluation's phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Mandatory and other bid requirements	Local Production & Content (for specific items) and Due Diligence	Technical Specification Compliance & Visual Screening	Price and B-BBEE
Compliance with mandatory and other bid requirements	Bids will be evaluated in terms of the local production and content thresholds on specific items and verification of local content through due diligence	Compliance to the item specification	Bids evaluated in terms of the 90/10 preference points system

5.1 Phase 1: Mandatory Requirements and Other Bid Requirements

During this phase bidders' response will be evaluated based on the mandatory and other bid requirements as listed above on Table 1 Bid Document Checklist and Returnable. These are the documents to be submitted for evaluation. Bidders' must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with all the mandatory criteria may be disqualified.

5.1.1 **SBD 1** which is the invitation to bid form.

5.1.2 **SBD 4** which is the bidder's disclosure form.

5.1.3 **SBD 5** which is the national industrial participation program which is applicable to all government procurement contracts that have an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million.

5.1.4 SOUTH AFRICAN HEALTH PRODUCTS REGULATORY AUTHORITY (SAHPRA) REQUIREMENTS

5.1.4.1 Bidders are required to adhere to 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 on Medical Devices and In Vitro Diagnostic (IVD) Medical Devices where applicable. Non-compliance with these conditions may invalidate the bid.



- 5.1.4.2 Manufacturers, distributors, and wholesalers, as referred to Section 22C(1)(b) of the original Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must obtain a **licence** for the manufacturing, importing, exporting, distribution, and wholesaling of medical devices and IVDs, as issued by SAHPRA.
- 5.1.4.3 Bidders must submit with the bid, on or before the closing date and time of bid evidence of the approved medical device establishment **licence**.
- 5.1.5 **Proof of authority** which is a company resolution for the capacity under which this bid is signed.
- 5.1.6 **Written confirmation for disclosing tax status by the South African Revenue Services (SARS)** where 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.
- 5.1.6.1 **Tax Compliance Requirements**
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 SARS to meet the bidder's tax obligations.
- 5.1.6.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals who wish to submit bids.
- 5.1.6.3 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.
- 5.1.6.4 Bidders are required to be registered on the Central Supplier Database (CSD) and NT shall verify the bidder's tax compliance status through the CSD or through SARS.
- 5.1.6.5 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.
- 5.1.7 **CSD full report** and not summarized must be submitted as at the last week before the closing date and time of the bid.
- 5.1.8 **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 must be submitted.
- 5.1.9 **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 must be submitted.



5.2 Phase 2: Local Production and Content

- 5.2.1 This phase has two (2) parts of evaluation. The first part will be the evaluation of the local production and content against the minimum thresholds. The second part of evaluation will be the due diligence to validate the local production.
- 5.2.2 This phase will only be applicable to designated and non-designated items listed on 5.2.16 read it together with attached **Annexure 4** Local Content Thresholds for Personal Protective Equipment (PPE) items.
- 5.2.3 The **exchange rate** to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) at 12h00 on the date of advertisement of the bid.
- 5.2.4 The rates of exchange quoted by the bidder of the declaration certificate will be verified for accuracy.
- 5.2.5 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.
- 5.2.6 The guidance on the calculation of local content together with the local content declaration templates (**Annex C** – local content declaration : summary schedule), **Annex D** (imported content declaration : supporting schedule to Annex C) and **Annex E** (local content declaration : supporting schedule to Annex C) are all accessible to all potential bidders on the Department of Trade, Industry and Competition (DTIC) official website <http://www.thedtic.gov.za/sectors-and-services-2/industrial-development/industrial-procurement/> at no cost;
- 5.2.7 The **SBD 6.2** declaration certificates for local production and content together with the **Annex C** (Local Content Declaration: Summary Schedule) must be completed, duly signed, and submitted by the bidder at the closing date and time of the bid.
- 5.2.8 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:
- $$LC = (1 - x/y) * 100$$
- Where
- X is the imported content in Rand
- Y is the bid price in Rand excluding Value Added Tax (VAT)
- 5.2.9 Prices offered in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12h00 on the date of advertisement of the bid.
- 5.2.10 The bids will be evaluated in terms of the minimum threshold stipulated in this bid document.
- 5.2.11 As the bid is for more than one (1) item, the local content percentages for each item contained in SBD 6.2 must be used.
- 5.2.12 The DTIC has a right, as and when necessary, to request for auditors' certificates confirming the authenticity of the declarations made in respect of local content.



- 5.2.13 Only items that achieve the minimum stipulated threshold for local production and content may be evaluated further.
- 5.2.14 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.
- 5.2.15 Where, after the award of this bid, suppliers experience challenges in meeting the stipulated minimum threshold for local content, the DTIC must be informed accordingly to verify and in consultation with the National Treasury provide directives in this regard.
- 5.2.16 The **designated thresholds** are as follows:
- 5.2.16.1 Clothing and Clothing and textiles: Respirators (Filtering Facepiece 2 (FFP2), N95 and KN95) : 100%
- 5.2.16.2 Clothing and Textiles: Medical Textiles: Gowns, Coveralls; overshoes : 100%
- 5.2.16.3 Clothing and Textiles: 3-ply Surgical Masks : 100%
- 5.2.17 If the raw material or input to be used for a specific item is not available locally, bidders should obtain written exemption from the DTIC should there be a need to import such raw material or input. Guidance on exemption process is attached as Annexure 5.
- 5.2.18 A copy of the **exemption letter** must be submitted together with the bid document at the closing date and time of the bid.
- 5.3 **Non-designated local manufactured items**
In accordance with Preferential Procurement Regulations 2017 (PPR 2017), Regulation (4)(a) allows for non-designated sector items to be included as a specific condition of the bid that only locally produced goods or locally manufactured goods with the stipulated minimum threshold for local production and content will be considered. The threshold referred to below are in accordance with the standards determined by the DTIC in consultation with National Treasury. A bid that fails to meet the minimum stipulated threshold as listed below and detailed on Annexure 4 for local production and content is an unacceptable bid.
- 5.3.1 Goggles : 80%
- 5.3.2 Face shield : 100%
- 5.3.3 Disposable Aprons : 100%
- 5.3.4 Body Bags : 100%
- 5.4 **Due Diligence**
- 5.4.1 The State will conduct due diligence as part of Part 2 of Phase 2 to validate local production as submitted by bidders to conclude on the evaluation outcome of Phase 2 Local Production and Content. Any misrepresentation thereof may disqualify the item/s being evaluated.
- 5.4.2 The State also reserves the right to conduct any evaluation verifications prior to final award or at any time during the transversal term contract period.



5.5 Phase 3 Technical Specification Compliance & Visual Screening

During this phase bidders' responses will be evaluated against the issued technical specifications for compliance with visual screening of the samples.

5.5.1 Import Permit

Bidders are required to provide the Chinese manufacturer export permit letter from China National Medical Products Administration (NMPA) or China Food and Drug Administration (CFDA) for the relevant PPE medical related items which are sourced from China. This is to confirm the manufacturer has permission from Chinese government to export medical PPE.

5.5.2 TCD 13 Authorization Declaration

5.5.2.1 Any bidder who is sourcing goods or services from a third (3rd) party must complete the "Authorisation Declaration" (TCD 13) in full for all relevant goods or services, sign it and submit it together with the bid response at the closing date and time of the bid invitation.

5.5.2.2 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 State will exercise any of the remedies available to it in this bid document.

5.5.2.3 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 (3rd) party will be binding on the State.

5.5.2.4 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions may invalidate the bid for such goods or services offered.

5.5.3 Detailed **Technical Specifications (Annexure 2)** is provided for bidders to know the required technical specification for all items required.

5.5.4 Certificate of Calibration

Bidders must submit a certificate of calibration from accredited institutions that performs the calibration to show that thermometer have been calibrated at the closing date and time of bid.

5.5.5 Quality Assurance Certificate

Bidders must submit at the closing date and time of bid, valid quality assurance certificate ISO 9001 or ISO 13485 to confirm compliance. The holder of the certificate/s must be the bidder or the manufacturer of the product. Failure to submit these documents will invalidate your bid.



5.5.6 Test Report from a South African National Accreditation System (SANAS) Accredited Institution

- 5.5.6.1 All short-listed bidders will be required to submit test reports issued by a SANAS accredited institution for all items with standards. The test reports must not be older than twenty-four (24) months at the closing date of the bid.
- 5.5.6.2 The procedures for sampling frame guidelines and testing for product compliance may differ and should be obtained from the relevant testing institution prior to submission of samples. The cost of compliance testing will be for the account of the prospective bidder.
- 5.5.6.3 In the event that a test report cannot be obtained from the testing institution prior to the conclusion of the transversal contract, the bidder must submit **proof issued by the SANAS accredited institution** that the sample had been submitted for testing and a one (1) month period will be given for the submission of the test report. Failure to submit the test report/s will invalidate the item/s concerned.
- 5.5.6.4 Where a bidder has submitted a letter from a SANAS accredited institution, 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 National Treasury as soon as the test report is issued.
- 5.5.6.5 Bidders must enquire at SABS office's 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 eStandards, please contact Standards Sales at Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria. Contact person: **Mr Mlando Mvubu** Tel: +27 12 428 6522 and email: Mlando.Mvubu@sabs.co.za , **Ms Corna Schoonbee** Tel: 012 428 6153 Email: corna.schoonbee@sabs.co.za, **Ms Wilheminah Moshobane** Tel: 012 428 6812 Email: wilhelminah.moshobane@sabs.co.za. Website: www.sabs.co.za and follow the "Search/Buy Standards" link

5.5.7 Samples submission for Visual Screening Evaluation

- 5.5.7.1 All items must comply with technical specifications as provided in this bid on the technical specification (Annexure 2) detail of each item. Failure to comply will invalidate the items concerned.
- 5.5.7.2 Bidders are required to submit samples for visual screening evaluation for all items offered to verify compliance with technical specifications. Failure to submit the samples as required will invalidate the bid for the items which samples are not submitted.
- 5.5.7.3 National Treasury will send a schedule indicating a date, time, place, and venue to short listed bidders to submit samples and test reports (where required for relevant items) for the evaluation. Bidders' attention is drawn to the fact that a schedule for sample submission may be forwarded to bidders at a short notice of at least two (2) weeks prior to the date of sample submission. The request to submit samples may be immediately after the closing date and therefore bidders are required to be ready to submit the samples from the closing date of the bid.



5.5.7.4 It is a responsibility of the bidder to ensure that correct contact details are provided in the bid document and to ensure that samples are submitted on time, at the correct venue.

5.5.7.5 Where an item has different sizes, samples of each size must be submitted.

5.5.7.6 All samples submitted must be a true representation of the product which will be supplied during the transversal contract period. Samples must be in the original pack and comply to labelling requirements.

5.5.7.7 **Marking of samples to be submitted for Visual Screen Evaluation**

5.5.7.8 Samples must be clearly marked on the outside with the bid number, bidder's name and bid item number. This detail must appear on a label attached to each individual sample.

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

5.5.7.10 **Collection of all samples**

5.5.7.11 If practical for samples 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.

5.6 **Phase 4: Price and B-BBEE**

5.6.1 **Pricing schedule and structure requirements**

5.6.1.1 Prices quoted must be furnished on the basis of "delivered to State facility" country-wide inclusive of VAT.

5.6.1.2 Bids must be for the Delivered Duty Paid (DDP) stocks held in the Republic of South Africa during the transversal contract period.

5.6.1.3 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.

5.6.1.4 Conditional discounts offered will not be taken into consideration during evaluation.

5.6.1.5 Prices submitted for 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.

5.6.2 **Applicable Taxes**

All bid prices must be inclusive of fifteen percent (15%) VAT. All bid prices must be inclusive of all applicable taxes. Failure to comply with this condition may invalidate the bid.

5.6.3 **TCD 14 Historical Exchange Rates**

5.6.3.1 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 January 2022 – 30 June 2022 using the Reserve Bank published rates for the specific currency. Bidders are to visit www.reservebank.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.



5.6.4 Cost Breakdown

5.6.4.1 Bidders are requested to submit the cost breakdown (**Annexure 3**) of their pricing including the profit mark-up 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.

5.6.4.2 Bidders should itemise the cost of each product 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 4: Example of Cost Breakdown

Cost-driver	Rand value	% of Total Cost
Imported raw material	R 300.00	30%
Local raw material	R 200.00	20%
Labour	R 150.00	15%
Transport	R 300.00	30%
Other	R 50.00	5%
Total price of item	R 1000.00	100%

5.6.5 **B-BBEE requirements** - An **original and valid B-BBEE status level verification certificate or a certified copy thereof or an affidavit** must be submitted by bidders.

5.6.5.1 The National Treasury will exercise Regulation 3(a)(ii) of the Preferential Procurement Regulations 2017 if it is unclear which preference point system will be applicable and that either 80/20 or 90/10 preference point system will apply. The lowest acceptable tender will be used to determine the applicable preference point system on this bid.

5.6.5.2 In terms of regulation 7 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.

5.6.5.3 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



5.6.5.4 A maximum of 10 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

Table 5: Preference Point System

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

5.6.5.5 Bidders are required to complete the preference claim form **SBD 6.1** and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or an affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.

5.6.5.6 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

5.6.5.7 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by an accredited verification agency or an affidavit will be considered for preference points.

5.6.5.8 Failure on the part of the bidder to comply with the above paragraphs will be deemed that preference points for B-BBEE status level of contribution are not claimed and will therefore be allocated a zero (0).

5.6.5.9 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

5.6.5.10 The points scored will be rounded off to the nearest two (2) decimals.

5.6.5.11 In the event that two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for B-BBEE.

5.6.5.12 However, when functionality is part of the evaluation process and two (2) or more bidders have scored equal points including equal preference points for B-BBEE, the awarded will be to the bidder scoring the highest for functionality.

5.6.5.13 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.

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



5.6.6 Bidders are required to complete **SBD 6.1 Preference Points Claim Form** and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof or an affidavit at the closing date and time of the bid in order to claim the B-BBEE status level point.

5.6.7 Bidders are required to complete a mandatory **Pricing Schedule Annexure 2** as a response on how much the items offered will be charged. No submission of the Pricing Schedule will invalidate the bid response.

5.7 **Responsive Bids**

Bidders are required to submit responsive bids by completing all pricing and item information on the provided Technical Specification and Pricing Schedule (**Excel document - Annexure 2**) for the individual items and all required forms.

6. **PART 2: ADDITIONAL BID REQUIREMENTS**

6.1 Items must comply with standards / specifications as stated in the bid document. Failure to comply with this condition may invalidate the bid for the items concerned.

6.2 Where specific specifications and/ or standards are applicable on materials and supplies, the quality of items shall not be less than the requirements of the latest edition of such specifications and/or standards.

6.3 **Negotiations**

6.3.1 The State reserves the right to negotiate with the shortlisted bidder's 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 against the quality and or benefits of that item, considering subjective factors such as fit for purpose along with whole life costs that includes disposal and wastage where applicable.

7. **QUALITY**

Where specific specifications and/ or standards are applicable on materials and supplies, the quality of items shall not be less than the requirements of the latest edition of such specifications and/or standards.

8. **TERMS AND CONDITIONS**

8.1 **Counter Conditions**

8.1.1 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.



8.1.2 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 NT and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.

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

8.2 **Fronting**

8.2.1 The NT 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 NT does not support any form of fronting.

8.2.2 The NT, 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 DTIC, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NT 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 NT may have against the bidder concerned.

8.3 **Right of Award**

The State reserves its following rights

8.3.1 To award the bid in part or in full.

8.3.2 Not to make any award in this bid or accept any bids submitted.

8.3.3 Award the bid to more than one (1) bidder for the same item (multiple award).

8.3.4 Request further technical information from any bidder after the closing date.

8.3.5 Verify information and documentation of the bidder(s).

8.3.6 duplication of 8.3.2

8.3.7 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.

8.3.8 In the event that an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.



8.4 Multiple Award

The State reserves the right to award the same item to more than one bidder to address item availability and compatibility. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to government institutions requirements.

The following shall be taken into consideration when contemplating a multiple award:

- 8.4.1 Capacity to meet the expected demand according to the government institutions requirements.
- 8.4.2 Mitigation of risk if the item is unavailable.
- 8.4.3 Past compliance of the bidder with contractual obligations; and
- 8.4.4 The maximum number of Suppliers per item to be awarded will be at the discretion of the BEC.

9. SUBMISSION OF BIDS

9.1 Bidders must respond to the bid as follows:

- 9.1.1 Submit hard copy and an electronic replica copy on a memory stick (**Annexure 2**) Technical Specifications and Pricing Schedule must be on an XLSX excel sheet format) at the Tender Information Centre (TIC); corner 240 Thabo Sehume and Madiba Streets, Pretoria.
- 9.1.2 Bidders are requested to initial each page of the bid document on the bottom right-hand corner; and
- 9.1.3 Submit any bid queries via email to transversal.contracting2@treasury.gov.za.

9.2 Bidders must submit the bid to TIC in the following format:

- 9.2.1 One (1) original hard copy clearly marked as "original";
- 9.2.2 One (1) duplicate electronic copy (The Technical 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.
- 9.2.3 Non-compliance with 9.2.1 and 9.2.2 above may invalidate the bidder's response.

9.3 Any discrepancies between the electronic bid copy and the hard copy may invalidate the bid response for the above-mentioned items and services in question. All memory sticks should be clearly marked with the bid number and bidder's name.

9.4 Bidders' attention is drawn to the sequential format as per the checklist on Table 1 above in which bid documents must be submitted.

9.5 Late Bids

Bids received after the closing date and time, at the TIC and according to 9.2 above will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.



10. COMMUNICATION AND CONFIDENTIALITY

- 10.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.
- 10.2 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.
- 10.3 Whilst all due care has been taken in connection with the preparation of this bid, the NT 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 NT, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current, or complete.
- 10.4 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 NT (other than minor clerical matters), the bidder must promptly notify the NT in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the NT an opportunity to consider what corrective action is necessary (if any).
- 10.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NT will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 10.6 All communication between the bidder and the NT TC office must be done in writing as per 11.2 below.
- 10.7 No representations made by or on behalf of the NT in relation to this bid will be binding on the NT unless that representation is expressly incorporated into the contract ultimately entered into between the NT and the successful bidder(s).
- 10.8 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.
- 10.9 Samples required will be determined by the evaluation constraints and criteria for each category. Therefore, bidders will be notified by the BEC during evaluation of which samples are required.



11. CONTACT DETAILS

11.1 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

11.2 Bid Enquiries

All enquiries should be in writing to transversal.contracting2@treasury.gov.za. The questions and answers will be published on the 12, 26 and 31 August 2022. The closing date for receipt of all enquiries is **31 August 2022**. All enquiries beyond the closing date will not be considered.

**SECTION C:****CONDITIONS OF CONTRACT****12. DELIVERY, QUANTITIES AND ORDERS****12.1 Delivery Basis**

Firm lead times for delivery must be quoted for the duration of the transversal contract period. Transit and storage conditions applicable to the relevant item must be adhered to.

12.2 Quantities

No quantities are reflected in this bid as orders will be placed based on 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.

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.

12.3 Orders

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

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

12.3.3 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.

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

12.4 Delivery Adherence

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

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

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



- 12.4.4 Deliveries not complying with the order forms will be returned to the Supplier at the Supplier's expense.

13. ITEM ADHERENCE / BRAND CHANGE

- 13.1 In the event where a bidder offers a specific brand against an item and the item is subsequently awarded to the Supplier, it is required of the successful supplier to continue to supply the brand awarded throughout the transversal contract period.
- 13.2 In the event that the brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The Supplier is required to submit supporting documents from the manufacturer substantiating the changes.
- 13.3 It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item. The quality of the product must not be lower than the initial awarded product.
- 13.4 Furthermore, Suppliers are to take note that the price of the new brand should not be higher from the current transversal contract price of the original product.
- 13.5 Suppliers are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from National Treasury.

14. PACKAGING AND LABELLING

14.1 Packaging

- 14.1.1 All deliveries made against this transversal contract, in all modes of transport, are to be packed in suitable containers.
- 14.1.2 Packaging must be suitable for further dispatch, storage and stacking according to Good Wholesaling Practice and Good Distribution Practice.
- 14.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
- 14.1.4 The packing must be uniform for the duration of the transversal contract period. All products must be packed in acceptable containers, specifically developed for the product.
- 14.1.5 The number of units in the unit pack, shelf pack and shipper pack must be completed in the **Annexure 2** Technical Specifications and Pricing Schedule.



- 14.1.6 Where a particular stacking and storage configuration is recommended by the Supplier, this should be clearly illustrated on the outer packaging.
- 14.1.7 Where the contents of the shipper pack represent a standard supply quantity of an item, the following must be adhered to:
- 14.1.7.1 Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering.
- 14.1.7.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.
- 14.1.8 Where the contents of a shipper pack represent a non-standard supply quantity, the following must be adhered to:
- 14.1.8.1 Outer packaging flanges must be sealed with suitable tape that will clearly display evidence of tampering.
- 14.1.8.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.
- 14.1.8.3 The outer packaging must be clearly marked as a "Part Box".
- 14.1.9 Suppliers must ensure that products delivered are received in good order at the point of delivery.

14.2 Labelling

- 14.2.1 All containers, packing and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.
- 14.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes:
- 14.2.2.1 Proprietary name (if applicable)
- 14.2.2.2 Number of units in pack (e.g., for bulk packs 20 administration sets)
- 14.2.2.3 Batch number
- 14.2.2.4 Expiry date
- 14.2.2.5 Storage conditions
- 14.2.2.6 Barcode

15. PARTICIPATING STATE INSTITUTIONS

Government Institutions who are participating in this transversal contract are:

National Departments: Department of Defence

Provincial Departments of Health: Eastern Cape; Free State; Gauteng, Limpopo, and Western Cape

16. POST AWARD PARTICIPATION

- 16.1 In terms of Treasury Regulation 16A6.5 the Accounting Authority may opt to participate in transversal contract facilitated by the relevant treasury. Should the accounting officer or accounting authority opt to participate in a transversal contract



facilitated by the relevant treasury, the accounting officer or accounting authority may not solicit bids for the same or similar product or services during the tenure of the transversal term contract.

17. PRICE ADJUSTMENT

17.1 Formula

- 17.1.1 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.
- 17.1.2 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 17.1.3 The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

Table 6 : Contract Price Adjustment Formula

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

17.2 Formula component definitions

17.2.1 Adjustable amount

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.



17.2.2 Fixed portion

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

17.2.3 Cost components and proportions

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

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.

Table 7: Contract Price Adjustment Cost Components

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	
TOTAL (Cost components must add up to 100%)	100 %

17.3 Applicable indices / references

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: Applicable Indices

Cost component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished item (if applicable)	Supplier / Manufacturer invoice(s) and remittance advice. ¹	Documentary evidence to accompany claim
D2 - Local Raw Material / Finished item (if applicable)	Supplier / Manufacturer invoice(s) ²	STATS SA Index /Documentary evidence to accompany claim e.g. Invoices

¹ 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.

² Same as footnote 1



Cost component	Index Publication	Index Reference
D3 - Labour	STATS SA P0141 (CPI) Table E OR Labour agreement ³	Table E - All Items or OR Labour agreement to be provided
D4 – Transport	STATS SA P0141 (CPI) Table E	Table E - Transport – Other Running Cost
D5 – Other	Specify	Documentary evidence to accompany claim

17.4 Base Index Date

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 **August 2022**.

17.5 End Index Date

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 (Price Adjustment Periods).

17.6 Price Adjustment Periods

Price adjustment shall be applied on an annual basis at the anniversary of the transversal contract from commencement date. The application must be sent to National Treasury a month before the effective date of the new adjusted price.

Table 9: Contract Price Adjustment Periods

Adjustment	Average exchange rates for the period	CPA application to reach National Treasury at the following dates	Dates from which adjusted prices will become effective
1 st Adjustment	1 Feb 2023 to 31 Jul 2023	1 Aug 2023	1 Sep 2023
2 nd Adjustment	1 Aug 2023 to 31 Jan 2024	1 Feb 2024	1 Mar 2024
3 rd Adjustment	1 Feb 2024 to 31 Jul 2024	1 Aug 2024	1 Sep 2024
4 th Adjustment	1 Aug 2024 to 31 Jan 2025	1 Feb 2025	1 Mar 2025
5 th Adjustment	1 Feb 2025 to 31 Jul 2025	1 Aug 2025	1 Sep 2025
6 th Adjustment	1 Aug 2025 to 31 Jan 2026	1 Feb 2026	1 Mar 2026
7 th Adjustment	1 Feb 2026 to 31 Jul 2026	1 Aug 2026	1 Sep 2026
8 th Adjustment	1 Aug 2026 to 31 Jan 2027	1 Feb 2027	1 Mar 2027
9 th Adjustment	1 Feb 2027 to 31 Jul 2027	1 Aug 2027	1 Sep 2027

³ In the absence of a labour agreement, the labour cost component will be adjusted with consumer price index (CPI) Headline inflation.



17.7 Rates of Exchange (RoE) – Base and average rates

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

- 17.7.1 The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted considering the base RoE rate refer in below paragraph and the average RoE rate over the period under review indicated in paragraph below.
- 17.7.2 In the event where the RoE adjustment goes hand in hand with a material/item price increase, the material/item price (in foreign currency) will be converted to South African currency using the base rate for the earlier invoice and the average RoE rate for the period under review as indicated in paragraph below for the later invoice.
- 17.7.3 The imported cost component (D1) will be adjusted together with all the other cost components indicated in paragraph above and at the predetermined dates indicated in paragraph above.
- 17.7.4 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 10: CPA Rate of Exchange

Currency	Rates of exchange (6 months' average for the period)
US Dollar	15.40
Pound Sterling	20.01
Euro	16.85

- 17.7.5 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 February 2022 – 31 July 2022** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCD 14 (Procedure to download historical exchange rates from the Reserve Bank website for instructions).
- 17.7.6 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 above.
- 17.8 **General**
- 17.8.1 Unless prior approval has been obtained from National Treasury, Transversal Contracting, no adjustment in transversal contract prices will be made.
- 17.8.2 Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.



- 17.8.3 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.
- 17.8.4 In the event where the supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the Supplier to resolve the differences.
- 17.8.5 Bidders are referred to the paragraph regarding counter conditions.
- 17.8.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 17.8.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

18. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

18.1 Contract Administration

- 18.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to transversal.contracting2@treasury.gov.za.
- 18.1.2 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.

18.2 Contract Performance Management

- 18.2.1 Contract performance management will be the responsibility of end-user State institutions and where Supplier performance disputes cannot be resolved between the Supplier and the relevant purchasing institution, National Treasury: Transversal Contracting must be informed for corrective action.
- 18.2.2 The details of how end-user State institutions should do contract performance management will be provided post award.
- 18.2.3 End-user State institutions are required to report to National Treasury on quarterly orders including values of the orders to ascertain if the hospital furniture and ward requirements are being fulfilled by the transversal contract.

18.3 Post Award Monitoring and Reporting

- 18.3.1 National Treasury will conduct meetings with the end users and Suppliers to discuss transversal contracting issues.



18.3.2 Reporting and bidder(s) meetings will be on a quarterly basis and will be scheduled post award.

18.4 **Historical data**

All successful bidders are required to submit historical value and volume reports via e-mail on a quarterly basis to: transversal.contracting2@treasury.gov.za

_____End_____