



**DEPARTMENT OF  
HEALTH**

**SBD 1**

**PART A INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE LIMPOPO DEPARTMENT OF HEALTH**

BID NUMBER:	<b>HEDP031/21/22</b>	CLOSING DATE:	<b>22 NOVEMBER 2021</b>	CLOSING TIME:	<b>11:00</b>
DESCRIPTION	<b>PROVISION OF PHARMACEUTICAL WAREHOUSE SOLUTION (WAREHOUSE, WAREHOUSE MANAGEMENT SYSTEM, ACQUISITION, STORAGE, AND DISTRIBUTION OF MEDICINE AND SURGICAL SUNDRIES) IN POLOKWANE FOR THE LIMPOPO DEPARTMENT OF HEALTH FOR A PERIOD OF SIXTY (60) MONTHS</b>				

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

DEPARTMENT OF HEALTH, 18 COLLEGE STREET, POLOKWANE, LIMPOPO PROVINCE

THE BID BOX IS GENERALLY OPEN 24 HOURS, 7 DAYS A WEEK.

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	<b>Ms. T.O Simango / Ms. Motene NM</b>	CONTACT PERSON	<b>Mr. Setshedi R / Mr. Langa TZM</b>
TELEPHONE NUMBER	<b>015 293 6352 / 6350 071 861 9937 / 063 692 9368</b>	TELEPHONE NUMBER	<b>(015) 293 6559 / 015 223 9080 (083) 297 9934 / 082 990 7126</b>
E-MAIL ADDRESS	<b>Tintswalo.Simango@dhsd.limpopo.gov.za Ntlama.Maphahlele@dhsd.limpopo.gov.za</b>	E-MAIL ADDRESS	<b>Robert.Setshedi@dhsd.limpopo.gov.za Tlalane.Langa@dhsd.limpopo.gov.za</b>

**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:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS BELOW]
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**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>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.</b>	

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>
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.	<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
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 <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> .
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 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.....
Closing Time 11:00.....	Closing date.....

**OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.**

ITEM NO	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(APPLICABLE TAXES INCLUDED)
			R

- 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

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.  
 = 85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.**  
 = 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%.  
 = Index figure obtained from new index (depends on the number of factors used).  
 R1o, R2o = Index figure at time of bidding.  
 = 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

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

Index..... Dated.....      Index..... Dated.....      Index..... Dated.....

Index..... Dated.....      Index..... Dated.....      Index..... Dated.....

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

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE

**PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

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.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

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)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

## DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, 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 an advertised competitive bid, a limited bid, a proposal or written price quotation). 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, shareholder<sup>2</sup>, member): .....
  - 2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: .....
  - 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.

<sup>1</sup>"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.

<sup>2</sup>"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 **YES /NO**  
presently employed by the state?

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:

.....

.....  
.....

2.7.1 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**

2.7.1.1 If yes, did you attach 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.

2.7.1.2 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? **YES/NO**

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? **YES/NO**

2.11.1 If so, furnish particulars:

.....  
.....  
.....  
.....  
.....  
.....

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

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number/Persal Number

**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 SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder



This document must be signed and submitted together with your bid

## THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

### INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

### 1. PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have an NIP obligation. This threshold of US\$ 10 million can be reached as follows:
  - (a) Any single contract with imported content exceeding US \$10 million; or
  - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US \$3 million awarded to one seller over a 2 year period which in total exceeds US \$10 million; or
  - (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US \$10 million.
  - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis.
- 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.
- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

## **2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY**

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.
- 2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

## **3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)**

- 3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.
- 3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:
- Bid / contract number.
  - Description of the goods, works or services.
  - Date on which the contract was accepted.
  - Name, address and contact details of the government institution.
  - Value of the contract.
  - Imported content of the contract, if possible.
- 3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at [Elias@thedti.gov.za](mailto:Elias@thedti.gov.za) for further details about the programme.

## **4. PROCESS TO SATISFY THE NIP OBLIGATION**

- 4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:
- a. the contractor and the DTI will determine the NIP obligation;
  - b. the contractor and the DTI will sign the NIP obligation agreement;
  - c. the contractor will submit a performance guarantee to the DTI;
  - d. the contractor will submit a business concept for consideration and approval by the DTI;
  - e. upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
  - f. the contractor will implement the business plans; and
  - g. the contractor will submit bi-annual progress reports on approved plans to the DTI.
- 4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number ..... Closing date:.....

Name of bidder.....

Postal address .....

.....

Signature..... Name (in print).....

Date.....

## 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

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

### 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).

a) The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the **90/10** preference point system shall be applicable; or

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:

	POINTS
PRICE	90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	10
Total points for Price and B-BBEE must not exceed	100

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;



## 7 SUB-CONTRACTING

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

(Tick applicable box)

YES		NO	
-----	--	----	--

7.4.1 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:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

## 8 DECLARATION WITH REGARD TO COMPANY/FIRM

8.4 Name of company/firm:.....

8.5 VAT registration number:.....

8.6 Company registration number:.....

8.7 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

## 8.8 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

## 8.9 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

8.11 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-BBE 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.**

Item	Question	Yes	No
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 <i>audi alteram partem</i> rule was applied).  <b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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)?  <b>Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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 <input type="checkbox"/>	No <input type="checkbox"/>
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 <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

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

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1      This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> 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:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> 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 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<sup>3</sup> 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.
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

<sup>3</sup> 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.

## SWORN AFFIDAFIT – B-BBEE EXEMPTED MICRO ENTERPRISE

---

I the undersigned,

Full name & Surname	
Identity Number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a member / director / owner of the following enterprise and am duly authorized to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:

- The enterprise is \_\_\_\_\_ % black owned;
- The enterprise is \_\_\_\_\_ % black woman owned;
- Based on the management accounts and other information available on the \_\_\_\_\_ financial year, the income did not exceed R10,000,000.00 (ten million rands);
- Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% black owned	<b>Level One</b> (135% B-BBEE procurement recognition)	
More than 51% black owned	<b>Level Two</b> (125% B-BBEE procurement recognition)	
Less than 51% black owned	<b>Level Four</b> (100% B-BBEE procurement recognition)	

4. The entity is an empowering supplier in terms of **the dti** Codes of Good Practice
5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
6. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: \_\_\_\_\_

Date: \_\_\_\_\_

---

Commissioner of Oaths  
Signature & stamp

## SWORN AFFIDAFIT – B-BBEE QUALIFYING SMALL ENTERPRISE

I the undersigned

Full name & Surname	
Identity Number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a member / director / owner of the following enterprise and am duly authorized to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:

- The enterprise is \_\_\_\_\_ % black owned;
- The enterprise is \_\_\_\_\_ % black woman owned;
- Based on the management accounts and other information available on the \_\_\_\_\_ financial year, the income did not exceed R50,000,000.00 (fifty million rands);
- The entity is an Empowering Supplier in terms of clause 3.3 (a) or (b) or (c) or (d) or as amended 3.3. € (select one) \_\_\_\_\_ of the dti Codes of Good Practice.
- Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box**

100% black owned	<b>Level One</b> (135% B-BBEE procurement recognition)	
More than 51% black owned	<b>Level Two</b> (125% B-BBEE procurement recognition)	
(a) At least 25% of cost of sales, (excluding labour costs and depreciation) must be procurement from local producers or suppliers in South Africa; for the services industry include labour costs but capped at 15%	(b) Job creation-50% of jobs created are for black people, provided that the number of black employees in the immediate prior verified B-BBEE measurement is maintained	
(b) At least 25% transformation of raw material / beneficiation which include local manufacturing, production and / or assembly, and/ or packaging	(d) At least 12 days per annum of productivity deployed in assisting QSE and EME beneficiaries to increase their operation or financial capacity	
(e) At least 85% of labour costs should be paid to South African employees by service industry entities.		

4. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
6. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Commissioner of Oaths  
Signature & stamp

## **GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT**

### **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.

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## General Conditions of Contract

### 1. Definitions

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 subsidised 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 recognised 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 RSA.
- 1.12 **"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.
- 1.13 **"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.
- 1.14 **"GCC"** means the General Conditions of Contract.
- 1.15 **"Goods"** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 **"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.
- 1.17 **"Local content"** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 **"Manufacture"** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 **"Order"** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 **"Project site,"** where applicable, means the place indicated in bidding documents.
- 1.21 **"Purchaser"** means the organization purchasing the goods.

	<p>1.22 <b>“Republic”</b> means the Republic of South Africa.</p> <p>1.23 <b>“SCC”</b> means the Special Conditions of Contract.</p> <p>1.24 <b>“Services”</b> 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.</p> <p>1.25 <b>“Written” or “in writing”</b> means handwritten in ink or any form of electronic or mechanical writing.</p>
<b>2. Application</b>	<p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>
<b>3. General</b>	<p>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.</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Bid Bulletin. The Government Bid Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>
<b>4. Standards</b>	<p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>
<b>5. Use of contract documents and information; inspection.</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<b>6. Patent rights</b>	<p>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.</p>
<b>7. Performance Security</b>	<p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>(a) 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; or</li> <li>(b) a cashier's or certified cheque</li> </ul> <p>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.</p>
<b>8. Inspections,</b>	<p>8.1 All pre-bidding testing will be for the account of the bidder.</p>

<b>tests and analyses</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>8.7 Any contract supplies may on or after delivery be inspected, tested or analysed 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.</p> <p>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.</p>
<b>9. Packing</b>	<p>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.</p> <p>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.</p>
<b>10.Delivery and documents</b>	<p>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.</p> <p>10.2 Documents to be submitted by the supplier are specified in SCC.</p>
<b>11. Insurance</b>	<p>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.</p>
<b>12. Transportation</b>	<p>12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.</p>
<b>13. Incidental Services</b>	<p>13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:</p> <ul style="list-style-type: none"> <li>(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;</li> <li>(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;</li> <li>(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;</li> <li>(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</li> </ul>

	<p>(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.</p> <p>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.</p>
<b>14.Spare parts</b>	<p>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:</p> <p>(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</p> <p>(b) in the event of termination of production of the spare parts:</p> <p>(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and</p> <p>(ii) Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.</p>
<b>15.Warranty</b>	<p>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.</p> <p>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.</p> <p>15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.</p> <p>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.</p> <p>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.</p>
<b>16.Payment</b>	<p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p>
<b>17.Prices</b>	<p>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 authorised in SCC or in the purchaser's request for bid validity extension, as the case may be.</p>
<b>18.Contract Amendments</b>	<p>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.</p>
<b>19.Assignment</b>	<p>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.</p>
<b>20.Subcontracts</b>	<p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under these contracts 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.</p>
<b>21.Delays in the supplier's performance</b>	<p>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.</p>

	<p>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.</p> <p>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.</p>
	<p>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.</p>
	<p>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.</p> <p>21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling 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.</p>
<b>22. Penalties</b>	<p>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.</p>
<b>23. Termination for default</b>	<p>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:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) if the Supplier fails to perform any other obligation(s) under the contract; or</li> <li>(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.</li> </ul> <p>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.</p> <p>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.</p> <p>23.4 If a purchaser intends to impose a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than 14 days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated 24 days the purchaser may regard the intended penalty as not objected against and impose it on the supplier.</p> <p>23.5 Any restriction imposed on any person by the Accounting Officer/ Authority will, at the discretion of the Accounting Officer/ Authority, should be applicable to any other enterprise or nay partner, manager, director or other person who wholly or party exercises or exercised or may exercise control over the enterprise of the first mentioned person, and with which enterprise or person the first mention person, is or was in the opinion of the AO/AA actively associated.</p> <p>23.6 If a restriction is imposed, the purchaser must, within 5 days of such imposition is imposed, the purchaser must within five (5) working days of such imposition, furnish the National Treasury, with the following information:</p> <ul style="list-style-type: none"> <li>i. The name and address of the supplier and / or person restricted by the purchaser;</li> </ul>

	<ul style="list-style-type: none"> <li>ii. The date of commencement of the restriction;</li> <li>iii. The period of restriction; and</li> <li>iv. The reasons for the restriction.</li> </ul> <p>These details will be loaded in the National treasury's central database of suppliers or person prohibited from doing business with the public sector.</p> <p>23.7 If a court of law convicts a person on an offence as contemplated in section 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 Bid 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 5 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's web-site.</p>
<b>24. Anti-dumping and countervailing duties and rights</b>	<p>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.</p>
<b>25. Force Majeure</b>	<p>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.</p> <p>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.</p>
<b>26. Termination for insolvency</b>	<p>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.</p>
<b>27. Settlement of Disputes</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</p> <p>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.</p>

<b>28.Limitation of Liability</b>	<p>28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;</p> <p>(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</p> <p>(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</p>
<b>29.Governing Language</b>	<p>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.</p>
<b>30.Applicable Law</b>	<p>30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.</p>
<b>31.Notices</b>	<p>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.</p> <p>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.</p>
<b>32.Taxes and Duties</b>	<p>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.</p> <p>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.</p> <p>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.</p>
<b>33. National Industrial Participation Programme (NIP)</b>	<p>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.</p>
<b>34.Prohibition of Restrictive practices</b>	<p>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).</p> <p>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.</p> <p>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.</p>



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

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**DEPARTMENT OF  
HEALTH**

**TERMS OF REFERENCE**

**HEDP031/21/22: PROVISION OF PHARMACEUTICAL WAREHOUSE SOLUTION  
(WAREHOUSE, WAREHOUSE MANAGEMENT SYSTEM, ACQUISITION, STORAGE,  
AND DISTRIBUTION OF MEDICINE AND SURGICAL SUNDRIES) FOR THE LIMPOPO  
DEPARTMENT OF HEALTH FOR A PERIOD OF SIXTY (60) MONTHS**



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## 1. DEFINITIONS

<b>“Acceptable Bid”</b>	means any bid, which, in all respects, complies with the specifications and conditions of the Request for Bid as set out in this document.
<b>“Administrative Requirements”</b>	This are inherent requirements of the bid, therefore failure to comply or satisfy any of the requirements shall result in the invalidation of the Bid during administrative compliance stage.
<b>“Bid”</b>	means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services or goods.
<b>“Bidder Agent”</b>	means any person mandated by a prime Bidder or consortium/joint venture to do business for and on behalf of, or to represent in a business transaction, the prime Bidder and thereby acquire rights for the prime Bidder or consortium/joint venture against Department of Health or an organ of state and incur obligations binding the prime Bidder or consortium/joint venture in favour of the Department.
<b>“Bidders”</b>	means any enterprise, consortium or person, partnership, company, close corporation, firm or any other form of enterprise or person, legal or natural, which has been invited by the Department of Health to submit a bid in response to this bid invitation.
<b>“Client”</b>	means Government departments, provincial and local administrations that participate in Department of Health procurement processes.
<b>“Comparative Price”</b>	means the price after deduction or addition of non-firm price factors, unconditional discounts, etc.
<b>“Consortium”</b>	means several entities joining forces as an umbrella entity to gain a strategic collaborative advantage by combining their expertise, capital, efforts, skills and knowledge for the purpose of executing this bid.
<b>“Department”</b>	means the Limpopo Department of Health (LDoH)
<b>“Disability”</b>	means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.
<b>“Firm Price”</b>	means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition or abolition of customs or excise duty and any other duty, levy or tax which, in terms of a law or regulation is binding on the contractor and demonstrably has influence on the price of any supplies or the rendering cost of any service, for the execution of a contract.
<b>“Functionality”</b>	Means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender document
<b>“Goods”</b>	means any work, equipment, machinery, tools, materials or anything of whatever nature to be rendered to Department of Health’s delegate by the successful Bidder in terms of this bid.
<b>“Internal Collaboration”</b>	means collaborative arrangements within a group of companies or within various strategic business units/subsidiaries/operating divisions in order to gain a strategic position whilst sharing resources, profits and losses as well as risks.
<b>“Joint Ownership”</b>	(also known as equity JVs) means the establishment by two parent companies of a child company for a specific task within which both parent companies invest in order

	to overcome the limited capabilities vested within them in order that they can both benefit from the combined investment.
<b>“Joint Venture”</b>	means two or more businesses joining together under a contractual agreement to conduct a specific business enterprise with both parties sharing profit and losses.
<b>“Licences”</b>	means conditional use of another party’s intellectual property rights.
<b>“Management”</b>	“in relation to an enterprise or business, means an activity inclusive of control, and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
<b>“Non-firm Price(s)”</b>	means all price(s) other than “firm” price(s).
<b>“Organ of State”</b>	means a constitutional institution defined in the Public Finance Management Act, Act 1 of 1999.
<b>“Person(s)”</b>	refers to a natural and/or juristic person(s).
<b>“Prime Bidder”</b>	means any person (natural or juristic) who forwards an acceptable proposal in response to this Request for Bid (RFB) with the intention of being the main contractor should the proposal be awarded to him/her.
<b>“Rand Value”</b>	means the total estimated value of a contract in Rand denomination, which is calculated at the time of proposal invitations and includes all applicable taxes and excise duties.
<b>“SMME”</b>	bears the same meaning assigned to this expression in the National Small Business Act, 1996 (Act No. 102 of 1996).
<b>“Sub-contracting”</b>	means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such primary contractor in executing part of a project in terms of a contract.
<b>“Successful Bidder”</b>	means the organization or person with whom the order is placed or who is contracted to execute the work as detailed in the bid.
<b>“Trust”</b>	means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
<b>“Trustee”</b>	means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
<b>SAHPRA</b>	South African Health Products Regulatory Authority
<b>SMART</b>	Biometrics , parcel tracking, automation , interconnectivity , reduced errors
Thermolabile or cold chain pharmaceutical products	Are defined as all products which require constant cold storage at product specific temperatures below room temperature.

## 2. PURPOSE

The purpose of this document is to set out the Terms of Reference for the appointment of a suitable service provider for the provision of pharmaceutical warehouse solution (warehouse, warehouse management system, acquisition, storage, and distribution of medicine and surgical sundries) for the Limpopo Department of Health for a period of sixty (60) months. (The warehouse must be founded or established in Polokwane Municipality).

### **3. INTRODUCTION**

- 3.1. The LDoH seeks the services of potential service providers for the provision of pharmaceutical warehouse solution i.e. warehouse, warehouse management system, acquisition , storage, and distribution of medicine and surgical sundries.
- 3.2. The warehouse must be founded or established in Polokwane Municipality.
- 3.3. This bid will be awarded to a service provider that will offer and provide high quality warehousing services at market related prices and ultimately ensure value for money.

### **4. BACKGROUND**

- 4.1. The Limpopo Department of Health pharmaceutical depot supplies pharmaceutical and surgical sundries to Public Health Centres and other institutions as may be required from time to time including, **CCMDD** Service Providers and primary health care facilities.
- 4.2. The Departmental mandate is to conform to various Acts, Regulations and other legal instruments that are applicable from time to time.
- 4.3. Currently the stock level at the Pharmaceutical Depot and the Hospitals is maintained using computerized stock control system.
- 4.4. In terms of Regulation 17 of the Regulations relating to the practice of pharmacy the following services are being provided by Limpopo Department of Health Pharmaceutical depot : (1) the wholesale distribution of medicine and scheduled substances through the purchasing, acquiring, keeping, possessing, using, supplying of any medicine or scheduled substances; (2) the furnishing of information and advice to any person with regard to medicine distributed to him or her.
- 4.5. Warehousing of medicines and distribution is done in accordance with Good Pharmacy Practice (GPP), Good Wholesale Practice (GWP) and Good Distribution Practice (GDP) Guidelines as published.

## **5. THE CURRENT OPERATION:**

### **5.1. Warehouse Building**

The current warehouse operates on a 10 000 square metres of storage space inclusive of administrative offices.

### **5.2. IT Infrastructure and Integration**

5.2.1. The department utilizes Pharmaceutical Distribution System Extended (PDSX). This system is not integrated to the payment system (BAS) (Our ideal is that the proposed solution be integrated to BAS system. The system utilized at service points is the RX Solution and it is not integrated to PDSX. Both PDSX and RX Solution are Stock Management systems utilized only for stock management.

5.2.2. The proposed system should have the ability to interface with various health information systems at the service points.

### **5.3. Human Resources**

The warehouse staff complement consist of 15 pharmacists inclusive of management team and 115 staff which consist of mainly Pharmacist Assistants, general workers and admin clerks.

The winning bidder will be required to appoint the human resources that are in full compliance with the requirements of the GWP and GPP. All officials handling medicine must be registered with South African Pharmacy Council.

### **5.4. Distribution**

The distribution services for the Depot have been fully outsourced and the deliveries to the institutions are made twice a month based on ordering and delivery schedule.

### **5.5. Service Points**

The depot services  $\pm$  480 PHCs and CHCs, as well as 41 hospitals. The service points are subject to continuous fluctuations. From time to time the depot is required to service Healthcare offices, such as district offices, provincial offices and etc. The large hospitals receive limited service from the depot as they procure medicine and surgical sundries through the direct purchases and direct deliveries models.

## **6. SCOPE OF WORK**

6.1. The following items will constitute the scope of work to be undertaken by the appointed service provider:

6.1.1. The services required under this bid include provision of a building for the warehousing of Medicine and Surgical Sundries ,

6.1.2. Acquisition, storage, and distribution of medicine and surgical sundries for warehousing activities.

6.1.3. Computerized (Smart) system for the management of medicines and surgical sundries.

## 7. TECHNICAL SPECIFICATION

### 7.1. WAREHOUSE BUILDING

Item Number	Description	COMPLIES YES/NO
7.1.1.	<p><b><u>Warehouse Building:</u></b></p> <ul style="list-style-type: none"> <li>❖ The service provider must provide a minimum of 10 000 square meters warehouse space.</li> <li>❖ All bidders will be expected to comply with requirements as listed in Annexure A for the warehouse.</li> <li>❖ The successful bidder must provide a building which must be licenced with National Department of Health, SAHPRA and recorded with SAPC before occupation, as well as compliance with all requirements as listed in <b><u>Annexure B</u></b>.</li> </ul>	
7.1.2.	<p><b><u>Warehouse Maintenance:</u></b></p> <p>The Premises maintenance will be the responsibility of the appointed bidder for the duration of the contract including the following:</p> <ul style="list-style-type: none"> <li>❖ Maintenance of the grounds</li> <li>❖ Cleaning of the Warehouse</li> <li>❖ Infrastructure Maintenance of the warehouse</li> <li>❖ Pest control</li> </ul>	
7.1.3.	<p><b><u>Warehouse Security System:</u></b></p> <ul style="list-style-type: none"> <li>❖ The successful bidder must provide adequate security systems to prevent loss of stock in the warehouse i.e. access control to restrict movement between sections stipulated under warehouse requirements, onsite CCTV surveillance (to have capacity to store and transfer information for period of the contract) and fire management systems etc.</li> </ul>	
7.1.4.	<p><b><u>Warehouse Resources:</u></b></p> <ul style="list-style-type: none"> <li>❖ The successful bidder must provide working tools and equipment. The working tools where necessary must comply with all applicable legislative requirements.</li> </ul>	
7.1.5.	<p><b><u>Validation</u></b></p> <p>7.1.5.1. The winning bidder should have a Validation Master Plan for warehousing and distribution processes. The Validation Master Plan provides a summary of the company's philosophy, policy, intentions and approach to validation.</p> <p>7.1.5.2. The following should be validated as a minimum:</p>	

	<ul style="list-style-type: none"> <li>❖ Warehouse premises: ambient and cold-chain storage conditions including temperature mapping;</li> <li>❖ Lagged containers;</li> <li>❖ Cold-chain processes; and</li> <li>❖ Computerised systems.</li> </ul> <p>7.1.5.3. Validation should be conducted in accordance with a validation protocol.</p> <p>A written Validation Report should be available to the department 30 days after completion of the validation process annually. The service provider must provide an initial take over report at the inception of the contract.</p> <p><b>Calibration</b></p> <ul style="list-style-type: none"> <li>❖ All measuring equipment must be calibrated in accordance with an approved schedule that details which equipment requires calibration, as well as the frequency of calibration. The frequency will depend on the type of equipment used, as well as the purpose for which it is used.</li> </ul> <p><b>Equipment</b></p> <ul style="list-style-type: none"> <li>❖ Equipment used to move, store or handle pharmaceutical products should be suitable for their use to prevent exposure of products to conditions that could affect their stability and packaging integrity, and prevent contamination of any kind.</li> <li>❖ The design and use of equipment must aim to minimize the risk of errors and permit effective cleaning and/or maintenance to avoid contamination, build-up of dust or dirt and/or any adverse effect on the quality of pharmaceutical products being distributed.</li> </ul> <p><b>Vehicles</b></p> <ul style="list-style-type: none"> <li>❖ Vehicles used to move, store or handle pharmaceutical products should be suitable for their use to prevent exposure of products to conditions that could affect their stability and packaging integrity. Where special storage conditions (e.g. temperature and or relative humidity) different from the expected environmental conditions are required during transit these should be provided, checked and monitored and recorded.</li> </ul> <p><b>The vehicles must:</b></p> <ul style="list-style-type: none"> <li>❖ Be clean and free from contamination of rats, vermin, birds, fungi etc;</li> </ul>	
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	<ul style="list-style-type: none"> <li>❖ Have solid sides;</li> <li>❖ Not transport non pharmaceutical products which could result in contamination.</li> <li>❖ Vehicles should be of sufficient capacity to allow orderly storage of the Various categories of pharmaceutical products during transportation.</li> </ul>	
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## 7.2. ACQUISITION, STORAGE, AND DISTRIBUTION OF MEDICINE AND SURGICAL SUNDRIES

Item Number	Description	COMPLY (YES/NO)
7.2.1.	<ul style="list-style-type: none"> <li>❖ The successful bidder shall recruit and appoint its own staff and provide working tools.</li> </ul>	
7.2.2.	<p>The successful bidder must have staff that comply with all legislative requirements. This shall apply to staff members who handle medicines.</p> <ul style="list-style-type: none"> <li>❖ All personnel involved in wholesaling or distribution activities should have the education, training, experience or combination of these elements that will allow them to effectively discharge this responsibility and be capable of meeting these requirements. This training should be documented.</li> <li>❖ Procedures and conditions of work for employees and other persons having access to the products must be designed and administered to minimise the possibility of pharmaceutical products coming into unauthorised possession.</li> <li>❖ Key personnel involved in the wholesaling or distribution of pharmaceutical products should have the ability appropriate to their responsibility for ensuring that pharmaceutical products are handled, stored and distributed in accordance with minimum standards.</li> <li>❖ There must be an adequate number of competent personnel involved in all stages of the distribution of pharmaceutical products in order to ensure that the quality of these products is maintained.</li> <li>❖ Regulations by the relevant authorities with regard to qualification and training of personnel should be complied with.</li> <li>❖ Appropriate procedures relating to personnel personal hygiene and sanitation relevant to the activities to be carried out, should be established and observed. Such procedures should cover health, hygiene and clothing of personnel.</li> </ul>	



7.2.3.	<p>The Successful bidder must provide warehouse services on a full time basis in accordance with the service standards developed by the department to address the following:</p> <ul style="list-style-type: none"> <li>❖ Procurement of medicines and surgical sundries under supervision of Departmental staff.</li> <li>❖ Receiving</li> <li>❖ Stock control</li> <li>❖ Demander order processing, picking, checking and packing of goods and dispatch</li> <li>❖ Distribution</li> <li>❖ Client Services</li> <li>❖ Compliance (QMS)</li> <li>❖ Equipment</li> <li>❖ Risk and Security Management</li> <li>❖ Property Management</li> </ul>	
7.2.4.	<p><b><u>Procurement Operations</u></b></p> <p>The successful bidder shall procure medicine in accordance with the departmental code list.</p> <ul style="list-style-type: none"> <li>❖ This shall include both Tender and Quotation items.</li> <li>❖ Successful bidder shall confirm availability of funds before procuring.</li> <li>❖ The ordering needs shall be informed by electronic WMS suggested ordering parameters in terms of quantity. The parametres shall be set by the department.</li> <li>❖ The department shall authorize the orders before ordering</li> <li>❖ Successful bidder shall ensure that the stock holding is maintained as determined by the department.</li> <li>❖ The Orders shall include Direct Deliveries.</li> <li>❖ Successful bidder shall be responsible for sending orders and follow-up with the suppliers.</li> <li>❖ Successful bidder shall monitor supplier performance in line with the conditions of the contracts.</li> <li>❖ Sourcing, contracting and loading of contracts shall be the responsibility of the department.</li> </ul>	
7.2.5.	<p><b><u>Receiving Services/Operations</u></b></p> <ul style="list-style-type: none"> <li>❖ The receiving process shall be in line with the operating procedures as approved and the special conditions of contract.</li> </ul>	

	<ul style="list-style-type: none"> <li>❖ The successful bidder shall receive ordered stock from suppliers. All receipt shall be accompanied by documentation from suppliers as per SOP.</li> <li>❖ The successful bidder shall carry out quality checks against ordered and received stock.</li> <li>❖ All discrepancies shall be documented and addressed with respective suppliers.</li> <li>❖ Successful bidder shall make follow ups with the suppliers for discrepancies.</li> <li>❖ Successful bidder shall be expected to put away received stock within two working days after delivery, receiving and capturing.</li> <li>❖ Successful bidder shall be expected to submit payment billing packs to finance within five working days after delivery of the goods.</li> </ul>	
7.2.6.	<p><b><u>Demander Order Processing, Picking, Checking and Packing of goods:</u></b></p> <ul style="list-style-type: none"> <li>❖ The Successful bidder shall comply with the ordering and delivery Schedule as provided by the department.</li> <li>❖ The successful bidder shall be responsible for receiving and processing orders from departmental facilities.</li> <li>❖ All orders must be properly authorized.</li> <li>❖ The Successful bidder shall generate picking slips from electronic Warehouse Management System.</li> <li>❖ The Successful bidder shall be responsible for picking, checking and packing of goods against the picking slips.</li> <li>❖ The Successful bidder shall generate invoices of all packaged stock.</li> <li>❖ The Successful bidder shall attach invoices with the packaged goods.</li> <li>❖ The detailed documentation of goods dispatched and delivered shall be kept by the contractor in a retrievable manner for period of five years from the date the service was rendered.</li> <li>❖ The Successful bidder shall manage specialized items such as thermolabile, schedule 6, specified schedule 5, and identified high risk and valued items.</li> <li>❖ The successful bidder shall pack specialized items in accordance with Standard Operating Procedure in line with GWP.</li> <li>❖ The successful bidder must conduct the debriefing following each delivery.</li> <li>❖ The successful bidder shall ensure functional system for accurate labelling and tracking of all dispatched goods.</li> </ul>	

7.2.7.	<p><b><u>Stock Control Services/Operations</u></b></p> <ul style="list-style-type: none"> <li>❖ The Successful bidder shall ensure stock accuracy at all times.</li> <li>❖ The successful bidder shall be required to conduct bi-annual stock take (End of September and end of March) and monthly cyclic stock count covering all items in the warehouse. Reports of the stock take shall be provided to the Department fifteen days after the stock take.</li> <li>❖ The successful bidder shall be liable for the value of expired stock (resulting as a result of inadequate stock management) and damaged goods. This includes disposal of aforementioned stock in accordance with GWP.</li> <li>❖ The successful bidder shall manage short-dated stock to prevent expiry thereof.</li> <li>❖ The successful bidder shall ensure proper handling of goods throughout the supply chain to prevent damage thereof. The bidder shall be expected to take insurance for stock in transit</li> <li>❖ The successful bidder shall adhere to First In First Out/ First Expiry First Out principles at all times.</li> <li>❖ The successful bidder shall handle stock returns and credit requests from departmental facilities in accordance with the SOPs.</li> <li>❖ The successful bidder shall manage discrepancies from departmental facilities within five working days. The credits and corrections of such goods shall be passed within five working days.</li> <li>❖ The successful bidder shall develop a system for management of product recalls.</li> <li>❖ The successful bidder shall be expected to take over the current stock on hand in the warehouse (This shall be managed on a phase in approach).</li> </ul>	
7.2.8.	<p><b><u>Client Services</u></b></p> <ul style="list-style-type: none"> <li>a) The successful bidder shall establish an onsite client services centre for receiving and resolving queries from departmental facilities within five working days. All queries must be recorded and referenced using a client services management(CSM) logging system.</li> <li>b) The successful bidder shall provide monthly reports on queries and resolution thereof.</li> <li>c) The successful bidder shall provide information updates about the services to departmental facilities.</li> </ul>	
7.2.9.	<p><b><u>COMPLIANCE</u></b></p>	

	<p>The facility must comply with all legislative requirements including but not limited to GWP, GPP, GDP, OHSA, Pharmacy Act 53 of 1974 as amended, Medicines and related Substances Control Act 101 of 1965 as Amended etc.</p> <p>The successful bidder shall;</p> <ul style="list-style-type: none"> <li>a) Appoint the Responsible Pharmacist and Deputy Responsible Pharmacist.</li> <li>b) Ensure good house-keeping practices in the warehouse.</li> <li>c) Continuous application of Quality Management Systems (QMS).</li> </ul>	
7.2.10.	<p><b>Insurance of the Inventory</b></p> <ul style="list-style-type: none"> <li>❖ The successful bidder shall provide the insurance for the stock under their care at the replacement value.</li> <li>❖ The insurance shall cover the stock against all losses and unforeseen circumstances including but not limited to: <ul style="list-style-type: none"> <li>a) All types of damages, Fire, breakages, flood, transit etc.</li> <li>b) Theft</li> </ul> </li> </ul>	
7.2.11.	<ul style="list-style-type: none"> <li>❖ The successful bidder must supply the department with operational reports at scheduled interval/s i.e. weekly and monthly</li> </ul>	
7.2.12.	<ul style="list-style-type: none"> <li>❖ The successful bidder shall monitor and handover the goods that are dispatched to the facilities.</li> </ul>	
7.2.13.	<ul style="list-style-type: none"> <li>❖ The department may at any time without prior notice carry out random audit or spot checks on the services provided by the successful bidder.</li> </ul>	
7.2.14.	<ul style="list-style-type: none"> <li>❖ The successful bidder shall be expected to comply with Departmental legislative mandates.</li> </ul>	
7.2.15.	<ul style="list-style-type: none"> <li>❖ The Successful bidder shall review the existing standard operating procedures and develop new SOPs where necessary. This exercise will be performed in consultation with the department.</li> </ul>	
7.2.16.	<ul style="list-style-type: none"> <li>❖ All labour matters arising, will be the responsibility of the Service Provider. The Service Provider shall submit contingency plans in cases of industrial action by their appointed staff members. All employees appointed by the Service Provider shall not be expected to go on any form of industrial action as they render an essential service.</li> </ul>	

### 7.3 WAREHOUSE MANAGEMENT SYSTEM

Item Number	Description	COMPLY (YES/NO)
7.3.1.	<p><b>Database</b></p> <ul style="list-style-type: none"> <li>❖ The successful bidder shall be responsible for the following with regard to database:</li> <li>❖ Maintain supplier and tender information – list of suppliers with contact details, tenders awarded, split tenders and item list, spec numbers and prices. Should also manage quotation items.</li> <li>❖ Maintain stock item – list of all approved items used by the province. Stock linked to national stock numbers (nsn).</li> <li>❖ Maintain outlets – list of authorised outlets to be supplied with stock and grouped according to supporting hospital and districts.</li> <li>❖ Maintain stock groups – maintains stock groups e.g. Tablets, injections, ointments etc.</li> <li>❖ Price update: the system should allow local price and tender update and be able to import price and tender update. It should be able to create an MS Excel export file that can be used to update price and tender information.</li> <li>❖ Maintain user table – list of all authorised users with varying access levels and authority.</li> </ul>	
7.3.2.	<p><b><u>Budget</u></b></p> <ul style="list-style-type: none"> <li>❖ Allocate and manage the budget based on the stock groups available</li> <li>❖ Interphase with finance system for budget verification</li> <li>❖ Budget controls</li> <li>❖ The budget allocations should be done in line with SCOA codes</li> <li>❖ Create accounts for demanders with budget input and management thereof</li> <li>❖ The system should be able to provide complex budget expenditure reports</li> </ul>	
7.3.3.	<p><b><u>Stock Ordering</u></b></p> <p>The system must have the ability to:</p> <ul style="list-style-type: none"> <li>❖ Generate automated order process based on set parameters WHICH INCLUDES: back orders, usage, stockholding levels, stock on hand and lead time amongst others.</li> </ul>	

	<ul style="list-style-type: none"> <li>❖ Generate purchase orders from different suppliers on different order numbers.</li> <li>❖ Bulk order sending to suppliers after approval using the electronic signature</li> <li>❖ Create and maintain supplier portal for management and tracking of the purchase orders.</li> </ul>	
7.3.4.	<p><b><u>Stock Receiving</u></b></p> <ul style="list-style-type: none"> <li>❖ The system should be able to track stock that has been delivered but not yet captured or available for transacting.</li> <li>❖ The system should be able to receive short deliveries and receive outstanding goods.</li> <li>❖ The system is required to report on the outstanding or short-supplied items on a Purchased Order.</li> <li>❖ The system shall validate the receipt price versus the Purchase Order price.</li> <li>❖ The system should be able to manage and control short dated stock</li> <li>❖ The system should be able to manage the stock by batch control</li> <li>❖ The system should be able to quarantine the stock</li> <li>❖ The receipt must be traced from the point of receipting until the payment cycle is completed (QR/barcode scanning)</li> <li>❖ The system should give a report detailing the delays (days) and the reasons for delays in capturing the delivered stock.</li> </ul>	
7.3.5.	<p><b><u>Stock Issuing / Processing Of The Demander Requisition</u></b></p> <ul style="list-style-type: none"> <li>❖ The system should be able to upload demander requisition (from electronic file and verification of the budget)</li> <li>❖ Use First Expiry First Out (FEFO) based on expiry date and batch number.</li> <li>❖ Maintains back order records</li> <li>❖ Approval process of the requisition processed</li> <li>❖ Generate, track and manage the picking instruction, through the scanners for picking.</li> <li>❖ Generate, track and manage the checking/packing instruction.</li> <li>❖ Generate the invoice for the prepared goods</li> </ul>	

7.3.6.	<p><b><u>Dispatch Module</u></b></p> <ul style="list-style-type: none"> <li>❖ The module should have a table of all outlet INVOICES/POSTED ISSUE LISTS or can be manually captured.</li> <li>❖ Each outlet should be allocated a unique bar coded DELIVERY NUMBER.</li> <li>❖ The system should allow the various quantities of various parcel categories (S6, Fridge etc.) to be recorded and totalled as one grand total parcels to be delivered.</li> <li>❖ The system should print a unique bar coded SHIPPER LABEL for each parcel linked to the UNIQUE DELIVERY NUMBER.</li> </ul> <p><b>The system should print a bar coded Proof Of Delivery (POD) for each outlet indicating:</b></p> <ol style="list-style-type: none"> <li>i. Outlet Name</li> <li>ii. The unique delivery number</li> <li>iii. Number of parcels per category of parcels and grand total for all parcels.</li> <li>iv. The system should print a summary TRIPSHEET indicating just the outlet name, grand total parcels and the unique DELIVERY NUMBER.</li> <li>v. After the delivery has been done, the POD should be scanned and attached to the outlet file based on the unique DELIVERY NUMBER on the system.</li> <li>vi. The system should be able to integrate delivery information i.e. XY coordinates, Kilometres and delivery times from other third party systems</li> </ol>	
7.3.7.	<p><b><u>Route Scheduling:</u></b></p> <ul style="list-style-type: none"> <li>❖ The system should have a route scheduling module for all outlets i.e. every outlet must belong to a delivery route number and be able to assign a specific vehicle and driver.</li> <li>❖ The system should be able to do simulation of Kilometres to be covered for selected outlets. This information will be built onto the database as and when actual deliveries take place and kilometres are recorded.</li> </ul>	
7.3.8.	<p><b><u>Delivery Management:</u></b></p> <ul style="list-style-type: none"> <li>❖ The system should have a table of all outlets wherein clinics are linked to a hospital and hospitals are linked to a district and a district is linked to a province.</li> </ul>	

	<ul style="list-style-type: none"> <li>❖ The tables may be created from the existing outlet file.</li> <li>❖ Each and every outlet should be linked to a route number (code) which is linked to an outlet type i.e. (Clinic, Hospital or Depot) and district.</li> </ul> <p><b>There should be a standard table which maintains the following:</b></p> <ul style="list-style-type: none"> <li>i. Delivery number for that delivery date which is linked to the invoice number(s).</li> <li>ii. Total number of parcels delivered on that delivery date.</li> <li>iii. The XY Coordinates of that outlet.</li> <li>iv. The vehicle size used to do the delivery i.e. 1ton or 4ton or 8ton etc.</li> <li>v. Total KMs covered to go to that specific outlet.</li> <li>vi. All clinics or Hospitals attached to a specific hospital or District AND,</li> <li>vii. All clinics or Hospitals of a particular route AND,</li> <li>viii. All clinics and Hospitals combined.</li> <li>ix. All KMs done by a specific category of vehicle.</li> <li>x. All reports should be exportable to Microsoft excel.</li> </ul>	
7.3.9.	<p><b><u>Stock Control On The WMS</u></b></p> <p>The system should be able to do the following:</p> <ul style="list-style-type: none"> <li>❖ stock and price adjustments and write-off capabilities.</li> <li>❖ The system must make provision for bin allocation,</li> <li>❖ Capability of stock transfer</li> <li>❖ Generate returns to suppliers and outlets</li> </ul>	
7.3.10.	<p><b><u>Stock-Taking</u></b></p> <ul style="list-style-type: none"> <li>❖ The system should have Stock take and periodic stock count module</li> <li>❖ Print stock-take sheets</li> <li>❖ The system should be able to provide detailed and summary Stock Valuation before and after stock-take</li> <li>❖ The system should be able to provide the stock valuation in real-time and for the previous date.</li> </ul>	



	❖ Detailed and summarized stock discrepancy report capabilities	
7.3.11.	<p><b><u>Stock Management Reports</u></b></p> <p>The system should be able to provide management reports for every transaction including (detailed and summarized):</p> <ul style="list-style-type: none"> <li>❖ Stock movement report</li> <li>❖ Short dated and expired stock report</li> <li>❖ Usage comparison reports</li> <li>❖ Financial Disclosure Reports</li> <li>❖ Critical stock report</li> <li>❖ Pareto analysis report</li> <li>❖ Stock issue report by value and quantity</li> <li>❖ High value transaction report (report per item or per group)</li> <li>❖ Overdue order and issue report</li> <li>❖ Outlet usage report and consumption patterns</li> <li>❖ Invoice Value report per period</li> <li>❖ Warehouse expenditure report</li> <li>❖ Budget expenditure category reports</li> </ul>	
7.3.12.	<p><b><u>WAREHOUSE MANAGEMENT SYSTEM CHARACTERISTICS:</u></b></p> <p><b>WEB CAPABILITIES</b></p> <ul style="list-style-type: none"> <li>❖ System should allow for the use of both local area and web access i.e. users should access the system remotely via the internet but in case of internet failure, the users should be able to internally use the local area network.</li> </ul> <p><b>NETWORK</b></p> <ul style="list-style-type: none"> <li>❖ The successful bidder will install and maintain the ICT infrastructure that will be utilised for WMS.</li> </ul> <p><b>SYSTEM VISIBILITY</b></p> <ul style="list-style-type: none"> <li>❖ System should allow users to track their orders at various stages within the depot i.e. issuing, picking, checking and dispatch.</li> <li>❖ End users should be able to track their deliveries via the internet.</li> </ul> <p><b>STOCK AVAILABILITY VISIBILITY</b></p>	

	<ul style="list-style-type: none"> <li>❖ System should allow users view access of stock availability in the warehouse.</li> </ul> <p><b>SCANNING CAPABILITIES</b></p> <ul style="list-style-type: none"> <li>❖ The system should allow for scanning capabilities starting from scanning the received items and receiving documents, picking of items including the scanning of the picking list, scanning items during checking and scanning parcels during dispatch and scanning during stocktaking.</li> </ul> <p><b>BATCH ORDER PROCESSING</b></p> <ul style="list-style-type: none"> <li>❖ The system should allow for batch order approval through digital signature using a combination of password and biometric authentication.</li> <li>❖ The system should allow approval of orders remotely.</li> <li>❖ The system should allow the sending of orders to suppliers in batches or bulk sending.</li> </ul> <p><b>PAYMENT OF SUPPLIERS</b></p> <ul style="list-style-type: none"> <li>❖ The system should have the ability to link up with the Basic Accounting System (BAS) so that payments are expedited and that these payments are visible on the stock management system.</li> </ul> <p><b>The system should have Interphase capabilities including but not limited to the following:</b></p> <ul style="list-style-type: none"> <li>❖ Clinic Pharmacy Management System</li> <li>❖ Hospital Pharmacy Management System</li> <li>❖ Any other departmental system</li> <li>❖ The system should have uploading capabilities.</li> </ul>	
7.3.13.	<p><b>Disaster Management:</b></p> <ul style="list-style-type: none"> <li>❖ The WMS system should be hosted in the warehouse or any secure site (approved by the department) and provincial State Information Technology Agency.</li> <li>❖ The WMS system as well as associated data (business information) should be automatically backed up on a daily basis to facilitate business continuity in case of a severe system failure.</li> </ul>	

	<ul style="list-style-type: none"> <li>❖ The WMS system as well as the data that were backed up would then be restored and on successful testing be re-commissioned into production still at the depot site.</li> <li>❖ The focus of the disaster recovery service should be on the server-hosting infrastructure including the operating system, application systems, back-up securities, wide area network and the remote service resumption facility.</li> </ul> <p><b>Post event recovery include:</b></p> <ul style="list-style-type: none"> <li>❖ Remote Server and UPS Monitoring;</li> <li>❖ Local Backup and Storage per Disaster Recovery Plan, assuming a plan per application system;</li> <li>❖ Off-site storage of system and data backup;</li> <li>❖ Provision of alternative hardware recovery facilities</li> </ul>	
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#### 7.4. BUILDING SPECIFICATION

NO	DETAILS	COMPLIES YES/NO
7.4.1.	<p><b>WAREHOUSE SPACING</b></p> <ul style="list-style-type: none"> <li>❖ Minimum 10 000 square meters of the operation area without the office space which covers the:</li> <li>❖ Storage area</li> <li>❖ Receiving area</li> <li>❖ Dispatch area</li> </ul> <p><i>The 10 000sqm can be one or max of 2 warehouses (At a ratio 1:1 or 1:2)</i></p>	
7.4.2.	<p><b>WAREHOUSE STORAGE RACKING</b></p> <ul style="list-style-type: none"> <li>❖ The warehouse shall allow the storage of the goods on racks. Racking is to be supplied and erected by the winning bidder.</li> <li>❖ The installations to be completed in order to co-ordinate the installation of lighting, sprinklers and electrical/data plug points where necessary.</li> </ul>	
7.4.3.	<p><b>CONCRETE, FORMWORK AND REINFORCEMENT</b></p> <ul style="list-style-type: none"> <li>❖ Concrete, formwork and reinforcement to be in accordance with SANS 2001-CC: 2007</li> </ul>	
7.4.4.	<p><b>THE building shall comply fully with the Occupational Health and Safety Act 85 of 1993 and the Construction Regulations 2003 with all recent amendments.</b></p>	

7.4.5.	<p><b>HIGHBAY AND WAREHOUSE FLOOR</b></p> <ul style="list-style-type: none"> <li>❖ The floor surface must be made of impermeable material in line with GWP requirements.</li> <li>❖ <b><u>THE high-bay and warehouse floor level should be designed to accommodate:</u></b></li> <li>❖ Avoiding the risk of flooding in major storms.</li> <li>❖ Vehicle type and respective dock heights.</li> <li>❖ Vehicle access from municipal roads and entrance gates</li> </ul>	
7.4.6.	<p><b>FLOOR Hardness and floor finish</b></p> <ul style="list-style-type: none"> <li>❖ The floor shall be power floated with a specialist paint on floor hardener (Pentrasil or similar approved lithium-based hardener) applied to provide a dust free surface suitable for storage of pharmaceutical products and increased durability.</li> <li>❖ The high-bay and warehouse floor is to be washed and scrubbed in accordance with SOP and the floor shall be free of all oil and tyre marks.</li> </ul>	
7.4.7.	<p><b>HIGHBAY AND WAREHOUSE FLOOR</b></p> <ul style="list-style-type: none"> <li>❖ The floor surface must be made of impermeable material in line with GWP requirements.</li> </ul> <p><b><u>THE high-bay and warehouse floor level should be designed to accommodate:</u></b></p> <ul style="list-style-type: none"> <li>❖ Avoiding the risk of flooding in major storms.</li> <li>❖ Vehicle type and respective dock heights.</li> <li>❖ Vehicle access from municipal roads and entrance gates</li> </ul>	
7.4.8.	<p><b>SKIRTING</b></p> <ul style="list-style-type: none"> <li>❖ All warehouse internal areas are to be fitted with a flexible plastic coved vinyl wall skirting. Height should be 100 mm and 2mm thick plastic skirting, sealing the wall and floor.</li> <li>❖ The Skirting is to aid effective cleaning by being Anti-dust and have a high endurance for acid and alkaline cleaning materials. The rack-clad structure does not require a skirting</li> </ul>	
7.4.9.	<p><b>DAMP PROOFING</b></p> <ul style="list-style-type: none"> <li>❖ All floors and walls are to be damp-proofed and as required for good building practice in the particular local area.</li> </ul>	
7.4.10.	<p><b>FLOOR MARKINGS, PIPELINE AND COLOUR CODING</b></p> <ul style="list-style-type: none"> <li>❖ The winning bidder shall provide statutory safety floor markings for areas such as fire protection equipment, emergency exits, access and electrical equipment.</li> </ul>	

	<p>The following colour coding system is required for pipeline services:</p> <table><tr><th>Pipe Contents</th><th>Identification Colour</th></tr><tr><td>Water (fresh)</td><td>Blue</td></tr><tr><td>Refrigeration gas</td><td>White</td></tr><tr><td>Water (firefighting)</td><td>Safety red</td></tr><tr><td>Compressed air</td><td>Light blue</td></tr><tr><td>Glycol</td><td>Green</td></tr></table>	Pipe Contents	Identification Colour	Water (fresh)	Blue	Refrigeration gas	White	Water (firefighting)	Safety red	Compressed air	Light blue	Glycol	Green	
Pipe Contents	Identification Colour													
Water (fresh)	Blue													
Refrigeration gas	White													
Water (firefighting)	Safety red													
Compressed air	Light blue													
Glycol	Green													
7.4.11.	<p><b>ROOF STRUCTURE</b></p> <ul style="list-style-type: none"><li>❖ The warehouse structure (receiving, dispatch and picking areas shall consist of a steel structure roof. The design shall minimise the presence of dust collection surfaces. Roof assemblies should be predominantly non-combustible or, as a minimum, equivalent to FM Global Class 1.</li></ul>													
7.4.12.	<p><b>PROTECTION AGAINST EXTERNAL ENVIRONMENTAL FACTORS</b></p> <ul style="list-style-type: none"><li>❖ The winning bidder will be required to ensure that the entire warehouse has <b><i>absolutely no</i></b> exposure to direct UV light (including through the sheeting and joints).</li><li>❖ All cavities etc which might induce the nesting of birds or ingress of vermin shall be closed.</li></ul>													
7.4.13.	<p><b>STRUCTURAL OR STEEL BEAMS</b></p> <ul style="list-style-type: none"><li>❖ All structural steelwork should be in accordance with SANS 0152, and fabrication and erection will be carried out in accordance with SANS 1200 H. All rafters and trusses to be suitably corrosion protected finished</li></ul>													
7.4.14.	<p><b>ELECTRICAL SPECIFICATION</b></p> <ul style="list-style-type: none"><li>❖ All electrical specifications shall be in accordance with SANS 0142 and all relevant associated SABS specifications as noted within the local by-laws pertaining to Electrical Installations of premises. The bidder must provide COC</li></ul>													
7.4.15.	<p><b>STANDBY GENERATOR</b></p> <p>The generators and UPS systems must be provided. The developer shall allow for the following:</p> <ul style="list-style-type: none"><li>❖ The generator needs to be sized to run the entire facility with a 10% spare capacity</li></ul>													

	<ul style="list-style-type: none"> <li>❖ b) The generator is to power all aspects of the warehouse facility. The generator shall automatically activate in less than 40 seconds after mains failures.</li> </ul>	
<b>7.4.16.</b>	<b>LIGHTING</b> <ul style="list-style-type: none"> <li>❖ All lighting levels to conform to the OHS Act requirements.</li> <li>❖ The light fittings are to be so positioned that they provide for the racking layout, picking system, conveyor and other equipment layouts ensuring that the light level design is consistent within these areas.</li> </ul>	
<b>7.4.17.</b>	<b>AIR-CONDITIONING</b> <ul style="list-style-type: none"> <li>❖ The indoor temperature conditions in the Bulk, Picking &amp; Despatch areas will be maintained within a temperature range of 15°C - 25°C.</li> <li>❖ The humidity levels in the Bulk Picking &amp; Despatch areas must be maintained below 60%RH</li> </ul>	
<b>7.4.18.</b>	<b>FIRE EXTINGUISHERS, FIRE HOSE REELS AND FIRE SPRINKLERS</b> <ul style="list-style-type: none"> <li>❖ A hose reel system as specified in SABS 543 (hose reels), connected to a water supply as reflected in Part W of SANS 10400, enabling each hose reel to maintain a flow of 0,5 Litre per second at a working pressure of 300 kPa; shall be installed within the building</li> <li>❖ Full sprinkler protection of the space shall be provided.</li> </ul>	
<b>7.4.19.</b>	<b>FIRE HYDRANTS</b> <ul style="list-style-type: none"> <li>❖ Fire hydrants, with couplings as specified in SABS 1128, Part II (Firefighting equipment - Couplings) shall be provided in a ratio as dictated by the Rational Fire Design.</li> </ul>	
<b>7.4.20.</b>	<b>LOADING BAYS AND CANOPIES</b>  <b>DOCK CANOPY</b> <ul style="list-style-type: none"> <li>❖ Canopy width must be 5m and designed to prevent adverse weather conditions from hampering loading and offloading of vehicles.</li> </ul>	
<b>7.4.21.</b>	<b>FREEZERS: (move to cold room sections)</b> <ul style="list-style-type: none"> <li>❖ Size of the freeze: Minimum total of 1000 liters which maybe 1 to 3 storages</li> <li>❖ The equipment must be in line with the WHO standards for the cold chain equipment for storing thermolabile products</li> </ul>	

7.5. **ADDITIONAL SPECIFICATION IN LINE WITH THE PHARMACEUTICAL WAREHOUSE SPECIFIC REQUIREMENT (GOOD WHOLESALE PRACTICES)**

NO	DETAILS	COMPLIES (YES/NO)
7.5.1.	❖ Premises should provide protection for the goods from contamination and deterioration, including protection from excessive local heating or undue exposure to direct sunlight. The goods received or dispatched at receiving or dispatch bays, docks, platforms or areas should be protected from dust, dirt and rain. Premises should be kept free of rodents, vermin, birds, pets and pests.	
7.5.2.	❖ Premises should have dedicated and demarcated areas available for the receipt of stock, general storage area, goods in quarantine, goods rejected, cold-chain storage, good returned, dispatch and storage of "Specified Schedule 5" and/or Schedule 6 pharmaceutical products.	
7.5.3.	❖ "Specified Schedule 5" and/or Schedule 6 substances must be stored in a secure lockable area directly under the control of a pharmacist.	
7.5.4.	<b>GENERAL STORAGE AREAS</b> <ul style="list-style-type: none"> <li>❖ Access control system shall be in place to prevent unauthorized persons from entering storage areas.</li> <li>❖ Storage areas should be designed to provide sufficient capacity to allow the orderly storage of the various categories of pharmaceutical products namely finished products, products in quarantine, released, rejected, returned or recalled products.</li> </ul>	
7.5.5.	<b>FIRE PROTECTION</b> <ul style="list-style-type: none"> <li>❖ The warehouse structure, receiving, dispatch, picking area is to be protected to Category 3 goods classification based on description of goods to stored and handled in the Distribution Facility.</li> </ul>	
7.5.6.	<b>SURFACE FINISH OF FLOOR</b> <ul style="list-style-type: none"> <li>❖ An Epoxy acid-resistant floor with a 100 mm skirting is required in the case of a major accidental spillage</li> </ul>	
7.5.7.		

## 8. EVALUATION CRITERIA

The bid shall be evaluated in six (06) phases as follows:

PHASE	DESCRIPTION	DETAIL DESCRIPTION
PHASE 1	Pre-Qualification:	<input type="checkbox"/> Compliance with Pre-Qualification requirements of the bid
PHASE 2	Administrative Compliance	<input type="checkbox"/> Compliance with administrative bidding requirements
PHASE 3	Compliance to Specifications	<input type="checkbox"/> Compliance with basic requirements of the specification
PHASE 4	Evaluation on Functionality	<input type="checkbox"/> Functionality evaluation requirements
PHASE 5	Site Inspection	<input type="checkbox"/> Compliance to requirements of the site inspections
PHASE 6	Price and B-BBEE	<input type="checkbox"/> Evaluation on 90/10 preference points

### 8.3. PHASE 1 - Pre-Qualification Criteria:

8.3.1. In line with the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017, it is a condition of this bid that the bidder shall subcontract a minimum of 30% of the contract **to either one or a combination** of any of the following designated groups:

- (i) an EME or QSE which is at least 51% owned by black people;
- (ii) an EME or QSE which is at least 51% owned by black people who are youth;
- (iii) an EME or QSE which is at least 51% owned by black people who are women;
- (iv) an EME or QSE which is at least 51% owned by black people with disabilities;
- (v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
- (vi) a cooperative which is at least 51% owned by black people;
- (vii) an EME or QSE which is at least 51% owned by black people who are military veterans;

8.3.2. Bidders must submit proof of subcontracting arrangement between the main tenderer and the subcontractor(s). Proof of subcontracting arrangement must include a subcontracting agreement between main bidder and the subcontractor(s).

8.3.3. The responsibility to sub-contract with competent and capable sub-contractor's rests with the main bidder.

8.3.4. To be eligible for evaluation on subcontracting requirements bidders must submit a valid B-BBEE certificate issued by an Agency Accredited by the South African National Accreditation System (SANAS). Bidders other than EMEs and QSEs shall submit an original or certified copy of valid B-BBEE issued by an Agency Accredited by SANAS.

8.3.5. The contract will be concluded between the main contractor and the department, therefore, the main bidder and not the sub-contractor would be held liable for performance in terms of its contractual obligations.



- 8.3.6. Main bidders are discouraged from subcontracting with their subsidiary companies as this may be interpreted as subcontracting with themselves and / or using their subsidiaries for fronting.
- 8.3.7. NB: Tenders That Do Not Meet The Above Subcontracting Conditions Shall Be Disqualified And Will Not Be Considered For Further Evaluation.**

#### 8.4. PHASE 2: ADMINISTRATIVE COMPLIANCE

**Bidders shall take note of the following guidelines:**

- 8.4.1. The below administrative bidding requirements shall be complied with and required documents must be attached before consideration for further evaluation.
- 8.4.2. The bidder shall respond with “**Comply**”, “**Not Comply**” or “**Not Applicable**” in the apportioned spaces. The “**Not Applicable**” answer shall only be considered where the response field has the wording “**If Applicable**”.

**NB: Bidders *may* be disqualified for failure to comply with the above guidelines when responding to administrative bidding requirements and failure to attach or complete and/or sign any of the designated arrears of the documents mentioned below *may* render the bid a not “Acceptable Bid”**

FOL	ADMINISTRATIVE BIDDING REQUIREMENTS	BIDDER'S RESPONSE (Comply/ Not Comply / Not Applicable)
8.4.2.1.	<b>Submission of the following standard bidding documents (fully completed and signed)</b>	
(i)	<b>SBD 1:</b> Invitation to Bid,	
(ii)	<b>SBD 3.1:</b> Pricing Schedule (Firm Prices),	
(iii)	<b>SBD 3.2:</b> Pricing Schedule (Non-Firm Prices) ( <b>If Applicable</b> ),	
(iv)	<b>SBD 4:</b> Declaration of Interest form, <b>NB. All companies under the name of the bidder must be declared, irrespective of whether they are used for bidding or not.</b>	
(v)	<b>SBD 6.1:</b> Preference points claim form in terms of the Preferential Procurement Regulations 2017;	
(vi)	<b>SBD 8:</b> Declaration of Bidder's Past SCM Practices;	
(vii)	<b>SBD 9:</b> Certificate of Independent Bid Determination. <b>NB: Only one bid will be accepted from the bidder i.e. either as stand-alone bidder or joint venture/ consortium. Bidders who fail to adhere to this requirement may be disqualified.</b>	
(viii)	Naming of the bidding company must be consistent in the request for bid (RFB) document, applicable EME or QSE original sworn affidavit, original or copy of valid B-BBEE Status Level Verification Certificate and the CSD report. Deviations to this pre-requisite may disqualify the bid.	

FOL	ADMINISTRATIVE BIDDING REQUIREMENTS	BIDDER'S RESPONSE (Comply/ Not Comply / Not Applicable)
8.4.2.2.	Proof of Central Supplier Database Registration AND/OR Attachment of Central Supplier Database Registration Report (CSD) of the bidder. <b>NB.Bidders must complete MAAA NO. as per SBD1.</b>	
8.4.2.3.	<b>Submission of an Own Company profile and completion of Annexure A</b> (The company profile must highlight company main and secondary business, business experience and references, previous and current experience and its value).	
8.4.2.4.	<b>Compliance Certificates of a Proposed Existing Warehouse:</b> - <b>MUNICIPALITY CERTIFICATE (occupational Certificate)</b> - <b>COC FOR ELECTRICITY</b>	
8.4.2.5.	<b>Attachment of proof of ownership of business site. In the case of leased property, lease agreement spelling out duration of lease or the intention thereof.</b> <b>(start and termination dates) must be attached</b>	
8.4.2.6.	<b>In case of Consortium or Joint Venture (IF APPLICABLE) the following are required:</b>	
(i)	Signed agreement between involved parties indicating the lead member;	
(ii)	Every member of the Consortium or joint venture is registered on the Central Supplier Database <b>and the Joint Venture Shall submit a consolidated CSD Report;</b>	
(iii)	Letter of appointment by consortium/joint venture parties for a representative to sign the bid documents;	
(iv)	In the case of a JV/ Consortium all parties to the consortium/joint venture must submit consolidated certified copy valid or original valid B-BBEE verification certificate issued by a Verification Agency accredited by SANAS <b>(If Applicable);</b>	
8.4.2.7.	In case of a B-BBEE Exempted Micro Enterprise (EME) or B-BBEE Qualifying Small Enterprise (QSE) bidders may submit a valid Sworn Affidavit (copy attached to this bid) or submit an original or copy of valid B-BBEE issued by an Agency Accredited by the South African National Accreditation System (SANAS). Bidders other than EMEs and QSEs shall submit an original or certified copy of valid B-BBEE issued by an Agency Accredited by SANAS <b>(If Applicable)</b>	

FOL	ADMINISTRATIVE BIDDING REQUIREMENTS	BIDDER'S RESPONSE (Comply/ Not Comply / Not Applicable)
8.4.2.8.	<p><b>Submission of Proof of Financial Capacity of the Bidder for a minimum of R50 000 000.00</b></p> <p>The financial capacity of the Bidder(s) shall be tested through either of the following documents:</p> <ul style="list-style-type: none"> <li>a) Proof of support from a (National Credit Regulator) NCR registered Financial Services Provider/Financial Institution on primary funding when the tender is successfully awarded.</li> </ul> <p style="text-align: center;"><b>OR</b></p> <ul style="list-style-type: none"> <li>b) An undertaking by a registered financial institution (bank) to provide funding/revolving credit, or overdraft facility. (Not a conditional assessment of Credit Rating or Bank Rating)</li> </ul> <p style="text-align: center;"><b>OR</b></p> <ul style="list-style-type: none"> <li>c) Proof of capacity to self-funding provide latest stamped three months bank statement averaging the <b>minimum Value of R50 000 000</b> on a month to month.</li> </ul>	
8.4.2.9.	<p>Pharmaceutical Warehouse Management Services shall take place within 120 calendar days of award. <b>Bidder shall submit a letter on the company letterhead committing and binding/obligating the bidder that the pharmaceutical warehouse management services will take place within 120 calendar days of an award.</b></p>	
8.4.2.10	<p>Returnable documents must be chronologically indexed with a contents list.</p>	
8.4.2.11	<p>Public Liability Insurance: minimum <b>R10 000 000</b></p>	
8.4.2.12	<p>When submitting the bid document, bidders must burn both a scanned PDF Copy of the completed bid document on a <b>Compact Disc (CD) or Digital Video Disc (DVD)</b> marked with the company's name, bid number and bid description. <b>All electronic data submitted must be an exact copy of the hard copy document.</b> Any discrepancies between the electronic and the hard copy may invalidate the bid.</p>	

## 9. PHASE 3: COMPLIANCE TO SPECIFICATIONS

To be eligible for further evaluation on functionality the bidder must show the willingness to comply with the basic minimum specifications as outlined in paragraph 7 to 9 of this Terms of Reference. The bidder must further provide a consent to comply with technical specification or better the specification as outlined.

## 10. PHASE 4: EVALUATION ON FUNCTIONALITY

The evaluation of the bids on functionality will be conducted by the Bid Evaluation Committee in accordance with the functionality criteria and values set below:

TOTAL SCORE			100	
ACCEPTABLE MINIMUM SCORE			70	
NO	CRITERIA	WEIGHT	ELEMENT BREAKDOWN	SCORING VALUES
10.3.	Experience of the bidder in the warehousing services <i>(Provide contactable references on <u>Annexure A</u> with corresponding proof of award letters per project or confirmation letter of contract from clients)</i>  <i>NB: References shall be validated)</i>	10	Company experience in the provision of services indicating current and previous contracts: <b>Number of Months:</b>	
			(10 years and above)	Exceptional (5)
			(8 to 9 years)	Very Good (4)
			(4 to 7 years)	Good (3)
			(above 1 to 3 years)	Average (2)
			(0 to 1 years)	Poor (1)
			No Submission	Very Poor (0)
		10	Extent of the bidder's biggest current or past Warehouse projects: <b>Value of a Single Highest Project in the last 10 years</b>	
			R 75 000 000 and above	Exceptional (5)
			R 50 000 001 to R 65 000 000	Very Good (4)
			R 30 000 001 to R 50 000 000	Good (3)
			R 15 000 001 to R 30 000 000	Average (2)
			R 5 000 001 – R 15 000 000	Poor (1)
			0 – 5000 000	Very Poor (0)
10.4.	Experience in Provision of Electronic Pharmaceutical Warehouse Management Systems <b>Submit proof of commissioning letters from at least 3 clients</b>	20	Extent of the bidder's (or subcontracted company) experience in current or past development, commissioning, support and enhancement of Pharmaceutical Warehouse Management Systems	
			(10 years and above)	Exceptional (5)
			(8 to 9 years)	Very Good (4)
			(4 to 7 years)	Good (3)
			(above 1 to 3 years)	Average (2)
			(0 to 1 years)	Poor (1)
			No experience submitted	Very Poor (0)
10.5.	Experience in provision of a full warehousing solution (acquisition, storage, and distribution of pharmaceutical and surgical sundries).	20	Extent of the bidder's (or subcontracted company) experience in current or past technical support services in Warehouse Management:	
			(Above 10 years)	Exceptional (5)
			(10 years and above)	Very Good (4)
			(8 to 9 years)	Good (3)
			(4 to 7 years)	Average (2)
			(above 1 to 3 years)	Poor (1)
			No experience submitted	Very Poor (0)

10.6.	Financial Capacity	10	Financial Capacity Shall be assessed through the following:	
			<ul style="list-style-type: none"> <li>✓ An undertaking by financial institution to provide a Revolving Credit to the bidder in the event a bidder is awarded contract or Proof of overdraft facility in the name of business or alternatively proof of company capability to self-fund to the value indicated below or</li> <li>✓ Provision of three (financial years) recent financial statements audited and sanctioned by the registered auditors:</li> </ul>	
			R 75 000 001 and above	<b>Exceptional (5)</b>
			R 65 000 001 To R75 000 000	<b>Very Good (4)</b>
			R 30 000 001 To R 55 000 000	<b>Good (3)</b>
			R 15 000 001 To R 30 000 000	<b>Average (2)</b>
			<b>R1 to R15 000 000</b>	<b>Poor (1)</b>
10.7.	Project Methodology (Break-Down Structure)	10	Project Methodology Breakdown Structure Shall be allocated points as follows:	
			<b>Pre Project-Implementation Phase Activities (Warehouse Management Services i.e. Warehousing, Acquisition, Accounting, Stock Management and Distribution): Activities should amongst others include but not limited to takeover plans at the beginning of the contract.</b>	
			Activities highlighted are clear, logical and demonstrate a high level of understanding of the warehouse management project deliverables with time frames.	<b>Very Good (3)</b>
			Activities highlighted are clear and logical to warehouse management services	<b>Good (2)</b>
			Activities highlighted are irrelevant to warehouse management services	<b>Poor (1)</b>
		10	<b>Project-Implementation Phase Activities (Warehouse Management Services i.e. Warehousing, Acquisition, Accounting, Stock Management and Distribution): Activities should amongst others include but not limited to hand over plans at the end of the contract.</b>	
			The bidder highlighted clearly, logically and demonstrated a high level of understanding on the implementation of warehouse management strategy project activities, deliverables and time frames.	<b>Very Good (3)</b>
			The bidder highlighted clearly on the implementation activities	<b>Good (2)</b>
			The bidder did not highlight relevant activities on the implementation of warehouse management strategy	<b>Poor (1)</b>
			<b>Contingency Plan (warehouse management Strategy)</b>	
		5	Plan is clear and realistic	<b>Good (2)</b>

			Plan produced but not convincing that the methodology can be delivered using contingencies proposed	<b>Average (1)</b>
			No Plan	<b>Poor (0)</b>
10.8.	Quality Master Plan	5	Plan is clear and realistic	<b>Good (2)</b>
			Plan produced but not convincing that the methodology can be delivered using proposed QM plans	<b>Average (1)</b>
			No Plan	<b>Poor (0)</b>

## 11. PHASE 5: SITE INSPECTION FOR EXISTING PROPOSED SITE

The fifth stage of evaluation includes conducting site inspection and only service providers who score a minimum of 70 points on functionality evaluation shall be eligible for the fourth stage.

TOTAL SCORE			100	
ACCEPTABLE MINIMUM SCORE			70	
NO	BUSINESS REQUIREMENT	WEIGHT	ELEMENT BREAKDOWN	SCORING VALUES
11.1.	Size of the Proposed Site(s) based in Polokwane Local Municipality.  <i>The bidder may provide a maximum of two sites with a ratio of 1:1 or 1:2</i>	50	The service provider must attach a copy of the address (municipality bills) for the proposed site(s) or valid lease agreement or a letter of intent with the intended warehouse facility.	
			Above 10 000 Square Metres	<b>Good (2)</b>
			Less than 10 000 Square Metres	<b>Poor (1)</b>
11.2.	Proposed General Structure Condition	25	<b>The general standard of the proposed structure shall be assessed as follows or better:</b> <b>Current Structural Integrity:</b> <ul style="list-style-type: none"> <li>- Walls, pillars, roofs, floors, work surfaces, height</li> <li>- Lighting;</li> <li>- Drainage;</li> <li>- Water Sources</li> <li>- Sanitation</li> <li>- Access and Security</li> <li>- Power Source</li> <li>- Cooling Systems</li> </ul>	
			In order to achieve a total score of Excellent, the facility must boast at least 100% of the above requirements or better.	<b>Excellent (4)</b>
			In order to achieve a total score of Very Good, the facility must boast at	<b>Very Good (3)</b>

			least 75% of the above requirements or better.	
			In order to achieve a total score of Good, the facility must boast at least 50% of the above requirements or better.	<b>Good (2)</b>
			In order to achieve a total score of Poor, the facility must boast less than 50% of the above requirements or better.	<b>Poor (1)</b>
11.3.	Presentation of Warehouse Customisation Plans to suit the requirements	25	<p>The Warehouse Customisation Plans presentation must outline amongst other things the following items which must be achieved in a period of four (04) months after award:</p> <ul style="list-style-type: none"> <li>✓ Readiness of the Warehouse Structure</li> <li>✓ Compliance to legislative requirements timeframes,</li> <li>✓ The workflow of the structure</li> <li>✓ ICT infrastructure and system readiness (dummy tests etc)</li> </ul>	
			The customisation plans is clear and achievable within the required timeframe	<b>Excellent (3)</b>
			The customisation plans is clear but not achievable within the required timeframe	<b>Good (2)</b>
			The customisation plans is poor and does not inspire confidence about the project	<b>Poor (1)</b>

## 12. PHASE 6: PRICE AND B-BBEE

This bid shall be evaluated in terms of **90/10** preference points system.

- 12.1. Bidders must submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African National Accreditation System (SANAS).
- 12.2. In case of a B-BBEE Exempted Micro Enterprise (EME) or B-BBEE Qualifying Small Enterprise (QSE) bidders may submit a valid Sworn Affidavit (attached to this bid).
- 12.3. Should bidders fail to submit valid B-BBEE certificate it will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

- 12.4. Points shall be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<b>B-BBEE Status Level of Contributor</b>	<b>Number of Points</b>
<b>1</b>	<b>10</b>
<b>2</b>	<b>9</b>
<b>3</b>	<b>6</b>
<b>4</b>	<b>5</b>
<b>5</b>	<b>4</b>
<b>6</b>	<b>3</b>
<b>7</b>	<b>2</b>
<b>8</b>	<b>1</b>
<b>Non-compliant contributor</b>	<b>0</b>

### **13. KEY ASPECTS OF THE BID PROPOSAL**

Bidders must take note of the following fundamental aspects before submission of their bid proposals:

- 13.1. The bidder is expected to examine all instructions, forms, terms of reference and specifications in this bid.
- 13.2. In this bid document, words in the singular also mean in the plural and vise versa and words in the masculine also mean in the feminine and neuter.**
- 13.3. Bidders must submit their bids on the stipulated closing date and time. Late bids shall not be considered.
- 13.4. The bid document must be completed with indelible ink and alterations/corrections must be signed ( **No tippex/eraser allowed**);
- 13.5. In order to evaluate and adjudicate bids effectively, it is imperative that bidders submit responsive bids. To ensure a responsive bid it is imperative to comply with all conditions pertaining to this terms of reference.
- 13.6. Each bidder must attach all applicable documents in support of its bid in accordance with the requirements set out in this bid as well as any other relevant materials, photographs and/or attachments.
- 13.7. The department reserves the right to verify any information supplied by the bidder and should the information be found to be false or incorrect, the department will exercise any of the remedies available to it.
- 13.8. Each bid, once submitted, constitutes a binding and irrevocable offer to provide the services on the terms set out in the bid, which offer cannot be amended after its date of submission.



- 13.9. The department reserves the right to invite any bidder for a formal presentation during the evaluation process.
- 13.10. The department may, for any reason and at any time during the selection process, request any bidder to supply further information and/or documentation.

#### **14. CONDITIONS ON ADMINISTRATIVE REQUIREMENTS**

- 14.1. The LDoH has prescribed minimum administrative requirements that must be met by the bidders, in order for the former to accept the bid for evaluation. In this regard administrative compliance will be carried out to determine whether the bidder's bid comply in this regard.
- 14.2. Where the bidder fails to comply fully with any of the administrative bidding requirements under this bid or the LDoH is for any reason unable to verify whether administrative bidding requirements are fully complied with, the LDoH reserves the right, either to:
  - a. Reject the bid in question and not evaluate it at all.
  - b. Give the bidder an opportunity to submit and/or supplement the information and/or documentation provided so as to achieve full compliance with the administrative bidding requirements, provided that such information/ documentation can be provided within the period that will be determined by the LDoH and such supplementary information/ documentation is only administrative and not substantive in nature. **The evaluation team shall agree on the maximum timeframe to be granted to furnish the information required.**
  - c. Permit the bid to be evaluated, subject to the outstanding information and/or documentation being submitted prior to the award of the bid.

**14.2.1. The LDoH may waive any minor informality or non-conformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice any bidder.**

#### **15. BID AWARD AND CONTRACT CONDITIONS**

- 15.1. The shortlisted bidders shall be subjected to supply chain management screening process and only successful bidders who are cleared during screening shall be considered for appointment.
- 15.2. The department is not obliged to accept or consider any bid in full or in part or any responses or submissions in relation thereto and may reject any bid.
- 15.3. The Department reserves the right to cancel and/or terminate the tender process at any stage, including after the Closing Date and/or after presentations have

been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.

- 15.4. The department reserves the right to negotiate pricing proposals with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).
- 15.5. The department reserves the right to award the bid to one or more service providers, wholly or in part or not to award.**
- 15.6. The department may, on reasonable and justifiable grounds, award the bid to a company that did not score the highest number of points.**
- 15.7. The appointment of the successful bidder shall be subject to the conclusion of a Service Level Agreement (SLA) between the department and the successful bidder governing all rights and obligations related to the required services.
- 15.8. The contract shall be concluded between Limpopo Department of Health and the successful service provider(s).
- 15.9. The contract period will be in terms of the acceptance letter.
- 15.10. Bidders shall be notified about the decision of the Department by means of publication in the Provincial Tender Bulletin and the departmental website.
- 15.11. The outcome of the successful bidders shall be published through in the Provincial Tender Bulletin and the departmental website .
- 15.12. Awarding of the bid shall be subject to the Service Provider(s) acceptance of National Treasury General Conditions of Contract (GCC).**

## **16. CONTRACT ADMINISTRATION**

- 16.1. The successful bidder must report to supply chain management contract unit immediately when unforeseeable circumstances will adversely affect the execution of the contract.
- 16.2. Full particulars of such circumstances as well as the period of delay must be furnished.
- 16.3. The administration of the bid and contract i.e. evaluation, award, distribution of contract circulars, contract price adjustments etc., shall be the sole responsibility of the Supply Chain Management Unit.

## 17. RISK MANAGEMENT ON PRICING AND AWARDING

- 17.1. All prices quoted by suppliers shall be assessed to ensure that bidders did not underquote. **(Bidders perceived to have underquoted in terms of market prices shall be disqualified).**
- 17.2. Bidders to take note that the department shall complete the process of evaluation and award in a period of 120 days, therefore their prices should consider inflationary fluctuations.

## 18. PRICING STRUCTURE AND SCHEDULE

- 18.1. All prices charged must be inclusive of **business overheads and VAT. NB: Successful bidders who are not registered for VAT at the time of bidding must register as required by law immediately after award.**
- 18.2. Bidders must quote for all items under this bid and those who do not quote for all items shall be disqualified.
- 18.3. Arithmetic errors **on the provided locked document** will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying and/or adding the unit price and quantity, the unit price shall prevail. If the bidder does not accept the correction of errors, its bid may be rejected.
- 18.4. **Bids that fail to conform to the conditions as set out under this pricing structure and schedule shall be regarded as not “acceptable bids”.**

### PRICE STRUCTURE:

NO	DESCRIPTION	QTY	BID PRICE / OFFER (All inclusive)
1	<b>Warehouse Building:</b>  ❖ Provision of Warehouse facility for storage of medicine and surgical sundries	1	
2	<b>Warehouse Operations:</b>  ❖ Management of warehouse operations include but not limited to repacking, Human		

	Resources Management, Working tools and equipment etc.		
<b>3</b>	<b>Warehouse Management System:</b>  ❖ Provision of electronic warehouse management system		
<b>4</b>	<b>Distribution Cost:</b>  ❖ Stock Rate per Kilometre for the following vehicles:		
	<b>1 Tonne</b>		
	<b>2 Tonne</b>		
	<b>3 Tonne</b>		

## 11. PRICE ADJUSTMENTS

- 11.1. Prices must be firm for the 12 months from the inception of the contract, and shall be subjected to price adjustment based on the Consumer Price Index (CPI). To be eligible for price adjustment bidders must submit an application at the anniversary of the contract for price adjustment.

### 11.2. RATE OF EXCHANGE (ROE) CLAIMS

Should the price be subjected to Rate of Exchange (ROE), claims for ROE variation will be considered. Claims for the rate of exchange variation will only be considered on receipt of requests from suppliers. All relevant documents must accompany the claims. Claims for ROE shall be applicable to suppliers that have, in their Bid documents, indicated the ROE at the time of bidding.

## 12. BRIEFING SESSION

There will be no briefing session for this bid

## 13. ENQUIRIES

All enquiries regarding the bid may be directed to the following:

Physical Address	Technical Enquiries	Bidding Process:
18 College Avenue Polokwane 0699	Mr. Setshedi R at (083) 297 9934  Mr. Langa TZM at (082) 990 7126	Ms. T.O Simango at (015) 293 6352 (071) 861 9937  Ms N.M Motene at (015) 293 6350 ( 063) 692 9368



### **ANNEXURE A: PORTFOLIO OF CURRENT AND COMPLETED CONTRACTS / EMPLOYMENT**

The bidder/s must furnish a list of the following particulars for provision of Pharmaceutical warehouse solution (warehouse, warehouse management system, acquisition, storage, and distribution of medicine and surgical sundries) in polokwane for the Limpopo Department of Health for a period of sixty (60) months. The bidder(s) must in addition attach proof of references e.g. previous contract or order. Failure to furnish the particulars of such information in this Annexure in full shall invalidate the bid.

<b>FOL</b>	<b>CLIENT NAME, CONTACT PERSON, CONTACT NUMBER AND EMAIL</b>		<b>CONTRACT NUMBER AND DESCRIPTION OF SERVICE</b>	<b>PLACE (TOWN)</b>	<b>CONTRACT / EMPLOYMENT START DATE Day, Month &amp; Year</b>	<b>CONTRACT /EMPLOYMENT END DATE Day, Month &amp; Year</b>
<b>1</b>	<b>Name of Client</b>					
	<b>Contact Person</b>					
	<b>Tel</b>					
	<b>eMail</b>					
<b>2</b>	<b>Name of Client</b>					
	<b>Contact Person</b>					
	<b>Tel</b>					
	<b>eMail</b>					
<b>3</b>	<b>Name of Client</b>					
	<b>Contact Person</b>					

<b>FOL</b>	<b>CLIENT NAME, CONTACT PERSON, CONTACT NUMBER AND EMAIL</b>		<b>CONTRACT NUMBER AND DESCRIPTION OF SERVICE</b>	<b>PLACE (TOWN)</b>	<b>CONTRACT / EMPLOYMENT START DATE Day, Month &amp; Year</b>	<b>CONTRACT /EMPLOYMENT END DATE Day, Month &amp; Year</b>
	<b>Tel</b>					
	<b>eMail</b>					
<b>4</b>	<b>Name of Client</b>					
	<b>Contact Person</b>					
	<b>Tel</b>					
	<b>eMail</b>					
<b>5</b>	<b>Name of Client</b>					
	<b>Contact Person</b>					
	<b>Tel</b>					
	<b>eMail</b>					
<b>6</b>	<b>Name of Client</b>					
	<b>Contact Person</b>					



<b>FOL</b>	<b>CLIENT NAME, CONTACT PERSON, CONTACT NUMBER AND EMAIL</b>		<b>CONTRACT NUMBER AND DESCRIPTION OF SERVICE</b>	<b>PLACE (TOWN)</b>	<b>CONTRACT / EMPLOYMENT START DATE Day, Month &amp; Year</b>	<b>CONTRACT /EMPLOYMENT END DATE Day, Month &amp; Year</b>
	<b>Tel</b>					
	<b>eMail</b>					