

Subject	Specifications
Project Name	Service provider/s for Linehaul Transportation,
Reference	RFQ 26-27-47-Service Provider/s for Linehaul Transportation Nationally

1. Background

The South African Post Office Group (SAPO) requires suitably qualified service provider/s to provide national and regional Linehaul transportation services for the collection, movement and delivery of consignments, bulk mail, pallets, mail, parcels and related operational items between SAPO sites.

Linehaul is a critical operational capability in SAPO's service and order fulfilment model. It links mail centres, regional centres, depots, hubs, branches and other designated operating points. The service directly affects cut-off adherence, transit time, backlog clearance, chain-of-custody integrity, customer service reliability, revenue protection and cost-to-serve.

SAPO is therefore procuring more than vehicle capacity. The requirement is for a controlled, visible, compliant and performance-managed postal linehaul service that supports the safe and reliable movement of mail and parcels across the national network.

2. Objective of Bid

The objective of this bid is to appoint service provider/s to provide scheduled, specials and recovery Linehaul transportation services nationally and regionally for SAPO for a period of four (4) months on a month-to-month basis, subject to SAPO's operational requirements.

3. Procurement and Award Structure

- 1) Bidders may bid for one, more than one, or all vehicle categories listed in this specification and indicated in the Pricing Schedule – Annexure F.
- 2) Bidders may bid for one, more than one, or all routes per vehicle category/categories selected, as indicated in the Pricing Schedule - Annexure F.
- 3) SAPO will award per vehicle category and per route bidding for.
- 4) SAPO does not guarantee any load volumes, trip volumes, route volumes or minimum revenue. Frequencies and routes may be reviewed based on operational requirements.
- 5) SAPO reserves the right to allocate routes to more than one service provider where this reduces concentration risk, improves resilience, supports emergency recovery, or improves value-for-money.

4. Commercial vehicles required as indicated in the Pricing Schedule - Annexure F

Vehicle category/types	Mandatory minimum requirements (NO OTHER TYPES/ALTERNATIVES WILL BE ACCEPTED)
One (1) ton	Closed, lockable and fit-for-purpose vehicle.
Four (4) ton	Closed, lockable and fit-for-purpose vehicle.
Five (5) ton	Closed, lockable and fit-for-purpose vehicle.
Eight (8) ton with operational tail lift	Tail lift must be operational and suitable for palletised loads.
Twelve (12) ton with operational tail lift	Tail lift must be operational and suitable for palletised loads.
Horse and Fifteen (15) metre trailer	Trailer must be closed, be locked and have a place for a SAPO seal (sealable) and fit for Linehaul.
Horse and Eighteen (18) metre trailer	Trailer must be closed, be locked and have a place for a SAPO seal (sealable) and fit for Linehaul.

5. Scope of Work

The successful bidder/s will be required to provide a complete Linehaul transportation service covering the following service types:

Service types	Description
Service Type 1: Scheduled Linehaul	Regular movements between SAPO sites according to the agreed route schedule, vehicle category, operating frequency, departure window, arrival window which will be agreed and contained in the SLA.
Service Type 2: Special Linehaul	Trips requested by SAPO additional to the day to day operations Linehaul (Service Type 1), subject to approved booking, capacity availability and agreed pricing. Additional vehicles might be requested for special projects and supplier will be informed in advance to supply the vehicles.

6. Linehaul Operating Model

SAPO's Linehaul operating model follows a hub-and-spoke postal distribution logic. Mail and parcels move from collection points and intake channels to mail processing centres and hubs, then through national and regional Linehaul routes to destination centres, depots, branches and last-mile delivery points.

Process stage	SAPO and service-provider control requirement
1. Booking and route instruction	SAPO issues or confirms route requirement, vehicle category, departure point, destination, and service window and load type.
2. Vehicle allocation	Appointed service provider allocates compliant vehicle, trailer and driver, and confirms registration number, driver details, tracking status and arrival time.
3. Loading and dispatch	SAPO dispatch staff and appointed service-provider driver verify load units count, manifest, seal numbers, vehicle fitness and departure readiness.
4. In-transit movement	Vehicle must follow authorised route, maintain GPS visibility, report progress and immediately escalate exceptions.
5. Receiving and offloading	Receiving site verifies seal integrity, manifest, load-unit count, arrival time and discrepancies.
6. Exception closure	All delays, shortages, damage, tampering, missed trips, route deviations and unresolved discrepancies must be logged, investigated and closed.

7. Regulatory, Labour and Transport Compliance

No vehicle, driver, route, subcontractor or load may be used for SAPO Linehaul unless it is legally compliant, operationally fit, properly insured, safely loaded, traceable and capable of meeting the agreed route service standard.

7.1. Road Traffic and Transport Regulatory Compliance

- 1) The service provider must comply with the National Road Traffic Act, applicable National Road Traffic Regulations and all other applicable legislation relevant to road freight, vehicle operation, roadworthiness, dangerous goods, overloading, transport safety and municipal requirements.
- 2) All vehicles must have valid licence discs, roadworthy status where applicable, operator-related documentation where applicable, tracking devices, safety equipment and evidence of legal fitness before being used on SAPO routes.

- 3) All drivers must have valid licences for the applicable vehicle class and valid Professional Driving Permits where required.
- 4) The service provider must ensure compliance with permissible vehicle mass, axle mass, gross vehicle mass, gross combination mass, load-body limits, vehicle dimensions, load restraint and route restrictions.
- 5) SAPO may inspect and reject any vehicle, trailer, driver, subcontractor or document that does not meet the required compliance standard.

7.2. NBCRFLI / Road-Freight Labour Compliance

- 1) The appointed bidder and subcontractor approved in writing by SAPO must comply with the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI), including registration, collective agreement obligations, levies, wage requirements, employment conditions, working hours, overtime, allowances, leave, dispute-resolution obligations and statutory records

8. Overloading, Load-Mass and Axle-Mass Compliance

- 1) The service provider shall ensure that all vehicles used for SAPO Linehaul services comply at all times with legal vehicle mass, axle mass, axle-unit mass, gross vehicle mass, gross combination mass and load-distribution requirements.
- 2) The service provider may not permit a vehicle to depart from a SAPO site where the vehicle, trailer, axle, axle unit or vehicle combination exceeds the lawful mass limit.
- 3) The service provider must supply a vehicle with sufficient legal payload capacity for the route and load profile.
- 4) SAPO and the service provider must jointly ensure that loading is safe, lawful and does not result in overloading or unsafe load distribution.
- 5) Where the driver or supervisor believes that the load may cause overloading or unsafe distribution, the matter must be escalated to the SAPO dispatch officer and National Linehaul Office before departure.
- 6) The service provider has the right and obligation to refuse departure where the vehicle is overloaded or cannot be safely and lawfully transported, provided the refusal is supported by evidence and immediate notification to SAPO.
- 7) SAPO may require weighbridge verification before departure, during transit or after arrival. Weighbridge slips and payload records must be made available on request.

- 8) Overloading incidents, fines, impoundments, delays, losses or damages caused by the service provider's vehicle selection, incorrect payload declaration, unsafe load distribution, unauthorised loading or failure to comply with legal mass requirements shall be for the service provider's account.
- 9) Repeated overloading, failure to report overloading, bypassing weighbridge requirements or knowingly operating an overloaded vehicle shall constitute material non-compliance.

9. Vehicle and Equipment Requirements

- 1) Vehicles must be closed, lockable, weatherproof, clean, roadworthy, fit-for-purpose and suitable for the load, route and service window.
- 2) Vehicles, trailers and load bodies must have space for SAPO seals and must be capable of being locked and sealed with a SAPO seal after loading.
- 3) Vehicles must have functioning GPS tracking before being used on SAPO routes. SAPO must have access to live tracking, tracking reports or trip history in a format acceptable to SAPO such as Excel format.
- 4) Vehicles must be fitted with appropriate safety equipment, including emergency triangles, fire extinguisher where required, reflective equipment and any other legally required equipment.
- 5) Tail lifts, must be operational, safe and suitable for the load type bidding for.
- 6) The appointed service provider must maintain and service vehicles at its own cost and must ensure that vehicle breakdowns do not compromise SAPO service continuity.
- 7) SAPO may reject a vehicle that is unsafe, dirty, unsuitable, not closed, not lockable, not traceable, not compliant or not fit for purpose in accordance with the specification document requirements.

10. Driver and Personnel Requirements

- 1) Drivers must be professional, identifiable as workers or authorised representatives of the appointed service provider, and trained to interact appropriately with SAPO staff and customers.
- 2) Drivers must have the correct licence class, valid PrDP (where applicable as per vehicle type i.e 8 Ton), and proof of identity.

- 3) The appointed service provider must conduct driver background checks, criminal record checks and licence verification, and must make records available to SAPO on request.
- 4) The appointed service provider must ensure that drivers comply with working-time, rest-period, fatigue-management and overtime requirements under applicable labour law and NBCRFLI requirements.
- 5) SAPO may require removal of any driver who breaches safety, security, conduct, site access, and confidentiality or compliance requirements.

11. Online Booking

- 1) The appointed service provider must have the capability in providing an online or system-based mechanism that will be used for vehicle booking, route confirmation, vehicle allocation, driver allocation, trip status, exception logging and reporting.
- 2) SAPO requires access to the online or system-based mechanism via API's or a link.
- 3) Data must be exportable in at least Excel and CSV or another SAPO-approved format as requested.
- 4) All route, trip, performance, tracking and invoice data relating to SAPO services must be made available to SAPO on request.
- 5) The appointed service provider will be required to provide proof of the online or system-based mechanism in place after award but prior to implementation of the contract. Failure to comply will result in the cancellation of the award/appointment whereby SAPO reserve the right to approach other approved & qualifying bidders.

12. Service Level Agreement and Performance Management

- 1) The appointed service provider must achieve a minimum monthly route-level performance standard of 95%, as agreed in the SLA. Performance must be measured across the full Linehaul service, not only arrival time. 5% penalty fee will be charged on the trip where the failure occurred.

The SLA and performance measures will be discussed and agreed upon during the contract negotiation process.

13. Service Credits, Penalties and Remedies

- 2) SAPO may apply penalties, route suspension, and recovery of costs, corrective action requirements or termination remedies where the service provider fails to meet contractual requirements.

14. Pricing and Commercial Model

- 1) Pricing must be provided for per vehicle category type/s and per route/s bidding for on a CPK (cost per kilometre which is in line with the transport industry benchmark) including VAT.
- 2) SAPO will request the bidder to provide and present cost offering (open-book costing) during the Due Diligence phase to examine and verify how prices quoted were derived. Bidders must distinguish fixed and variable cost elements/components and the percentage contribution of each component as well as the fuel contributor.
- 3) The rate must be all inclusive and include amongst other i.e. fuel, tolls, maintenance, vehicle servicing, driver costs, insurance, tracking, administration, online booking system services, waiting time, empty return legs and other route costs.
- 4) No additional charges/costs may be claimed unless expressly provided for in the pricing schedule or approved by SAPO in writing prior to execution of services.

15. Fuel Adjustment Mechanism

- 1) Fuel adjustments must be transparent, formula-based and symmetrical. Adjustments must be apply upward and downward using official South African fuel price movements and the approved bidder cost basket during the contract term period as applicable.

Fuel adjustment element	Required treatment
Base fuel price	The official diesel price applicable on the bid closing date or contract commencement date, as specified in the SLA.
Approved fuel component	Bidder must disclose the percentage of the route CPK attributable to fuel. SAPO may review, approve or cap the fuel component.
Adjustment frequency	Monthly, aligned to official fuel price changes.
Formula	Fuel adjustment = Base CPK x approved fuel component % x percentage change in official fuel price.
Upward and downward adjustment	Increases and decreases must both be passed through using the same formula.
Evidence	Supplier must submit monthly calculation, fuel price reference, route invoice schedule and supporting cost basket.
Exclusions	No separate fuel claim may be made outside the approved fuel adjustment mechanism.

Review trigger	Material fuel volatility or abnormal cost movement may trigger open-book review or route-price review subject to SAPO approval.
----------------	---

16. Insurance, Liability and Indemnity

Bidders must provide proof of insurance cover as listed in the table below from their Insurance Company that must be “Valid & Active” on the bid closing date and must be maintained throughout the contract term period.

Type of Insurance Cover required	Minimum requirement
Public Liability Insurance	Bidders must have Public Liability Insurance Cover to the minimum value of Hundred Thousand Rand (R100 000) per incident.
Goods in Transit Insurance	Bidders must have Goods in Transit (GIT) Insurance Cover to the minimum value of Twenty Thousand Rand (R20 000) per incident.
Comprehensive All Risk Vehicle Insurance	Bidders must have Comprehensive All Risk Vehicle Insurance Cover in place for all vehicles categories/types and routes awarded. Bidders will be required to provide proof from their Insurance Company confirming Comprehensive All Risk Vehicle Insurance Cover for all vehicles categories/types and routes awarded during the contract negotiation phase prior to contract implementation.
Indemnity Insurance	SAPO will not be liable for losses caused by a supplier’s negligence, wilful misconduct, unlawful transport, non-compliance, security breach or failure to meet contractual obligations.

17. Subcontracting and Capacity Control

- 1) No subcontracting is permitted after appointment and/or implementation without SAPO’s prior written approval.
- 2) The bidder must provide current a) owned, b) leased and c) subcontracted fleet capacity available for this contract. The bidder to submit proof of ownership as follows:
 - Owned Vehicles: Vehicle registration certificates in the name of the bidding company
 - Leased Vehicles: Lease contracts from the Financing Institution in the name of the bidding company
 - Subcontracted Vehicles: Signed contract between the bidder and the subcontractor including the vehicle registration certificates of the vehicles registered in the subcontractors’ name.

All of the above documentation provided must be “Valid & Active” on the bid closing date.

- 3) Subcontractors appointed after written approval has been obtained from SAPO, must comply with the same specification requirements i.e. vehicle, driver, and insurance, GPS, NBCRFLI, road traffic, OHS, security, chain-of-custody and performance applicable to the main contractor (bidder)
- 4) The appointed service provider (main contractor/bidder) remains fully accountable and responsible to ensure that the subcontractor in all respects comply with the specification document requirements.
- 5) SAPO may at their own discretion reject any request from the appointed service provider to subcontract Linehaul services or, vehicle/s or driver/s that do not meet the required standard/requirements as contained in the specification document.

18. Bidder Experience and Capability Requirements

- 1) Bidders must provide at least three (3) different client reference letters on their clients' company letterheads confirming that the bidding company has a minimum of five (5) years' proven experience in providing Linehaul/ road freight/ parcel/ logistics or similar transportation services.
- 2) Bidders are required to use Annexure BR as a template to provide to their clients to complete that will be used to evaluate the bidders':
 - a) Completed experience (in yrs) and
 - b) Number of clients where Linehaul/ road freight/ parcel/ logistics or similar transportation services were provided.

19. Delivery Lead Time

The successful bidder must implement and supply the awarded services within a maximum period of fourteen (14) working days from receiving and accepting the award letter, unless otherwise agreed in writing by SAPO. Failure to do so may result in SAPO awarding the relevant service to a reserve bidder or another qualifying bidder.

Bidders to use **Annexure DL** as a template for purposes of confirming the delivery lead time to supply the services after receiving and accepting the award letter, and for submission to SAPO.

20. Due Diligence

SAPO reserves the right to conduct a due diligence exercise on and/or request the top three (3) highest scoring bidders per category to make presentation of their offering in order to verify & confirm, amongst other –

- Compliance with scope of work/specification.
- Cost offering (open-book costing) to examine and verify how prices quoted were derived
- Fixed and variable cost elements/components and the percentage contribution of each component as well as the fuel contributor.
- Cost/rate quoted is all inclusive and include at least i.e. fuel, tolls, maintenance, vehicle servicing, driver costs, insurance, tracking, administration, online booking system services, waiting time, empty return legs and other route costs.
- Fuel adjustments mechanisms applied in terms of the cost/rates quoted
- Fleet Capacity (Ownership) as it pertains to current a) owned, b) leased and c) subcontracted vehicles available for this contract.

Should it be found that the information provided in the bid document and/or during the bid evaluation process is not verifiable or misleading, SAPO will disqualify the bidder.