

TRANSNET



NEC3 Term Service Contract (TSC)

RFQ No. S.I./PC10001

**TENDER DOCUMENT FOR THE MAINTENANCE OF
PERMANENT WAY WITH ONE ON-TRACK BALLAST TAMPING
MACHINE, IRON ORE LINE**

OPENS: 2 September 2010

CLOSES: 6 September 2010 (12h00)



RFQ S.I./PC10001

NEC3 Engineering and Construction Term Service Contract (TSC3)

A contract between Transnet Limited t/a Transnet Freight Rail

and

for **THE MAINTENANCE OF PERMANENT TRACK WITH ONE ON-TRACK BALLAST TAMPING MACHINE, COUNTRY-WIDE**

Contents: Compiled in accordance with CIDB Standard for Uniformity in Construction Procurement (October 2005 amendments) **No. of pages**

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Documentation prepared by: **Administrator: Nico Swart**

PART T1: TENDERING PROCEDURES

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PART T1: TENDERING PROCEDURES

T1.1 TENDER NOTICE AND INVITATION TO TENDER

RFQ No. S.I./PC10001

Transnet Limited trading as Transnet Freight Rail (the employer) invites quotations for the maintenance of permanent track with one on-track ballast tamping machine, Countrywide.

Tenderers need not have a CIDB contractor grading.

The physical address for collection of tender documents is: At the Reception, Ground floor, Inyanda House 1, 21 Wellington Rd, Parktown, Johannesburg.

Tender documents may be collected during working hours after **08:00 on 2 September 2010** and will only be available until **15:00 on Thursday, 2 September 2010** free of charge.

Queries relating to the any **issues** of these documents may be addressed to:

Me. Sarah Assegai
Tel No. **(011) 584 0668**
Fax No. **(011) 773-49826**
E mail Sarah.asegaaai@transnet.net

A clarification meeting is not applicable.

Transnet reserves the right to accept the whole or any part of a tender. Transnet also reserves the right to negotiate terms and conditions with all, or a short-listed group of contenders, or the preferred Tenderer, should it be deemed necessary.

This quotation closes punctually at **12h00 on Monday, 6 September 2010**.

Quotations may only be submitted on the quotation documentation that is issued. Telegraphic, telephonic, facsimile and late quotations will not be accepted.

Tenderers are warned that a quotation will be liable to disqualification should any attempt be made by a Tenderer either directly or indirectly to canvass any officer(s) or employees of Transnet Limited in respect of a quotation between the date the quotation is submitted and the date of the award. A Tenderer may, however, at any time communicate with the Chairperson of the Transnet Freight Rail Acquisition Council, at telephone no. 011 308 3860 on any matter relating to his quotation.

Envelopes must not contain documents relating to any tender other than that shown on the envelope. *No slips are to be attached to the tender documents. Any additional conditions must be embodied in an accompanying letter. Alterations, additions or deletions must not be made by the*

Tenderer to the actual tender documents. Quotations submitted by Tenderers must be neatly bound and the inclusion of loose documents must be avoided.

Requirements for sealing, addressing, delivery, opening and assessment of quotations are stated in the Tender Data.

Compliance of tender(s) with Transnet's requirements is the sole responsibility of the Tenderer and any costs incurred in subsequent modifications to or replacement of equipment accepted by Transnet Limited in good faith on the grounds of certified compliance with specified standards by the contractor and in fact found to be inadequate in such respects, will be to the relevant Tenderer's account

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("BBBEE")

TRANSNET fully endorses and supports the South African Government's Broad-Based Black Economic Empowerment Programme and it is strongly of the opinion that all business enterprises have an equal obligation to redress the imbalances of the past. TRANSNET would therefore prefer to do business with business enterprises who share these same values and who are prepared to contribute to meaningful BBBEE initiatives (including and not limited to enterprise development, subcontracting and Joint Ventures) as part of their tender response.

Transnet would accordingly allow a "preference" in accordance with the 10% preference system, as per the Preferential Procurement Policy Framework Act 5 of 2000 (as amended) to companies who provide a BBBEE accreditation Certificate. All procurement and disposal transactions in excess of R30000 will be evaluated accordingly. All transactions below R30000 will as far as possible be earmarked for EME's.

TRANSNET consequently urges Respondents (Large enterprises and QSE's – see below) to have themselves duly accredited by any one of the Accreditation Agencies [approved](#) by SANAS (South African National Accreditation System, under the auspices of the DTI).

In terms of Government Gazette No. 32094, Notice No. 354 dated 23 March 2009, as from 1 August 2009, only BBBEE accreditation Certificates issued by SANAS approved verification agencies will be valid.

However accreditation certificates issued before 23 March 2009 and which are still within their one (1) year validity period will still be acceptable, until their expiry date provided that the accreditation was done in accordance with the latest codes (i.e. those promulgated on 9 February 2007).

BBBEE Accreditation Certificates issued after the published date i.e. 23 March 2009, by a Verification Agency not approved by SANAS, will NOT be acceptable as from 23 March 2009.

Enterprises will be rated by such Accreditation Agencies based on the following:

- (a) **Large Enterprises (i.e. annual turnover >R35 million):**
 - Rating level based on all 7 (seven) elements of the BBBEE scorecard
 - Enterprises to provide BBBEE certificate and detailed scorecard (to be renewed annually)
- (b) **Qualifying Small Enterprises – QSE (i.e. annual turnover >R5 million but <R35 million):**

- Rating based on any 4 (four) of the elements of the BBBEE scorecard
 - Enterprises to provide BBBEE certificate and detailed scorecard (to be renewed annually)
- (c) **Exempted Micro Enterprises – EME (i.e. annual turnover <R5m are exempted from being rated or verified):**
- Automatic BBBEE Level 4 rating, irrespective of race ownership, i.e. 100% BBBEE recognition
 - Black ownership >50% or Black Women ownership >30% automatically qualify as Level 3 BBBEE rating, i.e. 110% BBBEE recognition
 - EME's should provide documentary proof of annual turnover (i.e. audited financials) plus proof of Black ownership if Black ownership >50% or Black Women ownership >30% (to be renewed annually) from their Auditors / Accounting Officers

In addition to the above, Respondents who wish to enter into a Joint Venture (JV) or subcontract portions of the contract to BBBEE companies must state in their Quotations / Proposals the percentage of the total contract value which would be allocated to such BBBEE companies, should they be successful in being awarded any business. A rating certificate, in respect of such BBBEE JV-partners and/or sub-contractors, as well as a breakdown of the distribution of the aforementioned percentage allocation must also be furnished with the tender response to enable Transnet to evaluate / adjudicate on all quotations received on a fair basis.

Each Respondent is required to furnish proof of its BBBEE status (Certificate and Detailed Scorecard) as stipulated above to TRANSNET.

Turnover: Indicate your company's most recent annual turnover:

R.....

- If annual turnover <R5m, please attach auditors / accounting officers letter confirming annual turnover and percentage black ownership as well as Black Women ownership
- If annual turnover >R5m please attach BBBEE certificate and detailed scorecard from an accredited rating agency.

The DTI has created an online **B-BBEE Registry** (<http://www.dti.gov.za>) in order to provide a central and standardized source of the B-BBEE status of all entities, and to facilitate the flow of this information amongst entities by providing a Unique Profile Number (UPN) per each listing. Existing and prospective suppliers are therefore urged to list their B-BBEE status on the DTI Registry. Hence, entities verified by DTI, will receive the following benefits:

- Their BBBEE status will be verified and confirmed by the DTI, before listing on the Registry
- Listing on the Registry will provide suppliers the option to market themselves on the DTI B-BBEE Opportunities Network. This is a search engine that is designed to help businesses find B-BBEE compliant entities who match specific requirements in terms of the nature of services/goods provided, region, B-BBEE status or other search criteria.

Transnet supports this DTI initiative and will use the DTI Registry to verify prospective and existing suppliers' BBBEE credentials.

Kindly provide Transnet with your DTI B-BBEE UNIQUE PROFILE NUMBER with all tender submissions.

DTI BBBEE UNIQUE PROFILE NUMBER:

.....

Failure to submit your BBBEE information in terms of 14.3 and/or 14.5 (above) will result in a score of zero being allocated for BBBEE evaluation. Suppliers and Tenderers are requested to duly complete the Supplier Declaration Form (SDF) and provide all the relevant supporting attachments as requested. Failure to provide the following may disqualify your tender submission:-

1. Duly completed SDF
2. Current tax clearance certificate

The Supplier and Tenderer shall furnish proof of the above to Transnet. Transnet at its sole discretion may decide to allow certain price preferences in order to uplift the historically disadvantaged in terms of the PPPFA (Act 5 of 2000).

Transnet insists on honesty and integrity beyond reproach at all times and will not tolerate any form of improper influencing, bribery, corruption, fraud, or any other unethical conduct on the part of bidders/ Transnet employees. If, in the opinion of Transnet's Chief Operating Officer, a tenderer/contractor/ supplier has or has caused to be promised, offered or given to any Transnet employee, any bribe, commission, gift, loan, advantage or other consideration, Transnet shall be entitled to revoke the tender / contract by following its internal policies that govern the Exclusion process. In such an event Transnet will be entitled to place any Tenderer/Contractor/Supplier who has contravened the provisions of Transnet's business ethics on its List of Excluded Tenderers. This List will also be distributed to all other State Owned Enterprises and Government Departments.

Transnet invites its valued suppliers to report any allegations of fraud, corruption or other unethical activities to Transnet Tip-offs Anonymous, at any of the following addresses/contract numbers :-

- Toll free anonymous hotline – 0800 003 056
- Email – Transnet@tip-offs.com
- Fax number – 0800 007 788
- Freepost DN 298, Umhlanga Rocks, 4320

Confidentiality is guaranteed.

PART T1.2: TENDER DATA

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T1.2 TENDER DATA

The conditions of tender are the Standard Conditions of Tender as contained in Annex F of the CIDB Standard for Uniformity in Construction Procurement. (See www.cidb.org.za) The Standard Conditions of Tender make several references to the Tender Data for details that apply specifically to this quotation. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the standard conditions of quotation. Each item of data given below is cross-referenced to the clause in the Standard Conditions of Tender to which it mainly applies.

F.1.1 The employer is **Transnet Limited trading as Transnet Freight Rail.**

F.1.2 The quotation documents issued by the employer comprise:

T1.1 Tender notice and invitation to quote.

T1.2 Tender data

T2.1 List of returnable documents

T2.2 Returnable schedules

Part C1: Agreements and contract data

C1.1 Form of offer and acceptance

C1.2 Contract data

C1.3 Adjudicators Appointment

Part C2: Pricing data

C2.1 Pricing instructions

C2.2 Price List

Part C3: Scope of work

C3 Scope of work

Part C4: Site information

C4 Site information

F.1.4 The employer's agent is:

Name : **Mr. Chris Norden**

Address : **Room 317, 138 Eloff Street, Braamfontein 2017**

Tel : **011 773 8872**

Cell : **083 286 2758**

Fax : **011 773 8869**

E-mail : Chris.Norden@transnet.net

F.2.7 The arrangements for a clarification meeting are as stated in the Tender Notice and Invitation to Tender.

Confirmation of attendance to be notified at least one full working day in advance to:

Name : **Mr. Chris Norden**

Address : **Room 317, 138 Eloff Street, Braamfontein 2017**

Tel : **011 773 8872**

Cell : **083 286 2758**

Fax : **011 773 8869**

E-mail : Chris.Norden@transnet.net

Tenderers must sign the attendance list in the name of the tendering entity. Addenda will be issued to and quotations will be received only from those tendering entities appearing on the attendance list.

F.2.12 No alternative quotations will be considered.

F.2.13.3 Parts of each quotation offer communicated on paper shall be submitted as an **original, plus two copies.**

F.2.13.5 The employer's address for delivery of quotation offers and identification details to be shown on each quotation offer package are:

If posted, the envelope must be addressed to:

**The Chairperson
Transnet Freight Rail Acquisition Council
P.O. Box 4244
JOHANNESBURG
2000**

And must be dispatched in time for sorting by the Post Office to reach the Post Office Box indicated above, before the closing time of the quotation. If delivered by hand, to be deposited to the Transnet Freight Rail Acquisition Council tender box which will be located in the foyer, and addressed to:

**The Chairperson
Transnet Freight Rail Acquisition Council
Ground Floor, Inyanda House
21 Wellington Road
Parktown
JOHANNESBURG
2001**

It should also be noted that the above tender box is accessible to the public 24 hours per day, 7 days a week.

The measurements of the "tender slot" are 500mm wide x 100mm high, and Tenderers must please ensure that quotation documents/files are not larger than the above dimensions. Tenders, which are too bulky (i.e. more than 100mm thick) must be split into two or more files, and placed in separate envelopes.

Identification details

Quotations must be submitted before the closing hour on the date as shown in F.2.15 below, and must be enclosed in a sealed envelope which must have inscribed on the outside.

- (a) Quotation No.
- (b) Description of work
- (c) Closing date of quotation

F.2.13.6 A two-envelope procedure will not be followed

F.2.15 The closing time for submission of quotation offers is **as stated in the Tender Notice and Invitation to Tender.**

F.2.15 Telephonic, telegraphic, telex, facsimile or e-mailed quotation offers will not be accepted.

F.2.16 The quotation offer validity period is **8 weeks**.

F.2.19 Access shall be provided for the following inspections, tests and analysis:
Not applicable

F2.22 Return all retained quotation documents within 28 days after the expiry date of the validity period

F2.23 The Tenderer is required to submit with his quotation:
Either a Certificate of Registration issued by the Construction Industry Development Board or a copy of the application Form for registration in terms of the construction Industry Development Board Act (Form F006) and an original valid Tax Clearance Certificate issued by the South African Revenue Services.

F.3.4 The time and location for opening of the quotation:
Time: 10h15 on the closing date of the quotation
Location : Table G66 and G69, West Wing, Ground floor, Inyanda House , 21
Wellington Road, Parktown, Johannesburg.

F.3.11.1 The procedure for the evaluation of responsive quotations is Method 3 (Financial offer and Quality)

The score for quality is to be calculated using the following formula:

$$W_Q = W_2 \times S_O / M_S$$

Where W_2 is the percentage score given to quality and **equals 90**
 S_O is the score for quality allocated to the submission under consideration.
 M_S is the maximum possible score for quality in respect of a submission.

The score for financial offer is calculated using Formula 2 (option 1) of SANS 294,

Where: W_1 is the percentage score given to financial offer and **equals 100 minus W_2**

The score for quality and financial offer is to be combined, before the addition of the score for preference, as follows:

$$W_C = W_3 \times \left(1 + \frac{S - S_m}{S_m}\right)$$

Where W_3 is the number of quotation evaluation points for quality and financial offer and equals:

- 1) 90 where the financial value, VAT inclusive, of all responsive quotations received have a value in excess of R2,000,000; or
- 2) 80 where the financial value, VAT inclusive, of one or more responsive quotation offers equals or is less than R2,000,000.

S is the sum of score for quality and financial offer of the submission under consideration.

S_m is sum of the score for quality and financial offer of the submission scoring the highest number of points

Up to 100 minus W_3 quotation evaluation points will be awarded to tenderers for BBBEE preference.

F.3.11.3 Only those tenderers who score a minimum score of 60 points in respect of the following quality criteria will be considered.

| Description of quality criteria and sub criteria | | | Maximum number of quotation evaluation points |
|--|--|-----|---|
| Commercial (40) | Competitive pricing | 30% | |
| | Payment conditions | 20% | |
| | Financial capacity | 30% | |
| | References/previous performance record | 20% | |
| Technical criteria: (50) | Compliance to specifications | 20% | |
| | Fit for purpose | 20% | |
| | Risk/safety plan | 20% | |
| | Technical capacity / resources | 20% | |
| | Delivery/schedule | 20% | |
| BBBEE certificate and scorecard (10) | | | |
| | | | 100 |

Criteria to be evaluated on the following scales:

- a) Non-compliance = 0
A detrimental response/answer/solution = 1
Less than acceptable = 2
Acceptable response/answer/solution = 3
Above acceptable = 4
Excellent = 5
- b) Poor = 1
Satisfactory = 2
Good = 3
Very good = 4

F.3.13.1 Quotation offers will only be accepted if:

- a) The tenderer has completed and returned all **returnable documents and schedules**.

The persons named in the Schedule of Key Persons of tenderers who satisfy the minimum quality criteria will be invited to an interview. Tenderers who attain a score of less than 50% of the points allocated to the interview will be declared ineligible to quote.

F.3.13.1 Quotation offers will only be accepted if:

- a) The tenderer has in his or her possession an original valid Tax Clearance Certificate issued by the South African Revenue Services or has made arrangements to meet outstanding tax obligations.
- b) The Tenderer is not in arrears for more than 3 months with municipal rates and taxes and municipal service charges;
- c) The Tenderer or any of its directors is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector.
- d) The Tenderer has not:
- i) abused the Employer's Supply Chain Management System; or

- ii) failed to perform on any previous contract and has been given a written notice to this effect; and
- e) has completed the Compulsory Enterprise Questionnaire and there are no conflicts of interest which may impact on the tenderer's ability to perform the contract in the best interests of the employer or potentially compromise the quotation process.

F.3.18 The number of paper copies of the signed contract to be provided by the employer is one.

The additional conditions of quotation are:

- 1 The Tenderer is deemed to have satisfied himself before tendering as to the correctness and sufficiency of his quotation for the *works* and of the rates and prices stated in the priced Price List in the *works* Information. The rates and prices (except in so far as otherwise provided in the Quotation) collectively cover full payment for the discharge of all his obligations under the Contract and all matters and things necessary for the proper completion of the *works*.
- 2 No slips are to be attached to the quotation documents. Any additional conditions must be embodied in an accompanying letter. Alterations, additions or deletions must not be made by the tenderer to the actual quotation documents.
- 3 Tenderers are warned that a quotation will be liable to disqualification should any attempt be made by a tenderer either directly or indirectly to canvass any officer(s) or employees of Transnet Limited in respect of a quotation between the date the quotation is submitted and the date of the award.
- 4 Tenderers shall give a clause by clause comment as to whether or not their quotation complies. If not, how it differs from the specification(s). Failure to do so may preclude a quotation from consideration.
- 5 The attention of Tenderers is particularly directed to the necessity to complete the "Labour Payment Schedule" and "Resolution of Board of Directors", where these documents are included in the quotation.
- 6 The terms of the "Principal Controlled Insurance Policy" is negotiated by Transnet each year, therefore, the conditions of the policy embodied in this quotation enquiry/contract is valid only for the period as stated in the policy. In the event of an occurrence that may arise during the course of a contract the rates/conditions of the latest policy i.e. applicable at date of occurrence, shall apply.

Transnet will be responsible for the difference in costs between the excesses covered in the policy included in the contract and the rates of the latest available policy applicable at date of occurrence.