

PART T1: TENDERING PROCEDURES

T1.1 TENDER NOTICE AND INVITATION TO TENDER

TENDER NO.KDSH11-01016-CIDB

Transnet Limited trading as Transnet Freight Rail (the employer) invites tenders for the Remantle and Re-do the outdoor earthing at Kudu, Legogote, Rolle and Vienna, 3KV DC Traction Substations under the control of the Depot Engineer, Nelspruit.

The physical address for collection of tender documents is at the reception, Transnet Advice Centre, Inyanda House1, Ground Floor, 21 Wellington Road, Parktown, Johannesburg.

Tender documents may be collected during office hours after **09h00** on 28TH January 2011 and will only be available until **15h00** on Monday, 07th February 2011.

On payment of an amount of R100.00 (VAT incl.)(per set) to be made to Transnet Freight Rail at the Standard Bank, account number 203158595, branch code 4805, ref no. Tender number KDSH11-01016-CIDB. The official Bank receipt(s) franked with the official Bank stamp to be provided with the collection of a tender document. This amount is not refundable. No tenders will be sold after 15h00 on Monday, 07th February 2011.

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

Mr. Benjamin Mashishi
Tel No. (012) 315 2131
Fax No. (012) 315 2138
E mail benjamin.mashishi@transnet.net

A compulsory clarification meeting with representatives of the Employer will take place **at Legogote Substation, on the 08th February 2011 at 11:00 o'clock; For direction enquiries please call: Mr Joseph Majola on 013 752 9466 or 083 277 8737. Tenderers without a valid tender document in their possession will not be allowed to attend this compulsory clarification meeting. Tenderers must arrange for their own transport.**

Tenderers should have a CIDB grading designation of 2EPPE or 3EP and above. Potentially emerging enterprises who satisfy the criteria stated in the Tender Data may submit tender offer

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 tender closes punctually at **10:00 on Tuesday, 22 February 2011.**

Tenders may only be submitted on the tender documentation that is issued. Telegraphic, telephonic, facsimile and late tenders will not be accepted.

Tenderers are warned that a tender 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 tender between the date the tender is submitted and the date of the award. A Tenderer may, however, at any time communicate with the Chairperson of the Transnet Freight Rail's Acquisition Council, Ground floor, Inyanda House, 21 Wellington Road, Park Town, Johannesburg, 2001 or on telephone no. (011) 544 9486 on any matter relating to his tender.

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

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, but not limited to enterprise development, subcontracting and Joint Ventures) as part of their RFP responses. 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 R30 000 (thirty thousand S.A. Rand) will be evaluated accordingly. All transactions below this R30 000 will, as far as possible, be set aside for Exempted Micro Enterprises (EMEs).

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 (the South African National Accreditation Systems, 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 SANSAS 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 SANSAS, 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 between R5 million and R35 million):**
 - Rating based on any 4 (four) of the elements of the BBBEE scorecard

- Enterprises to provide BBEE certificate and detailed scorecard (to be renewed annually)
- (c) **Exempted Micro Enterprises – EME (i.e. annual turnover <R5 million are exempted from being rated or verified):**
- Automatic rating of Level 4 rating, irrespective of race of ownership, i.e. 100% BBEE recognition
 - Black ownership >50% or Black Women ownership >30% automatically qualify as Level 3 BBEE, i.e. 110% BBEE recognition
 - EME's should only 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 BBEE companies, must state in their RFPs the percentage, of the total contract value that would be allocated to such BBEE companies, should they be successful in being awarded any business. A rating certificate in respect of such BBEE JV-partners and / or subcontractor(s), as well as a breakdown of the distribution of the aforementioned percentage must also be furnished with the RFP response to enable Transnet to evaluate / adjudicate all RFPs received on a fair basis.

Each Respondent is required to furnish proof of its BBEE 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 BBEE certificate and detailed scorecard from an accredited rated 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 benefit

- Their BBEE 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' BBEE credentials.

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

DTI BBEE UNIQUE PROFILE NUMBER:

.....

Failure to submit your BBEE information in terms of 14.3 and/or 14.5 (above) will result in a score of zero being allocated for BBEE evaluation.

Transnet fully endorses and supports the Government's Broad Based Black Economic Empowerment (BBEE) Programme. We are strongly of the opinion that all South African Business Enterprises have an obligation to redress the imbalances of the past and Transnet will therefore prefer to do business with local business enterprises who share these same values.

To this end, Transnet will seriously reconsider continued business relationships with such enterprises that do not adhere to the principles of BBEE. Transnet therefore encourages all suppliers to obtain accreditation from one of the reputable Accreditation Agencies. We would prefer our suppliers to have a BBEE status of at least a level 5 or higher based on the DTI Scorecard. Transnet therefore urges suppliers to have themselves accredited by one of the various Accreditation Agencies available, who do their BBEE ratings in accordance with the latest Codes Of Good Practice (released on 20 December 2005 and Gazetted on 9 February 2007).

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. BBEE Certificate and detailed scorecard
3. 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).