



SPECIAL CONDITIONS OF CONTRACT

RT252-2025

**SUPPLY AND DELIVERY OF SURGICAL INSTRUMENTS AND EQUIPMENT TO THE STATE FOR A
PERIOD OF SIXTY(60) MONTHS**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD ON THE 19 SEPTEMBER 2024 ON MICROSOFT
TEAMS**

CLOSING DATE AND TIME OF BID

01 OCTOBER 2024 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



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**LIST OF ABBREVIATIONS**

BEC	Bid Evaluation Committee
CIPC	Companies and Intellectual Property Commission
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempt Micro Enterprises
ISO	International Organization for Standardization
NDoH	National Department of Health
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
PDoH	Provincial Department of Health
PPPFA	Preferential Procurement Policy Framework Act
PPI	Producer Price Index
PPR	Preferential Procurement Regulations
QA	Quality Assurance
RoE	Rate of Exchange
SA	South Africa
SABS	South African Bureau of Standards
SAHPRA	South African Health Products Regulatory Authority
SANAS	South African National Accreditation System
SANS	South African National Standards
SARB	South African Reserve Bank
SARS	South African Revenue Service
SSA	State Security Agency



SBD	Standard Bidding Document
SCC	Special Conditions of Contract
TC	Transversal Contracting
TCD	Transversal Contracting Document
TIC	Tender Information Centre
VAT	Value Added Tax
WHO	World Health Organisation

LIST OF ANNEXURES

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**DEFINITIONS**

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
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.
Distributor	A natural or legal person who imports or exports a medical device or IVD which is on the register for medical devices or on the register for IVDs in its final form, wrapping and packaging, with a view to the medical devices or IVD being placed on the market under the natural or legal person's own name; and sells the medical device or IVD to a healthcare professional, healthcare institution, wholesaler or the user.
Historically Disadvantaged Individuals	<p>South African citizen:</p> <ul style="list-style-type: none">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/orii) Who is female; and/oriii) Who has a disability. <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>
Manufacturer	Natural or legal person with the responsibility for the design, manufacture, packaging and labelling of a medical device or IVD before it is placed on the market under the natural or legal person's own name, or in the name of a firm or company, regardless of whether these operations are carried out by that person by himself or on his behalf by a third party or
Wholesaler	any other person who assembles, packages, reprocesses, fully refurbishes or labels one or more ready-made products or assigns to them their intended purpose as a medical device or IVD, with a view to their being placed on the market under the natural or legal person's own name, except a person who assembles or adapts medical devices or IVDs already on the market to their intended purpose for patients.

**Table 1: Bid Document Checklist and Returnable Documents**

#	Document Name ¹	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
PHASE 1: ADMINISTRATIVE REQUIREMENTS EVALUATION				
2.	SBD 1 Invitation to Bid	Yes	Yes	
3.	Proof of authority must be submitted as per SBD 1	No	Yes	
4.	SBD 4 Declaration of Interest	Yes	Yes	
5.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
6.	Central Supplier Database Report	No	Yes	
7.	Written confirmation for disclosing tax status by SARS	No	Yes	
8.	TCD 13 Authorization Declaration	Yes	Yes	
9.	TCD 13.1 List of goods or services offered	Yes	Yes	
PHASE 2: MANDATORY REQUIREMENTS EVALUATION				
10.	Pricing Schedule	Yes	Yes	
11.	SAHPRA License	No	Yes	
PHASE 3: TECHNICAL COMPLIANCE EVALUATION				
12.	TCD 13.2 Authorization Letter or Letter of Undertaking	Yes	Yes	
13.	Declaration of Sterility for blades	No	Yes	
14.	Quality Management System Certificate	No	Yes	
15.	Sample Register	No	Yes	

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



#	Document Name ¹	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
PHASE 4: PRICE & SPECIFIC GOALS EVALUATION				
16.	Pricing Schedule	Yes	Yes	
17.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
18.	Proof of Business Shareholding/Ownership	No	Yes	
19.	Cost Breakdown	Yes	Yes	



SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the supply and delivery of surgical instruments and equipment to the state for a period of sixty (60) 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.
- 2.2.1 Medicines and Related Substances Act, 1965 (Act 101 of 1965), and the Regulations to this Act

3. DURATION OF TRANSVERSAL CONTRACT

- 3.1 The transversal contract shall be for a period of sixty (60) 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: [Click here to join the meeting](#)

Date : 19 September 2024

Time : 10:00am to 11:00am

- 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 SPECIFICATION

5.1.1 Bidders must ensure that the brand name and sizes are engraved on the item. If this is not possible, the item should be submitted in its original packaging, or a photo of the original packaging should be provided. This will apply on blades, cuffs, dilators, dissectors.

5.1.2 The items are categorised as follows:

Table 2: Summary of Technical Specifications Categories

Type	Category Description	Classification by SAHPRA	Category Numbers
Instruments	Aneurysm Needle	Class IIb	2
	Blades	Class IIa or Class IIb	32
	Brushes	Class I or Class IIa	1
	Scalpel Handle	Class IIa	3
	Catheter	Class IIb	1
	Forceps	Class IIa	109
	Curette	Class IIa	13
	Diagnostic	Class IIa or Class IIb	16
	Dissector	Class IIa	3
	Retractor	Class IIa	35
	Hook	Class IIa	3
	Needle Holder	Class IIa	11
	Probe	Class IIa	4
	Saw	Class IIb	11
	Scissors	Class IIa	14
	Dilators	Class IIb	18
	Speculum	Class IIb	15
	Hammer	Class IIb	3
Kidney dishes	Class I or Class IIa	3	
Equipment	Suction	Class IIa or Class IIb	13
	Laryngoscopes	Class IIb	22
Total Surgical Instrument and Equipment			340

**SECTION B: CONDITIONS OF BID****6. PART 1: EVALUATION CRITERIA**

6.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Administrative Requirements	Mandatory Requirements	Technical Requirements & Sample Evaluation	Price and Specific Goals
Compliance with administrative requirements	Compliance with mandatory requirements	Compliance with technical requirements	Bids evaluated in terms of the 90/10 preference system

6.2 PHASE 1: ADMINISTRATIVE REQUIREMENTS EVALUATION

6.2.1 Bidders are required to submit the below documents to comply with the policy to guide uniformity in procurement reform processes in Government as per section 2 of Practice Note No 1 of 2003 regarding bid documentation for supply chain management.

6.2.1.1 SBD 1 – Invitation form to bid.

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

6.2.1.3 SBD 4 – Bidders Disclosure

6.2.1.4 SBD 6.1 – Preference points claim form

6.2.1.5 TCD 13 and 13.1 Authorisation Declaration – All bidders must complete the “ Authorisation Declaration” form (TCD 13 and TCD 13.1) for all relevant goods and/or service in full, sign and submit together with the bid response at the closing date and time of the bid.

6.2.1.6 Central Supplier Database – A Central Supplier Database report must be submitted.

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

6.3 Failure to submit the documents above, even after being allowed to submit within the seven calendar days that have lapsed, will invalidate the bid.



6.4 **PHASE 2: MANDATORY REQUIREMENTS EVALUATION**

6.4.1 Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During this phase bidders' responses will be evaluated against the mandatory requirements for compliance.

6.4.2 **Pricing Schedule**

6.4.2.1 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.

6.4.2.2 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.

6.4.2.3 All items within each group series must be of the same brand or fully compatible with one another.

6.4.2.4 Bid prices must be inclusive of all costs, and VAT.

6.4.2.5 All prices must be in rands and rounded off to two (2) decimal places.

6.4.2.6 Price must be submitted in excel format and signed pdf format at the closing date and time of the bid.

6.4.3 **South African Health Products Regulatory Authority (SAHPRA) License**

6.4.3.1 Bidders are required to adhere to Medicines and related substances Act, 1965 (Act No. 101 of 1965), as amended as per the Regulation relating to Medical Devices and In Vitro Diagnostic (IVD'S) Medical Devices. Non-compliance with these conditions will invalidate the bid.

6.4.3.2 Manufacturers, distributors and wholesalers, as referred to in Section 22C(1)(b) of the 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 the South African Regulatory Authority.

6.4.3.3 Bidders must submit with the bid, on or before the closing date and time of bid evidence of the approved medical device establishment licence.

6.4.4 Failure to submit any of the above-mentioned documents will invalidate your bid.

**6.5 PHASE 3: TECHNICAL COMPLIANCE EVALUATION**

- 6.5.1 During this phase, the bidder's response will be evaluated based on the technical requirements for each item offered. Non-compliance with all the evaluation requirements below will result in the disqualification of the relevant line item being evaluated. The technical specification is in two parts, Part A and Part B. Only items which complied with Part A of the evaluation requirements will be evaluated further on Part B of the technical evaluation.
- 6.5.2 The State may consider products that have a reasonable deviation from the technical specification. This is subject to the deviation providing a better output and provided that the deviation not causing functional harm to the target population and users that the product is aimed at and that the functional output of the item's technical specification is achieved. This will therefore be decided upon based on the expertise judgement provided for by the Bid Evaluation Committee.

PART A**6.5.3 TCD 13.2 Authorization Letter /Letter of undertaking**

- 6.5.3.1 Bidder who is sourcing goods or services from a third party is required to submit an authorisation letter in a third-party letterhead outlining all relevant goods or services. The authorisation letter must include but not limited to the following:
- a) List of item(s) number, item description and brand/model name and number,
 - b) Letter must be on the original manufacturer's and or third-party undertaking letter head, dated and signed,
 - c) Letter must not be older than 30 days at the closing date and time of the bid,
 - d) Have contact person's name, physical and postal address, telephone, and email details, and
 - e) All information on the letter must be in English.
- 6.5.3.2 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 the bid documents.
- 6.5.3.3 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.
- 6.5.3.4 The letter of undertaking must be from an Original Equipment Manufacturer (OEM) or an authorised importer/distributor. In the case where the letter of undertaking is from an authorised importer/distributor, the bidder must submit in addition to the letter of undertaking, documentary proof from OEM, that the authorized importer/distributor is authorized by the OEM. The letter of undertaking and supporting



documents must be submitted with the bid at the closing date and time of the bid.

6.5.3.5 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.

6.6 **Declaration of Sterility**

6.6.1.1 Bidders offering sterile products (blades) must submit a declaration of sterility for all items where sterility is a requirement in the item specification at the closing date and time of the bid.

6.6.2 SABS sterility is entrenched in the SABS' standards testing and is performed by SABS' Microbiology Division on sterile products only.

6.6.3 **Quality Management System Certificate**

6.6.3.1 Bidders must submit at the closing date and time of bid, valid quality assurance certificates ISO 13485 to confirm compliance for the items offered as per the pricing schedule. The holder of the certificates must be the original product/ equipment manufacturer of the product.

6.6.3.2 **Failure to submit any of the required provisions will result in the invalidation of the corresponding line item in the bid.**

6.7 **PART B: SAMPLE EVALUATION**

6.7.1 **NB: ALL SAMPLES MUST BE READY FOR SUBMISSION BY 01 OCTOBER 2024.**

6.7.1.1 Items offered must comply with technical specifications as provided in this bid as stated in the technical specification detail of each item. Failure to comply will invalidate the items concerned.

6.7.2 **Only bidders who qualified Phase 3 Part A** are required to submit samples for the items offered to verify compliance with technical specifications at the venue, date, and time that will be communicated by the National Treasury. Failure to submit samples will invalidate the items which the samples are not submitted.

6.7.3 Where applicable, the BEC may subject any of the samples required to applicable clinical evaluations, applications, or tests at any State facility to verify compliance with the technical specifications. In this case, this will be arranged with the bidder.

6.7.4 For items available in different sizes and colours, samples of each size and colour must be submitted.



6.7.5 **The following categories must be submitted in the original packaging and labelling requirements must be met:**

6.7.5.1 Blades

6.7.5.2 Diagnostics

6.7.5.3 Telescopes

6.7.6 All submitted samples must accurately represent (true representation) of the product that will be supplied under the contract.

6.7.7 **Blades** must be packaged and sealed in accordance with specific requirements to ensure compliance with safety and quality standards as stipulated by SAHPRA regulations.

6.7.8 All items which require sterility, must clearly be indicated on the individual product package

6.7.9 Bids will be invalidated for any item(s) if the required samples are not submitted.

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

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.

- a) 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.
- b) For ease of handling during evaluation process, laminating stickers or loose papers should not be submitted with the sample as the identity of the sample can be misplaced.
- c) All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period.
- d) All the products shall be clearly marked with the name and trademark of the manufacturer.
- e) Failure to comply with this condition may invalidate the bid against the relevant item.

6.7.10.1 **Collection of all samples –**

- a) 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.

**6.8 PHASE 4: PRICE AND SPECIFIC GOALS EVALUATION****6.8.1 Preference Point System**

6.8.1.1 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.

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

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

Where,

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

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

6.8.2 Applicable Taxes

6.8.2.1 All bid prices must be inclusive of all applicable taxes.

6.8.2.2 Failure to comply with this condition may invalidate the bid.

6.8.2.3 All bid prices must be inclusive of fifteen percent (15%) Value Added Tax.

6.8.2.4 Failure to comply with this condition may invalidate the bid.

6.8.3 Points Scored for Specific Goals

6.8.3.1 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

6.8.4 Proof of equity ownership and related matters

6.8.4.1 The specific goals contemplated in paragraph 6.8.3.1 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.
- 6.8.4.2 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.
- 6.8.4.3 all claims made for specific goals must be considered according to the following criteria:
- a) equity in private companies must be based on the percentage of equity ownership, and
 - b) preference points may not be awarded to public companies and tertiary institutions.
- 6.8.4.4 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,
- 6.8.4.5 documentation to substantiate the validity of the credentials of the trustees contemplated in paragraph 6.8.4.4 above must be submitted to the Office.
- 6.8.4.6 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.
- 6.8.4.7 A tenderer must submit proof of its ownership.
- 6.8.4.8 A tenderer who does not submit proof of their ownership may not be disqualified from the bidding process, but they score points out of 90/10 for price and zero (0) points out of 90/10 for specific goals.
- 6.8.4.9 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.
- 6.8.4.10 In the event that the percentage of ownership contemplated in paragraph 6.8.4 to 6.8.4.9 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.
- 6.8.5 **Responsive Bids**
- 6.8.5.1 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. Non-submission of the pricing schedule will invalidate the bid response.
- 6.8.6 **Specific Goals**
- 6.8.6.1 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	10	$PSSG = MPA \times \frac{PEO}{100}$ <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>
POINTS	10	

- c) The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- d) Bidders are required to complete the SBD 6.1 forms in order to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 preference points claim forms will be considered for preference points.
- 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.
- l) Failure on the part of the bidder to claim points for specific goals will give the bidder a score of zero (0).

6.8.7 **Applicable Taxes**

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

6.8.8 **Group Series Evaluation**

- 6.8.8.1 Some of the items are grouped as a group series and will be evaluated accordingly.
- 6.8.8.2 All items within each group series must be of the same brand or fully compatible with one another.
- 6.8.8.3 Bidders are required to submit offers for ALL ITEMS on group series. The grouped items are indicated on the pricing schedule attached as Annexure 2
- 6.8.8.4 Failure to submit all offers will invalidate the line item.

6.8.9 **Cost Breakdown**

- 6.8.9.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered in the response fields allocated on the pricing schedule. The cost breakdown will be utilized during the price adjustment consideration.
- 6.8.9.2 Bidders should itemize the cost of each item into various components, which are cost drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a 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	Percentage of Total Cost
D1 – Imported Raw Material / Finished product	20%
D2 - Local Raw Material / Finished product (if applicable)	20%
D3 – Labour	20%
D4 – Transport	20%
D5 – Overheads	10%
D6 – Other	10%
Total Price of item	100%



7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 TERMS AND CONDITIONS

7.1.1 Counter Conditions

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

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

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

7.1.2 Fronting

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

7.1.2.2 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.

7.1.2.3 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.

7.2 THIRD PARTY AGREEMENTS AND SUB-CONTRACTOR AGREEMENTS

7.2.1.1 No agreement between the bidder and any third party will be binding to the State.

7.2.1.2 In the event that bidder intends using sub-contractors to execute the Contract or part thereof, the bidder must note that it shall remain responsible and accountable for the completion of the work or delivery of services requirements.

7.2.1.3 The bidder must declare its intention to subcontract and the percentage of subcontracting thereof and must provide full description of subcontractor.



7.3 SUBMISSION OF BIDS

7.3.1 ONLINE BID SUBMISSION

7.3.1.1 Bidders must submit their bids online through the eTender Publication portal.

7.3.1.2 Manual or hardcopy bids are not acceptable.

7.3.1.3 The online eTender publication portal can be accessed on the following link:
<https://www.etenders.gov.za/>

7.3.1.4 The guide for online bid submission is attached as Annexure 2.

7.3.1.5 Bidders to adhere to all the rules for the online bid submission.

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

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

7.3.1.8 Non-compliance with online bid submission WILL invalidate the bidder's response.

7.3.1.9 Submit all bid queries via email to Demand.Acquisition3@treasury.gov.za.

7.4 LATE BIDS

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

7.5 COMMUNICATION AND CONFIDENTIALITY

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

7.5.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.

7.5.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current, or complete.

7.5.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the National Treasury an opportunity to consider what corrective action is necessary (if any).



- 7.5.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 7.5.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.5.7 No representations made by or on behalf of the National Treasury in relation to this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).
- 7.5.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a response to this bid.

7.6 **CONTACT DETAILS**

- 7.6.1 **General:-** National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001. Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria.
- 7.6.2 **Bid Enquiries:-** All enquiries should be in writing to demand.acquisition3@treasury.gov.za The closing date for receipt of all enquiries is 20 September 2024. All enquiries beyond the closing date will not be considered.

8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

- 8.1.1 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.
- 8.1.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the Transversal Contract Agreement for the supply and delivery of surgical instruments and equipment to the state for a period of sixty (60) months, 1 December 2024 to 31 November 2029 and unsuccessful bidder(s) will be informed accordingly.

8.2 TAX COMPLIANCE REQUIREMENTS

- 8.2.1 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.
- 8.2.2 The Tax Compliance status requirements are also applicable to potential foreign bidders / individuals



who wish to submit a bid.

8.2.3 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.

8.2.4 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.

8.2.5 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.

8.3 **NEGOTIATIONS**

8.3.1 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.

8.4 **DUE DILIGENCE**

8.4.1 The State reserves the right to:

8.4.1.1 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.

8.4.1.2 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.

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

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



8.5 **MULTIPLE AWARD**

8.5.1 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.

8.6 **Right of Award**

8.6.1 The State reserves its following rights -

8.6.1.1 To award the bid in part or in full,

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

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

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

8.6.1.5 Not to accept any of the bids submitted,

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

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



SECTION C: CONDITIONS OF CONTRACT

9. CONCLUSION OF TRANSVERSAL CONTRACT AGREEMENT

9.1 The Transversal Contract Agreement between National Treasury and the Supplier(s)² 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.

9.2 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 RT252-2025 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of the RT252-2025 transversal contract.

9.3 The following will form part of the Transversal Contract Agreement documents between the Parties in as far as RT252-2025 is concerned:

9.3.1 Bid Documents,

9.3.2 Award Letters,

9.3.3 Contract Circular and its annexures,

9.3.4 Transversal Contract Agreement.

10. PARTICIPATING STATE INSTITUTIONS

10.1 Department of Defence

10.2 North West Department of Health

10.3 Free State Department of Health

10.4 KwaZulu Natal Department of Health

10.5 Gauteng Department of Health

10.6 Eastern Cape Department of Health

10.7 Limpopo Department of Health

11. POST AWARD PARTICIPATION

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



- 11.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government are all welcome to participate on the transversal contract.
- 11.2 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 written letter by the Contract Manager or a delegate from TC.
- 11.3 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.
- 11.4 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.
- 11.5 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.
- 11.6 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.

12. DELIVERY, QUANTITIES, ORDERS AND RISK

12.1 Delivery Basis

- 12.1.1 Lead times for delivery of all items on transversal contract shall not exceed the specified time period in the bid.

12.2 Quantities

- 12.2.1 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.

12.3 Orders

- 12.3.1 Suppliers should note that each individual purchasing State 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 State 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 State institutions.
- 12.3.4 The State is under no obligation to accept any quantity(ies) which is more than the ordered quantity(ies).



12.4 **Delivery Adherence**

- 12.4.1 Delivery of items must be made in accordance with the instructions appearing on the official purchase order forms issued by purchasing State 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 purchase order forms will be returned to the Supplier(s) at the Supplier's expense.
- 12.4.5 Supplier are required to deliver the goods at the required stores, off-load the goods from the trucks at the designated area as indicated on the official order form.

13. **WARRANTY PERIOD**

- 13.1 A minimum warranty/guarantee of 24 months is required on all equipment purchased outright.
- 13.2 Sufficient spare parts for electronic equipment must be available for a minimum period of 5 years from when the equipment has been procured.

14. **EQUIPMENT UPGRADES AND REPLACEMENT**

- 14.1 If a Supplier(s) is awarded a specific brand and model, it is required of that Supplier(s) to continue to supply the awarded item throughout the transversal contract period. However, the Supplier(s) is still liable for the maintenance and after-sales support of the delivered item(s).
 - 14.1.1 Should the Supplier(s) fail to fulfil the responsibility as per 14.1 above, the State reserves the right to seek necessary remedies (e.g., request refund of the maintenance cost, alternative maintenance support, etc.)
- 14.2 If the awarded **Model is discontinued**:
 - 14.2.1 The Supplier(s) must notify the National Treasury of such an occurrence upon receipt of notification from the OEM detailing the maintenance and after-sales support of the delivered item(s),
 - 14.2.2 The Supplier(s) is required to submit supporting documents from the OEM substantiating the changes and guarantee spare parts for a minimum of five (5) years for review by the BEC.

15. **PACKAGING AND LABELLING**

15.1 **Packaging**

- 15.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.
- 15.1.2 Packaging must be suitable for further dispatch, storage, and stacking according to Good Wholesaling Practice and Good Distribution Practices.



- 15.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
- 15.1.4 The packing must be uniform for the duration of the contract period. All products must be packed in acceptable containers, specifically developed for the product.
- 15.1.5 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.
- 15.1.6 Where the contents of the shipper pack represent a standard supply quantity of an item, the following must be adhered to:
- 15.1.6.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.
- 15.1.6.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.
- 15.1.7 Where the contents of a shipper pack represent a non-standard supply quantity, the following must be adhered to:
- 15.1.7.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.
- 15.1.7.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.
- 15.1.7.3 The outer packaging must be marked as a "Part Box".
- 15.1.8 Suppliers must ensure that products delivered are received in good order at the point of delivery.
- 15.2 **Labelling**
- 15.2.1 All containers, packing, and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.
- 15.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes packaging in at least English language.

Table 6: Labelling Details

#	Details
1.	Proprietary name (if applicable)
2.	Name of the product
3.	A Product code as relevant
4.	The trade name or trademark of the manufacturer
5.	Size of the product
6.	Quantity of the contents
7.	Name of manufacturer



#	Details
8.	Date of manufacture
9.	Name and address of importer/distributor (if not manufacturer)
10.	Expiry date (Where applicable)
11.	Batch/lot number. Products must have the same batch/lot number on the outer box as on the inner box.

15.3 Barcodes

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

15.3.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the brand name, batch number, and expiry date.

16. PRODUCT ADHERENCE / BRAND CHANGE

16.1 If a bidder offers a specific brand against an item and the item is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the contract period. No alternative will be accepted within the first year of the contract. Alternative brand will only be done on a six-month basis.

16.2 If the brand is discontinued and or replaced with a new brand, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The service provider is required to submit supporting documents from the manufacturer substantiating the changes.

16.3 No approval will be granted without a letter from a manufacturer.

16.4 It must be noted that the new brand will be required to undergo the evaluation process before receiving approval for the brand change issued by the National Treasury. The new brand must adhere to the technical specifications for the item.

16.5 Furthermore, service providers are to take note that the price of the new brand should not be higher than the current contract price of the original brand.

16.6 Service providers are not allowed to deliver new brands other than the brand awarded to them before the approval of brand change from the National Treasury.

16.7 The National Treasury reserves the right not to approve any brand change applications.

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

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

Table 7: Indicative Transversal Contract Price Adjustment Calculator

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

17.2 Formula component definitions

17.2.1 Adjustable amount

- 17.2.1.1 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.

17.2.2 Fixed portion

17.2.2.1 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.

17.2.3 Cost components and proportions

17.2.3.1 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.

17.2.3.2 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 8: Transversal Contract Price Adjustment Cost Components

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

17.3 Applicable indices / references

17.3.1 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 9: Contract Price Adjustment Indicative Indices**

Cost Component	Index Publication	Index Reference
D1 – Imported Raw Material / Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance advice. ³	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	Stats SA P0142.1 (PPI) OR Supplier / Manufacturer invoice(s)	Table 2- PPI for intermediate manufactured goods OR Documentary evidence to accompany claim.
D3 - Labour	Stats SA P0141 (CPI) Table E OR Labour agreement ⁴	All Items OR Labour agreement to be provided
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Other	Specify	Documentary evidence to accompany claim

17.4 Base Index Date

17.4.1 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 **September 2024**.

17.5 End Index Date

17.5.1 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).

17.6 Price Adjustment Periods

17.6.1 Price adjustments shall be applied yearly on a transversal contract anniversary from the closing date of the bid.

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

In the event where material and/or finished products 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 taking into account the base RoE rate refer in below paragraph and the average RoE rate over the period under review indicated in paragraph below.

³ 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 escalation period.

⁴ In the absence of a labour agreement, the labour cost component will be adjusted with CPI inflation.



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

Currency	Rates of exchange (6 months' average for the period 1 February 2024 – 31 August 2024)
US Dollar	18.55
Pound Sterling	23.58
Euro	20.09

- 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 2024 – 31 August 2024** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 2 (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 hereunder:

Table 11: Contract Price Rate of Exchange Adjustments

Adjustment	Average exchange rates for the period:
1 st Adjustment	1 May 2025 – 31 October 2025
2 nd Adjustment	1 May 2026 – 31 October 2026
3 rd Adjustment	1 May 2027 – 31 October 2027
4 th Adjustment	1 May 2028 – 31 October 2028

17.8 FOREX

- 17.8.1 The State will only be allowing the contract price adjustments on the intervals as indicated in the Special



Conditions of Contract. Most of the items on this bid are imported and no extra ordinary price adjustment due to exchange rate fluctuations will be considered. Therefore, the contractor is advised to take forward cover and or foreign exchange hedging or whichever is applicable to be able to cover the foreign exchange risk.

17.8.2 Adjustment to contract prices must be applied for at the following dates:

Table 12: Contract Price Adjustment

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates from which adjusted prices will become effective
1 st Adjustment	1 November 2025	September 2025	1 December 2025
2 nd Adjustment	1 November 2026	September 2026	1 December 2026
3 rd Adjustment	1 November 2026	September 2027	1 December 2027
4 th Adjustment	1 November 2026	September 2028	1 December 2028

17.9 General

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

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

17.9.3 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.

17.9.4 In the event where the Supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the Supplier to resolve the differences.

17.9.5 Bidders are referred to the paragraph regarding counter conditions.

17.9.6 An electronic transversal contract price adjustment calculator will be available on request from Transversal Contracting.

17.9.7 The State reserves the right to negotiate a transversal contract price adjustment or not to grant any transversal contract price adjustment.

**18. QUALITY ASSURANCE**

18.1 The service provider must ensure that its services always comply with all applicable legislation with reference to Clause 2 during the Contract period.

19. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES**19.1 Contract Administration**

19.1.1 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

19.1.2 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.

19.2 Contract Performance Management

19.2.1 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.

19.2.2 The reporting template for Participants to effect contract performance management will be provided post award.

19.3 Post Award Reporting

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

19.3.2 A reporting template will be provided post-award of the transversal contract.

19.3.2.1 National Treasury may conduct implementation meetings with either the Participants and/or Suppliers to discuss any transversal contracting implementation matters.

19.3.2.2 All supplier performance reports must be submitted to: TCcontracts2@treasury.gov.za.

20. TERMINATION

20.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –

20.1.1 The service provider decides to transfer the contract or cede the contract;

20.1.2 The service provider does not honour contractual obligations including submission of information;

20.1.2.1 The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract;

20.1.3 The service provider enters settlement arrangements with their creditors;



- 20.1.4 The service provider commits an act of insolvency;
 - 20.1.4.1 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.
 - 20.1.4.2 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.
 - 20.1.4.3 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.
 - 20.1.4.4 Notwithstanding the provisions above, either Party may terminate this Contract by giving the other Party 30 (thirty) days' written notice to that effect.

END