



SPECIAL CONDITIONS OF CONTRACT

RT50-2023

**SUPPLY AND DELIVERY OF MEDICAL AND INDUSTRIAL GASES TO
THE STATE FOR THE PERIOD OF 60 MONTHS**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD ON THE
30 NOVEMBER 2022 ON MICROSOFT TEAMS /**

CLOSING DATE AND TIME OF BID

15 DECEMBER 2022 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



Table of Contents

LIST OF ABBREVIATIONS.....	3
LIST OF ANNEXURES	3
LIST OF TABLES.....	4
SECTION A: INTRODUCTION AND TERMS OF REFERENCE	7
1. DESCRIPTION AND FORMAT OF THE BID	7
2. LEGISLATIVE AND REGULATORY FRAMEWORK	7
3. DURATION OF TRANSVERSAL CONTRACT	7
4. BRIEFING SESSION	8
5. TERMS OF REFERENCE.....	8
SECTION B: CONDITIONS OF BID	13
6. PART 1: EVALUATION CRITERIA	13
7. PART 2: RECOMMENDATION AND APPOINTMENT OF BIDDERS.....	32
8. PART 3: ADDITIONAL BID REQUIREMENTS	29
SECTION C: CONDITIONS OF CONTRACT	34
9. CONCLUSION OF CONTRACT.....	34
10. PARTICIPATING STATE INSTITUTIONS/DEPARTMENTS	34
11. POST AWARD PARTICIPATION	35
12. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES.....	35
13. CONTRACT PRICE ADJUSTMENT	36
14. DELIVERY AND QUANTITIES	40
15. PLACEMENT OF ORDERS AND PAYMENTS	40
16. CONTINUITY OF SUPPLY	40
17. PRODUCT ADHERANCE / BRAND CHANGE	41
18. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS.....	41
19. POST AWARD PRODUCT COMPLIANCE PROCEDURES	42
20. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES.....	42
21. MONITORING.....	42
22. TERMINATION	43



LIST OF ABBREVIATIONS

B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CSD	Central Supplier Database
CPI	Consumer Price Index
IVD	In Vitro Diagnostic
NT	National Treasury
PPR 2017	Preferential Procurement Regulations 2017
RoE	Rate of Exchange
SABS	South African Bureau of Standards
SAHPRA	South African Health Product Regulatory Authority
SANAS	South African National Accreditation System
SARB	South African Reserve Bank
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
STATS SA	Statistics South Africa
TC	Transversal Contracting
TCBD	Transversal Contracting Bidding Document
TCD	Transversal Contracting Document
TIC	Tender Information Centre
VAT	Value Added Tax
ZAR	Rand

LIST OF ANNEXURES

- i. ANNEXURE A: PRICING SCHEDULE
- ii. ANNEXURE B: SUB-CONTRACTING SUMMARY INFORMATION
- iii. ANNEXURE C: COMPANY EXPERIENCE
- iv. ANNEXURE D: SUMMARY LIST OF GEOGRAPHICAL LOCATIONS
- v. ANNEXURE E: ESTIMATED QUANTITIES PER PROVINCE PER ITEM
- vi. ANNEXURE F: COST BREAKDOWN



LIST OF TABLES

Table 1: Bid Document Checklist and Returnable.....	5
Table 2: Summary of Technical Specifications Categories	8
Table 3: Evaluation Criteria.....	13
Table 4: Scoring Weights	16
Table 5: Value Scale	16
Table 6: Company Previous Work Experience Scoring Scale	17
Table 7: Reference Letter Scoring Scale	18
Table 8: Capacity and Capability Scoring Scale	19
Table 9 - Operational Strategy Scoring Scale	19
Table 10 - Risk Management Plan Scoring Scale	20
Table 11: Preference Point System	25
Table 12: Series Group	26
Table 13: Example of Cost Breakdown	27
Table 14: Participating Government Institutions.....	34
Table 15: Contract Price Adjustment Formula	36
Table 16 - Contract Price Adjustment Cost Components.....	37
Table 17: Applicable Indices/References	38
Table 18: Price Adjustment Period.....	38
Table 19: CPA Rate of Exchange	39
Table 20: Rate of Exchange Average Periods	39



Table 1: Bid Document Checklist and Returnable

#	Document Name ¹	Included in the published bid document?	To be returned by bidder?	Bidder may tick Yes if document is submitted
PHASE 1: PRE-QUALIFICATION CRITERIA				
1.	Valid B-BBEE status level contributor verification certificate issued by SANAS accredited institution OR valid sworn-affidavit OR valid B-BBEE affidavits issued by CIPC.	No	Yes	
PHASE 2: ADMINISTRATION AND LEGISLATIVE REQUIREMENTS				
2.	SBD 1 – Invitation to Bid	Yes	Yes	
3.	Proof of authority to sign the bid	No	Yes	
4.	SBD 4 – Declaration by bidder	Yes	Yes	
5.	SBD 5 – National Industrial Participation Programme	Yes	Yes	
6.	SBD 6.1 – Preference Points Claim Form	Yes	Yes	
7.	Written confirmation for disclosing tax status by SARS	No	Yes	
8.	CSD full report and not summarized	No	Yes	
PHASE 3: MANDATORY REQUIREMENTS				
9.	Annexure A: Pricing Schedule	Yes	Yes	
10.	Annexure B: Sub-Contracting and supporting documents	Yes	Yes	
PHASE 4: FUNCTIONALITY REQUIREMENTS				
11.	Company Experience (including Annexure C)	No	Yes	
12.	Reference Letters	No	Yes	
13.	Operational Strategy	No	Yes	
14.	Capacity and Capability (Including Annexure D)	No	Yes	
15.	Risk Management Strategy	No	Yes	
PHASE 4: TECHNICAL COMPLIANCE				
16.	SAHPRA License – Pharmaceutical – Establishment	No	Yes	
17.	SAHPRA License – Pharmaceutical – Product	No	Yes	
18.	SAHPRA License – Medical Devices and IVD - Establishment	No	Yes	
19.	TCD 13 Authorization Declaration	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 bidder?	Bidder may tick Yes if document is submitted
20.	TCD 13.1 List of items	Yes	Yes	
21.	Letter of undertaking (as per TCD 13.2 template)	Yes	Yes	
22.	Quality assurance certificate ISO 9001	No	Yes	
23.	Test Report(s) or Proof of submission	No	Yes	
PHASE 6: PRICE & B-BBEE				
24.	Annexure F - Cost Breakdown	Yes	Yes	
OTHER DOCUMENTS REQUIRED				
25.	Company Profile	No	Yes	
26.	CIPC Company Registration Documents	No	Yes	
27.	Special Conditions of Contract	Yes	Yes	
28.	General Condition of Contract	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 Medical and Industrial Gases to the State for a period of 60 months.
- 1.2 This bid document is structured as follows:
 - 1.2.1 Section A : Introduction and Terms of Reference
 - 1.2.2 Section B : Conditions of Bid
 - 1.2.2.1 Part 1 : Evaluation Criteria
 - 1.2.2.2 Part 2 : Recommendations
 - 1.2.2.3 Part 3 : Additional Bid Requirements
 - 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 2017 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 **Applicable legislation Specific to Medical and Industrial Gases**
 - 2.3.1 Medicines and Related Substances Amendment Act, No 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and its Regulations and Guidelines;
 - 2.3.2 Hazardous Substances Act No. 15 of 1973; and
 - 2.3.3 Occupational Health and Safety Act No.85 of 1993.

3. DURATION OF TRANSVERSAL CONTRACT

- 3.1 The transversal contract shall be for a period of 60 months. The 60 months period is inclusive of the hand over process of maximum period of 200 days.



4. BRIEFING SESSION

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

Venue : Virtual Microsoft Teams meeting.

Meeting Link: Please click on this link: [Click here to join the meeting](#)

Date : 30 November 2022

Time : 10h00 to 12h00

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

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

5. TERMS OF REFERENCE

5.1 TECHNICAL SPECIFICATIONS

5.1.1 The RT50-2023 bid is for the supply and delivery of Medical and Industrial Gases to the State for a period of 60 months.

5.1.2 The bid has three (3) categories as summarized below.

Table 2: Summary of Technical Specifications Categories

#	CATEGORY NAME	# OF ITEMS	VESSEL
1	Medical Gases	13	Supplied through rented contractors' cylinders /or Department's owned Cylinders / and Rented Bulk Tanks
2	Special Gases	3	Supplied through rented contractors' cylinders
3	Industrial Gases	23	Supplied through rented contractors' cylinders /or Department's owned cylinders / and rented or department's owned bulk tanks

5.1.3 Bidders are to take note of the following:

5.1.3.1 **Annexure E:** Estimated Quantities per province per item – The estimates will be used for determining the total value of the group series for allocation of points for price

5.1.3.2 **Annexure G:** Consumption Quantities per Institutions – The information provided is the actual consumption by the user institution. Bidders may use the information as guide to understand the consumption rate for each institution and the actual quantities consumption may increase and decrease during the contract period of RT50-2023 transversal contract.



5.2 CUSTOMER SUPPORT SERVICES

- 5.2.1 All delivery must be made during official time (8h00 to 16h00) Monday to Friday. In case of emergency there must be a formal arrangement between the successful bidder and the user institution, in this case Proof of Delivery must be signed between for recording.
- 5.2.2 Deliveries must be made within the 24 hours of receiving an order (between 08h00 and 16h00). Orders made outside these hours must be executed as an order received the following day.
- 5.2.3 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:
- a) Operated 24 hours a day, 7 days a week
 - b) A dedicated telephone number must be made available to all end users of the contract to place orders.

5.3 BULK TANK INSTALLATION REQUIREMENTS

- 5.3.1 All equipment supplied by the contractor will remain the property of the contractor.
- 5.3.2 The successful bidder is required to conduct a gas consumption analysis with the relevant institution to determine the applicable and appropriate tank size for the institution before installation.
- 5.3.3 The tank sizes required by each user institution will be proposed by the service provider based on the end-user analysis, however the final tank size approval must be made by the relevant end user institution. The following conditions must be met for installation of bulk tanks:
- a) Gas consumption by the relevant Institution is more than 4 tons per month for new installation.
 - b) Reticulation infrastructure is installed in the facility where the bulk tank is required
 - c) Road infrastructure support the transportation of gas to the facility to refill the gas
- 5.3.4 Bidders must familiarize themselves, inter alia, with the location, connectivity, insulating pipelines (if applicable) according to SANS 7394, access restrictions or limitations, if any, of all current bulk installations.
- 5.3.5 The successful bidder will be responsible for all signage, and vaporizers at those sites and the end-user is responsible for all plinths, fencing, water tap and electrical connections.
- 5.3.6 Bidders must take note that in cases where electricity or any other alternative source of energy is utilised to transfer medical gas and oxygen from bulk tankers or Pressure Swing Adoption (PSA) equipment, the cost will be for the account of the successful bidder. Bidder will, however, not be responsible for the PSA breakdowns as they are the property of the state.



5.3.7 The maintenance of cylinders, bulk tank will be the sole responsibility of the successful bidder for the duration of the contract.

5.3.8 The successful bidder will have to supply cylinders, bulk tank, and make the necessary connection to the oxygen network available where applicable.

5.4 **CYLINDER REQUIREMENTS**

5.4.1.1 The bidder must avail sufficient number of cylinders to user institutions for rental.

5.4.1.2 The number of cylinders requirements for each province indicated on the technical specification is an estimate requirement for the entire province, the successful bidder must confirm the actual number of cylinders required each month with the relevant end-users' institutions. The usage requirements may differ per month as it is depended on the usage requirements by the relevant end-user institution.

5.4.1.3 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 end-user, the contractor shall be responsible for all risks of loss or damage to the cylinders. Suppliers must conduct annual reconciliation of cylinders. Lost cylinders by the end-users will be charged to the relevant end-user institution.

5.5 **TELEMETRY SYSTEM/ CYLINDER LEVEL MONITORING SYSTEM (BACK-UP CYLINDERS)**

5.5.1 To manage and to ensure continuity of medical gas bulk supply, bidders must have a telemetry system in place to gather time series data on the bulk tank and back-up cylinder levels and which will be able to trigger the alarm when pre-determined re-order point is reached as well as when an emergency occurs on the gas flow meter as leakages.

5.5.2 Successful bidder must monitor the contents of the storage vessel(s) and when the level of gas falls below 40% they must inform the relevant user department to place orders accordingly. Contractors must make use of telemetry system.

5.5.3 The successful bidder must provide access of the telemetry and cylinder monitoring system. End-user departments will be responsible for verifying the information prior to placement of orders. Successful bidder must keep traceability and record of deliveries and consumption

5.6 **SKILLS TRANSFER**

5.6.1 It is a condition of bid that the successful bidder must provide ongoing skills transfer on the use of the telemetry and cylinder level control system. Skills transfer should be provided at no additional cost to the end users. Contractor must provide continuous training to the participating department on safe handling of gas equipment devices.

**5.7 BULK SUPPLY AND CYLINDER CONTROL**

- 5.7.1 After the initial allocation of cylinders to a specific user department has been made, gas will be supplied on a “full for empty” basis.
- 5.7.2 Should any user department require additional cylinders or have cylinder surplus to its requirements, arrangements for allocations or returns should be made with the relevant contractor. User department must always obtain receipts for cylinders returned (other than the normal “full for empty” exchange).
- 5.7.3 Physical cylinder counts will be done by the contractor and the user department on all cylinders on hand bi-annually (or as determined by the end user) for the duration of contract.
- 5.7.4 The contractor and the user departments must keep accurate records showing the number of cylinders received, returned and at hand at all times. User department will be responsible for the safe custody of all cylinders, valve guards and valves under their control.
- 5.7.5 User departments are prohibited from supplying home patients, other institutions, private patients, etc., with any gases from this contract.
- 5.7.6 Empty cylinders and returns will be collected by the contractor.
- 5.7.7 Should volumes of gases supplied in compressed cylinders increase to an extent that the installation of a bulk vessel becomes economically viable, the contractor shall submit details and recommendations of the new bulk tank to be installed. It is a condition that the gas and equipment rental shall, in total, not exceed the aggregate of the total cost to the applicable government user so supplied in cylinders.
- 5.7.8 Should a change in vessel size become imperative during the contract period, all costs involved with such a change will be for the account of the contractor. It must be noted that in such event the contract period will remain unchanged.
- 5.7.9 Prior approval for the removal of any bulk tanks equipment from the State’s premises must be obtained from National Department of Health.

5.8 HAND OVER PROCESS OF BULK AND CYLINDER SUPPLY

- 5.8.1 National Treasury will facilitate the hand over process between the outgoing and incoming contractor within 30 days of the commencement date of the contract. The outgoing contractor is required to hand over all records to the successful bidder into a new contract.
- 5.8.2 In the event that this bid (RT50-2023) is awarded to a bidder that is not the current contractor, all empty cylinders must be returned to the current contractor within 200 days from the effective date of the new contract. The outgoing contractor will be liable for any casualty/cost resulting from being non-corporative during this hand over process.
- 5.8.3 Where practical, unused gas or any gas that remain in cylinders must be depleted before the empty



cylinders are returned to the outgoing contractor within 200 days from the effective date of the new contract. Cylinders which are not collected within 200 days from commencement of a new contract will be returned at the owners' cost (contractor).

5.9 COPYRIGHT AND OWNERSHIP OF DATA

- a) 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 National Treasury
- b) On commencement of the transversal contract, the provincial coordinators shall arrange with the current service provider (awarded on RT50-2017) to hand-over all relevant records to the new service provider within 30 days upon instruction from National Treasury.



SECTION B: CONDITIONS OF BID

6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 3: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Pre-Qualification Criteria	Administration Requirements	Mandatory and other bid requirements	Functional Evaluations	Technical Compliance	Price and B-BBEE
Bidders will be assessed if they are B-BBEE Level 1 to 8 compliant	Compliance to the Administration documents requirements	Compliance with mandatory and other bid requirements	Compliance to functional evaluation requirements	Compliance to the item technical specifications	Bids evaluated in terms of the 90/10 preference system

6.1.1 Due diligence may be conducted at any of the evaluation phases to verify and confirm the information

6.2 PHASE 1: PRE-QUALIFICATION CRITERIA

6.2.1 It is a condition of this bid that only the bidders having a B-BBEE status level contributor 1 to 8 may respond to this bid:

6.2.2 Bidders are required to submit proof of B-BBEE status level of contributor. Proof includes valid B-BBEE status level verification certificates or certified copies thereof or a sworn affidavit signed by the EME representative and attested by Commissioner of oaths, or BBBEE affidavit issued by CIPC.

6.2.3 A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate. Bidders who submit individual BBBEE certificates or Sworn affidavit will be disqualified.

6.2.4 Public entities and tertiary institutions must also submit their B-BBEE certificate.

6.2.5 Non-compliance with the requirement for pre-qualification will invalidate the bid.



6.3 PHASE 2: ADMINISTRATION AND LEGISLATION REQUIREMENTS

6.3.1 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 documents as detailed below.

6.3.1.1 **SBD 1** – Invitation form to bid.

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

6.3.1.3 **SBD 4** – Bidders Disclosure

6.3.1.4 **SBD 5** – The National Industrial Participation Programme

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

6.3.1.6 **Central Supplier Database** – A full Central Supplier Database report must be submitted preferably the document must be downloaded at the last week prior to closing date and time of bid.

6.3.1.7 **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 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.

6.4 PHASE 3: MANDATORY REQUIREMENTS

6.4.1 During this phase bidders' response will be evaluated based on the mandatory requirement. These are the documents to be submitted for evaluation. Bidders' must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with all the mandatory criteria will be disqualified.

6.4.2 Pricing Structure and Schedule

6.4.2.1 The pricing schedule (see Annexure A) 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 provincial level.

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

6.4.2.3 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.



6.4.3 **Sub-Contracting**

- 6.4.3.1 The successful bidder must subcontract a minimum of 30% of the value of the contract to an EME or QSE as defined on paragraph 1 of PPPFA revised regulation which is at least 51% owned by black people as indicated on paragraph 9 of the PPPFA regulations.
- 6.4.3.2 The above clause is not applicable to bidders which are EME or QSE as defined on paragraph 1 of PPPFA Regulation which are at least 51% is owned by black people.
- 6.4.3.3 All sub-contracted suppliers must have been registered on Central Supplier Database by the closing date and time of bid. A list of all suppliers registered on a database approved by National Treasury to provide the required goods or services in respect of the applicable designated group will be provided on request.
- 6.4.3.4 With the above, Bidders are required to submit the following documentation which provide details of the potential sub-contracting companies:
- a) A completed **Annexure B** which provides for a summary list of sub-contracting companies and the activities to be performed by the sub-contracted company
 - b) Valid B-BBEE certificate issued by a SANAS accredited institution or CIPC, or a valid sworn affidavit for each sub-contracting company
 - c) CSD full report
 - d) Agreement between the bidder and the sub-Contracting company.
- 6.4.3.5 During the course of the transversal contract period, bidders are required to inform and get approval from National Treasury with regards to any changes with the sub-contracting company agreement.

6.5 **PHASE 4: FUNCTIONALITY EVALUATION REQUIREMENTS**

- 6.5.1 During this phase bidders' response will be evaluated for functionality based on achieving a minimum total score of 66% for the functional requirements for each Province. Only bidders who have complied with mandatory requirements will be evaluated for functionality. The allocation of functionality scores will be for each province
- 6.5.2 Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.
- 6.5.3 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.



- 6.5.4 Bidders who have achieved the minimum qualifying score of 66% for functionality will be evaluated further to Phase 5 of the evaluation for the province which the minimum score is achieved.
- 6.5.5 Functionality will be evaluated based on the responses and supporting documentation supplied by the bidders, for each province as indicated below.
- 6.5.6 **The weights are as follows:**

Table 4: Scoring Weights

No	Functional Requirements	Weighting
1.	Company Experience	10
2.	Reference Letters	20
3.	Operational Strategy	30
4.	Capacity and Capability	30
5.	Risk Management Strategy	10
	Total	100

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

Table 5: Value Scale

Performance	Description	Score
Very good	Response addresses and exceeds the functionality requirements	3
Compliant	Response addresses all functionality requirements	2
Requires attention	Response partially addresses the functionality requirements	1
Inadequate	Response <u>did not address</u> the functionality requirements	0

6.5.8 Company Experience (10 points)

- 6.5.8.1 Based on the items bided for, bidders to provide a comprehensive illustration of the company experience in the medical and/ or industrial gases field in the public or private sector by completing and submitting **Annexure C** and submitting contract appointment letters or a copy of a contract agreements from at least three of the customers listed on **Annexure C**.
- 6.5.8.2 The information with regards to contract values and contract periods, name of customers that have bought the above products etc must also be included in the demonstration as per the required field provided in the template.



6.5.8.3 The score that a bidder will receive on this criterion will be allocated for all provinces using the submitted documents indicated above. An incomplete form will be dis-regarded, and no points will be allocated for the information which is not submitted.

6.5.8.4 The scoring will be as follows:

Table 6: Company Previous Work Experience Scoring Scale

Performance	Description	Score
Very good	5 and above customer demonstration	3
Compliant	3 and above customer demonstration	2
Requires attention	2 customer demonstration	1
Inadequate	1 or less customer demonstration	0

6.5.9 **Reference Letters (20 points):**

6.5.9.1 Bidders must submit reference letters to demonstrate the quality of the services provided to the customers of the bidder in undertaking projects of this nature in the medical and or industrial gases industry. Bidders are therefore required to submit a minimum of **TWO (2) reference letters for EACH PROVINCE**.

6.5.9.2 Letters must be from the previous clients serviced in the last 24 months, preferably from hospitals for medical gas, and any other client for industrial gases in the public or private sector. in terms of industrial gases

6.5.9.3 The letters must include gas type, product name of the gases supplied, total quantities in kilograms of the gas supplied to the relevant client, value of the of the entire contract, contract period and the quality of services received from the bidder.

6.5.9.4 The letter must be on the letterhead of the client, signed, dated, and have the valid contactable details such as name of institution/ company, physical address, email, cell/telephone number.

6.5.9.5 The letters must be from some of the customers demonstrated on Previous Work experience indicated in paragraph **Error! Reference source not found.**(a) above. Each reference letter must be accompanied by at least one purchasing order, invoice, and a delivery note from and to the relevant customer.

6.5.9.6 The scoring will be as follows:

**Table 7: Reference Letter Scoring Scale**

Performance	Description	Score
Very good	4 and more valid letters with supporting documents for each relevant province	3
Compliant	2 -3 valid letters with supporting documents for each relevant province	2
Requires attention	1 valid letter with supporting documents for each relevant province	1
Inadequate	No letters submitted and or letters with no supporting documents for relevant provinces	0

6.5.10 Capacity and Capability (30 Points)]

6.5.10.1 Bidders must demonstrate that they have the necessary capacity to undertake a project of this nature. Bidders are required to have a geographical footprint to be able to service the end-users in various Province in South Africa. In this regard, bidders are required to submit the following:

a) **Geographical locations of Head office, Manufacturing and Re-filing stations facilities**

- i) Bidders must submit a completed form **Annexure D**, and submit proof of residency such as lease agreements and or municipal utility account for its **Head office, Manufacturing facilities, and Re-filing stations facilities**
- ii) The proof of residency must in the bidder's name. The bidder must indicate on Annexure B, which facility will each province bided for will be serviced. Points will be allocated to the province where the documentary proof have been submitted

b) **Customer Support Service** – Bidder must submit documentary proof of the call centre existence such as:

- i) The dedicated telephone number and other contact
- ii) Team dedicated to work on the call centre
- iii) System used to operate and to issue analysis reports
- iv) Proof of address where the call centre is located

c) **Telemetry System:** Bidder is required to submit documentary evidence to proof existence of the telemetry or equivalent system is available which will assist the end-users in tracking the quantity levels of the bulk gases. Bidders may be required to demonstrate a live the Telemetry system to



the evaluation team. A life demonstration may be required during due diligence to proof physical existence of the system. Communication will be sent to the relevant bidders in this regard.

6.5.10.2 The scoring will be as follows:

Table 8: Capacity and Capability Scoring Scale

Performance	Description	Score
Very good	Geographical locations and supporting documents for all the provinces bided. The bidder has a Call Center facility already in existence and operational, and Telemetry systems already available and operational.	3
Compliant	Geographical locations and supporting documents for 70% of the provinces bided. The bidder has a Call Center facility established, in progress to be commissioned, Telemetry systems available but in progress to be implemented.	2
Requires attention	Geographical locations and supporting documents for less than the provinces bided. The bidder has a Call Center facility and Telemetry systems still in design stage.	1
Inadequate	No supporting documents for geographical locations, no call center information, and no telemetry system information	0

6.5.11 Operational Strategy Plan (30 points)

6.5.11.1 Bidders must include a full operational strategy/work methodology demonstrating the ability to carry out the requirements of the bid in terms supply of gases. The work methodology must include element in the terms of reference indicated in paragraph **5 above (Terms of Reference)**. The information must be clear and cover the relevant Provinces (bided for) and indicating the implementation strategy. Points will be allocated to each province according to the required document submitted. In addition, the following information must be provided for in the work methodology.

- Bulk tanks sizes the bidders have
- Number of cylinders available and to be allocated for each province for medical gas and or industrial gas.
- Skill transfer training,
- Maintenance of the bulk tanks and cylinders
- Delivery lead times for each province
- Quality assurance process,
- Logistics – details regarding the distribution of the gas (number of trucks available and dedicated to each province bided).

Table 9 - Operational Strategy Scoring Scale



Performance	Description	Score
Very good	Operational plans adequately addressing 100% aspect of the requirements	3
Compliant	Operational plans adequately addressing more than 70% of the requirements	2
Partially compliant	Operational plans adequately addressing more than 50% of the requirements	1
Inadequate	Operational plans adequately addressing less than 50% of the requirements	0

6.5.12 Risk Management (10 Points)

Bidders must include a risk management strategy to mitigate against any supply risk, product availability, insurance etc that might arise within the duration of the transversal contract. Bidders are required to submit risk management plans which seek to address the following: Information provided will be used to allocate same points for all the provinces bided for.

- Emergency Callouts
- Cylinder Control
- Hand-over process should the bidder be successful for the provinces and gasses bided.

Table 10 - Risk Management Plan Scoring Scale

Performance	Description	Score
Very good	Comprehensive plans covering more than 5 points indicated	3
Compliant	Comprehensive plans covering only 5 points indicated	2
Partially compliant	Comprehensive plans covering less than 5 points indicated	1
Inadequate	Comprehensive plans covering less than 3 points indicated	0



6.6 PHASE 5: TECHNICAL SPECIFICATION COMPLIANCE

6.6.1 During this phase bidders' response will be evaluated based on technical requirements including meeting the local production and content threshold. Non-compliance to all the evaluation requirements below will result in disqualification of line-item being evaluated.

6.6.2 Standards/Specifications

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

6.6.3 South African Health Products Regulatory Authority (SAHPRA) Requirement

6.6.3.1 The medical gas Items offered in this bid are classified as medicines and medical device In Vitro Diagnostic (IVD), bidders are required to adhere to Medicines and Related Substances Amendment Act, No. 72 of 2008 (Amendment Act) read together with a further Amendment Act, Medicines and Related Substances Act No. 14 of 2015 and its Regulations on Medical Devices and IVD. Non-compliance with these conditions may invalidate the bid.

6.6.3.2 For the medical gases, bidders must be registered in terms of section 15 of the Medicines and Related Substances Act, Act 101 of 1965 as amended and must submit a certified copy of a valid registration certificate, issued in terms of the said Act, at the closing date and time of the bid for each product offered and must comply with the conditions under which the medical gas is registered.

6.6.3.3 Manufacturers, distributors, and wholesalers, as referred to Section 22C(1)(b) of the original Medicines and Related Substances Act, 1965 (Act No. 101 of 1965), must obtain a licence for the manufacturing, importing, exporting, distribution, and wholesaling of medical devices and IVDs, as issued by SAHPRA.

6.6.3.4 Bidders must submit with the bid, on or before the closing date and time of bid the following licences:

- a) Licence as an establishment as a manufacturer/ distributor/ or wholesaler for the pharmaceutical products. The bidder must be the holder of the licence
- b) Licence for each medical gas registered as a pharmaceutical product. The bidder must be the holder of the licence
- c) Licence as an establishment as a manufacturer/distributor/ or wholesaler of medical devices and IVD. The bidder must be the holder of the licence

6.6.3.5 Upon such time that medical devices are called up for registration, via publication in the Government Gazette, bidders, who have been licensed as medical device establishments must submit evidence of the approved registration certificate of the said medical device.



6.6.3.6 Evidence of application made to the South African Regulatory Authority, to register the said medical device (in the form of an Acknowledgement Letter received from the South African Regulatory Authority) will be required during the contract period if applicable.

6.6.4 Authorization Declaration

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

6.6.4.2 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) numbers, 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) Have contact person's name, physical and postal address, telephone, and email details, and
- d) Letter must not be older than 30 days at the closing date and time of bid
- e) All information on the letter must be in English.

6.6.4.3 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.

6.6.4.4 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.

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

6.6.5 Quality Assurance Requirements

6.6.5.1 Bidders must submit at the closing date and time of bid, valid quality assurance certificates ISO 9001 or Good Manufacturing Practice for Medicinal Products to confirm compliance. The holder of the certificates must be the original manufacturer of the finished product. Failure to submit these documents will invalidate your bid.

6.6.5.2 Where specific specifications and/ or standards, e.g., SABS, SANS, EU, ADA, CKS, BP, BPC, USP, USNE, EP, ISO, or DIN, are applicable on materials and supplies, the quality of products shall not be less than the requirements of the latest edition of such specifications and/or standards.



6.6.6 Test Reports from SANAS Accredited Institutions

- 6.6.6.1 Where the item specification indicates a standard, bidders are required to submit a test report issued by a SANAS accredited institutions to proof compliance with the relevant standard indicated on the item technical specification. The test reports must not be older than twenty-four (24) months at the closing date of the bid. Failure to submit a compliant test report will results to disqualification for the relevant item.
- 6.6.6.2 The procedures for sampling frame guidelines and testing for product compliance may differ and should be obtained from the relevant testing institution prior to submission of samples. The cost of compliance testing will be for the account of the prospective bidder.
- 6.6.6.3 In the event that a test report cannot be obtained from the testing institution prior to the closing date and time of the bid, the bidder must submit proof issued by the SANAS accredited institution that the sample had been submitted for testing on or before the closing date and time of the bid.
- 6.6.6.4 Where a bidder has submitted a letter from a SANAS accredited institution, bidders are required to submit the test report as soon as it is issued by the relevant institution. It is the responsibility of the bidder to ensure that the test reports are submitted to National Treasury as soon as the test report is issued.
- 6.6.6.5 In an event where a bidder has submitted a letter from a SANAS accredited institution confirming that samples have submitted for testing, by submitting this bid, bidders are giving a consent to National Treasury to engage with a SANAS accredited institution to verify that bidders have submitted the samples for testing and National Treasury may request such test reports directly from a SANAS accredited institution.
- 6.6.6.6 Bids not supported by test reports will be disregarded in respect of the item (s) for which test reports are not submitted during evaluation including bidders who failed to submit the test report immediately after it has been issued by the testing institution.
- 6.6.6.7 For more information to obtain the relevant standards, bidders must enquire at South African Bureau of Standards (SABS) office's countrywide for the relevant standards specifications for SANS, SABS, ISO AND CKS. Obtaining any standards/specifications will be the responsibility and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact SABS Standards Sales as follows:

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria, **Contact person:** Ms Wilheminah Moshobane, Tel: 012 428 6057/6694, **E-mail:** wilheminah.moshobanei@sabs.co.za, **Website:** www.sabs.co.za and follow the "Search/Buy Standards" link



6.7 PHASE 6: PRICE AND B-BBEE

6.7.1 Pricing Schedule and structure requirements

- 6.7.1.1 Prices quoted must be furnished on the basis of “delivered to State facility” country-wide inclusive of VAT. All pricing offered must be on a provincial level.
- 6.7.1.2 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.
- 6.7.1.3 Due diligence on market related pricing reasonability may be conducted. The State reserve the right to disqualify bid offers in which are under quoted and or are above market value. In this case, the bidder may be required to submit supporting documentations to proof
- 6.7.1.4 Conditional discounts offered will not be taken into consideration during evaluation.
- 6.7.1.5 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.
- 6.7.1.6 The Pricing Schedule (**see Annexure A attached**) 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). Any discrepancy between the hard copy and excel copy,
- 6.7.1.7 Bidders are to take note of the **Annexure E** estimated quantities per province per item which will be utilised for determining the group series total value of the items offered during evaluation.

6.7.2 Preferential Point System

- 6.7.2.1 The pricing evaluation will be in terms 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 based on:

- a) The bid price (Maximum of 90 points)
- b) B-BBEE status level of contributor (maximum 10 points)

- 6.7.2.2 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 comparative price of bid under consideration

P_t = Comparative price of bid under consideration



Pmin = Comparative price of lowest acceptable bid

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

Table 11: Preference Point System

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

- 6.7.2.4 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 6.7.2.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.
- 6.7.2.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level verification documents will be considered for preference points.
- 6.7.2.7 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- 6.7.2.8 Failure on the part of the bidder to claim points for B-BBEE status level of contribution will give the bidder a score of zero (0).
- 6.7.2.9 The points scored will be rounded off to the nearest two (2) decimals.
- 6.7.2.10 If two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for B-BBEE.
- 6.7.2.11 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 6.7.3 **Items Grouped as a Series**
- 6.7.3.1 All Items have been group per province and per gas category. Allocation for preferential points for price will be based on the total value of the series group, taking into consideration the estimated quantities per province per item (**Annexure E**). The series groups are indicated below will be evaluated and



awarded accordingly.

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

6.7.3.3 The series groups are as follows:

Table 12: Series Group

Group Name	Province	Gas Type
Group 1	Eastern Cape	Medical Gas
Group 2	Free State	Medical Gas
Group 3	Gauteng	Medical Gas
Group 4	Kwa-Zulu Natal	Medical Gas
Group 5	Limpopo	Medical Gas
Group 6	Mpumalanga	Medical Gas
Group 7	Northern Cape	Medical Gas
Group 8	North-West	Medical Gas
Group 9	Western Cape	Medical Gas
Group 10	Eastern Cape	Special Gases
Group 11	Free State	Special Gases
Group 12	Gauteng	Special Gases
Group 13	Kwa-Zulu Natal	Special Gases
Group 14	Limpopo	Special Gases
Group 15	Mpumalanga	Special Gases
Group 16	Northern Cape	Special Gases
Group 17	North-West	Special Gases
Group 18	Western Cape	Special Gases
Group 19	Eastern Cape	Industrial Gases
Group 20	Free State	Industrial Gases
Group 21	Gauteng	Industrial Gases



Group Name	Province	Gas Type
Group 22	Kwa-Zulu Natal	Industrial Gases
Group 23	Limpopo	Industrial Gases
Group 24	Mpumalanga	Industrial Gases
Group 25	Northern Cape	Industrial Gases
Group 26	North-West	Industrial Gases
Group 27	Western Cape	Industrial Gases

6.7.4 Applicable Taxes

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

6.7.5 Cost Breakdown

6.7.5.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered as per **Annexure F**. Should the cost breakdown be the same for all items on the bid response, the bidder must indicate clearly in the bid response. The cost breakdown submitted will be utilized during the price adjustment considerations.

6.7.5.2 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.

6.7.5.3 Example is as follows:

Table 13: Example of Cost Breakdown

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

6.7.6 TCD 14 Historical Exchange Rates

6.7.6.1 In terms of cost price adjustment, bidders should make use of relevant currency for the items offered by



calculating the average for the period **1 May 2022 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.

6.7.7 Responsive Bids

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



7. PART 3: 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 company profile which includes, but is not limited, to the following: -

- a) Business structure and strategies; and
- b) Details of the bidder's directors/owners (Full name and surname and ID or passport number)
- c) 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 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.

7.3.2.2 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.

- 7.3.2.3 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.

7.4 **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, Tender Information Centre (TIC), 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 on 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 clearly visible.
- 7.4.1.7 Submit all bid queries via email to TCcontract1@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 prior to the award of the transversal contract, or to 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 with respect to 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 in order to afford the National Treasury an opportunity 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 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).
- 7.6.8 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 the purpose of 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 enquiries should be in writing to TCcontract1@treasury.gov.za. The closing date for receipt of all enquiries is **25 November 2022**. All enquiries 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) who 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 medical and industrial gases of this bid and 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 South African Revenue Service (SARS) to meet the bidder's tax obligations failure which the bidder will forfeit the bid award and will be disqualified.

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 National Treasury shall verify the bidder's tax compliance status through the CSD or through 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 through 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. Due diligence 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 Split Award

8.5.1.1 No bidder will be awarded more than 6 provinces for medical gases. The bidder will be awarded the first six prioritized provinces which they score the highest points and thereafter will be passed over for any other provinces should they scored the highest points. Bidders are requested to indicate on the pricing schedule the priority list of provinces they prefer to be first awarded should they score the highest points.

8.5.1.2 The above paragraph will not apply in a case where we have one compliant bidder in a province, having been recommended for 6 provinces already, the bidder will be considered for more than 6 provinces.

8.6 Negotiations

8.6.1 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.

8.7 Due Diligence

8.7.1 The State reserves the right to 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.

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

8.7.3 Where applicable, the BEC reserves the right to 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.

8.8 Right of Award

8.8.1 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.



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 in as far this RT50-2023 is concerned:
- Bid Documents
 - Letter of Appointment
 - Award Documents
 - Acknowledgement letter
- 9.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent. For purpose of Section B, the term “service provider” shall refer to the preferred bidder appointed in terms of RT50-2023 contract.

10. PARTICIPATING STATE INSTITUTIONS/

- 10.1 The following institution will be participating on the contract for RT50-2023

Table 14: Participating Government Institutions

#	DEPARTMENT NAME
1	Department of Health: Eastern Cape
2	Department of Health: Free State
3	Department of Health: Gauteng
4	Department of Health: Kwa-Zulu Natal
5	Department of Health: Limpopo
6	Department of Health: Mpumalanga
7	Department of Health: North-West
8	Department of Health: Northern Cape
9	Department of Health: Western Cape
10	Department of Agriculture and Rural Development: Kwa-Zulu Natal
11	Department of Agriculture and Rural Development: Western Cape
12	Department of Agriculture and Rural Development: Mpumalanga
13	Department of Transport: Kwa-Zulu Natal
14	Department of Defence
15	City of Johannesburg
16	South African Bureau of Standards (SABS)
17	Uthukela Water (Pty) Ltd
18	Onderstepoort Biological Products (OBP) SOC Ltd



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 National Treasury post award to request participate on 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 schedule 1, 3A and 3C to the PFMA may opt to participate in a transversal term 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 TCcontract1@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 NDoH and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.
- 12.2.2 Supplier performance rating Form will be instituted, and every contractor must complete it to ensure good performance.
- 12.2.3 End-user State institutions are required to report to National Treasury on where contractor's performance is not satisfactory.
- 12.2.4 Successful suppliers will have their performance scored. National Treasury will provide a template which will be used to measure overall performance in terms of the contract. Services providers who score the unacceptable performance rating may not be awarded future contract of the same bid and may have the contract terminated prior to the end of contract period.
- 12.2.5 Service Providers Performance is based on the roles stipulated on the scope of work and as well as the service level agreement.



13. CONTRACT PRICE ADJUSTMENT

13.1 Formula

- 13.1.1 Prices submitted for this bid for the gas product 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 of time.
- 13.1.2 Monthly rentals for cylinders and bulk tanks will remain fixed for the contract period and prices will not be adjusted. 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 15: Contract Price Adjustment Formula

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

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 which will not change over the adjustment period and DOES



NOT represent the profit margin. In this bid the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract 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 which are inclined to change. The proportions are the contribution to the contract price of each of these cost components. In this bid the following cost components will be used to calculate contract price adjustments.

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 that are direct importers of raw material / finished product 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 16 - 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 reference will be applicable:

**Table 17: Applicable Indices/References**

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/	Average Rates of Exchange as per Reserve Bank of RSA
D2 - Local Finished product (if applicable);	STATS SA PPI 142.1 (PPI)	Table 1: Final Manufactured Goods
D3 – Labour	STATS SA P0141 (CPI)	Table E - All Items (CPI Headline)
D4 – Transport	STATS SA P0141 (CPI)	Table E: Transport – Other Running Cost
D5 –Overheads	STATS SA PPI 142.1 (PPI)	Table 3 - for electricity and water STATS SA Table
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 **November 2022**

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 closing date of bid.

Table 18: 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	15 March 2024	February 2024	1 April 2024
2nd Adjustment	14 March 2025	February 2025	1 April 2025
3rd Adjustment	13 March 2026	February 2026	1 April 2026
4th Adjustment	12 March 2027	February 2027	1 April 2027

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

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

Table 19: CPA Rate of Exchange

Currency Name	Rates of exchange:1 May 2022 to 31 October 2022
US Dollar	R 16,8212
Euro	R 17,1317
Pound	19,9711

- 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 May 2022 to 31 October 2022** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 2 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.
- 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 20: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1 st Adjustment	1 September 2023 to 28 February 2024
2 nd Adjustment	1 September 2024 to 28 February 2025
3 rd Adjustment	1 September 2025 to 28 February 2026
4 th Adjustment	1 September 2026 to 28 February 2027

**13.2.9 General**

- 13.2.9.1 Unless prior approval has been obtained from 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 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.
- 13.2.9.5 Bidders are referred to 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 AND QUANTITIES**14.1 Delivery Basis**

- 14.1.1 Firm lead times for delivery must be quoted for the duration of the contract period. Lead times for delivery of all products on transversal contract shall not exceed 24 hours for medical gas and bidder must indicate lead time on the pricing schedule for the special gases and industrial gases.

15. PLACEMENT OF ORDERS AND PAYMENTS

- 15.1 Orders will be placed by participating departments who will be responsible for the payment to contractors for goods delivered and/or services rendered.

16. CONTINUITY OF SUPPLY

- 16.1 The contractor must maintain sufficient stock to meet demand throughout the duration of the contract and inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:
 - a) Industrial action,
 - b) Manufacturing pipeline
 - c) Any other supply challenges.
- 16.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract,



the State reserves the right to purchase outside of the contract in order to meet its requirements if:

- a) The contracted supplier fails to perform in terms of the contract.
- b) The item(s) are urgently required and not immediately available.
- c) In the case of an emergency.

17. PRODUCT ADHERANCE / BRAND CHANGE

- 17.1 In the event where 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.
- 17.2 In the event that 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 contractor is required to submit supporting documents from the manufacturer substantiating the changes
- 17.3 It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the item.
- 17.4 Furthermore, contractors are to take note that the price of the new brand should not be higher from the current contract price of the original brand.
- 17.5 Contractors are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from National Treasury.
- 17.6 National Treasury reserve the right not to approve any brand change applications.

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

- 18.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform National Treasury in writing 90 days prior to such event of relevant details.
- 18.2 **Assignments of Contract**
 - 18.2.1 Assignment of contract refers to the transfer of rights and obligations in a contract from an assigner 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.
 - 18.2.2 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.

18.3 Cession of Contracts

18.3.1 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 Institution).

18.3.1.1 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.

18.4 Changes in the Service Provider Contact Details

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

19. POST AWARD PRODUCT COMPLIANCE PROCEDURES

19.1 Successful bidders must ensure that the product confirms to the 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 bidder (at own cost) to submit product for testing to confirm compliance to the relevant item specification and requirements at the SANAS accredited institution.

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

20. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

20.1 Awarded bidders must ensure continuous compliance with all statutory requirements which may affect their complying status on Central Supplier Database managed by National Treasury.

20.2 All contracted suppliers must ensure registration on all participating institutions/department's supplier databases within 30 days of accepting the award and submit proof thereof to the National Treasury.

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

21. MONITORING

21.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Provincial Health Departments, and National Department of Health or by a service provider appointed to determine continuous compliance to the product and terms of contract. The Participating Organ of State, will monitor the performance of contracted suppliers and maintain a scorecard for compliance to the terms



of this contract as follows:

- a) Compliance to delivery lead times
 - b) Percentage of orders supplied in full first time
 - c) Compliance with reporting requirements according to reporting schedule.
- 21.2 Attendance of compulsory quarterly meetings: The National Treasury may hold quarterly meetings with suppliers and or with the participating State institutions to review the supplier performance.
- 21.3 The state may conduct random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).
- 21.4 National Treasury will conduct meetings and Suppliers to discuss transversal contracting issues.
- 21.5 The National Treasury may request Participating Authorities to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.
- 21.6 Any change in the status in supply performance during the contract period must be reported within seven (7) days of receipt of such information to National Treasury.
- 21.7 All successful Suppliers are required to submit historical value and volume reports via e-mail on a quarterly basis to: TCcontracts1@treasury.gov.za

22. TERMINATION

- 22.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- 22.1.1 The service provider decides to transfer the contract or cede the contract
 - 22.1.2 The service provider does not honour contractual obligations including submission of information
 - 22.1.3 The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this Contract
 - 22.1.4 The service provider enters into settlement arrangements with their creditors
 - 22.1.5 The service provider commits an act of insolvency
 - 22.1.6 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.
 - 22.1.7 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.
 - 22.1.8 Overall poor performance rating during the contract period

END