



SPECIAL CONDITIONS OF THE CONTRACT

RT29-2024

**AUDIT AND TID CONVERSION OF EXISTING PREPAYMENT METERS
AND THE SUPPLY, DELIVERY, INSTALLATION, MANAGEMENT, AND
MAINTENANCE OF SMART METERING SOLUTION FOR A PERIOD OF
THIRTY-SIX (36) MONTHS**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD VIRTUALLY ON
20 OCTOBER 2023 ON THE MICROSOFT TEAMS PLATFORM**

CLOSING DATE AND TIME OF BID

10 NOVEMBER 2023 AT 11H00

BID VALIDITY PERIOD: 180 DAYS



Transversal Contracting

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LIST OF ATTACHMENTS AND ANNEXURES

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

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**Table 2: Bid Document Checklist and Returnable**

#	Document Name ¹	Included in the published bid document?	To be returned by the bidder?	Bidder to tick Yes if the document is submitted
PHASE 1: ADMINISTRATIVE REQUIREMENTS EVALUATION				
1.	SBD 1 Invitation to Bid	Yes	Yes	
2.	Proof of authority must be submitted as per SBD 1	No	Yes	
3.	SBD 4 Bidder's Disclosure	Yes	Yes	
4.	SBD 5 National Industrial Participation Program	Yes	Yes	
5.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
6.	Central Supplier Database Report	No	Yes	
7.	Written confirmation for disclosing tax status by SARS	No	Yes	
PHASE 2: MANDATORY REQUIREMENTS EVALUATION				
8.	Pricing Schedule (Annexure B)	Yes	Yes	
PHASE 3: FUNCTIONALITY EVALUATION				
9.	Work Methodology	No	Yes	
10.	Previous Performance	No	Yes	
11.	Capacity	No	Yes	
12.	Operational Plan	No	Yes	
PHASE 4: TECHNICAL COMPLIANCE EVALUATION				
13.	Detailed Technical Specifications (Annexure A)	Yes	Yes	
14.	Quality Assurance Certificate	No	Yes	
15.	Safety and Quality Assurance Requirements	No	Yes	
16.	Type Approval Certificate issued by ICASA	No	Yes	
17.	TCD 13 Authorization Declaration	Yes	Yes	
18.	TCD 13.1 List of goods or services offered	Yes	Yes	

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



#	Document Name ¹	Included in the published bid document?	To be returned by the bidder?	Bidder to tick Yes if the document is submitted
19.	TCD 13.2 Letter of Undertaking	Yes	Yes	
PHASE 5: PRICE & SPECIFIC GOALS EVALUATION				
20.	Pricing Schedule (Annexure B)	Yes	Yes	
21.	Proof of Ownership	No	Yes	
22.	SBD 6.2 and its Annexures	Yes	Yes	
OTHER BID DOCUMENT REQUIREMENTS				
23.	Company Profile	No	Yes	
24.	CIPC Company Registration Documents	No	Yes	
25.	Special Conditions of Contract	Yes	Yes	
26.	General Condition of Contract	Yes	Yes	



LIST OF ABBREVIATIONS

Abb	Full Name
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CE	Conformité Européenne
CSD	Central Supplier Database
ECSA	Engineering Council of South Africa
GCC	General Conditions of Contract
OCPO	Office of the Chief Procurement Officer
ICASA	Independent Communications Authority of South Africa
SBD	Standard Bidding Document
SARS	South African Revenue Services
SCC	Special Conditions of Contract
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
STS	Standard Transfer Specification
TC	Transversal Contract
TCD	Transversal Contract Document
TIC	Tender Information Centre
TID	Token Identifier
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Frame Act
QC	Quality Control
RIC	Receiver in Canal
RoE	Rate of Exchange
VAT	Value-Added Tax



SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the Audit and TID conversion of existing prepayment meters and the supply, delivery, installation, management, and maintenance of smart metering solution for a period of thirty-six (36) months.
- 1.2 This bid document is structured as follows:
 - 1.2.1 Section A: Introduction and Terms of Reference
 - 1.2.2 Section B: Conditions of Bid
 - 1.2.2.1 Part 1: Evaluation Criteria
 - 1.2.2.2 Part 2: Additional Bid Requirements
 - 1.2.2.3 Part 3: Recommendation and Appointment of Bidders
 - 1.2.3 Section C: Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contracts emanating therefrom will be subject to General Conditions of Contract issued per Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2022 regulations.
- 2.2 The Special Conditions of Contract (SCC) are supplementary to that of the General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 2.3 Municipalities utilizing this contract shall do so in accordance with the supply chain regulations governing local government procurement in terms of Section 116 of the Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003).
 - 2.3.1 The service offering must be in accordance with Supervisory Control and Data Acquisition (SCADA) as published on the Government Gazette: 37577, dated 22 April 2014.
 - 2.3.2 Electronic Communications Act, No. 35 of 2005.



3. OBJECTIVE OF THE BID

- 3.1 To arrange the RT29-2024 transversal contract for the Audit and TID conversion of existing prepayment meters and the supply, delivery, installation, management, and maintenance of smart metering solution for a period of thirty-six (36) months. The maintenance and rental period of sixty (60) months.
- 3.2 For the promotion of historically disadvantaged individuals as per the specific goals (maximum 10 points) allocated in terms of Preferential Procurement Regulations 2022 issued according to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).
- 3.3 To apply the 90/10 preference point system as per Preferential Procurement Regulations (PPR) 2022 and in terms of section 2(1) (f) of the PPPFA Act, to consider bids offering goods services with more local content and/or local value added.

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.

RT29-2024 BRIEFING SESSION

Date: 20 October 2023

Time: 11h00 am

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

5. TERMS OF REFERENCE

5.1 INTRODUCTION

- 5.1.1 The National Treasury requires services for the Audit and TID conversion of existing prepayment meters and the supply, delivery, installation, management, and maintenance of smart metering solution for a period of thirty-six (36) months. There are two key components of this tender specification.
 - 5.1.1.1 TID conversion of existing municipal and ESKOM prepayment meters, in compliance with a TID compliance deadline of 24 November 2024.
 - 5.1.1.2 The installation of new smart meters for a smart city end solution.
- 5.1.2 The licenced Electricity and Water Supply Authority can select which end solution best meets their available budget and may just select the TID solution or a complete end-to-end smart city solution.



- 5.1.3 The Token Identifier(TID) is a 24-bit field, contained in the Standard Transfer Specification (STS) compliant tokens, that identifies the date and time of the token generation. It is used to determine if a token has already been used in a prepayment meter. The TID represents the minutes elapsed since the 1st of January 1993. The incrementing of the 24-bit field means that at some point in time, the TID value will roll over to a zero value.
- 5.1.4 All STS prepayment meters will be affected by TID rollover on 24 November 2024. Any tokens generated after this date and utilizing the 24-bit TID will be rejected by the meters as being old tokens as the TID value embedded in the token will have reset back to 0.
- 5.1.5 To overcome this problem all meters will require key change tokens with the rollover bit set. In addition to this, the base date of 1st January 1993 will be required to be changed to a later date. This process will force the meters to reset the TID stack to 0. To avoid previously played tokens from being accepted by the meter due to the TID stack reset, the key change process must introduce into the meter, a new decoder key.
- 5.1.6 In summary, either the customer, municipal staff, or appointed contractors will have to key into a meter two twenty-digit numbers to change the meter's coding from key revision 1 to key revision 2 status.
- 5.1.7 If the coding of a meter is not changed to a key revision 2 status by 24 November 2024, then the municipality will not be able to collect revenue from these meters' prepayment sales and these customers will be without electricity as the municipality will not be in position to vend to these customers.
- 5.1.8 There is a pending business risk to the prepayment metering industry that requires urgent action to circumvent it.
- 5.1.9 Utilities are obliged to take the following actions:
- Update all vending systems to STS Edition 2.
 - Ensure that all point-of-sale terminals can issue STS key change tokens.
 - Determine which meters were certified before 2012 and have them re-tested.
 - Formulate a program, by which the key change tokens can be distributed to each meter. Either by using a dedicated field team or having the consumers enter the tokens.
 - Inform the consumer population as to exactly what they can expect to happen according to the TID Rollover program formulated in 4).
 - As soon as the vending system has been upgraded to STS Edition 2, instruct meter vendors to code all new meters to base date 2014. These meters will then not be affected by the 2024 TID rollover.
- 5.1.10 The TID rollout exercises include both customer self-help platforms, a USSD platform, and physical auditing of installed prepayment meters. The physical auditing of prepayment meters is to include a full field audit report of the installed service.



- 5.1.11 Electricity and Water service providers will also have the option of installing new smart meters onto their networks to replace existing meters and to integrate with a smart city end solution.
- 5.1.12 The end solution for smart electrical meters must include, but not be limited to, a full demand management system that integrates with existing SCADA software to limit the capacity of installed electricity meters when load control measures are being requested or to reduce the supply authority's notified maximum demand profile, remote disconnection/ reconnection of whole current smart meters for easier debt recovery processes, full seamless integration of monthly meter readings into the service providers billing system to provide customers with an accurate monthly account.
- 5.1.13 It is imperative that all smart meter main data collectors are housed on the respective supply authority's ICT premises and that disaster management backup data is both cloud and physically kept at an off-site location. If smaller municipalities do not have the inhouse capability or staff capacity to house the main data collector, off-site premises can be agreed to in a signed service level agreement between the municipality and the service provider, to house the main data collector and disaster management backup facilities at an alternative location.
- 5.1.14 Smart meters must have cellular data communication with the main data collector and either installed smart meter to have a built-in modem or cellular communication between the main data collector and data concentrators with mains bourn communication between the smart meter and data concentrator. All new smart meters are to be key-revision 2 coded meters and the type of smart meters deployed in the field is to be agreed upon upfront in a signed service level agreement.

5.2 **SCOPE OF WORK**

The Service Provider must, at a minimum, provide the following services. The detailed service requirement is as per the attached **Annexure A – Technical Specification**.

Category Description	Category Numbers	Procurement Option
Smart Metering Solution (Electricity and Water)	A	Lease / Outright Purchase
Smart Load Management Solution	B	Service fee per month
TID conversion of existing municipal and ESKOM prepayment meters	C	Service fee per each meter conversion
On-site management oversight /maintenance team	D	Service fee per hour
Consumables and spare parts for repairs	E	Outright Purchase



5.2.1 Smart Metering Solution (Electricity and Water)

- a) Supply, delivery, Installation, and commissioning of smart meter devices and related hardware equipment and accessories.
- b) Management of the smart metering solution.
- c) Maintenance of the smart metering solution.
- d) The smart metering system must comprise of electronic integration and transfer of data from the field installation over a communications network to a metering database preferable on-site with a suitable backup.

5.2.2 Smart Load Management Solution

Smart electrical load management solutions are designed to gain advanced control and minimize cost. They include applications to help reduce downtime, reduce energy costs, support capacity planning, improve efficiency and provide a view into the system.

5.2.3 TID conversion of existing municipal and ESKOM prepayment meters

- 5.2.3.1 Audit and TID conversion of existing electricity or water prepayment meter and submission of a detailed audit report, per meter

5.2.4 On-site management oversight /maintenance team (for either any solution above) as per Supply Authority's requirements

5.3 PROCUREMENT SOLUTIONS

- 5.3.1 The implementation of smart metering may be through **Rental Solution** or **Outright Solution**. The buying authorities will determine the best solution suited to their circumstance depending on the available funds for investments.

- 5.3.2 **Rental Solution** - Rental period shall be for a period not exceeding 60 months from date of service level agreement (SLA) signature. All equipment supplied by the contractor will remain the property of the contractor.

- 5.3.3 **Outright Solution** – The outright solution is applicable on the smart meter devices and related hardware equipment and accessories. The buying authority have an option to include a service and maintenance plan of 60 months from date of purchase. The details of the service and maintenance plan must be detailed in the service level agreement.

5.3.4 Service and Maintenance

- 5.3.4.1 Service and maintenance must be a fully comprehensive cover for the solution ensuring that all consumables, hardware, software updates, technical support, training, and on-site support is available



throughout the contract period. Maintenance by Suppliers should ensure the solutions offering run efficiently and optimally with limited downtime.

5.3.4.2 The maintenance period of sixty (60) months will be effective from date of service level agreement for both rental and outright options.

5.3.5 All equipment supplied must be serviced, maintained, and repaired by the original manufacturer or an officially appointed and accredited distributor's service centres. Organs of State retain the right at any time to call for substantiating documentation in this regard.

5.3.6 It is required that sufficient spare parts be held in stock to ensure that equipment supplied in terms of the contract, are kept in acceptable working condition for the duration of the contract.

5.3.7 **Wear and Tear Spare Parts**

5.3.7.1 Bidders must at the closing date and of bid submit a price list of wear and tear spare parts on the pricing schedule provided

5.3.8 **Hardware/ Equipment**

5.3.8.1 All hardware equipment supplied by the contractor under the rental option will remain the property of the contractor and the following must be complied to:

- a) During the period that the equipment is in transit or in the possession of the contractor, up to and including the date of acceptance by the recipient/end-user, the contractor shall be responsible for all risks of loss or damage to the equipment.
- b) The cost of loss and damages through negligence by the recipient/end-user (other than wear and tear) will be charged to the relevant recipient/end-user for such repair.
- c) Equipment supplied to recipient/end-user may not differ from the equipment (make and model) offered and specified in this bid.
- d) All equipment must be insured by the service provider for loss and damage.
- e) In the case where equipment has been discontinued and replaced with a new model, contractors are required to submit letters from manufacturers/suppliers stating the changes and approval is to be obtained from National Treasury for the execution of such changes.
- f) Furthermore, the price of the new model should not differ from the current applicable price for the original model. The new model must adhere to the minimum specification for the item category. Contractors are not to deliver new equipment models prior to approval of models change by the National Treasury.
- g) Bidders must include a catalogue or photographs of all equipment which are considered



compliant with their bid offer.

5.3.9 **Training Requirements**

5.3.9.1 The successful bidder's implementing/ technical team must undergo the following compulsory training:

- a) An inhouse training provided by the buying authority (participating end-user).
- b) NRC training provided by a SETA Accredited institution.

5.3.9.2 The successful bidder shall be responsible for providing onsite training to all staff within the affected departments as well as to selected staff from the ICT Department. The training must be done by a SETA-accredited service provider; likewise, all trained MUNICIPAL staff members must be issued with a certificate after completion.

5.3.9.3 The successful bidder shall create a Standard Administration and Maintenance Procedure for the solution provided.

5.3.9.4 Training of customers: The contractor is required to provide appropriate training in the language understood by the customer on the use of smart meters or any other equipment provided, installed or other settings and with regards to the following:

- a) Written instruction supported by appropriate training in the use of equipment including basic user maintenance.
- b) Knowledge of safety aspects particularly the dangers and the potential hazards Information on ordering supplies and arrangements for contacting the contractor in an emergency (e.g., machine failure)
- c) Information on 24 hour/7 days a week free phone contact number

5.4 **TID ROLLOVER IMPLEMENTATION PLAN**

5.4.1 Bidders are required to submit a rollout plan in order to assist the end-users in meeting the 24 November 2024 deadline.

5.5 **CUSTOMER SUPPORT SERVICES**

5.5.1 A call centre facility must be established by the bidder at no additional cost to the State for the logging of enquiries, claims and the answering and resolution of queries. The call centre facility needs to fulfil at least the following:

5.5.1.1 Operated 24 hours a day, 7 days a week.

5.5.1.2 A dedicated telephone number must be made available to all end-users and customers for the duration of the contract and service level agreement period.



- 5.5.1.3 Toll free dedicated telephone line must be made available to all end users for ease of communication for any requirement.
- 5.5.1.4 Call logging and recording facilities.
- 5.5.1.5 Incoming calls must wait no longer than 30 (thirty) seconds before being attended to by an operator.
- 5.5.1.6 Call centre operators must at least be conversant in English and at least 3 minimum official languages in South Africa.
- 5.5.1.7 Internal quality control monitoring system must be in place in order to assess timeous completion of reaction to call.
- 5.5.1.8 Capable of generating electronic call centre reports.
- 5.5.1.9 Continuous follow-up communication with individual until successfully resolved.

5.6 **COPYRIGHT AND OWNERSHIP OF DATA**

- 5.6.1 Copyright of all documentation resulting from contracts arising from this contract belongs to the government client concerned. The service provider may not disclose any information, documentation or products to other clients, or to any other party, without the written approval of the government client concerned.
- 5.6.2 The intellectual property rights arising from the execution of a contract shall vest in the government client concerned and the service provider undertakes to honour the client's intellectual property rights and all future rights by keeping the know-how and all published and unpublished material confidential.
- 5.6.3 The intellectual property associated with the service offering will remain that of the service provider, but all data and associated information is sole ownership of Local Government and would be provided to Local Government as and when required with no cost implications.
- 5.6.4 The State is, and remains, the sole owner of all data generated during the execution of this contract. The Contractor shall provide the data to third party only upon written request in paper and/or electronic format, upon approval from the participating authorities.
- 5.6.5 All service providers appointed in terms of this contract and their respective partners/sub-contractors are required to hand-over all relevant records as directed by the end-users/ participating authority upon the expiry of the contracts within 30 days from notification request.



SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 1: Evaluation Criteria

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

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

6.2 PHASE 1: ADMINISTRATION AND LEGISLATION REQUIREMENTS EVALUATION

6.2.1 Bidders 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 Supply Chain Management SCM)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 5** – The National Industrial Participation Programme

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

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 **PHASE 2: MANDATORY REQUIREMENTS**

6.3.1 Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During this phase bidders' responses will be evaluated against the mandatory requirements for compliance. This phase is not scored and bidders who fail to comply with all the mandatory criteria will be disqualified.

6.3.2 **Pricing Schedule**

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

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

6.3.2.3 All units offered must be of the latest model –All parts must be supplied new; no second-hand or refurbished parts will be accepted.

6.3.2.4 For outright purchase - The equipment price quoted must be an all-inclusive amount with the following cost included:

- a) The equipment amounts.
- b) Pre-installation inspection Cost
- c) Delivery Cost
- d) Installation Cost (where applicable)
- e) Commissioning of the equipment to be in a working condition after installation.
- f) Training
- g) Minimum 24 months warrantee and guarantee.
- h) Stater-pack consumables enabling the Equipment to function upon delivering and or commissioning.

6.3.2.5 For Rental Option –The pricing must consist of a rental price per month for hardware devices/ equipments. All consumables for ware and tear will be only be procured using outright purchase.

6.3.2.6 Comprehensive Warranty and Guarantee-The bid price must be inclusive of the warranty and guarantee period of twenty- four (24) months which will be effective from the date of commissioning and should cover all applicable maintenance.

6.3.2.7 Maintenance Cost: Where applicable, bidders are required to include in the pricing schedule a post warrantee maintenance costs for all relevant equipment on the field provided on the pricing schedule supplied with the bid for each year for five years (5 years).



- 6.3.2.8 Optional accessories must be quoted for separately on the provided pricing schedule.
- 6.3.2.9 Prices submitted for in this bid must be filled in on the field provided on the pricing schedule supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.
- 6.4 **PHASE 3: FUNCTIONALITY EVALUATION REQUIREMENTS**
- 6.4.1 During Phase III, bidders must illustrate the capacity and capability to provide the smart metering solution service and bidders' response will be evaluated for functionality based on achieving a minimum total score of 66% for the functional requirements. Only bidders who have complied with mandatory requirements will be evaluated for functionality.
- 6.4.2 Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) will evaluate and score the respective bids based on their submissions and the information provided.
- 6.4.3 The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.
- 6.4.4 Bidders who have achieved the minimum qualifying score of 66% for functionality will be evaluated further to Phase IV of the evaluation. Functionality will be evaluated based on the responses and supporting documentation supplied by the bidders as follows:

Table 2 - Maximum weight for each criterion

No	Functional Requirements	Weighting
1.	Work Methodology	20
2	Previous Performance	30
3	Capacity	20
4.	Operational Plan	30
	Total	100

- 6.4.5 Each BEC member will rate each individual criterion on the score sheet using the value scale. The scores for functionality will be calculated as follows:

Table 3: Value Scale

Performance	Description	Score
Very good	Response addresses and exceeds the functionality requirements	3



Compliant	Response addresses all functionality requirements	2
Partially compliant	Response partially addresses the functionality requirements	1
Inadequate	Response <u>did not address</u> the functionality requirements	0

6.4.6 Work Methodology (20 points)

6.4.6.1 Bidders must submit documentary evidence to demonstrate a structured approach and work methodology/approach through a concise capability statement/ project proposal proving the ability to perform the activities as outlined in the terms of reference and scope of work and demonstrate knowledge and understanding of the South African Local Government environment and metering systems. The scoring will be as follows:

Table 4 - Value Scale for Work Methodology

Performance	Description	Score
Very good	Methodology approach is relevant to smart metering and TID rollover programme and addresses all aspects as outlined in the Scope of Work indicated on the Special Condition of Contract as follows: i. Demonstration of knowledge and understanding of SCADA systems. ii. All aspects indicated on the key deliverables by the service provider. iii. Delivery points plan to optimise their reach to customers across all provinces, and districts, taking into consideration the size and spread of the coverage area. iv. Reporting strategy as outlined in the Scope of Work	3
Compliant	The methodology approach is relevant to smart meter solution and sufficiently addresses aspects as outlined in the Scope of Work indicated on the Special Condition of Contract as follows: i. Demonstration of knowledge and understanding of Smart metering solution ii. Delivery points plan to optimise their reach to the district, taking into consideration the size and spread of the coverage area. iii. Over 75% of aspects indicated on the key deliverables by the service provider. iv. Reporting strategy as outlined in the Scope of Work	2
Partially compliant	Methodology approach is relevant to smart metering solution and partially addresses smart metering solution and sufficiently addresses aspects as outlined in the Scope of Work indicated on the as follows: i. Limited demonstration of knowledge and understanding of 8 of Smart metering solution. ii. Less than 75% of aspects indicated on the key deliverables by the service provider. iii. Reporting strategy as outlined in the Scope of Work	1
Inadequate	Methodology approach not relevant to Smart metering solution or not submitted	0



6.4.7 Previous Work Performance – Reference Letters (30 points)

6.4.7.1 Bidders must submit at least three reference letters to demonstrate previous work conducted.

6.4.7.2 Bidders must submit a minimum of three reference letters with an accumulative work installation of more than 5000 metering systems which indicate a proven previous work experience track record. To consider a reference letter valid, it must comply to the following:

- a) Letters must be from previous clients in the last three years, from any of the local government institutions.
- b) The letter must indicate the number of metering systems installed and managed.
- c) The period during which the service was rendered.
- d) The letter must indicate the current status of the installed metering systems.
- e) The letter must be on the letterhead of the client, with contactable details such as physical address, email, and telephone/ cell phone, position of the official signing the letter.
- f) The reference letters must be accompanied by a contract or, an appointment letter, or a service-level agreement between the bidder and the client as per the reference letter. The scoring for the previous performance will be as follows:

Table 5 - Value Scale for Previous Work Experience

Performance	Description	Score
Very good	3 or more valid reference letters with contract letters or service level agreement submitted with an accumulative of 10,000 or more installation of metes, OR one (1) valid reference letters with contract letter or service level agreement submitted with 30,000 or more installation of metes	3
Compliant	3 or more valid reference letters with contract letters or service level agreement submitted with an accumulative of 10,000 or less installation of metes, OR one (1) valid reference letters with contract letter or service level agreement submitted with 20,000 or more installation of meters	2
Partially compliant	3 or less valid reference letters with contract letters or service level agreement submitted with an accumulative of 5000 or less installation of meters, OR one (1) valid reference letters with contract letter or service level agreement submitted with less than 20,000 installations of metes	1
Inadequate	No valid reference letters	0



6.4.8 Operational Plan (20 points) -

6.4.8.1 **Installation and Commissioning Plan** - Bidder to indicate the operations plan from receipt of purchase order until commission. The installation and commissioning plan must indicate indicates these elements and more: -

- a) Process arrangements with the recipient / end user –
- b) Pre-site inspection –
- c) Project timelines –
- d) Training schedule –
- e) Lead time

6.4.8.2 **The scoring will be as follows:**

Table 6 – Operational Plan Value Score

Performance	Description	Score
Very good	Operational plan is covering more that all elements indicated above	3
Compliant	Operational plan is covering 100% all elements indicated above	2
Partially compliant	The operational plan covers 60% of the elements indicated above	1
Inadequate	Operational plan that covers less than 60% of the elements indicated above	0

6.4.9 Capability (30 Points)

6.4.9.1 Workshop(s) footprint - The bidder shall have national workshops within South Africa or any arrangement for national workshops to service the smart meter systems. It is preferable that any workshop arrangement(s) in any Province be with an EME or QSE which is at least 51% from that Province. The workshop arrangement document (agreement) must be submitted at the closing date and time and will be validated during the due diligence process.

6.4.9.2 **Tools of trade (test equipment)** - Bidders should provide the list of all test equipment related to smart meter systems that they are bidding for with description, make, model, serial number, and last date of calibration. All this information will be validated with the item bidding for

6.4.9.3 **Technical Key Personnel** - Bidders are to provide a list of technical personnel (names, location, tertiary engineering qualification (NQF), and ECSA Registration. In addition, bidders must submit curriculum vitae of the bidder's technical personnel's qualifications and experience in management, support, and maintenance of smart metering systems.

6.4.9.4 In addition, bidders are required to complete **Annexure D**- Summary of the Key Personnel and submit certified copies which are not older than 6 months of all relevant ID's and qualifications, required for each key personnel must be submitted with the CV.



6.4.9.5 The Key personnel may not be employed/contracted in another company competing for the same bid. Bid which consist of the same key personnel will not be given points for the relevant key personnel. It is important for all bidders to ensure that key personnel are not employed/contracted in any other company that is providing the same service and or submitting the offer in the RT29-2024 bid.

6.4.9.6 The scoring of the key personnel will be as follows:

Table 7 Capability Value Score

Performance	Description	Score
Very good	List of at least of least 10 technicians with relevant qualification and experience, proof of workshop facilities, and list of tools of trade	3
Compliant	List of at least of least 8 technicians with relevant qualification and experience, proof of workshop facilities, and list of tools of trade	2
Partially compliant	List of at least less than 8 technicians with relevant qualification and experience, proof of workshop facilities, and list of tools of trade	1
Inadequate	List of at least less than 5 technicians with relevant and experience, proof of workshop facilities, and list of tools of trade	0

6.5 PHASE 4: TECHNICAL SPECIFICATION REQUIREMENTS

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

6.5.2 Standards/Specifications

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

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

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



6.5.2.4 **Customer Service Management Centre** - Bidders are required to submit documentary evidence indicating their call center structure and operational approach.

6.5.3 **Warranty / Guarantee Periods and Repair of Equipment**

6.5.3.1 A minimum warranty / guarantee of 24 months is required on all equipment purchased outright.

6.5.3.2 Sufficient spare parts for electronic equipment must be available for a minimum period of 5 years from when the equipment has been procured.

6.5.4 **Safety and Quality Assurance Requirements**

6.5.4.1 Bidders are required to comply with the Occupational Health and Safety Act. requirements

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

6.5.4.3 It is a condition of bid that equipment that requires safety standard testing must meet, comply with, and be certified by an accredited or recognized institution. A valid certified copy of the documentation in respect of certification must be submitted with the bid by the closing date and time of the bid. Failure to submit the certificates for relevant items will invalidate the bid.

6.5.5 **Type Approval Certificate issued by ICASA.**

6.5.5.1 Where applicable as indicated on the technical specification Annexure A, bidders are required to submit a Type Approval Certificate to adhere to section 35 (1) of the Electronic Communications Act. Items that require a Type Approval Certificate are marked **YES** on the technical specification.

6.5.5.2 Failure to submit the type of approval certificate will invalidate the bid response.

6.5.5.3 Bidders may contact ICASA for information on obtaining the Type Approval Certificate at Tel: 012 568 3000/1, Email: FCebisa@icasa.org.za and Website: www.icasa.org.za

6.5.6 **Quality Management Systems Certificate**

6.5.6.1 Bidders must submit at the closing date and time of bid, valid quality assurance certificates as stated in the Annexure A Technical Specification Requirements to confirm compliance issued by an accredited institution to provide the relevant certificates. The holder of the certificates must be the bidder in terms of service offerings and in terms of equipment/ consumables, devices, and any other hardware, the holder of the quality management system certificate must be the original manufacturer of the product. Failure to submit these documents will invalidate you're for the relevant items.



6.5.7 **Authorization Declaration**

- 6.5.7.1 All bidders must complete the “Authorisation Declaration” (TCD 13 and TCD 13.1) for all relevant goods or services in full, sign it, and submit it together with the bid response at the closing date and time of the bid invitation.
- 6.5.7.2 Any bidder who is not an original manufacturer of the equipment or using a sub-contracting partner to offer the required service solution offering service, must submit a valid Third-Party Undertaking letter (template provided as TCBD 13.2) in full for all relevant goods or services. The letter of undertaking from the manufacturer or service partner/sub-contracting partner must include a letter with the following information:
- a) **In terms of equipment:** Item(s) number, item description, and brand/model name.
 - b) **In terms of solution services, installation, maintenance, management, offered by sub-contracted service partners –** the bidder must list the type of service to be offered by the relevant service partner/sub-contracting partner.
 - c) The letter must be on the original manufacturer's/ service partner/sub-contracting partner's letterhead, dated and signed.
 - d) Letter must be not older than 30 days at the closing date and time of bid.
 - e) The letter must have the contact's name, physical and postal address, telephone, and email details, and the capacity with which a person is signing the letter.
 - f) All the information on the letter must be in English.
- 6.5.7.3 Letter of undertaking must be from an Original Equipment Manufacturer (OEM) or the service partner/sub-contracting partner that the service will be offered. The letter of undertaking and supporting documents must submitted with the bid at the closing date and time of the bid.
- 6.5.7.4 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in this bid document.
- 6.5.7.5 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party (manufacturer or authorized importer/distributor). No agreement between the bidder and the third (3rd) party will be binding on the State.
- 6.5.7.6 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), by the above provisions may invalidate the bid for such goods or services offered.

6.5.8 **Test Report from the relevant Institution**



- 6.5.8.1 Bidders are required to submit the test report to confirm to confirm compliance as per technical specification requirements (Annexure A) where quality standards have been indicate/ state on the specification at the closing date and time of the bid.
- 6.5.8.2 Bidders must enquire at each relevant accredited institutions with regards to the testing requirements.
- 6.5.8.3 The enquiry of the relevant standards specifications for SANS, SABS, ISO AND CKS maybe be enquired at SABS offices countrywide. 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 SABS, Standards Sales at the Physical Address: 1 Dr. Lategan Road, Groenkloof, Pretoria. Contact details can be obtained from SABS Website: www.sabs.co.za and follow the "Search/Buy Standards" link.

6.5.9 Visual Screening / Demonstration of the Smart Meter Equipment/ Solution Management

- 6.5.9.1 Bidders who have met the minimum threshold of 66% for functionality, will be compelled to demonstrate their solution functionality with actual test data and equipment hardware, to verify if the solution offering complies with SCADA regulation and meets the minimum technical requirements and other related regulations.
- 6.5.9.2 The above will seek clarity on bids received to ascertain whether the bid meets the system requirements.
- 6.5.9.3 Bidders should take note that the demonstrations should confirm their technical and functional evidence requirements. Should the State detect any misrepresentation thereof, the bid may be disqualified.
- 6.5.9.4 The location, date, and time of such demonstration will be communicated with the relevant bidders.
- 6.5.9.5 Only bidders who have successfully demonstrated their solution capabilities and equipment will be considered for price and specific goal evaluation as indicated hereunder.
- 6.5.9.6 Equipments or devices which do not meet the technical requirements will be disqualified.

6.6 PHASE 5: PRICE AND SPECIFIC GOALS

6.6.1 Pricing Schedule and Structure Requirements

- 6.6.1.1 Prices quoted must be furnished based on "delivered to State facility" country-wide inclusive of VAT.
- 6.6.1.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule as a response to how much the items offered will be charged.
- 6.6.1.3 Due diligence on market-related pricing reasonability may be conducted. The State reserves the right to disqualify bid offers that are under-quoted and or are above market value. In this case, the bidder may be required to submit supporting documentation to the State to prove that the pricing is not under-



quoted or above market value.

- 6.6.1.4 Conditional discounts offered will not be taken into consideration during evaluation.
- 6.6.1.5 Prices submitted in this bid must be filled in on the field provided on the pricing schedule supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.
- 6.6.1.6 The Pricing Schedule (**Annexure B**) must be submitted in two forms, as hardcopy which must be included in the bid document and in an Excel, spreadsheet saved in a USB/memory stick at the closing date and time of bid. Both the hard copy and the Excel version must be the same (replica).

6.6.2 Preferential Point System

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

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

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

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

Where,

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

P_t = Comparative price of a bid under consideration

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

- 6.6.2.3 **The following points are allocated for Historically disadvantaged individuals as well as specific goals.**

GOALS	POINTS
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections before the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993), ("the Interim Constitution") and or	3
who is a female	1
Other specific goals - Local Manufacturing (locally produced product)	6



- a) The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- b) Bidders are required to complete the SBD 6.1 and 6.1(a) forms to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 and 6.1(a) preference points claim forms will be considered for preference points.
- c) 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.
- d) Failure on the part of a bidder to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender will not be allocated with the points claimed.
- e) The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made about preference.
- f) Points scored will be rounded off to the nearest 2 decimals.
- g) If two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- h) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points. In terms of section 2(1) (f) of the PPPFA Act, the state may award a contract to a tenderer that did not score the highest points. A tender may be awarded to a bidder offering goods with more local content and/or local value added than the tenderer scoring the highest points
- i) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.6.2.4 The following formula must be applied to calculate the number of points out of 10/20 for specific goals:

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

Where:

PSSG= Points scored for a specific goal

MPA = Maximum points allocated for a specific goal

PEO = Percentage of equity ownership by an HDI

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



- a) The specific goals contemplated in the paragraph above and are related to equity ownership must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.
- b) If the percentage of ownership contemplated in the paragraph above changes after the closing date of the tender, the tenderer must notify the Office and such tenderer will not be eligible for any preference points.
- c) Equity in private companies must be based on the percentage of equity ownership.
- d) Preference points may not be awarded to public companies and tertiary institutions.
- e) Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.
- f) Documentation to substantiate the validity of the credentials of the trustees contemplated in the paragraph above must be submitted to the Office.
- g) A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.
- h) A tenderer must submit proof of its ownership. A tenderer who does not submit proof of ownership may not be disqualified from the bidding process, but they score points out of ninety (90) for price and zero (0) points out of four (4) for HDI goals.

6.6.2.6 Specific goals in relation to procuring locally produced products.

- a) Preference points may only be claimed for products, which will be manufactured (fabricated, processed or assembled), in the Republic of South Africa. In cases where production has not yet commenced at time of bid closure, evidence shall be produced that at the time of bid closure, the bidder was irrevocably committed to local production of the product.
- b) Local content means that portion of the bid price, which is not included in imported content, provided that local manufacture does take place.
- c) Imported content means that portion of the bid price represented by the costs of components, parts or materials which have been or are still to be imported (whether by the bidder or his suppliers or sub-contractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duties, sales duties, or



other similar taxes or duties at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies for which a bid has been submitted are manufactured.

- d) Bidders must indicate in the pricing schedule (Annexure B) which product(s) [item number(s)] is/are manufactured locally and indicate the local content % of each product / item in relation to the bid price. The points will be calculated automatically in the pricing schedule. Points claimed will be indicated in the "points claimed" column.
- e) The following formula will be applied to calculate the number of points out of the points allocated to ownership for specific goals for the (other manufacturing activities and who do not meet the minimum threshold for electricity and water meters):

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

Where:

PSLC= Points scored for a local content

MLC = Maximum points allocated for Local Content

PLC = Percentage of Local Content for product offered

- f) All bid offers for water and electricity meters that meet the minimum threshold will be allocated 100% of the points allocated for local content and production.
- g) To qualify for the points of local manufacturing, the definition of a locally produced product will be limited to at least the conversion process (substantiated value adds) being in the Republic of South Africa. Substantial supporting documents may be required at any point in time before and post-award of the contract. Due diligence, which includes site visits, may be conducted in this regard. The following aspects must be complied with:
 - i) The site/s of manufacturing and/or assembling of the product offered is in South Africa.
 - ii) Demonstrated capacity to service the required volumes is confirmed.
 - iii) Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
 - iv) The product offered meets the minimum requirement as per technical specification requirements.
- h) Bidders are therefore required to also submit SBD 6.2 and its annexures for this purpose for items applicable to this clause. Items that are claimed to be manufactured locally and the SBD 6.2 and its annexures are not submitted will not be considered as locally being manufactured.
- i) In the event of a contract being awarded as a result of points claimed, the contractor may be



required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct. If the claims are found to be incorrect, the State, in addition to any other remedy it may have –

- i) Recover all costs, losses, or damages it has incurred or suffered as a result of the bidder's conduct.
 - ii) Cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation.
 - iii) Impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the bid.
- j) The stipulated minimum threshold for local production and content for **Electricity Meters** is set as follows for the specific types of meters:

#	Meter Category	Local Content Threshold
1	Prepaid Electricity Meters	80%
2	Postpaid Electricity Meters	80%
3	Smart Electricity Meters	70%

- k) The stipulated minimum threshold for local production and content for **Water Meters** is set as follows for the specific types of meters:

#	Meter Category	Local Content Threshold
1	Prepaid Water Meters	60%
2	Postpaid Water Meters	60%
3	Smart Water Meters	60%
4	Electromagnetic Flow Water Meters	60%

- l) The following manufacturing activities must be undertaken within the borders of the Republic of South Africa for both types of meters:

Electricity Meters

#	Manufacturing Activities
1	Printed Circuit Board Manufacturing
2	Printed Circuit Board Population (Pick and Place Process)
3	Manufacturing of Connecting Cables
4	Manufacturing of Enclosures (including injection molding process)
5	Final Meter Assembly

Water Meters



#	Water Meters
1	Printed Circuit Board Manufacturing
2	Printed Circuit Board Population (Pick and Place Process)
3	Manufacturing of Connecting Cables
4	Manufacturing of Meter Box and Meter Body
5	Manufacturing of Valves
6	Manufacturing of Indicator Covers
7	Assembly of Meter Counter
8	Assembly of Meter Indicator
9	Final Meter Assembly

6.6.3 Items Grouped as a Series

6.6.3.1 Where applicable, items that are grouped in a series as per item technical specifications will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the series group. The State reserve the right to disqualify bid offers that do not provide full package for each category.

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

6.6.4 Applicable Taxes

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

6.6.5 Cost Breakdown

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

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



6.6.5.3 Example:

Table 8: Example of Cost Breakdown

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

6.6.6 **TCD 14 Historical Exchange Rates**

- 6.6.6.1 In terms of cost price adjustment, bidders should make use of any relevant currency for the items offered by calculating the average for the period 1 September 2021 to 31 October 2022 using the Reserve Bank published rates for the specific currency. Bidders are to visit <https://www.resbank.co.za/> to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.

6.6.7 **Responsive Bids**

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



7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 COMPANY REGISTRATION AND ORGANOGRAM

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

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

7.2 COMPANY PROFILE

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

7.2.1.1 Business structure and strategies; and

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

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

7.3 TERMS AND CONDITIONS OF BID

7.3.1 Counter Conditions

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

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

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

7.3.2 Fronting

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

7.3.2.2 The National Treasury, in ensuring that bidders lawfully conduct themselves will, as part of the bid evaluation processes, conduct, or initiate the necessary inquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as



contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry, and Competition, be established during such inquiry/investigation, the onus will be on the bidder to prove that fronting does not exist.

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

7.4 **SUBMISSION OF BIDS**

7.4.1 **PHYSICAL AND HARDCOPY BID SUBMISSION**

- 7.4.1.1 Bidders are required to submit hard copies at the National Treasury, 240 Madiba Street, TIC, and Deposit the bid in the tender box.
- 7.4.1.2 The hard copy of the bid response will serve as the legal bid document.
- 7.4.1.3 Bidders' attention is drawn to the sequential submission format as per the checklist in Table 1.
- 7.4.1.4 Bidders must submit the bid at TIC situated at corner 240 Thabo Sehume and Madiba Streets, Pretoria in the following format:
- a. One (1) original hard copy
 - b. One (1) memory stick or USB with all the documents on the original hard copy and an Excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.
- 7.4.1.5 All documents on the USB submitted must be an exact copy of the hard copy documents. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.
- 7.4.1.6 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number, and the closing date must be visible.
- 7.4.1.7 Submit all bid queries via email to Demand.Acquisition2@treasury.gov.za.

7.5 **LATE BIDS**

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

7.6 **COMMUNICATION AND CONFIDENTIALITY**

- 7.6.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid



and before the award of the transversal contract, or extend the validity period of the bid, if necessary.

- 7.6.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.
- 7.6.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees, and advisors will not be liable concerning any information communicated which is not accurate, current, or complete.
- 7.6.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error, or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency to allow the National Treasury to consider what corrective action is necessary (if any).
- 7.6.5 Any actual discrepancy, ambiguity, error, or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 7.6.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.6.7 No representations made by or on behalf of the National Treasury about this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).
- 7.6.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for developing a response to this bid.

7.7 **CONTACT DETAILS**

- 7.7.1 **General:** - National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001. Physical address: 240 Madiba Street, corner Thabo Sehume and Madiba Streets, Pretoria
- 7.7.2 **Bid Enquiries:** - All inquiries should be in writing to Demand.Acquisition2@treasury.gov.za. The closing date for receipt of all inquiries **27 October 2023**. All inquiries beyond the closing date will not be considered.



8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

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

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

8.3 Tax Compliance Requirements

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

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

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

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

8.4 Multiple Award

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

8.5 Negotiations

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

8.6 Due Diligence

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



thereof may disqualify the bid in whole or parts thereof.

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

8.6.3 Where applicable, the BEC reserves the right to subject any service offering or equipment/ devices to applicable evaluations, applications, or tests at any State facility to verify compliance with the technical specifications. This will be arranged with the bidder.

8.7 **Right of Award**

8.7.1 The State reserves its following rights -

8.7.1.1 To award the bid in part or in full,

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

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

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

8.7.1.5 Not to accept any of the bids submitted,

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

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



SECTION C: CONDITIONS OF CONTRACT

9. CONCLUSION OF CONTRACT

- 9.1 The Contract between National Treasury and the preferred bidder/s (Service Provider) collectively referred to as the Parties shall come into effect after the service provider has been issued with an unconditional letter of acceptance to their bid.
- 9.2 The Service Provider (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties as far as this RT29-2024 is concerned:
- 9.2.1 Bid Documents
 - 9.2.2 Letter of Appointment
 - 9.2.3 Award Documents
 - 9.2.4 Acknowledgement letter
- 9.3 If there is any contradiction between the abovementioned documents, the special conditions of the contract shall take precedence. For Section B, the term “service provider “shall refer to the preferred bidder appointed in terms of the RT29-2024 transversal contract.

10. PARTICIPATING STATE INSTITUTIONS

- 10.1.1 This transversal contract RT29-2024 is intended to be utilized by various organs of the State that are offering electricity and water services. The list of approved participating institutions will be published on the National Treasury website as and when it is granted.

11. POST-AWARD PARTICIPATION

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



12. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

12.1 Contract Administration

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

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

12.2 Supplier Performance Management

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

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

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

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

13. CONTRACT PRICE ADJUSTMENT

13.1 Formula

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

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

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

**Table 9: Contract Price Adjustment Formula**

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

13.2 Formula component definitions

13.2.1 Adjustable amount

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

13.2.2 Fixed portion

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

13.2.3 Cost components and proportions

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

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



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

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

Table 10 - Contract Price Adjustment Cost Components

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

13.2.4 **Applicable indices/references**

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

Table 11: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice. ²	Documentary evidence to accompany the claim and ROE
D2 - Local Finished product (if applicable):	Specify (STATS SA Index)	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour Agreement ³	Table E - All Items (CPI Headline) OR Labour agreement to be provided/

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

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



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

13.2.5 Base index date

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

13.2.6 End index date

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

13.2.7 Price adjustment periods

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

Table 12: Price Adjustment Period

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates from which adjusted prices will become effective
1st Adjustment	11 November 2024	September 2024	1 December 2024
2nd Adjustment	10 November 2025	September 2025	1 December 2025

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

13.2.8.1 If material and/or finished products are imported the following will apply:

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



- 13.2.8.3 If the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate for the earlier invoice and the average RoE rate for the period under review as indicated in the paragraph below for the later invoice.
- 13.2.8.4 The imported cost component (D1) will be adjusted together with all the other cost components indicated in the paragraph above and at the predetermined dates indicated in the paragraph above.
- 13.2.8.5 The Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item (s) to South African currency is indicated in the table below.

Table 13: CPA Rate of Exchange

Currency Name	Rates of exchange: 1 March 2023 to 31 August 2023
US Dollar	18,55
Euro	20,19
Pound	23,27

- 13.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 March 2023 to 31 August 2023** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 14 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.
- 13.2.8.7 Contract price adjustments due to rate of exchange variations are based on average exchange rates as published by the Reserve Bank for the periods indicated hereunder:

Table 14: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1st Adjustment	1 April 2024 to 30 September 2024
2nd Adjustment	1 April 2025 to 30 September 2025

13.2.9 General

- 13.2.9.1 Unless prior approval has been obtained from the National Treasury, Transversal Contracting, no adjustment in contract prices will be made.
- 13.2.9.2 Application for price adjustment must be accompanied by documentary evidence in support of any



adjustment.

- 13.2.9.3 CPA application will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 13.2.9.4 If the supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the supplier to resolve the differences.
- 13.2.9.5 Bidders are referred to in the paragraph regarding counter conditions.
- 13.2.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 13.2.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

14. DELIVERY ADHERENCE, ORDERS AND PAYMENTS

14.1 Orders

- 14.1.1 Suppliers should note that each purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 14.1.2 Suppliers should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing State institution(s).
- 14.1.3 The instructions appearing on the official order form regarding the supply, dispatch, and submission of invoices must be strictly adhered to, and under no circumstances should the Supplier deviate from the orders issued by the purchasing State institutions.
- 14.1.4 The State is under no obligation to accept any quantities which are more than the ordered quantities.

14.2 Delivery Adherence

- 14.2.1 Delivery of items must be made as per the instructions appearing on the official purchase order forms issued by purchasing State institutions.
- 14.2.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.
- 14.2.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.
- 14.2.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.

**15. RISK (INSURANCE)****15.1 Leases**

- 15.1.1 The State is leasing the smart metering solutions which means there is no substantial transfer of all the risks and rewards incidental to ownership to the State. There will not be any ownership transferred by the Supplier to the recipient / end user at the end of the lease.
- 15.1.2 Supplier carries the risk of possible losses as a result of technological obsolescence, risk of repairs, and maintenance, and also carries the risk of insurance cost.
- 15.1.3 Repair costs due to the recipient / end user negligence or misuse or accidental damage of equipment will be at the recipient / end user expense and not covered by the Supplier's insurance. The cost involved will only be known at the time of the incident upon assessment of the incident.

15.2 Outright Procurement

- 15.2.1 Equipment procured outright from the transversal contract is owned by the recipient / end user. The recipient/end user is responsible for insurance on the owned equipment. Insurance provision to the equipment procured is not a prescription of the transversal contract but it will be at the discretion of the recipient / end user.

16. EQUIPMENT AND SOFTWARE

- 16.1 All equipment and software offered must be of the latest approved models as would have been awarded.
- 16.2 All accessories, consumables, and spare parts must be supplied new, and no second-hand or refurbished accessories, consumables, or spare parts will be accepted.
- 16.3 The Supplier should ensure that the accessories, consumables, and spare parts of the awarded items are guaranteed to be available for the lease life of the awarded w`12solution.

17. WANRANTEE PERIOD

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

18. ITEM REQUIREMENTS

- 18.1 All items offered must be of the latest approved model – Suppliers should state the date of initial manufacture of the model range offered in the pricing schedule.
- 18.2 All parts must be supplied new; second-hand or refurbished parts will not be accepted.
- 18.3 The expected lifespan of applicable types of equipment offered must be stated in the pricing schedule. *(Minimum requirement is 5 years).*



- 18.4 The Supplier should ensure that the spare parts of the items are guaranteed to be available for the specified lifespan.

19. EQUIPMENT UPGRADES AND REPLACEMENT

- 19.1 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).
- 19.1.1 Should the Supplier(s) fail to fulfill the responsibility as per 19.1 above, the State reserves the right to seek necessary remedies (e.g., request refund of the maintenance cost, alternative maintenance support, etc.)
- 19.2 If the awarded **Model is discontinued**:
- 19.2.1 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),
- 19.2.2 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.
- 19.2.3 The Supplier(s) will be expected to present an alternative model of the same brand to the location determined by National Treasury for BEC to evaluate,
- 19.2.3.1 Furthermore, Supplier(s) must note that the terms and conditions, including the price of the new model offered, will be the same as the awarded model.
- 19.2.4 Supplier(s) must not deliver a new model other than the model awarded to them before approval of model change from the National Treasury. Failure to adhere to this condition may lead to immediate termination of the Supplier and/or item on transversal contract.
- 19.3 If a **Recall or Alert** has been issued on an awarded item by a Regulatory Body anywhere in the universe:
- 19.3.1 The Supplier(s) must notify the National Treasury upon receipt of notification from the OEM of the occurrence and activate corrective measures immediately,
- 19.3.1.1 For **any Recalls**, the Supplier(s) is required to submit a mitigation plan and activate corrective measures to ensure uninterrupted service delivery and patient safety. In the event of litigation due to the Recall, the Supplier(s) will be held liable.
- 19.3.1.2 Should it be known that the notification to the parties was held back without notification by the supplier, the National Treasury will exercise its remedies available which may include non-continuation of supply of the item(s) concerned.
- 19.3.1.3 The Supplier(s) is obligated to distribute and display notification and remedial action of Recalls within thirty (30) days of knowing the facts.



20. CONTINUITY OF SUPPLY

- 20.1 The supplier must maintain sufficient stock to meet demand throughout the contract and inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:
- 20.1.1 Industrial action,
 - 20.1.2 Manufacturing Pipeline
 - 20.1.3 Any other supply challenges.
- 20.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the participating authorities reserves the right to purchase outside of the contract to meet its requirements if:
- 20.2.1 The contracted supplier fails to perform in terms of the contract.
 - 20.2.2 The item(s) are urgently required and not immediately available; []
 - 20.2.3 In the case of an emergency.

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

- 21.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the National Treasury in writing 90 days before such event of relevant details.
- 21.2 **Assignments of Contract**
- 21.2.1 Assignment of contract refers to the transfer of rights and obligations in a contract from an assigned to an assignee. The effect of this is that the service provider appointed through a competitive bidding process transfers the contract in its entirety that is, the obligation (the responsibility of rendering the services) and the right (of receiving payment for service rendered) to a third party that did not participate in the bidding process or a bidder that participated in the bidding process but was not successful.
 - 21.2.2 Assignment of contracts is therefore not allowed as it will be contrary to principles of section 217 of the Constitution particularly, fairness, transparency, and competitiveness.
- 21.3 **Cession of Contracts**
- 21.3.1 Cession refers to the transfer of only the rights a service provider has in terms of a contract from it to a third party. cession will be limited only to those cession agreements in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding to businesses and entities (State Institutions).
 - 21.3.1.1 The written request for cession must be by the service provider and not a third party, and the written request by the service provider must be accompanied by the cession agreement.

**21.4 Changes in the Service Provider Contact Details**

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

22. POST-AWARD PRODUCT COMPLIANCE PROCEDURES

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

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

23. REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS

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

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

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

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

24. MONITORING

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

24.1.1 Compliance with delivery lead times

24.1.2 Percentage of orders supplied in full first time

24.1.3 Compliance with reporting requirements according to reporting schedule.

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



- review supplier performance. The schedules of the meetings will be sent to successful bidders.
- 24.2 The state may conduct a random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).
- 24.3 The National Treasury will conduct meetings with the Participating Institutions and Suppliers to discuss transversal contracting issues.
- 24.4 The National Treasury may request Participating Institutions to impose penalties, where deemed necessary, as per Sections 21 and 22 of the General Conditions of Contract.
- 24.5 Any change in the status of supply performance during the contract period must be reported within seven (7) days of receipt of such information to the National Treasury.
- 24.6 Reporting and Supplier(s) meetings will be on a six-monthly basis and will be scheduled post-award.
- 24.7 All successful Suppliers are required to submit historical value and volume reports via e-mail every quarter to: TCcontracts2@treasury.gov.za
- 24.8 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

25. TERMINATION

26. Termination of Contract

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



27. Termination of Leases

- 27.1.1 Poor Service Delivery - A schedule to a Participation Agreement can be terminated by a the recipient / end user on grounds of poor service delivery by the Supplier.
- 27.1.2 The grounds of poor service delivery must be proven through a prescribed remedial process as a lease is a committed financial obligation on both the Supplier and the recipient / end user.
- 27.1.3 The recipient / end user will be able to terminate a schedule to the Participation Agreement without honoring the outstanding months after following the prescribed remedial process stipulated in the Participation Agreement, It is proven that the bidder failed to remedy the poor provision of service.
- 27.1.4 On determination that the schedule to the Participation Agreement should be terminated, the Supplier will remove the equipment within a period not exceeding thirty (30) days from the date of the issued instruction.

END