SPECIAL CONDITIONS OF CONTRACT

RT252-2024

SUPPLY AND DELIVERY OF SURGICAL INSTRUMENTS AND EQUIPMENT TO THE STATE FOR THE PERIOD OF THIRTY-SIX (36) MONTHS

NON-COMPULSORY BRIEFING SESSION TO BE HELD ON 13 OCTOBER 2023 VIA MICROSOFT TEAMS

CLOSING DATE AND TIME OF BID

2 NOVEMBER 2023 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting

Table of Contents

LIST OF ABBREVIATIONS

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

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

LIST OF ANNEXURES

Annexure 1 : General Conditions of Contract

Annexure 2 : SBD Forms

Annexure 3 : Pricing Schedule

Annexure 4 : Master Transversal Contract

Annexure 5 : Participating Agreement

Annexure 6 : Technical Specifications

LIST OF TABLES

DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed Supplier(s).
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the participants.
Due Diligence	The investigation or exercise of care that the State conducts before entering into an agreement with the bidders to validate the bid responses.
Distributor	A natural or legal person who imports or exports a medical device or IVD which is on the register for medical devices or on the register for IVDs in its final from, wrapping and packaging, with a view to the medical devices or IVD being placed on the market under the natural or legal person's own name; and sells the medical device or IVD to a healthcare professional, healthcare institution, wholesaler or the user.
Historically Disadvantaged Individuals	South African citizen: i) Who, due to the apartheid policy that had been in place, had no franchise in national elections before the introduction of the constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (the interim Constitution) and/or ii) Who is female; and/or iii) Who has a disability. Provided that a person who obtained South African citizenship on or after the coming to effect of the interim Constitution, is deemed not to be an HDI.
Manufacturer	Natural or legal person with the responsibility for the design, manufacture, packaging and labelling of a medica device or IVD before it is placed on the market under the natural or legal persons own name, or in the name of a firm or company , regardless of whether these operations are carried out by that person by himself or on his behalf by a third party or
Person with Disability	are persons who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into or advancement in employment.
	any other person who assembles, packages, reprocesses, fully refurbishes or labels one or

Wholesaler	more ready-made products or assigns to them their intended purpose as a medical device or IVD, with a view to their being placed on the market under the natural or legal person's own name, except a person who assembles or adapts medical devices or IVDs already on the market to their intended purpose for patients.

Table 1: Bid Document Checklist and Returnable Documents

#	Document Name[1]	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
	PHASE I: MANDATORY AND STANDARD BIDDING DOCUMENTS			
	MANDATORY REQUIREMENTS			
1.	Pricing Schedule	Yes	Yes	
2.	SAHPRA License	No	Yes	
	STANDARD BIDDING LEGISLATIVE DOCUMENTS			
3.	SBD 1 Invitation to Bid	Yes	Yes	
4.	Proof of authority must be submitted as per SBD 1 e.g., company resolution for the capacity under which this bid is signed	No	Yes	
5.	SBD 4 Declaration of Interest	Yes	Yes	
6.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
7.	Full CSD report	No	Yes	
	OTHER DOCUMENTS			
8.	Company Registration and Organogram	No	Yes	

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

#	Document Name[1]	Included in the published bid document?	To be returned by bidder?	Bidder to tick Yes if document is submitted
9.	CIPC Company Registration Documents	No	Yes	
10.	General Condition of Contract fully Signed and initialed on every page	Yes	Yes	
11.	Special Conditions of Contract fully Signed and initialed on every page	Yes	Yes	
12.	Draft Master Transversal Agreement	Yes	Yes	
13.	Draft Participation Agreement	Yes	Yes	
PHASE 2: TECHNICAL REQUIREMENTS AND SAMPLE EVALUATION				
14.	TCD 13 Authorization Declaration	Yes	Yes	
15.	TCD 13.1 List of goods or services offered	Yes	Yes	
16.	TCD 13.2 Letter of undertaking	Yes	Yes	
17.	Detailed Technical Specifications to verify compliance AND Sample Submission for Visual Screening	Yes	Yes	
18.	Sterility certificate from the manufacturer (where applicable)	No	Yes	
19.	Quality Assurance Certificate ISO 13845 (Medical Devices only)	No	Yes	
PHASE 3: PRICE & SPECIFIC GOALS				
20.	Pricing Schedule	Yes	Yes	
21.	Proof of specific goals requirements	No	Yes	
22.	Cost Breakdown	Yes	Yes	

SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

1.1 This bid is for the supply and delivery of surgical instruments and equipment to the state for the 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	:	Recommendations and Appointment of Bidders
1.2.3	Section C	:	Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 This bid and all contracts emanating there from will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2022 regulations.

2.2 The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

2.3 Legislative Documents

Bidders are required to submit the legislative documents to comply to the policy to guide uniformity in procurement reform processes in Government as per section 2 of Practice Note No SCM 1 of 2003 regarding bid documentation for supply chain management. It is also a requirement for bidders to submit the other legislative documents as detailed below.

2.3.1 Medicines and Related Substances Act, 1965 (Act No. 101 of 1965).

2.3.2 **SBD 1** invitation form to bid.

2.3.3 **SBD 4** bidder’s disclosure.

2.3.4 **SBD 6.1** preference points claim form.

3. DURATION OF TRANSVERSAL CONTRACT

3.1 The transversal contract shall be for a period of thirty-six (36) months.

4. BRIEFING SESSION

4.1 A non-compulsory virtual briefing session will be held as follows:

Venue: Microsoft Teams. The link to register and attend the briefing session is attached as

Click here to join the meeting

RT252-2024: Supply and delivery of surgical instruments and equipment to the state for briefing session meeting.

Date : 13 October 2023

Time : 10:00

4.2 The bid information session is not compulsory but will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.

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

5. TERMS OF REFERENCE

5.1 BACKGROUND

5.1.1 National Department of Health identified this commodity wherein National, Provincial departments and universities participated under this contract. This contract was facilitated by National Treasury Transversal Contracting (TC) and managed by both TC and participating departments.

5.2 PROBLEM STATEMENT

5.2.1 The transversal contract seeks to address the following shortcomings:

5.2.1.1 The state requires the utilization of both of surgical instruments and equipment. These instruments are used to allow surgeons to open the soft tissue, remove the bone, dissect and isolate the lesion, and remove or obliterate the abnormal structures as a treatment. Further the bigger tools are used for the initial exposure, and finer ones are used once the delicate structures are encountered.

5.2.1.2 There are a wide range of instruments available used during a surgical procedure, each with their specific names, uses and prons and cons.

5.3 TECHNICAL SPECIFICATIONS

5.3.1 This bid is for the supply and delivery of surgical instruments and equipment to the state for the period of thirty-six (36) months.

5.3.2 All items are supported by detailed specifications and/or South African National Standards. Items must comply with standards and/or specification as stated in the bid document of each item. The specification as per the Annexure A is a summary description and detailed technical specification of all the items.

5.3.3 The state reserves the right to consider products which has a reasonable deviation to the specification subject to the deviation not damaging the brand of Participating State Institutions and pre-production sample. This will therefore be decided upon based on the visual sample screening and expertise of the Bid Evaluation Committee.

5.3.4 The items are categorised as follows:

Table 2: Summary of Technical Specifications Categories

Category Description	Category Numbers
Aneurysm Needle	2
Blades	32
Brushes	1
Scalpel Handle	3
Catheter	1
Forceps	109
Curette	13
Diagnostic	24
Dissector	3
Retractor	35
Hook	3
Needle Holder	11
Probe	4
Saw	11
Scissors	14
Speculum	20
Suction	13
Dilators	10

Initials_______

Category Description	Category Numbers
Laryngoscopes	22
Hammer	3
Total	**340**

5.3.5 This contract will consist of twenty (20) Categories.

SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

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

6.2 PHASE 1: MANDATORY AND OTHER BID DOCUMENTS

6.2.1 Bidders will be evaluated based on the documents submitted at the closing date and time of the bid. Only bidders who have complied with Phase 1 pre-qualification requirements will be evaluated further on Phase 2. During this phase bidders' responses will be evaluated against the mandatory requirements, standard bidding documents and other documents for compliance.

6.2.2 MANDATORY DOCUMENT

6.2.2.1 **Pricing Schedule**

a) Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (Annexure 3) for the individual items and all required forms. Non-submission of the pricing schedule (Annexure 3) will invalidate the bid.

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

a) In accordance with the Medical Devices and In Vitro Diagnostic Regulation, bidders are required to submit a license from a manufacturer, distributor, and wholesaler. Where applicable, bidders must submit a license issued by the South African Regulatory Authority for the manufacturing, importing, exporting, distribution, and/or wholesaling of medical devices and IVDs at the closing date and time of the solicitation. This license must be in accordance with the Medical Devices and In Vitro Diagnostic Regulations as referred to in Section 22C(1)(b) of the Medicines and Related Substances Act, 1965 (Act No. 101 of 1965).

b) Once a bid has complied with administrative/standard bid documents and mandatory and other returnable documents, it would further be evaluated on PHASE III: Technical Requirements.

c) Failure to submit the mandatory documents the offer will be deemed invalid and will not be considered for further evaluation.

6.3 OTHER STANDARD BIDDING DOCUMENTS

6.3.1 Company Registration and Organogram

6.3.1.1 Shareholding portfolio by **proof of registration of the company** with Companies Intellectual Property Commission. An additional document detailing the shareholding of the bidder in an **organogram** format in support of the proof of company registration must be submitted by bidders at the closing date and time.

6.3.2 Conditions of Contract

6.3.2.1 **General Condition of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.

6.3.2.2 **Special Conditions of Contract** which are fully signed and initialled on every page to indicate that the bidder has read and understood the terms and conditions.

6.3.3 Draft Master Transversal Agreement

6.3.3.1 A Master Transversal Agreement (MTA) will be signed between National Treasury and the successful bidders on acceptance of an unconditional award letter.

6.3.3.2 A draft MTA is attached as Annexure 4 for bidders to review and provide inputs. For all inputs to be recognised, they should be provided with track changes at the closing date and time. Bidders may attach additional proposed terms and conditions to the MTA. The MTA will be finalised with the successful awarded bidders.

6.3.4 Draft Participation Agreement

6.3.4.1 A Participation Agreement (PA) which is linked to the MTA, will be signed between the Participants and the successful bidders. A draft PA is attached as Annexure 5 for bidders to review and provide inputs.

6.3.4.2 For all inputs to be recognised, they should be provided with track changes at the closing date and time. Bidders may attach additional proposed terms and conditions to the PA. The PA will be finalised with the successful awarded bidders.

6.4 PHASE 2: TECHNICAL REQUIREMENTS AND SAMPLE EVALUATION

6.4.1 TCD 13 Authorization Declaration

6.4.1.1 All bidders must complete the Authorisation Declaration (TCD 13 to 13.1) for all relevant goods or services.

6.4.1.2 Any bidder who is sourcing goods or services from a third party must submit a valid Third-Party Undertaking (template provided as TCD 13.2) in full for all relevant goods or services. The letter of undertaking must include but not limited to the following:

a) List of item(s) number, item description and brand/model name and number,

b) Letter must be on the original manufacturer's and or third-party undertaking letter head, dated and signed,

c) Letter must not be older than 30 days at the closing date and time of the bid,

d) Have contact person's name, physical and postal address, telephone, and email details, and

e) All information on the letter must be in English.

6.4.1.3 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents.

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

6.4.1.5 The letter of undertaking must be from an Original Equipment Manufacturer (OEM) or an authorised importer/distributor. In the case where the letter of undertaking is from an authorised importer/distributor, the bidder must submit in addition to the letter of undertaking, documentary proof from OEM, that the authorized importer/distributor is authorized by the OEM. The letter of undertaking and supporting documents must submitted with the bid at the closing date and time of the bid.

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

6.4.2 **Quality Assurance Certificate**

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

6.4.3 **Sterility Standards**

a) A manufacturer's sterility certificate is required from bidders. The use of certificates from ISO 17665-1:2006/SANS 17665-1:2007 (formerly ISO 11134), ISO 11135, and/or the EN Harmonizing Standard for Steam ISO 11137 attest that their sterilising facilities—physical buildings and structures where products are sterilised—comply with the established specifications. This applies to all South African and international facilities where non-sterile products are sterilised. Failure to submit these documents will invalidate your bid.

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

c) Bidders who offer sterile products must submit a declaration of sterility for all items where sterility is a requirement in the item specification.

6.5 SAMPLE SUBMISSION FOR VISUAL SCREENING

6.5.1 **ONLY SHORTLISTED** bidders will be required to submit samples for the items offered at the venue, date, and time indicated below. Failure to submit samples will invalidate the items which the samples are not submitted.

6.5.2 Bidders are required to submit samples for visual screening evaluation for all items offered to verify compliance with technical specifications.

6.5.3 Bidders must submit the samples for each item offered for visual screening.

6.5.4 Where different sizes and colours of the same item are called for against different item numbers, samples of each size must be submitted (no representative samples will be accepted).

6.5.5 All samples submitted must be a true representation of the product which will be supplied during the contract period. The sample/**s Must** be in the original pack and comply to labelling requirements.

6.5.6 Shortlisted bidders, including current contractors, are required to submit samples for visual screening.

6.5.7 Bids not supported by samples will invalidate the bid for the item(s) for which samples are not submitted.

6.5.8 ONLY Bidders who will meet the prequalification phase will be required to submit the samples. Samples will ONLY be accepted on the stipulated date and time to be communicated by the office. No late samples will be accepted.

6.5.9 SAMPLES will be submitted at the following address:

Venue : TBC

Date and Time: This information will be communicated ONLY with the shortlisted bidders.

6.5.9.1 **<u>Marking of samples to be submitted for Visual Screen Evaluation</u>**

The following requirements for the marking and submission of samples are applicable to samples that are submitted for visual screening as well as for samples submitted to testing institutions.

a) Samples must be placed in suitable containers and be clearly marked with a HANG TAG(S) on the outside with the bid number, item number(s), and the bidder's name. This detail must appear on a label attached to each individual item package.

b) For ease of handling during evaluation process, laminating stickers or lose papers should not be submitted with the sample as the identity of the sample can be misplaced.

c) All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period.

d) All the products shall be clearly marked with the name and trademark of the manufacturer.

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

6.5.9.2 **Collection of all samples –**

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

6.6 PHASE 3: PRICE AND SPECIFIC GOALS

6.6.1 Preference Point System

6.6.1.1 Prices quoted for all categories must be furnished based on supply, delivery and offloading nationally.

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 on how much the items offered will be charged. **No submission of the Pricing Schedule will invalidate the bid response**.

6.6.1.3 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.

6.6.1.4 The pricing evaluation will be in terms of regulation 5 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10 preference point system.

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

$$Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where,

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

6.6.2 **Items Grouped as a Series**

6.6.2.1 Where applicable, items which 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.

6.6.2.2 Items must be of same make and quality.

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

6.6.3 **Applicable Taxes**

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

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

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

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

6.6.4 **Points Scored for Specific Goals**

6.6.4.1 The following formular will be used to calculate the points for price:

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

Where,

PSSG = Points scored for specific goals

MPA = Maximum points allocated for a specific goal

POE = Percentage of equity ownership by an HDI

6.6.5 **Proof of equity ownership and related matters**

6.6.5.1 The specific goals contemplated in paragraph 7.6.3.1 above must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

6.6.5.2 In the event that the percentage of ownership contemplated in paragraph 7.6.3.1 above changes after the closing date of the tender, the tenderer must notify the Office and such tenderer will not be eligible for any preference points.

6.6.5.3 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.6.5.4 all claims made for specific goals must be considered according to the following criteria:

a) equity in private companies must be based on the percentage of equity ownership, and

b) preference points may not be awarded to public companies and tertiary institutions.

6.6.5.5 equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust,

6.6.5.6 documentation to substantiate the validity of the credentials of the trustees contemplated in paragraph 7.6.4.5 above must be submitted to the Office.

6.6.5.7 A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.

6.6.5.8 A tenderer must submit proof of its ownership.

6.6.5.9 A tenderer who does not submit proof of their ownership may not be disqualified from the bidding process, but they score points out of 80/90 for price and zero (0) points out of 20/10 for specific goals

6.6.5.10 Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.6.6 **Responsive Bids**

6.6.6.1 Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (Annexure 3) for the individual items and all required forms. Non-submission of the pricing schedule (Annexure 3) will invalidate the bid response.

6.6.7 **Specific Goals**

6.6.7.1 A maximum of 10 points may be allocated to a bidder for attaining their specific goals accordance with the table below:

Table 4: Preference Point System

SPECIFIC GOALS	POINTS ALLOCATED OUT OF 10	FORMULA TO CALCULATE THE POINTS OUT OF 10
HDI:	5	

Initials_______

Who had no franchise in national elections before the 1983 and 1993 Constitution		$$\mathrm{PSSG} = \mathrm{MPA} \times \frac{\mathrm{PEO}}{100}$$ Where: PSSG = Points scored for a specific goal MPA = Maximum points allocated for a specific goal PEO = Percentage of equity by an HDI
Who has a Disability	5	
POINTS	**10**	

6.6.7.2 A maximum of 10 points may be awarded to a tender for the specific goals specified for the tender.

6.6.7.3 The points scored for the specific goals must be added to the points scored for price and the total must be rounded off to the nearest two (2) decimals places.

6.6.7.4 Subject to section2(1)(f) of the Act, the contract must be awarded to the tender scoring the highest points.

6.6.7.5 Failure on the part of the bidder to claim points for specific goals will give the bidder a score of zero (0).

6.6.8 **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.

6.6.9 **Cost Breakdown**

6.6.9.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. Bidders will not be allowed to change the cost breakdown of price during the tenure of the transversal contract.

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

Example:

Table 5: Example of Cost Breakdown

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

6.6.10 **TCD 14 Historical Exchange Rates**

6.6.10.1 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 April 2023 to 30 September 2023** 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.

7. PART 2: ADDITIONAL BID REQUIREMENTS

7.1 TERMS AND CONDITIONS

7.1.1 **Counter Conditions**

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

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

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

7.1.2 **Fronting**

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

7.1.2.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry and Competition, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist.

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

7.1.3 **Right Of Award**

7.1.3.1 The State reserves its following rights -

a) To award the bid in part or in full,

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

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

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

e) Not to accept any of the bids submitted,

f) To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award, and

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

7.2 **SUBMISSION OF BIDS**

7.2.1 **PHYSICAL AND HARDCOPY BID SUBMISSION**

7.2.1.1 Bidders are required to submit hard copies at the National Treasury, 240 Madiba Street, TIC, and Deposit the bid in the tender box.

7.2.1.2 The hard copy of the bid response will serve as the legal bid document.

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

7.2.1.4 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.

7.2.1.5 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.

7.2.1.6 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.

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

7.3 COMMUNICATION AND CONFIDENTIALITY

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

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

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

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

7.3.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.

7.3.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.

7.3.7 No representations made by or on behalf of the National Treasury in relation to this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).

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

7.4 CONTACT DETAILS

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

7.4.2 **Bid Enquiries: -** All enquiries should be in writing to demand.acquisition3@treasury.gov.za The closing date for receipt of all enquiries is **31 October 2023**. All enquiries beyond the closing date will not be considered.

8. PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

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

8.1.2 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the master transversal agreement for the supply, delivery and offloading of dental materials and consumables of this bid and unsuccessful bidder(s) will be informed accordingly.

8.2 Tax Compliance Requirements

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

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

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

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

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

8.3 Negotiations

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

8.4 Due Diligence

8.4.1 The State reserves the right to:

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

8.4.1.2 conduct due diligence prior to final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof.

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

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

8.5 Multiple Award

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

SECTION C: CONDITIONS OF CONTRACT

9. CONCLUSION OF MASTER TRANSVERSAL AGREEMENT AND PARTICIPATION AGREEMENT

9.1 The Master Transversal Agreement between National Treasury and the Supplier(s)[2] collectively referred to as Parties shall come into effect after the Supplier(s) have been issued with an unconditional letter of acceptance of their bids.

9.2 It is a requirement that the Supplier(s) and the participating State institution(s) sign a Participation Agreement within a period of 90 days upon receipt of the Participation Agreement.

9.3 The preferred bidder(s) shall be appointed in terms of this bid. The Parties must ensure that the terms and conditions of the PA do not contradict the provisions of this bid document. If the terms of the PA contradict the provisions of this bid document to the extent that the duration, pricing as well as the good and/or services have changed in terms of this transversal contract, such PA shall be deemed not to be in terms of this RT252-2024 transversal contract. Therefore, any transaction that flows therefrom shall not be considered a transaction in terms of the RT252-2024 transversal contract.

9.4 The following will form part of the Master Transversal Agreement documents between the Parties in as

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

far as RT252-2024 is concerned:

9.4.1 Bid Documents,

9.4.2 Award Letters,

9.4.3 Contract Circular and its annexures,

9.4.4 Master Transversal Agreement, and

9.4.5 Participation Agreement.

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

9.5.1 Participation Agreement,

9.5.2 Master Transversal Agreement, and

9.5.3 Bid documents.

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

9.6.1 Master Transversal Agreement,

9.6.2 Participation Agreement,

9.6.3 Service Request, and

9.6.4 Bid documents.

10. PARTICIPATING ORGAN OF STATE

10.1 Organ of State who will participate in this contract are:

Organs of State
Department of Correctional Services
Department of Defence (SA Military Health)
North West Department of Health
Free State Department of Health
KwaZulu Natal Health
Eastern Cape Department of Health

Limpopo Department of Health

11. POST AWARD PARTICIPATION

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

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

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

11.4 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions and public entities listed in schedule 1, 3A and 3C to the PFMA may opt to participate in a transversal term contract facilitated by the relevant treasury.

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

11.6 Regulation 32 of the Municipal SCM Regulations provides that a Supply Chain Management policy may allow the accounting officer to procure goods or services for a municipality or municipal entity under a contract secured by another organ of the state.

12. DELIVERY, QUANTITIES, ORDERS AND RISK

12.1 Delivery Basis

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

12.2 Quantities

No quantities are reflected in this bid as orders will be placed based on an ‘as and when required” and no guarantee is given or implied as to the actual quantity/quantities which will be procured during the transversal contract period.

12.3 Orders

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

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

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

12.3.4 The State is under no obligation to accept any quantity(ies) which is more than the ordered quantity(ies).

12.4 Delivery Adherence

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

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

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

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

12.4.5 Supplier are required to deliver the goods at the required stores, off-load the goods from the trucks at the designated area as indicated on the official order form.

13. PRODUCT ADHERENCE / BRAND CHANGE

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

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

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

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

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

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

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

14. TRANSVERSAL CONTRACT PRICE ADJUSTMENT

14.1 Formula

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

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

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

The indicative calculator that will be used for transversal contract price adjustment is shown on Table 10:

Table 6: Indicative Transversal Contract Price Adjustment Calculator

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

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

14.2 **Formula component definitions**

14.2.1 **Adjustable amount**

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

14.2.2 **Fixed portion**

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

14.2.3 **Cost components and proportions**

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

14.2.3.2 Bidders are requested to submit the cost breakdown of the bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the transversal contract.

Table 7: Transversal Contract Price Adjustment Cost Components

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**

14.3 **Applicable indices / references**

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

Table 8: Indicative Indices

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance advice.[3]	Documentary evidence to accompany claim
D2 - Local Finished product (if applicable)	STATS SA P0142.1 (PPI) Supplier / Manufacturer invoice(s) 4	Documentary evidence to accompany claim.
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour agreement[5]	Table E - All Items (CPI Headline) OR Labour agreement to be provided/ Regulated Pricing Adjustment.
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

14.4 **Base Index Date**

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

14.5 **End Index Date**

14.5.1 The end index dates are the dates at predetermined points in time during the transversal contract period.

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

[4] *Same as footnote 1.*

[5] *In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.*

In this bid the end indices are defined in paragraph 15.6.

14.6 Transversal Contract Price Adjustment Periods

14.6.1 Transversal Contract Price adjustments shall be applied on a quarterly basis. Transversal Contract Price adjustment periods will be as follows:

Table 9: Price Adjustment Periods

Adjustment	End Index Date	Dates from which adjusted prices will become effective
1st Adjustment	January 2024	01 March 2024
2nd Adjustment	January 2025	01 March 2025

14.7 General

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

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

14.7.3 Transversal contract price adjustment applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.

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

14.7.5 Bidders are referred to the paragraph regarding counter conditions.

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

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

15. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

15.1 Contract Administration

15.1.1 The administration and facilitation of the transversal contract is the responsibility of National Treasury and all correspondence in this regard must be directed to Transversal.Contracting2@treasury.gov.za.

15.1.2 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.

15.2 **Contract Performance Management**

15.2.1 Contract performance management will be the responsibility of Participants and where Supplier performance disputes cannot be resolved between the Supplier and the Participant, National Treasury: Transversal Contracting must be informed for corrective action.

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

15.3 **Procurement Guideline**

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

15.4 **Post Award Reporting**

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

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

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

15.4.4 All supplier performance reports must be submitted to: Transversal.Contracting2@treasury.gov.za.

16. TERMINATION

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

16.1.1 the service provider decides to transfer the contract or cede the contract;

16.1.2 the service provider does not honour contractual obligations including submission of information;

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

16.1.3 the service provider enters settlement arrangements with their creditors;

16.1.4 the service provider commits an act of insolvency;

16.1.5 in the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.

16.1.6 The State reserves its right to terminate the Contract in the event that there is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.

16.1.7 Either Party may terminate this Contract for breach in the event that the other party fails to comply with any of its obligations in terms of this Contract and have failed to remedy such breach within 14 (fourteen) calendar day's written notice to remedy such non-compliance.

16.1.8 Notwithstanding the provisions above, either Party may terminate this Contract by giving the other Party 30 (thirty) days' written notice to that effect.

END