HSP02-2019NDC

NATIONAL DEPARTMENT OF HEALTH
DIRECTORATE: AFFORDABLE MEDICINES

Request for Proposals:
The Provision of Pharmaceutical Warehousing and Distribution Services for a National Strategic Buffer Stock for the Period 1 April 2019 to 31 March 2022

Validity Period: 90 Days

Non- Compulsory Briefing Session
Date: 20 February 2019
Time: 10:00-11:00

Venue: National Department of Health
Cnr. Thabo Sehume & Struben Streets
Civitas Building, Bophelo Auditorium
Pretoria Central
PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER: HSP02-2019NDC CLOSING DATE: 11 March 2019 CLOSING TIME: 11:00

DESCRIPTION: PROVISION OF PHARMACEUTICAL WAREHOUSING AND DISTRIBUTION SERVICES FOR A NATIONAL STRATEGIC BUFFER STOCK

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

National Department of Health
Civitas Building
c/o Thabo Sehume and Struben Streets
CBD PRETORIA, 0001

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO: TECHNICAL ENQUIRIES MAY BE DIRECTED TO:

CONTACT PERSON Mandie Coetzee CONTACT PERSON Kolobe Kgomo
TELEPHONE NUMBER 012 395 8419 TELEPHONE NUMBER 012 395 8618
FACSIMILE NUMBER FACSIMILE NUMBER
E-MAIL ADDRESS tenders@health.gov.za E-MAIL ADDRESS tenders@health.gov.za

SUPPLIER INFORMATION

NAME OF BIDDER
POSTAL ADDRESS
STREET ADDRESS
TELEPHONE NUMBER CODE NUMBER
CELLPHONE NUMBER
FACSIMILE NUMBER CODE NUMBER
E-MAIL ADDRESS
VAT REGISTRATION NUMBER

SUPPLIER COMPLIANCE STATUS
TAX COMPLIANCE SYSTEM PIN: OR CENTRAL SUPPLIER DATABASE No:

B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE
TICK APPLICABLE BOX] B-BBEE STATUS LEVEL SWORN AFFIDAVIT
[Yes No] [Yes No]

[IF YES, ENCLOSE PROOF]

[IF YES, ANSWER THE QUESTIONNAIRE BELOW]

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?
Yes No

ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?
Yes No

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?
YES NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA?
YES NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?
YES NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?
YES NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?
YES NO

IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.
### TERMS AND CONDITIONS FOR BIDDING

#### 1. BID SUBMISSION:

1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.

1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED—(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.

1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).

#### 2. TAX COMPLIANCE REQUIREMENTS

2.1. BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.

2.2. BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER’S PROFILE AND TAX STATUS.

2.3. APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.

2.4. BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.

2.5. IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.

2.6. WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

2.7. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER: ..........................................................

CAPACITY UNDER WHICH THIS BID IS SIGNED: ..........................................................

(Proof of authority must be submitted e.g. company resolution)

DATE: ..........................................................
### PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

**NOTE:** PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of Bidder……………………………………………………………Bid number…HSP02-2019NDC…

Closing Time ………11:00…………………………………. Closing date… 11 MARCH 2019……

OFFER TO BE VALID FOR………DAYS FROM THE CLOSING DATE OF BID.

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
<th>BID PRICE IN RSA CURRENCY <strong>(ALL APPLICABLE TAXES INCLUDED)</strong></th>
</tr>
</thead>
</table>

- Required by: ............................................................
- At: ...........................................................................
- Brand and model .........................................................
- Country of origin .......................................................
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s) ..................
- Period required for delivery ........................................
- Delivery: *Firm/not firm

**“all applicable taxes” includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.**

*Delete if not applicable
PRICE ADJUSTMENTS

A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES.

2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

\[ Pa = (1-V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt \]

Where:

- **Pa** = The new escalated price to be calculated.
- **(1-V)Pt** = 85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.**
- **D1, D2..** = Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2...etc. must add up to 100%.
- **R1t, R2t……** = Index figure obtained from new index (depends on the number of factors used).
- **R1o, R2o** = Index figure at time of bidding.
- **VPt** = 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

<table>
<thead>
<tr>
<th>Index</th>
<th>Dated</th>
<th>Index</th>
<th>Dated</th>
<th>Index</th>
<th>Dated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index</td>
<td>Dated</td>
<td>Index</td>
<td>Dated</td>
<td>Index</td>
<td>Dated</td>
</tr>
</tbody>
</table>

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

<table>
<thead>
<tr>
<th>FACTOR (D1, D2 etc. eg. Labour, transport etc.)</th>
<th>PERCENTAGE OF BID PRICE</th>
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</table>
## B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

<table>
<thead>
<tr>
<th>PARTICULARS OF FINANCIAL INSTITUTION</th>
<th>ITEM NO</th>
<th>PRICE</th>
<th>CURRENCY</th>
<th>RATE</th>
<th>PORTION OF PRICE SUBJECT TO ROE</th>
<th>AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD</th>
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<td>ZAR=</td>
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</tbody>
</table>

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

<table>
<thead>
<tr>
<th>AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:</th>
<th>DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE</th>
<th>DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE</th>
<th>DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE</th>
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DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

   - the bidder is employed by the state; and/or
   - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

   2.1 Full Name of bidder or his or her representative: …………………………………………………………

   2.2 Identity Number: …………………………………………………………………………………………………

   2.3 Position occupied in the Company (director, trustee, shareholder²): ………………………………………

   2.4 Company Registration Number: …………………………………………………………………………………

   2.5 Tax Reference Number: ……………………………………………………………………………………………

   2.6 VAT Registration Number: ………………………………………………………………………………………

   2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹“State” means –
   (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
   (b) any municipality or municipal entity;
   (c) provincial legislature;
   (d) national Assembly or the national Council of provinces; or
   (e) Parliament.

²“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.
2.7 Are you or any person connected with the bidder presently employed by the state?  

YES / NO

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:  
Name of state institution at which you or the person connected to the bidder is employed:  
Position occupied in the state institution:  

Any other particulars:

………………………………………………………………
………………………………………………………………
………………………………………………………………

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?  

YES / NO

2.7.2.1 If yes, did you attached proof of such authority to the bid document?  

YES / NO

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

………………………………………………………………
………………………………………………………………
………………………………………………………………

2.8 Did you or your spouse, or any of the company’s directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?  

YES / NO

2.8.1 If so, furnish particulars:

………………………………………………………………
………………………………………………………………
………………………………………………………………

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?  

YES / NO

2.9.1 If so, furnish particulars.

………………………………………………………………
2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? 

2.10.1 If so, furnish particulars.

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

2.11.1 If so, furnish particulars:

3 Full details of directors / trustees / members / shareholders.

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Personal Tax Reference Number</th>
<th>State Employee Number / Personal Number</th>
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</table>
4 DECLARATION

I, THE UNDERSIGNED (NAME)………………………………………………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

........................................  ...............................................................  ..........................................................
Signature                           Date

........................................  ...............................................................  ..........................................................
Position                           Name of bidder

May 2011
PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution


1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (delete whichever is not applicable for this tender).

1.3 Points for this bid shall be awarded for:
(a) Price; and
(b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

<table>
<thead>
<tr>
<th>Points</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PRICE</td>
<td>80</td>
</tr>
<tr>
<td>B-BBEE STATUS LEVEL OF CONTRIBUTOR</td>
<td>20</td>
</tr>
<tr>
<td>Total points for Price and B-BBEE must not exceed</td>
<td>100</td>
</tr>
</tbody>
</table>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.
2. DEFINITIONS
(a) “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
(b) “B-BBEE status level of contributor” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
(c) “bid” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
(d) “Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
(e) “EME” means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
(f) “functionality” means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
(g) “prices” includes all applicable taxes less all unconditional discounts;
(h) “proof of B-BBEE status level of contributor” means:
   1) B-BBEE Status level certificate issued by an authorized body or person;
   2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
   3) Any other requirement prescribed in terms of the B-BBEE Act;
(i) “QSE” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
(j) “rand value” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE
3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS
A maximum of 80 or 90 points is allocated for price on the following basis:

\[
P_s = \begin{cases} 
80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}}\right) & \text{or} \\
90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}}\right) & 
\end{cases}
\]

Where
- \( P_s \) = Points scored for price of bid under consideration
- \( P_t \) = Price of bid under consideration
- \( P_{\min} \) = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR
4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:
### Table

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (90/10 system)</th>
<th>Number of points (80/20 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### 5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

### 6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: \( \frac{\text{Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.}}{\text{maximum of 10 or 20 points}} \)

### 7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

*(Tick applicable box)*

| YES | NO |

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted?

ii) The name of the sub-contractor:

iii) The B-BBEE status level of the sub-contractor:

iv) Whether the sub-contractor is an EME or QSE

*(Tick applicable box)*

| YES | NO |

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

<table>
<thead>
<tr>
<th>Designated Group: An EME or QSE which is at last 51% owned by:</th>
<th>EME</th>
<th>QSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people who are youth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people who are women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people with disabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people living in rural or underdeveloped areas or townships</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative owned by black people</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Black people who are military veterans

OR

Any EME

Any QSE

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:

8.2 VAT registration number:

8.3 Company registration number:

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

- ..............................................................................................................
- ..............................................................................................................
- ..............................................................................................................
- ..............................................................................................................
- ..............................................................................................................
- ..............................................................................................................
- ..............................................................................................................
- ..............................................................................................................
- ..............................................................................................................

8.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a
fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding process;
(b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
(d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
(e) forward the matter for criminal prosecution.

WITNESSES

1. ........................................
2. ........................................

SIGNATURE(S) OF BIDDERS(S)

DATE: ........................................
ADDRESS ........................................
........................................
DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Standard Bidding Document must form part of all bids invited.

2. It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3. The bid of any bidder may be disregarded if that bidder, or any of its directors have-

   a. abused the institution’s supply chain management system;
   b. committed fraud or any other improper conduct in relation to such system; or
   c. failed to perform on any previous contract.

4. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
| 4.1  | Is the bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?  
(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the audi alteram partem rule was applied).  
The Database of Restricted Suppliers now resides on the National Treasury’s website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page. | Yes | No |
| 4.1.1| If so, furnish particulars:                                                                                                                                                                                                                                                                         |     |    |
| 4.2  | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?  
The Register for Tender Defaulters can be accessed on the National Treasury’s website (www.treasury.gov.za) by clicking on its link at the bottom of the home page. | Yes | No |
| 4.2.1| If so, furnish particulars:                                                                                                                                                                                                                                                                         |     |    |
| 4.3  | Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?                                                                                                                                      | Yes | No |
| 4.3.1| If so, furnish particulars:                                                                                                                                                                                                                                                                         |     |    |
4.4 Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?  

Yes ☐  No ☐

4.4.1 If so, furnish particulars:

SBD 8

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)…………………………………………………………
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.............................................. ........................................
Signature Date

.............................................. ........................................
Position Name of Bidder

Js365bW
SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a pe se prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
   a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution’s supply chain management system and or committed fraud or any other improper conduct in relation to such system.
   b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.
CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

________________________________________________________________________

(Bid Number and Description)

in response to the invitation for the bid made by:

______________________________________________________________________________

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of:_______________________________________________________that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not not affiliated with the bidder, who:

   (a) has been requested to submit a bid in response to this bid invitation;
   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium\(^3\) will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
   - (a) prices;
   - (b) geographical area where product or service will be rendered (market allocation);
   - (c) methods, factors or formulas used to calculate prices;
   - (d) the intention or decision to submit or not to submit, a bid;
   - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
   - (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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\(^3\) **Joint venture or Consortium** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.......................................................... ..........................................................
Signature Date

.......................................................... ..........................................................
Position Name of Bidder

Js914w 2
GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT

July 2010
NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.
# TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier’s performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices
General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.

1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the
"Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

“Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

“GCC” means the General Conditions of Contract.

“Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

“Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

“Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

“Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

“Order” means an official written order issued for the supply of goods or works or the rendering of a service.

“Project site,” where applicable, means the place indicated in bidding documents.

“Purchaser” means the organization purchasing the goods.

“Republic” means the Republic of South Africa.

“SCC” means the Special Conditions of Contract.

“Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such
obligations of the supplier covered under the contract.

1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application
2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General
3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards
4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.
5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights
6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
### 7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier’s failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

1. a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser’s country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser;
2. a cashier’s or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier’s performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

### 8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or
analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
(e) training of the purchaser’s personnel, at the supplier’s plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
(b) in the event of termination of production of the spare parts:
   (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
   (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser’s specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take
such remedial action as may be necessary, at the supplier’s risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser’s request for bid validity extension, as the case may be.

18. Contract amendments

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser’s prior written consent.

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier’s performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier’s notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier’s time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the
supplier’s point of supply is not situated at or near the place where the supplies are required, or the supplier’s services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier’s expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any
person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
(i)  the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

These details will be loaded in the National Treasury’s central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person’s name be endorsed on the Register for Tender Defaulters. When a person’s name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which
may be due to him

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser’s country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.
REQUEST FOR PROPOSALS

THE PROVISION OF PHARMACEUTICAL WAREHOUSING AND DISTRIBUTION SERVICES FOR A NATIONAL STRATEGIC BUFFER STOCK

FOR THE PERIOD 1 APRIL 2019 TO 31 MARCH 2022

VALIDITY PERIOD 90 DAYS

NON-COMPULSORY BRIEFING SESSION:

DATE: 20 FEBRUARY 2019
TIME: 10:00-11:00

VENUE: NATIONAL HEALTH OF HEALTH,
CNR THABO SEHUME AND STRUBEN STREETS
CIVITAS BUILDING, BOPHELO AUDITORIUM
PRETORIA
1 PURPOSE
The provision of pharmaceutical warehousing and distribution services of national strategic buffer stock to all health facilities in the country including provincial medical depots for a period of three years starting from 1 April 2019 to 31 March 2022.

2 BACKGROUND
Pharmaceutical warehousing and distribution forms part of the supply chain responsible for effective, efficient, safe handling, storage and distribution of health products, ensuring that the quality and identity of these products are maintained throughout the supply chain. The national strategic buffer stock will consist mainly of ARVs, but other products may be added as the need arise. Therefore, the tender document will refer to “health products” instead of ARVs.

The pharmaceutical supply chain is complex and often not flexible to accommodate unplanned demands thereby threatening the security of supply and increasing the risk of stock-outs. It is therefore of utmost importance to have buffer stock to cover for unplanned demand without disrupting the entire supply chain process.

The budget for health products has been inadequate for some time. Thus, the strategic national buffer stock can be used to generate some budget savings on the selected products which can be used to cover budget for other health products. This will reduce accruals at the end of the financial year.

3 SPECIAL CONDITIONS OF CONTRACT

a) This bid and all contracts emanating there from, will be subject to the 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). The Special Conditions of Contract are supplementary to the General Conditions of Contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract will prevail.

b) In terms of Regulation 6 of the Preferential Procurement Regulations, published in terms of the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the basis of the 80/20-preference point system in terms of which points are awarded to bidders on the basis of:

c) The bid price (final delivered price including VAT): maximum 80 points

d) B-BBEE status level of bidder: maximum 20 points

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

\[ Ps = 80 \left(1 - \frac{Pt - P_{\text{min}}}{P_{\text{min}}}\right) \]

Where:
Ps= Points scored for comparative price of bid under consideration
Pt= Comparative price of bid under consideration
f) In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (80/20 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
</tr>
</tbody>
</table>

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

g) Bidders are required to complete the preference claim form (SBD 6.1) irrespective of whether B-BBEE status level points are claimed or not.

h) Only bidders who have completed and signed the declaration part of the preference claim form, and who have submitted a B-BBEE status level certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of Close Corporation Act, 1984 (Act 69 of 1984)) or an accredited verification agency will be considered for preference points.

i) Bidders that fail to comply with paragraphs 2.1.4 and 2.1.5 will be allocated zero points for B-BBEE status.

j) The points scored by a bidder for B-BBEE contribution will be added to the points scored for price.

k) The points scored will be rounded off to the nearest 2 decimal points.

l) The National Department of Health may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference points.

m) In the event that two or more bids have scored an equal number of total points, the contract will be awarded to the bidder scoring the highest number of points for B-BBEE. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

n) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
4 PRE AWARD DUE DILIGENCE

a) NDoH reserves the right to conduct warehouse due diligence prior to the final award of the contract. This may include site visits.

b) The National Department of Health (NDoH) reserves the right not to award a contract.

5 MINIMUM REQUIREMENTS

5.1 Legislative Requirements

a) The service provider must be licensed by the South African Health Products Regulatory Authority to render pharmaceutical warehousing and distribution. The warehouse will be managed according to South African Good Wholesaling Practice guideline for wholesalers.1 2

b) The warehouse must have been constructed according to South African National Standard 10400 as published by the South African Bureau of Standards (SABS).

c) The service provider must be compliant and abide to Occupational Health Safety Act.

5.2 Value Added Tax

a) All bid prices must be inclusive of 15% Value-Added Tax.

b) Failure to comply with this condition may invalidate the bid.

5.3 Submission of Bids

a) Bidders must submit two sets of bid documents according to the instructions below.

b) Bidders must submit the original set of set 1 and 2 AND TWO COPIES OF SET 1 AND 2

c) Set 1: Hard copy (constitutes the legally binding bid document) and commercial proposal must be submitted in a separate envelope and clearly marked accordingly.

d) All SBD and Bid Response forms must be completed in black typescript. All fields must be completed.

e) Where no electronic entry field is provided, bidders must complete the forms in black ink, handwritten in capital letters.

f) Where information as requested is not relevant, this should be indicated with N/A.

g) After completion, the full PDF document and the Bid Response document must be printed.

h) Bidders must submit their complete bid in hard copy format (paper document).

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1 MCC, Registrar of Medicine, Dr J.C Gouws 2016. South African Good Wholesaling Practice for wholesalers.

2 If during the life of the contract, an updated version of this document will be adopted by the MCC, the contractor will make all reasonable efforts to abide by the updated standards within 6 months of the document's publication.
i) The signed hard copy of the bid document will serve as the legal bid document.

j) Each bid should be submitted in a separate, sealed envelope or suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly endorsed.

k) The duly authorised designee of the entity submitting the bid must attach his/her official signature where indicated on the documents. All pages in the bid submission must be initialled by the same person with black ink. The use of correction fluid is not acceptable. Any change/s must be clearly indicated and initialled. Where certified copies of documents are required, the person certifying such documents must not be associated with the bidder in any way.

l) Set 2: Scanned version of Set 1. (i.e. Scanned complete hard copy)

m) Bidders must submit a PDF version of the entire signed hardcopy bid, including all certificates and documents requested.

5.4 Late Bids

a) Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration, and where practicable, be returned unopened to the bidder.

6 REQUIRED SERVICES

The service provider will perform all the required services and functions as required by Medicines and related substances Act, Good Wholesaling Practice and any other applicable legislative framework.

6.1 Receiving

a) The service provider must ensure that the stock received meet the requirements as per the Good Wholesaling Practice Guidelines.¹

6.2 Storage requirements

a) The National Distribution Centre (NDC) must be one central warehousing facility capable of handling cold chain and regular items, stored between 2-8°C, -20°C and below 25°C.

b) The NDC must be able to distribute to all health facilities in the country without compromising the quality of health products- move to par for distribution

c) The temperature of the storage areas and warehouse must be controlled, monitored and recorded daily. Must have an electronic system. The health products must be stored and distributed as per manufactures instruction or label.

d) The current procurement plan is presented in table below and it is not an indication of actual volumes. The volumes must be considered as estimates. Estimates and storage requirements will be reviewed and provided to the service provider on a quarterly basis.
<table>
<thead>
<tr>
<th>Product</th>
<th>Strength</th>
<th>Units per shipper</th>
<th>Shipper volume</th>
<th>Estimate per quarter</th>
<th>Total space per quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenofovir/Emtricitabine/Efavirenz</td>
<td>600mg/200mg/300mg</td>
<td>144</td>
<td>0.035 cubic meters</td>
<td>1141995 units</td>
<td>277.5 cubic meters</td>
</tr>
</tbody>
</table>

6.3 Inventory Management

a) The NDC must have a qualified Enterprise Resource Planning system for inventory management.

   (i) The system must be able to show all records of transactions including receipts, issue-vouchers, stock adjustments and proof of deliveries of health products. It must also generate picking slip of products following “First Expiry, Entry First Out” Principle.

   (ii) The system must be able to generate shelf-life report of NDoH health products.

b) The service provider must inform NDoH immediately of health products with shelf-life of less than nine months, failure to comply the service provider will be liable for expired stock.

c) The service provider will be liable for the of loss and damages of stock while in the premises of the service provider or in transit.

d) In principle, the NDC will ship products in original shipper packs, but the NDoH retains the right to ask the service provider to issue single units.

e) The NDoH stock must be readily available for identification/verification as and when required.

6.4 Picking and Packing

a) Picking of health products must be done following FEEFO principle. The recipient must give consent to receive health products with shelf-life of less than six months.

b) The service provider will supply the health products in the original secondary packaging supplied by the manufacturer. If, for whatever reason, alternative packaging has to be used, the service provider must ensure compliance to appropriate standards for packaging.

c) The packaging should be able to withstand the mechanical hazards of handling and transport, prevent leakage, and provide an appropriate level of protection from environmental conditions.

d) Each shipper pack or repacked container distributed from NDC will carry a label with the following minimum information:

   (i) Shipment or delivery note
(ii) Name or point of delivery
(iii) Weight of the carton
(iv) Number of the carton
(i) Total number cartons in shipment.

6.5 Distribution and Transportation

a) The service provider will be required to transport deliveries from the NDC to health facilities throughout the country including provincial medical depots.

b) The service provider will not be allowed to initiate deliveries without written instructions from the NDoH.

c) Delivery of health products will be made in accordance with the details appearing on the official NDoH instruction forms.

d) All deliveries will be accompanied by a delivery note stating the official instruction/order number against which the delivery is made.

e) It is the responsibility of the service provider to ensure that the health products are delivered with shelf-life of not less than nine months. Any delivery of such products must be authorised by Affordable Medicines Directorate at NDoH.

f) Any delivery of short dated supplies without prior written approval must be collected at the cost of the service provider.

g) The maximum delivery lead time is 72 hours. The NDoH retains the right to request urgent deliveries.

h) Upon receipt, the beneficiary will confirm the maintenance of the cold chain and note this on the delivery note. The service provider must provide documentation.

i) Vehicles used for distribution should be suitable for their purpose and appropriately equipped to prevent theft and exposure of health products to conditions that will affect their stability and packaging integrity. The conditions of the shipper packs or containers must be acceptable to the recipient at the point of delivery.

6.6 Disposal

a) The disposal of stock must only be initiated upon the instruction from NDoH and will be as per the required legislation.

6.7 Delivery Documentation

a) Each delivery will be accompanied by the following documentation:
   (i) Delivery note, three copies. The delivery note should contain:
       • delivery note number
• NDoH order/instruction number
• dispatch date
• name of dispatcher
• list of health products with quantities, batch numbers and expiry dates

(ii) Space for comments, if necessary, by the recipient, on the delivery
(iii) Confirmation of cold chain maintenance, where applicable.

b) Copy of the NDoH order/instruction

(i) One copy of the NDoH order/instruction and one copy of the delivery note remain at the point of delivery. The two remaining copies (both signed for receipt by the beneficiary) will be retained to the service provider.

c) For each completed delivery the following documentation is sent to the NDoH:

(i) One e-copy of the signed delivery note
(ii) One hard copy of the signed delivery note

d) The service provider and the NDoH will agree in the contract on the frequency of exchange of these documents.

6.8 Quality management system

a) The service provider should have a quality management system (QMS) in place describing the procedures that are in place in its organisation.

b) The NDoH reserves the right to verify the existence and validity of the QMS.

c) This QMS should cover at least the following issues:

<table>
<thead>
<tr>
<th>Sections</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>General issues</td>
<td>Code of conduct</td>
</tr>
<tr>
<td></td>
<td>Anti-fraud policy</td>
</tr>
<tr>
<td></td>
<td>Functional organisational chart</td>
</tr>
<tr>
<td>Process</td>
<td>Internal process quality control</td>
</tr>
<tr>
<td>Legal</td>
<td>Copies of all required documents</td>
</tr>
<tr>
<td>Risk management</td>
<td>Pharmaceutical risk management</td>
</tr>
<tr>
<td></td>
<td>Emergency planning and prevention</td>
</tr>
<tr>
<td>Management Information System</td>
<td>Pharmaceutical supply information dash board</td>
</tr>
<tr>
<td>reporting</td>
<td></td>
</tr>
<tr>
<td>Administration &amp; Logistics</td>
<td>Contacts</td>
</tr>
<tr>
<td></td>
<td>Keys and access management</td>
</tr>
<tr>
<td></td>
<td>Security and guarding of premises</td>
</tr>
<tr>
<td>Sections</td>
<td>Issues</td>
</tr>
<tr>
<td>---------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Fleet management</td>
<td>Management of assets</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Staff contracts and job descriptions</td>
</tr>
<tr>
<td></td>
<td>Working conditions</td>
</tr>
<tr>
<td></td>
<td>Hygiene and security (Safety of workplace)</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Hardware installation and maintenance</td>
</tr>
<tr>
<td></td>
<td>Software qualification, updates and daily maintenance</td>
</tr>
<tr>
<td></td>
<td>IT security &amp; organisation of back-ups</td>
</tr>
<tr>
<td>Archiving</td>
<td>Paper and electronic archiving</td>
</tr>
<tr>
<td>Pharmaceutical management</td>
<td>Applicable norms and standards</td>
</tr>
<tr>
<td></td>
<td>Copies of all forms and notes</td>
</tr>
<tr>
<td>Storage</td>
<td>Receipt merchandise</td>
</tr>
<tr>
<td></td>
<td>Quantitative check receipt merchandise</td>
</tr>
<tr>
<td></td>
<td>Reporting process (quantitative issues)</td>
</tr>
<tr>
<td></td>
<td>Inventory</td>
</tr>
<tr>
<td></td>
<td>Back-orders</td>
</tr>
<tr>
<td></td>
<td>Customer service, return of products</td>
</tr>
<tr>
<td></td>
<td>Management of expired, damaged products</td>
</tr>
<tr>
<td></td>
<td>Batch tracking</td>
</tr>
<tr>
<td></td>
<td>Product or batch recall</td>
</tr>
<tr>
<td></td>
<td>Quarantined stock and returned stock</td>
</tr>
<tr>
<td>Stock take</td>
<td>Stoke take process</td>
</tr>
<tr>
<td></td>
<td>Variances report and reconciliation</td>
</tr>
<tr>
<td>Transport</td>
<td>Transport conditions: safe &amp; secure</td>
</tr>
<tr>
<td></td>
<td>Delivery and supply documentation</td>
</tr>
</tbody>
</table>
7 COMMUNICATION, INFORMATION AND REPORTING

7.1 Communication

a) The communication requirements will be defined in the contract with a successful service provider. The contract will also define the type of communication and how dates of transmission and dates of receipt will be measured.

7.2 Information

a) The service provider must have ERP software programme to manage the NDC and its operations. The service provider will grant the NDoH secure access to the software enabling remote real-time access to supply management data and transactional records. The NDoH must be able to download and export supply management data for analysis and processing through the access granted by the service provider.

b) The service provider will train and support the NDoH on the use of and access to its ERP system, including future system upgrades.

7.3 Management reports

a) The service provider will share data on receipt, storage, dispatch, distribution and disposal information once a month and as requested by the NDoH. The format and the detailed contents of the management information report will be defined in the contract.

b) The successful service provider must be able to maintain confidentiality and sensitivity to handling of classified information.

7.4 Stock adjustments

a) The service provider will inform the NDoH of any stock discrepancies and provide reasons for stock adjustments thereof.

b) The NDoH retains the right to authorise stock adjustments.

7.5 Stock take

a) Stock take must be conducted twice in a financial year i.e. September and March.

b) The service provider must invite the NDoH and independent auditors to all stock takes.

c) The service provider will provide a signed-off stock count report, including variances, to the NDoH.

7.6 Stock Price Amendments

a) Product price can be adjusted subject to predefined criteria. The service provider must ensure that the health product prices are updated as and when required and only on instruction from the NDoH.
8 PERFORMANCE INDICATORS

Key performance indicators will be defined in the contract. The indicators will be evaluated and subsequently discuss them on a regular basis by the NDoH and the service provider. Underperformance may affect the contractual relationship between the NDoH and the service provider. A full detailed definitions and the way of calculating and measuring the performance indicators will be written in the contract.

8.1 Service provider indicator

a) Accuracy of inventories

b) Timelines and completeness of management information reports. These reports must contain the following information:

- Number of receipts
- Details on receipts: name suppliers, date, order number
- Number and nature of incidents during receipts
- Quantity received per health product, name of the supplier, date, order number, batch number and expiry date.
- Stock on hand (Value and Quantity) per health product, batch number, expiry date
- Quantity issued per health product, issue voucher number, batch number and expiry date
- Quantities of obsolete health products expired, damaged or otherwise unusable

c) Delivery lead times.

d) Product and quantity requested vs. product and quantity delivered.

e) Storage conditions

8.2 NDoH performance indicators

a) Payment of compliant invoices within 30 days of receipt.
9 BID EVALUATION PHASES AND CRITERIA

The evaluation process will be conducted in five phases as follows:

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative compliance</td>
<td>Mandatory regulatory requirements and conditions of contract including legislative compliance</td>
<td>80/20 Preferential Point System</td>
</tr>
</tbody>
</table>

9.1 Phase 1: Attendance of Non-compulsory briefing session

a) PBD7: Non-Compulsory briefing session attendance register (if applicable).

9.2 Phase 2: Administrative Compliance

<table>
<thead>
<tr>
<th>DOCUMENT NAME</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBD 1 Invitation to bid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSD MAAA number for bidder</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBD 4: Declaration of interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBD 6.1: Preference Points Claimed (B-BBEE)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B-BBEE Status Level Verification Certificate</td>
<td></td>
<td></td>
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<tr>
<td>SBD 8: Declaration of Past SCM Practices</td>
<td></td>
<td></td>
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<tr>
<td>SBD 9: Certificate of Independent Bid Determination</td>
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<tr>
<td>SBD 3.2 Non-firm Price</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9.3 Technical evaluation criteria: Mandatory Regulatory Requirements:

a) Bidders are required to **EXPLICITLY MARK EITHER “COMPLY”, OR “DO NOT COMPLY”** on each and every mandatory requirement. Failure to do so will be taken as a **“DO NOT COMPLY”**.

b) Bidders must **SUBSTANTIATE/MOTIVATE** or **PROVIDE PROOF** where required. Failure to do so will be taken as a **“DO NOT COMPLY”**.

c) Bidders may, where necessary, **REFER TO ADDITIONAL REFERENCE MATERIAL SUBMITTED BY DOCUMENT NAME/NUMBER, PAGE NUMBER AND PARAGRAPH**. Where a reference in substantiation is made to another page (“off-page”) in the bidder’s submission, such referenced page must be clearly identified by a unique reference number and such reference number must be provided in the question’s substantiation. During evaluation, NDoH reserves the right to treat a question for which an “off-page” referenced substantiation page cannot be located based on such a unique reference number as a **“DO NOT COMPLY”**.

The service provider must provide proof of the following documents to qualify for Phase 3 evaluation

<table>
<thead>
<tr>
<th>Mandatory requirements</th>
<th>Comply</th>
<th>Not comply</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAHPRA/MCC pharmaceutical warehouse License</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid Occupational Health and Safety Certificate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NDoH Pharmacy Premise Licence</td>
<td></td>
<td></td>
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<tr>
<td>South African Pharmacy Council (Recording) Certificate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualification documents of ERP system with Warehouse Management functional module or equivalent</td>
<td></td>
<td></td>
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<tr>
<td>Company experience in pharmaceutical warehouse and distribution (provide at least five references)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation (list of vehicles fit for purpose or third party contract)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site master file for pharmaceutical warehouse</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9.4 Financial evaluation

Prices submitted for this bid will be regarded as non-firm. Include part 5.

Service providers should quote a price for each of the activities as listed in the table below:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Unit cost (ZAR)</th>
<th>Total value (ZAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pallet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shipper pack/box</td>
<td></td>
</tr>
<tr>
<td>Picking &amp; Packing</td>
<td>Regular items</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pallet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shipper pack/box</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other additional costs (please specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VAT (15%)</td>
<td></td>
</tr>
<tr>
<td>TOTAL VALUE</td>
<td>(VAT inclusive)</td>
<td></td>
</tr>
</tbody>
</table>

*The distribution cost is usually included in the price for health products. In such cases the service provider will not charge a distribution fee. The Service Provider must provide a price breakdown.

9.5 Price points scoring system

In line with the PPFA requirements, this bid will be evaluated in accordance with the following preferential points scoring system (please mark with “X”):

| 80/20 scoring system | x |

9.5.1 General price criteria conditions

Bidder will be bound by the following general price criteria conditions and NDoH reserves the right to negotiate the conditions or automatically disqualify the bidder for not accepting these conditions.
These conditions will form part of the signed contract/contractual obligation for the bidder. However, NDoH reserve the right to include or waive the condition in the signed contract.

1. NDoH reserves the right to award the required services to multiple service providers.  
<table>
<thead>
<tr>
<th>Accept</th>
<th>Not accept</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comment

2. All prices must be VAT inclusive and must be quoted in South African Rand (ZAR).  
<table>
<thead>
<tr>
<th>Accept</th>
<th>Not accept</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comment

3. Bidder is required to provide a bank guarantee letter  
<table>
<thead>
<tr>
<th>Accept</th>
<th>Not accept</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comment

4. All prices quoted are the total price for the entire scope of required services and deliverables to be provided by the bidder.  
<table>
<thead>
<tr>
<th>Accept</th>
<th>Not accept</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comment

5. The cost of delivery, labour, S&T, overtime, etc. must be included in this bid.  
<table>
<thead>
<tr>
<th>Accept</th>
<th>Not accept</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comment

6. All additional costs must be clearly specified.  
<table>
<thead>
<tr>
<th>Accept</th>
<th>Not accept</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comment

10. CONFIDENTIALITY CLAUSE AND COPYRIGHTS

a) The service providers are bound to protect the confidentiality of all data and information gathered and accessed through the work on assignment. Information and data received and accessed through this project may only be used to meet the objectives outlined in these specifications. The NDoH reserves the right to request any relevant documentation at any stage of implementation.

b) The NDoH will become the sole owner of the reports collated and compiled by selected service providers in the execution of the said duties.
c) The copyright of the data, documents, programmes and reports compiled by the successful service provider will belong to the NDoH and none of the above may be made available, reproduced or distributed in any way without written approval of the NDoH.

10 GENERAL
a) Unless prior approval has been obtained from NDoH, no adjustment in contract prices will be made.

b) In the event that the NDoH calculation varies from the supplier’s, the variance must be resolved through consultation.

c) The NDC contract will be financed with funds obtained through the HIV programme of the Global Fund for the Fight against Aids, Tuberculosis and Malaria. If for any reason this funding will be cancelled, suspended or otherwise unavailable to the NDoH, the contract with the successful service provider may be suspended and possibly cancelled.

11 MONITORING AND EVALUATION

11.1 Performance indicators
a) The contract between the NDoH and the successful Service provider will contain a number of key performance indicators. The NDoH will evaluate them on a regular basis and subsequently discuss them with the Service provider. Underperformance may affect the contractual relationship between the DOH and the Service provider.

b) The NDoH may at any time carry out inspections. This can be done either by its own personnel or through contracted auditors.

c) Details will be concluded as part of the Service Level Agreement.

11.2 Termination of contract
a) Termination of the contract will be as per section 23 of the General Conditions of the Contract.
HSP 02 2019 NDC: The provision of warehouse and distribution services for National buffer stock

<table>
<thead>
<tr>
<th>Short Item Specification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NB: Complete all fields by using Excel (Refrain from completing the fields in your own handwriting)</td>
<td></td>
</tr>
</tbody>
</table>

**Bid Response**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Unit cost (ZAR)</th>
<th>Total value (ZAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage</td>
<td>Pallet</td>
<td>Shipper pack/box</td>
</tr>
<tr>
<td>Picking &amp; Packing</td>
<td>Regular items</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>Regular items</td>
<td>Pallet</td>
</tr>
<tr>
<td></td>
<td>Shipper pack/box</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**

Other additional costs (please specify)

**GRAND TOTAL**

Cost Breakdown for Price Review

<table>
<thead>
<tr>
<th>Activity</th>
<th>% Contribution</th>
<th>Total Cost Components must add up to 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other, Specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cost Components must add up to 100%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

VAT (15%)

**TOTAL VALUE (VAT inclusive)**

PLEASE USE THE EXCEL SPREADSHEET INCLUDED TO COMPLETE THIS PAGE

BIDDER’S SIGNATURE: ___________________________ DATE: ________________
The Director General: *NAME OF DEPARTMENT

I/we hereby request and authorise you to pay any amounts, which may accrue to me/us to the credit of my/our account with the mentioned bank.

I/we understand that the credit transfers hereby authorised will be processed by computer through a system known as "ACB - Electronic Fund Transfer Service", and I/we understand that not additional advice of payment will be provided by my/our bank, but that the details of each payment will be printed on my/our bank statement or any accompanying voucher. (This does not apply where it is not customary for banks to furnish bank statements).

I/we understand that the Department will supply a payment advice in the normal way, and that it will indicate the date on which the funds will be made available on my/our account.

This authority may be cancelled by me/us by giving thirty days notice by prepaid registered post. Please ensure information is validate as per required bank screens.

I/we understand that bank details provided should be exactly as per the records held by the bank.

I/we understand that the Department will not assume responsibility for any delayed payments, as a result of incorrect information supplied.

<table>
<thead>
<tr>
<th>Company / Personal Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Name</td>
</tr>
<tr>
<td>Trading Name</td>
</tr>
<tr>
<td>Tax Number</td>
</tr>
<tr>
<td>VAT Number</td>
</tr>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Initials:</td>
</tr>
<tr>
<td>First Name:</td>
</tr>
<tr>
<td>Surname:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Address</td>
</tr>
<tr>
<td>(Compulsory if Supplier )</td>
</tr>
<tr>
<td>Postal Code</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Supplier information</td>
</tr>
<tr>
<td>Update Supplier information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplier Type:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
</tr>
<tr>
<td>Department</td>
</tr>
<tr>
<td>Company</td>
</tr>
<tr>
<td>Trust</td>
</tr>
<tr>
<td>Other (Specify)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department Number</th>
</tr>
</thead>
</table>

63 of 64
(Please note that this account MUST be in the name of the supplier. No 3rd party payments allowed).

<table>
<thead>
<tr>
<th>Account Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number</td>
<td></td>
</tr>
<tr>
<td>Branch Name</td>
<td></td>
</tr>
<tr>
<td>Branch Number</td>
<td></td>
</tr>
</tbody>
</table>

**Account Type**
- Cheque Account
- Savings Account
- Transmission Account
- Bond Account
- Other (Please Specify)  

<table>
<thead>
<tr>
<th>ID Number</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Passport Number</td>
<td></td>
</tr>
<tr>
<td>Company Registration Number</td>
<td></td>
</tr>
<tr>
<td>*CC Registration</td>
<td></td>
</tr>
</tbody>
</table>

*Please include CC/CK where applicable

| Practise Number |  |

---

**Contact Details**

<table>
<thead>
<tr>
<th>Business Area Code Telephone Number Extension</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Area Code Telephone Number Extension</td>
<td></td>
</tr>
<tr>
<td>Fax Area Code Fax Number</td>
<td></td>
</tr>
<tr>
<td>Cell Cell Code Cell Number</td>
<td></td>
</tr>
</tbody>
</table>

**Email Address**

<table>
<thead>
<tr>
<th>Print Name</th>
<th></th>
</tr>
</thead>
</table>

---

**Supplier Signature**

**Regional Office Sender**

**Print Name**

**Print Name**

**Rank**

---

**Date (dd/mm/yyyy)**

YEAR

**Date (dd/mm/yyyy)**

YEAR

---

**Please return to the relevant regional office that supplied the form or the following address:**

---

**NB:** All relevant fields must be completed