

**TRANSNET FREIGHT RAIL**an Operating Division of **TRANSNET SOC LTD**

[Registration No. 1990/000900/30]

REQUEST FOR PROPOSAL [RFP]

**FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF
LOCOMOTIVE CONDITION MONITORING SYSTEM (LCMS) ON AN "AS AND WHEN
REQUIRED" BASIS**

RFP NUMBER CRAC-HO-10357
ISSUE DATE: 02 MAY 2013
CLOSING DATE: 04 JUNE 2013
CLOSING TIME: 10:00 AM
BID VALIDITY PERIOD: 10 OCTOBER 2013

COMPULSORY BRIEFING SESSION:

A compulsory briefing session will be held at the following venue:

Time : 10:00 am
Date : 14 May 2013
Venue : Transnet Freight Rail
Inyanda House 2
15 Girton Road
Umjantshi A Boardroom
Parktown
Johannesburg

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BBF7970, IEC 60571:1998, EN50124: 2001, EN50124: 2001Part 2, IEC 60077 – 1 to 4: 2001,
EN50121, IEC 61373, RS/W 435 / 1996 / MARCH, SABS 1195-1978, RT/TE/SPC/0012 – 2004,
RT/TE/SPC/0255, BBC4202, BBC1790, BBF7976, BBD8638, BBF9299
- APPENDIX (iv) GUIDELINES FOR THE COMPLETION OF A SUPPLIER DEVELOPMENT BID DOCUMENT

"PREVIEW COPY ONLY"

LIST OF ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
CD	Compact/computer disc
EME	Exempted Micro Enterprise
GBC	General Bid Conditions
ID	Identity Document
JV	Joint Venture
LOI	Letter of Intent
NDA	Non-Disclosure Agreement
OD	Transnet Operating Division
PPPFA	Preferential Procurement Policy Framework Act
PTN	Post-Tender Negotiations
QSE	Qualifying Small Enterprise
RFP	Request for Proposal
SD	Supplier Development
SME	Small Medium Enterprise
SOC	State Owned Company
TCO	Total Cost of Ownership
VAT	Value-Added Tax
ZAR	South African Rand

"PREVIEW COPY ONLY"

RFP
FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF LOCOMOTIVE
CONDITION MONITORING SYSTEM ON AN "AS AND WHEN REQUIRED" BASIS

Section 1: NOTICE TO BIDDERS

1 PROPOSAL REQUEST

Responses to this RFP [hereinafter referred to as a **Bid** or a **Proposal**] are requested from persons, companies, close corporations or enterprises [hereinafter referred to as an **entity, Respondent** or **Bidder**] for the supply of aforementioned requirement(s) to Transnet.

On or after **02nd May 2013**, the RFP documents may be inspected at, and are obtainable at the office of the Secretariat, Inyanda No 1, Ground Floor, 21 Wellington Road, Parktown, Johannesburg, on payment of an amount of R2000.00 (inclusive of VAT) per set. Payment is to be made as follows

Account Name	Transnet Freight Rail
Bank:	Standard Bank
Account Number:	20 315 8598
Branch code:	004805
Reference:	CRAC-HO-10357

NOTES –

- a) This amount is not refundable.
- b) A receipt for such payment made must be presented when collecting the RFP documents and submitted thereafter with your Proposal.

RFP documents will only be available for collection between 8:00 and 15:00 from **02 May 2013** until **13 May 2013**. Therefore payment must be effected prior to the deadline for collection.

N.B: Pursuant to note (b) above, should a third party [such as a courier] be instructed to collect RFP documents on behalf of a Respondent, please ensure that this person [the third party] has a "proof of payment" receipt for presentation to Transnet when collecting the RFP documents.

Any additional information or clarification will be faxed or emailed to all Respondents, if necessary.

2 COMPULSORY FORMAL BRIEFING

A compulsory RFP briefing will be conducted at **Transnet Freight Rail, Inyanda House 2, 15 Girton Road, Barongwa Boardroom (Ground Floor), Parktown, Johannesburg** on the **14 May 2013**, at 10H00 for a period of ± 2hours. [Respondents to provide own transportation and accommodation].

- 2.1 *A Certificate of Attendance in the form set out in Section 15 hereto must be completed and submitted with your Proposal as proof of attendance is required for a compulsory RFP briefing.*
- 2.2 Respondents failing to attend the compulsory RFP briefing will be disqualified.
- 2.3 Respondents without a valid RFP document in their possession will not be allowed to attend the RFP briefing.

2.4 The briefing session will start punctually at 10:00 and information will not be repeated for the benefit of Respondents arriving late.

3 PROPOSAL SUBMISSION

Proposals **in duplicate [1 original and 1 copy] plus a CD copy** must reach the Secretariat, Transnet Acquisition Council before the closing hour on the date shown below, and must be enclosed in a sealed envelope which must have inscribed on the outside:

RFP No: CRAC-HO-10357
Description: RFP FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF LOCOMOTIVE CONDITION MONITORING SYSTEM ON AN "AS AND WHEN REQUIRED" BASIS

Closing date and time: 04 June 2013 at 10:00 am
Closing address: [Refer to options in paragraph 4 below]

All envelopes must reflect the return address of the Respondent on the reverse side.

The closing time of this RFP is fixed at 10h00 am irrespective of any changes to closing dates.

4 DELIVERY INSTRUCTIONS FOR RFP

4.1 Delivery by hand

If delivered by hand, the envelope is to be deposited in the Transnet tender box which is located at Inyanda No 1, Ground Floor, 21 Wellington Road, Parktown, and should be addressed as follows:

THE SECRETARIAT

**THE CHAIRPERSON
 TRANSNET FREIGHT RAIL
 ACQUISITION COUNCIL
 GROUND FLOOR
 TENDER BOX
 Inyanda House 1
 21 Wellington Road
 Parktown**

- a) The measurements of the "tender slot" are 400mm wide x 100mm high, and Respondents must please ensure that response documents or files are no larger than the above dimensions. Responses which are too bulky [i.e. more than 100mm thick] must be split into two or more files, and placed in separate envelopes, each such envelope to be addressed as required in paragraph 3 above.
- b) It should also be noted that the above tender box is located at Inyanda No 1, Ground Floor, 21 Wellington Road, Parktown and is accessible to the public 24 hours a day, 7 days a week.

4.2 Dispatch by courier

If dispatched by courier, the envelope must be addressed as follows and delivered to the Office of The Secretariat, Transnet Freight Rail Acquisition Council and a signature obtained from that Office:

<p style="text-align: center;">THE CHAIRPERSON TRANSNET FREIGHT RAIL ACQUISITION COUNCIL GROUND FLOOR 21 WELLINGTON ROAD PARKTOWN</p>
--

4.3 Please note that this RFP closes punctually at **10:00 on Tuesday 04 June 2013.**

4.4 If responses are not delivered as stipulated herein, such responses will not be considered and will be treated as "NON-RESPONSIVE" and will be disqualified.

4.5 No email or facsimile responses will be considered, unless otherwise stated herein.

4.6 The responses to this RFP will be opened as soon as practicable after the expiry of the time advertised for receiving them.

4.7 Transnet shall not, at the opening of responses, disclose to any other company any confidential details pertaining to the Proposals / information received, i.e. pricing, delivery, etc. The names and locations of the Respondents will be divulged to other Respondents upon request.

4.8 Envelopes must not contain documents relating to any RFP other than that shown on the envelope.

4.9 No slips are to be attached to the response documents. Any additional conditions must be embodied in an accompanying letter. Subject only to clause 15 [*Alterations made by the Respondent to Bid Prices*] of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.

4.10 Proposals to this RFP must be submitted in clearly demarcated files (Referenced accordingly) in terms of the following:

- Returnable checklist
- B-BBEEE Scorecard
- Technical proposal
- Financial proposal
- Annexures

5 BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND SOCIO-ECONOMIC OBLIGATIONS

Transnet fully endorses and supports the Government's Broad-Based Black Economic Empowerment Programme and it is strongly of the opinion that all South African business enterprises have an equal obligation to redress the imbalances of the past.

Transnet would therefore prefer to do business with enterprises who share these same values and who are prepared to contribute to meaningful B-BBEE initiatives [including, but not limited to subcontracting and Joint Ventures] as part of their tendered responses. All procurement transactions will be evaluated accordingly.

The Department of Trade and Industry [DTI] is currently in the process of reviewing the B-BBEE Codes of Good Practice [Code Series 000]. Transnet reserves the right to amend this RFP in line with such reviews and/or amendments once they have come into effect. Transnet furthermore reserves the right to adjust the thresholds and evaluation processes to be aligned with such changes which may be issued by the DTI after the issue date of this RFP.

5.1 B-BBEE Scorecard and Rating

As prescribed in terms of the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000 and its Regulations, Respondents are to note the following:

- Proposals will be evaluated on price which will be allocated 90 points and preference which will be allocated 10 points, dependent on the value of the Goods.
- The 90/10 preference point system applies where the acquisition of the Goods will exceed R1 000 000.00. However, if the 90/10 preference point system is stipulated in this RFP and all Bids received are equal to or below R1 000 000.00, the RFP will be canceled.

The **90/10** preference point system is applicable to this RFP.

When Transnet invites prospective suppliers to submit Proposals for its various expenditure programmes, it requires Respondents [*Large Enterprises and QSE's - see below*] to have their B-BBEE status verified in compliance with the Government Gazette No 34612, Notice No. 754 dated 23 September 2011. Valid B-BBEE Verification Certificates must be issued by:

- a) Verification Agencies accredited by the South African National Accreditation System [SANAS]; or
- b) Registered Auditors approved by the Independent Regulatory Board of Auditors [IRBA], in accordance with the approval granted by the Department of Trade and Industry.

A Verification Certificate issued must reflect the weighted points attained by the measured entity for each element of the scorecard as well as the overall B-BBEE rating.

Enterprises will be rated by Verification Agencies or Registered Auditors based on the following:

- a) **Large Enterprises** [i.e. annual turnover greater than R35 million]:
 - Rating level based on all seven elements of the B-BBEE scorecard
- b) **Qualifying Small Enterprises – QSE** [i.e. annual turnover between R5 million and R35 million]:
 - Rating based on any four of the elements of the B-BBEE scorecard
- c) **Exempted Micro Enterprises – EME** [i.e. annual turnover less than R5 million]:

In accordance with B-BBEE Codes of Good Practice [Statement 000, Section 4], any enterprise with an annual total revenue of R 5 million or less qualifies as an EME.

- Automatic rating of B-BBEE Level 4 irrespective of race or ownership

- Black¹ ownership greater than 50% or Black Women ownership greater than 50% automatically qualify as B-BBEE Level 3

Sufficient evidence to qualify as an EME would be a certificate [which may be in the form of a letter] from an auditor, accounting officer or a Verification Agency accredited by SANAS. The certificate must confirm the company's turnover, Black ownership / Black female ownership and B-BBEE status level.

Respondents are required to furnish proof of the above to Transnet. [i.e. a detailed scorecard as stipulated above in respect of Large Enterprises and QSEs, or a certificate in respect of EMEs].

In this tender, Transnet will accordingly allocate a maximum of **10 [ten] points** in accordance with the **90/10** preference point system prescribed in the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000 and its Regulations to the Respondent's final score based on an entity's B-BBEE scorecard rating. [Refer **Section 14** for further details].

N.B. Failure to submit a B-BBEE certificate, which is valid as at the Closing Date of this RFP, will result in a score of zero being allocated for B-BBEE.

Turnover: Kindly indicate your entity's annual turnover for the past year:

R _____

*All Respondents must complete and return the B-BBEE Preference Points Claim Form attached hereto as **Section 14**.*

5.2 **B-BBEE Joint Ventures, Consortiums and/or Subcontractors**

In addition to the above, Respondents who would wish to enter into a Joint Venture [**JV**] or consortium with, or subcontract portions of the contract to, B-BBEE entities, must state in their RFPs the percentage of the total contract value that would be allocated to such B-BBEE entities, should they be successful in being awarded any business. A valid B-BBEE Verification Certificate in respect of such B-BBEE JV or consortium partners and/or subcontractor(s), as well as a breakdown of the distribution of the aforementioned percentage must also be furnished with the RFP Bid to enable Transnet to evaluate in accordance with the processes outlined in the B-BBEE Preference Points Claim Form appended hereto as Section 14.

a) **JVs or Consortiums**

If contemplating a JV or consortium, Respondents should also submit a signed JV or consortium agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party. If such a JV or consortium agreement is unavailable, the partners must submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by Transnet through this RFP process. This written confirmation must clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to Transnet.

¹ **Black** means South African Blacks, Coloureds and Indians, as defined in the B-BBEE Act, 53 of 2003

(i) Incorporated JVs/Consortiums

As part of an incorporated JV/consortium's Bid response, the incorporated JV/consortium must submit a valid B-BBEE Verification Certificate in its registered name.

(ii) Unincorporated JVs/Consortiums

As part of an unincorporated JV/consortium's tendered response, the unincorporated JV/consortium must submit a consolidated B-BBEE certificate as if it was a group structure and such scorecard must have been prepared for this RFP in particular.

N.B. Failure to submit a B-BBEE certificate in respect of the JV or Consortium, which is valid as at the Closing Date of this RFP, will result in a score of zero being allocated for B-BBEE.

b) **Subcontracting**

If contemplating subcontracting, please note that a Respondent will not be awarded points for B-BBEE if it is indicated in its Proposal that such Respondent intends subcontracting more than 25% [twenty-five per cent] of the value of the contract to an entity that does not qualify for at least the same points that the Respondent qualifies for, unless the intended subcontractor is an EME with the capability to execute the contract.

A person awarded a contract may not subcontract more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

5.3 **B-BBEE Registration**

In addition to the Verification Certificate, Transnet recommends that Respondents register their B-BBEE compliance and supporting documentation on the Department of Trade and Industry's [DTI] National B-BBEE IT Portal and Opportunities Network and provide Transnet with proof of registration in the form of an official B-BBEE Profile issued by the DTI.

Transnet would wish to use the DTI B-BBEE IT Portal as a data source for tracking B-BBEE compliance.

For instructions to register and obtain a DTI B-BBEE Profile go to <http://bee.thedti.gov.za>.

5.4 **Supplier Development Initiatives**

Historically in South Africa there has been a lack of investment in infrastructure, skills and capability development and inequality in the income distribution and wealth of a significant portion of the population. There have been a number of Government initiatives developed to address these challenges. In particular, the New Growth Path [NGP] developed in 2010 aligns and builds on previous policies to ensure the achievement of Government's development objectives for South Africa.

Transnet fully endorses and supports Government's New Growth Path policy through its facilitation of Supplier Development [SD] initiatives. Hence Respondents are required to submit their commitments with regard to Supplier Development Initiatives over the duration of this contract.

Supplier Development Initiatives are a prerequisite for this RFP. Transnet requires Respondents to meet or exceed a threshold of **30%** in respect of their SD commitments on this contract.

*All Respondents must refer to Section 18 and **Annexure B** for further instructions and submit a Supplier Development Bid Document and SD Value Summary, **Annexure B** as these are mandatory returnable documents.*

Note: Should a JV be envisaged the principal respondent is required to submit the required responses as indicated above.

The commitments made by the successful Respondents will be incorporated as a term of the contract and monitored for compliance.

6 COMMUNICATION

Respondents are warned that a Proposal will be liable to disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer or employee of Transnet in respect of this RFP between the closing date and the date of the award of the business.

- 6.1 For specific queries relating to this RFP, an RFP Clarification Request Form should be submitted before **12:00 on 27th May 2013**, substantially in the form set out in Section 12 hereto. In the interest of fairness and transparency Transnet's response to such a query will then be made available to the other Respondents who have collected RFP documents. For this purpose Transnet will communicate with Respondents using the contact details provided to the Secretariat on issue of the bid documentation to the Respondent. Kindly ensure that you provide the Secretariat with the **correct** contact details, as Transnet will not accept responsibility for being unable to contact a bidder who provided incorrect contact details.
- 6.2 After the closing date of the RFP, a Respondent may only communicate with the Secretariat of the Transnet Acquisition Council, at telephone number 011 544 9486, email facsimile number 011 774 9760 on any matter relating to its RFP Proposal.

Respondents found to be in collusion with one another will be automatically disqualified and restricted from doing business with Transnet in the future.

7 INSTRUCTIONS FOR COMPLETING THE RFP

- 7.1 Sign one set of original documents [sign, stamp and date the bottom of each page]. This set will serve as the legal and binding copy. A duplicate set of documents is required. This second set must be a copy of the original signed Proposal.
- 7.2 Both sets of documents are to be submitted to the address specified in paragraph 4 above.
- 7.3 A CD copy of the RFP Proposal must be submitted. Please provide files in MS Word / Excel format, not PDF versions, noting that the signed original set will be legally binding.
- 7.4 All returnable documents tabled in the Proposal Form [Section 4] must be returned with your Proposal.
- 7.5 Proposal to this RFP must be submitted in clearly demarcated files (Reference accordingly) in terms of the following:
 - Returnable Checklist

- B-BBEE Scorecard
- Technical Proposal
- Financial proposal
- Appendices

8 COMPLIANCE

The successful Respondent [hereinafter referred to as the **Supplier**] shall be in full and complete compliance with any and all applicable laws and regulations.

9 ADDITIONAL NOTES

- 9.1 Changes by the Respondent to its submission will not be considered after the closing date.
- 9.2 The person or persons signing the Proposal must be legally authorised by the Respondent to do so [Refer Section 6 – *Signing Power, Resolution of the Board of Directors*]. A list of those person(s) authorised to negotiate on behalf of the Respondent [if not the authorised signatories] must also be submitted along with the Proposal together with their contact details.
- 9.3 Bidders who fail to submit a duly completed and signed RFP Declaration Form [Section 10] will not be considered.
- 9.4 Transnet will not do business with companies involved in B-BBEE fronting practices.
- 9.5 Transnet may wish to visit the Respondent's place of manufacture and/or workshop and/or office premises during this RFP process.
- 9.6 Transnet reserves the right to undertake post-tender negotiations [PTN] with selected Respondents or any number of short-listed Respondents, such PTN to include, at Transnet's option, any evaluation criteria listed in this RFP document.
- 9.7 Unless otherwise expressly stated, all Proposals furnished pursuant to this RFP shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated.
- 9.8 The successful bidder/s will be required to conclude an ESCROW agreement with Transnet in respect of the LCMS specifications, to be held by a third party to be agreed upon between Transnet and the successful bidder.

**FAILURE TO OBSERVE ANY OF THE AFOREMENTIONED REQUIREMENTS
MAY RESULT IN A PROPOSAL BEING REJECTED**

10 DISCLAIMERS

Respondents are hereby advised that Transnet is not committed to any course of action as a result of its issuance of this RFP and/or its receipt of Proposals. In particular, please note that Transnet reserves the right to:

- 10.1 modify the RFP's Goods and request Respondents to re-bid on any such changes;
- 10.2 reject any Proposal which does not conform to instructions and specifications which are detailed herein;
- 10.3 disqualify Proposals submitted after the stated submission deadline [closing date];
- 10.4 not necessarily accept the lowest priced Proposal or an alternative bid;
- 10.5 reject all Proposals, if it so decides;
- 10.6 withdraw the RFP on good cause shown;
- 10.7 award a contract in connection with this Proposal at any time after the RFP's closing date;
- 10.8 award a contract for only a portion of the proposed Goods which are reflected in the scope of this RFP;
- 10.9 split the award of the contract between more than one Supplier; or
- 10.10 make no award of a contract.

In addition, Transnet reserves the right to exclude any Respondent from the bidding process who has been convicted of a serious breach of law during the preceding 5 [five] years, including but not limited to breaches of the Competition Act 89 of 1998. Respondents are required to indicate in Section 11 [*Breach of Law*] whether or not they have been found guilty of a serious breach of law during the past 5 [five] years.

Transnet reserves the right to award the business to the highest scoring bidder/s unless objective criteria justify the award to another bidder.

Kindly note that Transnet will not reimburse any Respondent for any preparatory costs or other work performed in connection with its Proposal, whether or not the Respondent is awarded a contract.

11 LEGAL REVIEW

A Proposal submitted by a Respondent will be subjected to review and acceptance or rejection of its proposed contractual terms and conditions by Transnet's Legal Counsel, prior to consideration for an award of business.

Transnet urges its clients, suppliers and the general public

to report any fraud or corruption to

TIP-OFFS ANONYMOUS: 0800 003 056

RFP
**FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF LOCOMOTIVE
CONDITION MONITORING SYSTEM ON AN "AS AND WHEN REQUIRED" BASIS**

Section 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS

1 BACKGROUND

Transnet seeks to enter into a long term contact for the design, manufacture, programme, supply and maintenance of Locomotive Conditioning Monitoring System (LCMS) for a period of seven years on an "as and when required basis". Transnet's operating and technical departments need to maintain better control over the locomotives operating in Transnet. The ability to predict incipient failures and suggest a most likely cause will greatly reduce cycle time and increase the on-time performance of locomotives. To achieve this, an on board monitoring system is required that can provide accurate information to management in almost real time and also historic performance of locomotives. The system is intended to support the improvement of train handling and also to provide data for effective locomotive maintenance.

Transnet's locomotive fleet consists of a variety of makes and models, from different manufacturers. Some locomotives (e.g. the newer fleet) come equipped with sensors and processors to collect certain types of locomotive statistics. Older models (e.g. the 6E) are not instrumented and therefore need to be retrofitted with an entire system, from sensors, to on-board computer, to communication transceivers.

It would be impractical to design a customised locomotive management system for each type of locomotive. For this reason, a generic LCMS, compatible to all locomotive types, is required which can perform the major portion of the logging and control functions. The system will then have a customised sub-system via a separate interface designed to suite a specific locomotive type. This approach means that the downloading methodology and man-machine interface will remain consistent for all locomotives. Only the data contained in the download may differ between locomotive types. Furthermore, the data required for service design could be generic across all classes. Only information destined for use by technical departments, regarding technical and maintenance issues shall be customised.

Transnet has installed a communication module, Triton, on all of its locomotives that allow for any on-board system to communicate with other systems within the locomotive as well as facilitating the transfer and receipt of data to/from the locomotive to a base station or onto the Transnet network. The communication media available is Wi-Fi and GSM. The on-board monitoring system must interface with the Triton unit for all its communication. However, should a Triton unit not be available on a locomotive, the tender shall utilise the coms segment (That the tender shall supply as part of the LCMS) to facilitate data transfer.

All data that has been downloaded via Wi-Fi or GPRS will be transmitted via the Transnet network to a centralised or regional server dedicated to the storage of LCMS data.

Although the on-board monitoring system is to be an overlay system i.e. it must simply monitor parameters via transducers without interaction with the locomotive

2 EXECUTIVE OVERVIEW

Our objective is to source all activity through a Preferred Supplier(s) capable of servicing all Transnet Operating Divisions in locations around the country.

Other Key considerations for respondents are:

- 100% compliance with specifications
- **Intellectual Property Warranty Clause:**

Your attention is drawn to the fact that you warrant to TFR that you are either the owner of, or have other appropriate rights, such as a licence, in respect of the intellectual property (IP) in all of the products and/or their individual components, that you indicate you are able to supply to TFR. The IP rights that you own, or for which you have obtained a licence, must enable you to supply the products to TFR without infringing the IP rights of any other party.

In the event that you are awarded a contract for the supply of some or all of the products mentioned in this RFP, it is crucial that you are able to provide an uninterrupted supply of such product(s) to TFR in terms of TFR's requirements. If you are unable to do so as a result of any challenges by third parties based on your infringement of IP rights, then TFR may, in its sole discretion, cancel the whole or a portion of the contract in respect of the products that infringe the IP rights of such third parties. It shall be your responsibility to seek the appropriate legal advice in respect of IP in your products prior to you responding to this RFP, and should there be any challenge by any third party, to defend or oppose such challenge at your own cost if you are of the view that you are not infringing any IP rights.

Transnet's intention is to equip the locomotive fleet with a Locomotive Condition Monitoring System (LCMS) based upon open architecture systems. The system will incorporate the monitoring of significant locomotive subsystem parameters, convey that information to a central site and process the information, so that it may be used by operating and maintenance engineering personnel.

Whereas Transnet is seeking a partner(s) to provide solutions for its Locomotive Condition Monitoring System nationally, it also seeks to improve its current processes for providing these Goods to its end user community throughout its locations.

The selected Supplier(s) will share in the mission and business objectives of Transnet. These mutual goals will be met by meeting contractual requirements and new challenges in an environment of teamwork, joint participation, flexibility, innovation and open communications. In this spirit of partnership, Transnet and its Supplier(s) will study the current ways they do business to enhance current practices and support processes and systems. Such a partnership will allow Transnet to reach higher levels of quality, service and profitability.

Specifically, Transnet seeks to benefit from this partnership in the following ways:

- 2.1 Transnet must receive reduced cost of acquisition and improved service benefits resulting from the Supplier's economies of scale and streamlined service processes.
- 2.2 Transnet must achieve appropriate availability that meets user needs while reducing costs for both Transnet and the chosen Supplier(s).
- 2.3 Transnet must receive proactive improvements from the Supplier with respect to supply of Goods and related processes.

- 2.4 Transnet's overall competitive advantage must be strengthened by the chosen Supplier's leading edge technology and service delivery systems.
- 2.5 Transnet end users must be able to rely on the chosen Supplier's personnel for service enquiries, recommendations and substitutions.
- 2.6 Transnet must reduce costs by streamlining its acquisition of Goods, including managed service processes on a Group basis.

3 SCOPE OF REQUIREMENTS

This document calls for the supply of a locomotive condition monitoring system for prototyping on each class of locomotive within Transnet. Each locomotive has its own requirements; the specification (BBF7970) only calls for pilot locomotive installations, commissioning and testing, so that the system and concept can be proven.

The main function of the Locomotive Condition Monitoring System will be to report on the condition (health) of the locomotive fleet, thereby optimizing maintenance and improving efficiencies in the maintenance of the Transnet Freight Rail aging locomotive fleet.

- The primary purpose of the intended locomotive logger is:
- To act as a "black box" to store vital data to be retrieved after an incident,
- To collect data on the vital technical statistics of the locomotive to identify problem areas and do root cause analysis for locomotive maintenance.
- The data collected can be used as analytic tool to develop preventative measures to minimize or eliminate reoccurrence of the incident.

The equipment offered must comply with the following specifications and conform to international standards as stipulated below.

- BBF7970
- IEC 60571:1998 – Electronic equipment used on rail vehicles
- EN50124: 2001
- EN50124: 2001Part 2
- IEC 60077 – 1 to 4: 2001
- EN50121
- IEC 61373
- RS/W 435 / 1996 / MARCH
- SABS 1195-1978
- RT/TE/SPC/0012 – 2004
- RT/TE/SPC/0255
- BBC4202

- BBC1790
- BBF7976
- BBD8638
- BBF9299

Indication of estimated quantities as per below;

TABLE : DRAFT INDICATIVE 7 YEAR PROGRAMME FOR SUPPLY

Commodity Breakdown	13/14	14/15	15/16	16/17	17/18	18/19	19/20	Total
LCMS	63	54	72	73	74	8	76	412

- NB: Quantities shown are indicative and Transnet reserves the right to adjust the quantities according to business demand changes during the lifecycle of the contract period. Additional quantities of 1288 may be further required and could change the above indicative programme therefore total indicative quantity of 1700.

Requirements for technical evaluation to be followed as follows:

Specification (BBF7970), the requirements in the specification have been colour coded for ease of reference.

Black – Information supplied to respondents

Red: Mandatory requirements. Respondents are required to comply with these clauses to ensure 100% compliance.

Respondents failing to meet these requirements will not be evaluated further on the next two categories of requirements.

Blue: Essential requirements

Green: Optional requirements

Respondents must provide full substantiation to each clause of this specification with comments and accurate references to supporting documentation.

- **Risk Management**

Respondents are to submit a Risk Register that outlines the following;

Provide a Risk Register addressing risks associated with scope of work with relevant risk mitigation measures

Provide an Environmental Management Plan with adequate mitigation measures

Provide a comprehensive Business Continuity Plan enabling business to continue with minimum interruption in event of disruption

- **Presentations Requirements**

Transnet may call on Respondents to perform face to face presentations as substantiation to

proposal submitted by respondents for them to demonstrate Technical compliance and identify proven solutions

Guideline for presentations by respondents should address the following but not limited to:

- Ruggedness (railway environment)
- List (with proof of) of current installations world wide
- History/ background of company
- Methodology
- Design of system
- Basic description of operation including simple flowchart
- Simulation if possible in lab environment
- Demonstration of a working prototype

Only successful respondents will be requested to provide a pre-production prototype to Transnet within four (4) weeks and the following criteria will be followed.

- **Prototype, Pre-production Pilot Criteria and methodology**

Respondents to note that the costs associated to providing Transnet with a Prototype will be for the cost of the supplier.

The evaluation phase will consist of the following steps:

Step 1: Laboratory test and evaluation

- Single unit required for laboratory testing
- Non-compliant solutions may lead to dis-qualification or a joint development

A formal test and evaluation report to be issued by Technology management upon completion of the evaluation phase. Successful completion of this phase will constitute a technical approval of the system.

Step 2: Installed test and evaluation

- Three pre-production models are to be installed for three conditions; (i) A.C. locomotive, (ii) D.C. locomotive and (iii) Diesel locomotive

Solutions with varied levels of maturity are expected as per the following classification:

- Partial development – development with existing modules / components suitable and proved in the railway environment with adaptation required
- Developed – systems already proven in a railway environment and may require minor adaptation

Only successful completion of this phase will constitute technical approval of the system, contract award and roll-out of system.

Non-compliant solutions will lead to dis-qualification or a joint development by both parties.

The average TFR testing period

Maturity	Lab Testing Period	Pilot test period
Partial development	2 months	3 months
Developed	Mostly not required	1 month after installation

These times can differ according to Transnet resources the railway experience of respondents and acquisition methodology.

A formal test and evaluation report will be issued by Technology management upon completion of both steps.

As prescribed in terms of the PPPFA and its Regulations, Respondents are to note the following:

- Functionality is included as a threshold with a prescribed percentage threshold of 80%.

*Respondents must complete and submit **Annexure A – Technical Submission which may include a technical questionnaire.***

A Respondent's compliance with the minimum functionality/technical threshold of 80% will be measured by their responses to Annexure A.

4 GENERAL SUPPLIER OBLIGATIONS

- 4.1 The Supplier(s) shall be fully responsible to Transnet for the acts and omissions of persons directly or indirectly employed by them.
- 4.2 The Supplier(s) must comply with the requirements stated in this RFP.

5 "AS AND WHEN REQUIRED" CONTRACTS

- 5.1 Purchase orders will be placed on the Supplier(s) from time to time as and when Goods are required.
- 5.2 Transnet reserves the right to place purchase orders until the last day of the contract for deliveries to be effected, within the delivery period / lead time specified, beyond the expiry date of the contract under the same terms and conditions as agreed upon.
- 5.3 Delivery requirements may be stipulated in purchase orders and scheduled deliveries may be called for. However, delivery periods and maximum monthly rates of delivery offered by the Respondents will be used as guidelines in establishing lead times and monthly delivery requirements with the Supplier.
- 5.4 Where scheduled deliveries are required, the delivery period(s) specified must be strictly complied with, unless otherwise requested by Transnet. Material supplied earlier than specified may not be paid for or may be returned by Transnet, with the Supplier being held liable for all expenses so incurred, e.g. handling and transport charges.
- 5.5 If the delivery period offered by the Respondents is subject to a maximum monthly production capacity, full particulars must be indicated in Section 3 [*Pricing and Delivery Schedule*]
- 5.6 The Respondent must state hereunder its annual holiday closedown period [if applicable] and whether this period has been included in the delivery lead time offered:

5.7 Respondents are required to indicate below the action that the Respondent proposes to take to ensure continuity of supply during non-working days or holidays and periods occupied in stocktaking or in effecting repairs to plant or in overhaul of plant which would ordinarily occur within the stated delivery lead time/s:

6 RETURN OF SURPLUS GOODS

Respondents are required to indicate whether they have a return policy in place (if so attach a copy):

YES		NO	
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Respondents are required to indicate a reasonable timeframe during which Transnet may return any surplus goods: _____

7 PRE-PRODUCTION SAMPLES/PROTOTYPES

7.1 Respondents that are found to meet the minimum Technical threshold will be required to provide Transnet with a pre-production prototype units as per below within a period of four (4) weeks after notification by Transnet. (Failure to deliver this pre-production prototype will lead to disqualification).

7.2 Pre-production prototypes will be used for development, testing and evaluation in the below mentioned Locomotive types in order of Transnet prioritisation.

- (i) A.C. locomotive
- (ii) D.C. locomotive
- (iii) Diesel locomotive

Respondents are to note that all development costs associated with prototype will be for their account.

8 MANUFACTURERS

The Respondents must state hereunder the actual manufacturer(s) of the Goods tendered for:

8.1 Local Manufacturer(s):

RFP ITEM NO.	NAME	BUSINESS ADDRESS

8.2 Foreign Manufacturer(s):

RFP ITEM NO.	NAME	BUSINESS ADDRESS

9 INSPECTION DETAILS

The Respondents must state the actual name(s) and address/addresses of the suppliers of the Goods for inspection purposes only:

9.1 Local Manufacturer(s)

RFP ITEM NO.	NAME	BUSINESS ADDRESS

9.2 Foreign Manufacturer(s):

RFP ITEM NO.	NAME	BUSINESS ADDRESS

10 IMPORTED CONTENT

The Respondents must state hereunder the value and percentage of the imported content as well as the country of origin in respect of each item tendered for:

RFP ITEM NO / DESCRIPTION.	VALUE	% COST	COUNTRY OF ORIGIN

Note: Where more than one country is applicable to one item, the Respondents must furnish this information separately.

11 EXCHANGE AND REMITTANCE

The attention of the Respondents is directed to clause 16 [*Exchange and Remittance*] of the General Bid Conditions appended hereto. If Transnet is requested by the Respondent to effect payment overseas direct to the Respondent's principal or supplier, which is not a registered South African Company please complete the details below, using the rate of exchange published by the South African Reserve Bank 7 [seven] calendar days before the closing date of this RFP:

12.1 ZAR 1.00 [South African currency] being equal to _____ [*foreign currency*]

12.2 _____ % in relation to tendered price(s) to be remitted overseas by Transnet

12.3 _____ [Name of country to which payment is to be made]

12.4 Beneficiary details:

Name [Account holder] _____
 Bank [Name and branch code] _____
 Swift code _____
 Country _____

12.5 _____ [Applicable base date of Exchange Rate used]

Respondents are advised that should a contract be awarded for deliveries on an "as and when required" basis, any future remittance(s) to overseas principals/suppliers, as instructed above, will be based on the currency rate of exchange related to the contractual price of the Goods at that time.

Respondents should note that Transnet would prefer to receive fixed price offers expressed in South African Rand [ZAR].

12 NATIONAL RAILWAY SAFETY REGULATOR ACT

In compliance with the National Railway Safety Regulator Act, 16 of 2002, the successful Respondent [the **Supplier**] shall ensure that the Goods to be supplied to Transnet, under the terms and conditions of a contract between the parties, comply fully with the specifications as set out in **Appendix (iii) [Specifications and Drawings]** of this RFP, and shall also adhere to railway safety requirements and/or regulations [as applicable]. Permission for the engagement of a subcontractor by the Supplier, as applicable, both initially and during the course of a contract, shall be subject to a review of the capability of the proposed subcontractor to comply with the specified railway safety requirements and/or regulations. The Supplier and/or its subcontractor shall grant Transnet access, during the term of the contract, to review any safety-related activities, including the coordination of such activities across all parts of the organisation.

Accepted:

YES	
-----	--

NO	
----	--

13 SERVICE LEVELS

13.1 An experienced national account representative(s) is required to work with Transnet's procurement department. [No sales representatives are needed for individual department or locations]. Additionally, there shall be a minimal number of people, fully informed and accountable for this agreement.

13.2 Transnet will have quarterly reviews with the Supplier's account representative on an on-going basis.

13.3 Transnet reserves the right to request that any member of the Supplier's team involved on the Transnet account be replaced if deemed not to be adding value for Transnet.

13.4 The Supplier guarantees that it will achieve a 95% [ninety-five per cent] service level on the following measures:

- a) Random checks on compliance with quality/quantity/specifications
- b) On-time delivery

If the Supplier does not achieve this level as an average over each quarter, Transnet will receive a 1.5% [one and a half per cent] rebate on quarterly sales payable in the next quarter

13.5 The Supplier must provide a telephone number for customer service calls.

13.6 Failure of the Supplier to comply with stated service level requirements will give Transnet the right to cancel the contract in whole, without penalty to Transnet, giving 30 [thirty] days' notice to the Supplier of its intention to do so.

Acceptance of Service Levels:

YES	
------------	--

NO	
-----------	--

14 TOTAL COST OF OWNERSHIP AND CONTINUOUS IMPROVEMENT INITIATIVES

14.1 Respondents shall indicate whether they would be committed, for the duration of any contract which may be awarded through this RFP process, to participate with Transnet in its continuous improvement initiatives to reduce the total cost of ownership [TCO], which will reduce the overall cost of transportation services and related logistics provided by Transnet's operating divisions within South Africa to the ultimate benefit of all end-users.

Accepted:

YES	
------------	--

NO	
-----------	--

14.2 Respondents must briefly describe their commitment to TCO and continuous improvement initiatives and give examples of specific areas and strategies where cost reduction initiatives can be introduced. Specific areas and proposed potential savings percentages should be included. Additional information can be appended to the Respondent's Proposal if there is insufficient space available below.

15 RISK

Respondents must elaborate on the control measures put in place by their entity, which would mitigate the risk to Transnet pertaining to potential non-performance by a Supplier, in relation to:

15.1 Quality and specification of Goods delivered:

15.2 Continuity of supply:

15.3 Compliance with the Occupational Health and Safety Act, 85 of 1993:

15.4 Compliance with the National Railway Safety Regulator Act, 16 of 2002:

16 REFERENCES

Please indicate below a minimum of *three* company names and contact details of previous and/or existing customers whom Transnet may contact to seek third party evaluations of your current service levels:

NAME OF COMPANY	CONTACT PERSON	TELEPHONE

Respondents must submit a list companies and similar equipment that they have supplied to the railway industries.

17 FINANCIAL STABILITY

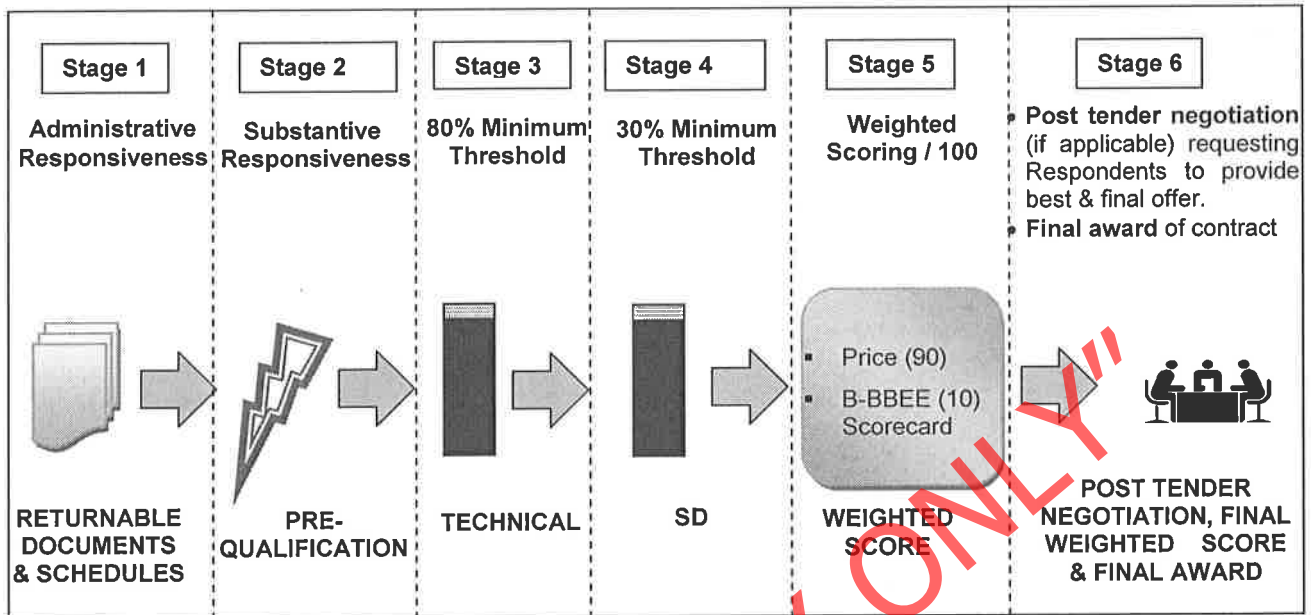
Respondents are required to submit their audited financial statements for the previous 3 years with their Proposal in order to enable Transnet to establish financial stability.

- Financial Stability is a pre-qualification criterion
- Failure to provide the past 3 years audited financial statements will lead to disqualification.

Respondents are to clearly indicate with their proposal substantiation and proof of financial funding from other sources.

18 PRE-QUALIFICATION AND EVALUATION METHODOLOGY AND CRITERIA

Transnet will utilise the following methodology and criteria in selecting a preferred Supplier, if so required:



18.1 STAGE ONE: Test for Administrative Responsiveness

The test for administrative responsiveness will include the following:

Administrative responsiveness check	RFP Reference
<ul style="list-style-type: none"> Whether the Bid has been lodged on time 	<i>Section 1 paragraph 3</i>
<ul style="list-style-type: none"> Whether all Returnable Documents and/or schedules [where applicable] were completed and returned by the closing date and time 	<i>Section 4</i>
<ul style="list-style-type: none"> Verify the validity of all returnable documents 	<i>Section 4, page 24 and 25</i>

The test for administrative responsiveness [Stage One] must be passed for a Respondent's Proposal to progress to Stage Two for further pre-qualification

18.2 STAGE TWO: Test for Substantive Responsiveness to RFP

The test for substantive responsiveness to this RFP will include the following:

Pre-Qualification Criteria	RFP Reference
<ul style="list-style-type: none"> Whether any pre-qualification criteria set by Transnet, have been met 	<i>Section 1 paragraphs 2.2, 6, 10.3</i> <i>Section 4 – validity period</i> <i>Section 8, General Bid Conditions clause 19</i> <i>Sections 10, 11</i>
<ul style="list-style-type: none"> Whether the Bid contains a priced offer 	<i>Section 3</i>
<ul style="list-style-type: none"> Whether the Bid materially complies with the scope and/or specification given 	<i>All Sections</i>
<ul style="list-style-type: none"> Entity’s financial stability (3 years Audited Financial Statements) 	<i>Section 2 paragraph 20</i>

The test for substantive responsiveness [Stage Two] must be passed for a Respondent’s Proposal to progress to Stage Three for further evaluation

18.3 STAGE THREE: Test Minimum Threshold of 80% for Technical Criteria and Functional Requirements

The test for the Technical/Functional threshold will include the following:

Technical Criteria	% Weightings	RFP Reference
STEP ONE		
<ul style="list-style-type: none"> Compliance to specification 	70%	<i>Section 2, paragraph 16</i>
<ul style="list-style-type: none"> Risk/Safety Plan 	5%	<i>Section 2, paragraph 16</i>
<ul style="list-style-type: none"> Technical Capacity/ Resource 	5%	<i>Section 2, paragraph 18</i>
<ul style="list-style-type: none"> Warranty Period 	10%	<i>Section 2, paragraph 4</i>
<ul style="list-style-type: none"> Delivery/ Schedule 	10%	<i>Section 2 [Scope of Requirements]</i>
Total Weighting:	100%	
Minimum qualifying score required:	80%	
Respondents may be invited to present face to face their proposed solution		
STEP TWO		
<ul style="list-style-type: none"> Prototype – Pre production Pilot 	100%	100%

The minimum threshold for technical/functionality [Stage Three] must be met or exceeded for a Respondent’s Proposal to progress to Stage Four for further evaluation

18.4 STAGE FOUR: Test Minimum Threshold of 30% for Supplier Development Initiatives

Supplier Development Bid Document and SD Value Summary:

[Refer Section 18, plus Annexures B as well as Appendix (iv):

PRE-QUALIFICATION CRITERIA	RFP REFERENCE
Supplier Development Bid Document: <ul style="list-style-type: none"> • Capacity and Capability • Job Creation • Job Preservation • Skills Development 	<i>Appendix (iv)</i>
Supplier Development Value Summary	<i>Annexure B</i>

The test for meeting the SD threshold [Stage Four] must be passed for a Respondent's proposal to progress to Stage Five for further evaluation

18.5 STAGE FIVE: Evaluation and Final Weighted Scoring

a) **Price Criteria** [Weighted score 90 points]:

Evaluation Criteria	RFP Reference
• Commercial offer	<i>Section 3</i>
• Service and maintenance costs	<i>Section 3</i>
• Commercial discounts ²	
• Volume discounts ³	
• Price adjustment conditions / factors	
• Exchange rate exposure	
Total Weighting:	<i>90%</i>

b) **Broad-Based Black Economic Empowerment criteria** [Weighted score 10 points]

- B-BBEE - current scorecard / B-BBEE Preference Points Claims Form *[Section 14]*

Preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)
1	10
2	9
3	8

² Only unconditional discounts will be taken into account during evaluation. A discount which has been offered conditionally will, despite not being taken into account for evaluation purposes, be implemented when payment is effected.

³ Only unconditional discounts will be taken into account during evaluation. A discount which has been offered conditionally will, despite not being taken into account for evaluation purposes, be implemented when payment is effected.

4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

18.6 SUMMARY: Pre-Qualification Threshold and Final Evaluated Weightings

Pre-Qualification Criteria	Minimum Threshold [%]
Technical / functionality	80%
Supplier Development	30%

Evaluation Criteria	Final Weighted Scores
Price	90
B-BBEE - Scorecard	10
TOTAL SCORE:	100

18.7 STAGE SIX: Post Tender Negotiations (if applicable)

Transnet reserves the right to conduct post tender negotiations with a shortlist of Respondent(s). The shortlist could comprise of one or more Respondents. Should Transnet conduct post tender negotiations, Respondents will be requested to provide their best and final offers to Transnet based on such negotiations. A final evaluation will be conducted in terms of 90/10 and the contract will be negotiated and awarded to the successful Respondent(s).

RFP
**FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF LOCOMOTIVE
CONDITION MONITORING SYSTEM ON AN "AS AND WHEN REQUIRED" BASIS**

Section 3: PRICING AND DELIVERY SCHEDULE

NB: Respondents are to note that the quantities indicated are indicative and could increase or decrease according to Transnet business demands.

Respondents are required to complete the table below:

Item No	Description of Item	Unit	Quantity	Rate	TOTAL PRICE OF ITEM [ZAR]
1	Locomotive Conditioning Monitoring System	Per unit	1700		
2	Delivery of Locomotive Conditioning Monitoring System	Per km			
3	Installation & Maintenance Costs				
4	Maintenance costs				
6	Storage costs				
TOTAL PRICE, exclusive of VAT:					

Notes to Pricing:

- a) All Prices must be quoted in South African Rand, exclusive of VAT
- b) To facilitate like-for-like comparison bidders must submit pricing strictly in accordance with this pricing schedule and not utilise a different format. Deviation from this pricing schedule could result in a bid being declared non responsive.
- c) Quantities given are estimates only. Any orders resulting from this RFP will be on an "as and when required" basis
- d) Prices are to be quoted on a delivered basis to Koedoespoort.
- e) Please note that should you have offered a discounted price(s), Transnet will only consider such price discount(s) in the final evaluation stage if offered on an unconditional basis.
- f) Prices quoted must be held valid for a period of 90 days from closing date of this RFP
- g) Where a Respondent's price(s) includes imported content, the rate of exchange to be used must be the currency's rate published by the South African Reserve Bank 7 [seven] calendar days prior to the closing date of this RFP:
Currency rate of exchange utilised: _____
- h) Manufacturing and delivery lead time calculated from date of receipt of purchase order: _____ weeks
- i) Respondents are to indicate whether prices quoted would be subject to adjustment after a period of 12 months, and if so which proposed adjustment formula would be utilised.

DELIVERY SCHEDULE: Kindly indicate Operational Readiness to deliver the first systems of 63 by completing the table below;

	Please tick appropriate column	Confirmatory signature to indicate delivery capacity
Supply of first system equipment within 20 days		
Supply of first system equipment within 1 month		
Supply of first system equipment within 2 months		
Supply of first system equipment within 3 months		

TABLE: DRAFT INDICATIVE 7 YEAR PROGRAMME FOR SUPPLY

		LOCOMOTIVE CONDITION MONITORING SYSTEMS (LCMS)						
DELIVERY PERIODS	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	T o t a l
QTY OF LCMS	63	54	72	73	74	8	76	412

NB: Quantities showed are indicative and Transnet reserves the right to adjust the quantities according to business demand changes during the lifecycle of the contract period. Additional quantities of 1288 may be further required during the contract period and could change the above indicative programme.

Warranty - Kindly complete below table;

	Please tick appropriate column
The components shall carry at least 24 months from the date of delivery	
The components shall carry at least 12 months from the date of delivery	
No warranty provided	

RFP
**FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF LOCOMOTIVE
 CONDITION MONITORING SYSTEM ON AN "AS AND WHEN REQUIRED" BASIS**

Section 4: PROPOSAL FORM

I/We _____

[name of entity, company, close corporation or partnership]

of [full address]

carrying on business trading/operating as _____

represented by _____

in my capacity as _____

being duly authorised thereto by a Resolution of the Board of Directors or Members or Certificate of Partners, as the case may be, dated _____ a certified copy of which is annexed hereto, hereby offer to supply the above-mentioned Goods at the prices quoted in the schedule of prices in accordance with the terms set forth in the accompanying letter(s) reference _____ and dated _____ [if any] and the documents listed in the accompanying schedule of RFP documents.

I/We agree to be bound by those conditions in Transnet's:

- (i) Terms and Conditions of Contract - Goods;
- (ii) General Bid Conditions – Goods; and
- (iii) any other standard or special conditions mentioned and/or embodied in this Request for Proposal.

I/We accept that unless Transnet should otherwise decide and so inform me/us in the letter of award/intent, this Proposal [and, if any, its covering letter and any subsequent exchange of correspondence], together with Transnet's acceptance thereof shall constitute a binding contract between Transnet and me/us.

Should Transnet decide that a formal contract should be signed and so inform me/us in a letter of intent [the **Letter of Intent**], this Proposal [and, if any, its covering letter and any subsequent exchange of correspondence] together with Transnet's Letter of Intent, shall constitute a binding contract between Transnet and me/us until the formal contract is signed.

I/We further agree that if, after I/we have been notified of the acceptance of my/our Proposal, I/we fail to enter into a formal contract if called upon to do so, or fail to commence the supply of Goods within 4 [four] weeks thereafter, Transnet may, without prejudice to any other legal remedy which it may have, recover from me/us any expense to which it may have been put in calling for Proposals afresh and/or having to accept any less favourable Proposal.

I/We accept that any contract resulting from this offer will be for a period of seven years only; and agree to a penalty clause to be negotiated with Transnet, which will allow Transnet to invoke a penalty against us should the delivery of the Goods be delayed due to non-performance by ourselves.

ADDRESS FOR NOTICES

The law of the Republic of South Africa shall govern any contract created by the acceptance of this RFP. The *domicilium citandi et executandi* shall be a place in the Republic of South Africa to be specified by the Respondent hereunder, at which all legal documents may be served on the Respondent who shall agree to submit to the jurisdiction of the courts of the Republic of South Africa. Foreign Respondents shall, therefore, state hereunder the name of their authorised representative in the Republic of South Africa who has the power of attorney to sign any contract which may have to be entered into in the event of their Proposal being accepted and to act on their behalf in all matters relating to such contract.

Respondent to indicate the details of its *domicilium citandi et executandi* hereunder:

Name of Entity: _____
 Facsimile: _____
 Address: _____

NOTIFICATION OF AWARD OF RFP

As soon as possible after approval to award the contract(s), the successful Respondent [**the Supplier**] will be informed of the acceptance of its Proposal. Unsuccessful Respondents will be advised in writing of the name of the successful Supplier and the reason as to why their Proposals have been unsuccessful, for example, in the category of price, delivery period, quality, B-BBEE status or for any other reason.

VALIDITY PERIOD

Transnet requires a validity period of 90 [ninety] days [from closing date] against this RFP.

NAME(S) AND ADDRESS / ADDRESSES OF DIRECTOR(S) OR MEMBER(S)

The Respondent must disclose hereunder the full name(s) and address(s) of the director(s) or members of the company or close corporation [C.C.] on whose behalf the RFP is submitted.

(i) Registration number of company / C.C. _____

(ii) Registered name of company / C.C. _____

(iii) Full name(s) of director/member(s)	Address/Addresses	ID Number(s)
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CONFIDENTIALITY

All information related to this RFP is to be treated with strict confidence. In this regard Respondents are required to complete and return a signed copy of the Non-Disclosure Agreement appended hereto as **Section 17**. All information related to a subsequent contract, both during and after completion thereof, will be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Goods, which is

either directly or indirectly related to Transnet’s business, written approval to divulge such information must be obtained from Transnet.

DISCLOSURE OF PRICES TENDERED

Respondents must indicate below whether Transnet may disclose their tendered prices and conditions to other Respondents:

YES		NO	
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PRICE REVIEW

The successful Respondent(s) [the Supplier] will be obliged to submit to an annual price review. Transnet will be benchmarking this price offering(s) against the lowest price received as per a benchmarking exercise. If the Supplier’s price(s) is/are found to be higher than the benchmarked price(s), then the Supplier shall match or better such price(s) within 30 [thirty] days, failing which the contract may be terminated at Transnet’s discretion or the particular item(s) or service(s) purchased outside the contract.

RETURNABLE DOCUMENTS

All Sections, as indicated in the footer of each page, must be signed, stamped and dated by the Respondent.

Returnable Documents means all the documents, Sections and Annexures, as listed in the tables below.

- a) Respondents are required to submit with their Proposals the **mandatory Returnable Documents**, as detailed below.

Failure to provide all mandatory Returnable Documents at the closing date and time of this tender will result in a Respondent’s disqualification. Bidders are therefore urged to ensure that all these Documents are returned with their Proposals.

Please confirm submission of these mandatory Returnable Documents by so indicating [Yes or No] in the table below:

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
SECTION 2 : Background, Overview and Scope of Requirements	
SECTION 3 : Pricing and Delivery Schedule	
SECTION 5 : Original valid Tax Clearance Certificate [Consortia / Joint Ventures must submit a separate Tax Clearance Certificate for each party]	
ANNEXURE A : Technical Clause by Clause Compliance Sheets	
ANNEXURE B : Supplier Development Value Summary	
Audited Financial Statements for previous 3 years	

- b) In addition to the requirements of section (a) above, Respondents are further required to submit with their Proposals the following **essential Returnable Documents** as detailed below.

Failure to provide all essential Returnable Documents may result in a Respondent’s disqualification at Transnet’s sole discretion. Bidders are therefore urged to ensure that all these documents are returned with their Proposals.

All Sections, as indicated in the footer of each page, must be signed, stamped and dated by the Respondent. Please confirm submission of these essential Returnable Documents by so indicating [Yes or No] in the table below:

ESSENTIAL RETURNABLE DOCUMENTS & SCHEDULES	SUBMITTED [Yes or No]
SECTION 1 : Notice to Bidders	
Receipt for payment of RFP documents [paragraph 1]	
SECTION 4 : Proposal Form	
SECTION 5 : Vendor Application Form	
- Original cancelled cheque or bank verification of banking details	
- Certified copies of IDs of shareholder/directors/members [as applicable]	
- Certified copy of Certificate of Incorporation [CM29/CM9 name change]	
- Certified copy of share certificates [CK1/CK2 if CC]	
- Entity's letterhead	
- Certified copy of valid VAT Registration Certificate	
- Valid B-BBEE Verification Certificate [Large Enterprises and QSEs] Note: failure to provide a valid B-BBEE Verification Certificate at the closing date and time of the tender will result in an automatic score of zero being allocated for B-BBEE scorecard	
- Valid B-BBEE certificate from auditor, accounting officer or SANAS accredited Verification Agency [EMES] Note: failure to provide a valid B-BBEE Verification Certificate at the closing date and time of the tender will result in an automatic score of zero being allocated for B-BBEE scorecard	
- In the case of Joint Ventures, a copy of the Joint Venture Agreement or written confirmation of the intention to enter into a Joint Venture Agreement	
- Certified copy of valid VAT Registration Certificate	
SECTION 6 : Signing Power - Resolution of Board of Directors	
SECTION 7 : Certificate of Acquaintance with RFP Documents	
SECTION 8 : Certificate of Acquaintance with General Bid Conditions – Goods	
SECTION 9 : Certificate of Acquaintance with Terms and Conditions of Contract	
SECTION 10 : RFP Declaration Form	
SECTION 11 : Breach of Law Form	
SECTION 13 : Supplier Code of Conduct	
SECTION 14 : B-BBEE Preference Points Claim Form	
SECTION 15 : Certificate of attendance of compulsory RFP Briefing	
SECTION 16 : Certificate of Acquaintance with Specifications and Drawings	
SECTION 17 : Non-Disclosure Agreement	
SECTION 18 : Supplier Development Initiatives	

CONTINUED VALIDITY OF RETURNABLE DOCUMENTS

The successful Respondent will be required to ensure the validity of all returnable documents, including but not limited to its Tax Clearance Certificate and valid B-BBEE Verification Certificate, for the duration of any contract emanating from this RFP. Should the Respondent be awarded the contract [**the Agreement**] and fail to present Transnet with such renewals as and when they become due, Transnet shall be entitled, in addition to any other rights and remedies that it may have in terms of the eventual Agreement, to terminate such Agreement forthwith without any liability and without prejudice to any claims which Transnet may have for damages against the Respondent.

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By signing these RFP documents, the Respondent is deemed to acknowledge that he/she has made himself/herself thoroughly familiar with all the conditions governing this RFP, including those contained in any printed form stated to form part hereof, and Transnet SOC Ltd will recognise no claim for relief based on an allegation that the Respondent overlooked any such condition or failed properly to take it into account for the purpose of calculating tendered prices or otherwise.

SIGNED at _____ on this _____ day of _____ 2013

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____
Name _____

2 _____
Name _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE:

NAME: _____

DESIGNATION: _____

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RFP

**FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF LOCOMOTIVE
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Section 5: VENDOR APPLICATION FORM

Respondents are to furnish the following documentation and complete the Vendor Application Form below:

1. **Original** cancelled cheque **OR** letter from the Respondent's bank verifying banking details [**with bank stamp**]
2. **Certified copy** of Identity Document(s) of Shareholders/Directors/Members [*where applicable*]
3. **Certified copy** of Certificate of Incorporation, CM29 / CM9 [*name change*]
4. **Certified copy** of Share Certificates [CK1/CK2 if CC]
5. **Original** letterhead confirm physical and postal addresses
6. **Original** valid SARS Tax Clearance Certificate [RSA entities only]
7. **Certified copy** of VAT Registration Certificate [RSA entities only]
8. A signed letter from your entity's auditor or accountant confirming most recent annual turnover figures
9. **Certified copy** of valid Company Registration Certificate [*if applicable*]

Note: *No contract shall be awarded to any South African Respondent whose tax matters have not been declared by SARS to be in order.*

Vendor Application Form

Entity's trading name						
Entity's registered name						
Entity's Registration Number or ID Number if a Sole Proprietor						
Form of entity [✓]	CC	Trust	Pty Ltd	Limited	Partnership	Sole Proprietor
How many years has your entity been in business?						
VAT number [if registered]						
Entity's telephone number						
Entity's fax number						
Entity's email address						
Entity's website address						
Bank name			Branch & Branch code			
Account holder			Bank account number			

Respondent's Signature

Date & Company Stamp

Postal address				Code	
Physical address				Code	
Contact person					
Designation					
Telephone					
Email					
Annual turnover range [last financial year]	< R5 m		R5 - 35 m		> R35 m
Does your entity provide	Products		Services		Both
Area of delivery	National		Provincial		Local
Is your entity a public or private entity	Public		Private		
Does your entity have a Tax Directive or IRP30 Certificate	Yes		No		
Main product or services [e.g. Stationery/Consulting]					

Complete B-BBEE Ownership Details:

% Black ownership		% Black women ownership		% Disabled Black ownership	
Does your entity have a B-BBEE certificate		Yes		No	
What is your B-BBEE status [Level 1 to 9 / Unknown]					
How many personnel does the entity employ		Permanent		Part time	

If you are an existing Vendor with Transnet please complete the following:

Transnet contact person					
Contact number					
Transnet Operating Division					

Duly authorised to sign for and on behalf of Entity / Organisation:

Name		Designation	
Signature		Date	

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Section 6: SIGNING POWER – RESOLUTION OF BOARD OF DIRECTORS

NAME OF ENTITY: _____

It was resolved at a meeting of the Board of Directors held on _____ that

FULL NAME(S)	CAPACITY	SIGNATURE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

in his/her capacity as indicated above is/are hereby authorised to enter into, sign, execute and complete any documents relating to this Proposal and any subsequent Agreement for the supply of Goods.

FULL NAME _____

SIGNATURE CHAIRMAN

FULL NAME _____

SIGNATURE SECRETARY

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Section 7: CERTIFICATE OF ACQUAINTANCE WITH RFP DOCUMENTS

NAME OF ENTITY:

1. I/we

do hereby certify that i/we acquainted myself/ourselves with all the documentation comprising this RFP and all conditions contained therein, as laid down by Transnet SOC Ltd for the carrying out of the proposed supply/service/works for which I/we submitted my/our Proposal.

2. I/we furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any RFP/contract condition or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.

3. I/we understand that the accompanying Bid will be disqualified if this Certificate is found not to be true and complete in every respect.

4. For the purposes of this Certificate and the accompanying Bid, I/we understand that the word "competitor" shall include any individual or organisation, 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

5. 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 will not be construed as collusive bidding.

6. In particular, without limiting the generality of paragraph 5 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

- a) prices;
- b) geographical area where Goods or Services 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 RFP;
or
 - f) bidding with the intention not winning the Bid.
7. 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 Goods or Services to which this RFP relates.
 8. 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.
 9. I/We am/are 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 10 [ten] years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

SIGNED at _____ on this _____ day of _____ 2013

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

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**Section 8: CERTIFICATE OF ACQUAINTANCE WITH THE GENERAL BID CONDITIONS -
GOODS**

[appended hereto as Appendix (i)]

NAME OF ENTITY:

I/We

_____ do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising the General Bid Conditions - Goods as received on _____ *[insert date]* from Transnet SOC Ltd for the carrying out of the proposed supply for which I/we submitted my/our Proposal.

I/We furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any terms and conditions of the General Bid Conditions or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.

I/We confirm having been advised that a signed copy of this Schedule can be submitted in lieu of the entire General Bid Conditions as confirmation in terms of the Returnable Schedule.

SIGNED at _____ on this _____ day of _____ 2013

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

**RFP
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**Section 9: CERTIFICATE OF ACQUAINTANCE WITH THE TERMS AND CONDITIONS OF
CONTRACT FOR THE SUPPLY OF GOODS TO TRANSNET**

[appended hereto as Appendix (ii)]

NAME OF ENTITY:

I/We

_____ do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising the Terms and Conditions of Contract as received on _____ *[insert date]* from Transnet SOC Ltd for the carrying out of the proposed supply for which I/we submitted my/our Proposal.

I/We furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any Terms and Conditions of Contract or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.

I/We confirm having been advised that a signed copy of this Schedule can be submitted in lieu of the entire Terms and Conditions of Contract as confirmation in terms of the Returnable Schedule.

SIGNED at _____ on this _____ day of _____ 2013

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

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**Respondents should also note the obligations as set out in
clause 19 [Terms and Conditions of Contract]
of the General Bid Conditions [Appendix (i)] which reads as follows:**

- 19.1 *The Supplier shall adhere to the Terms and Conditions of Contract issued with the Bid Documents, together with any schedule of "Special Conditions" or otherwise which form part of the Bid Documents.*
- 19.2 *Should the Respondent find any conditions unacceptable, it should indicate which conditions are unacceptable and offer alternatives by written submission on its company letterhead. Any such submission shall be subject to review by Transnet's Legal Counsel who shall determine whether the proposed alternative(s) are acceptable or otherwise, as the case may be.*

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Section 10: RFP DECLARATION FORM

NAME OF ENTITY: _____

We _____ do hereby certify that:

1. Transnet has supplied and we have received appropriate responses to any/all questions [as applicable] which were submitted by ourselves for RFP Clarification purposes;
2. we have received all information we deemed necessary for the completion of this Request for Proposal [RFP];
3. at no stage have we received additional information relating to the subject matter of this RFP from Transnet sources, other than information formally received from the designated Transnet contact(s) as nominated in the RFP documents;
4. we are satisfied, insofar as our entity is concerned, that the processes and procedures adopted by Transnet in issuing this RFP and the requirements requested from Bidders in responding to this RFP have been conducted in a fair and transparent manner; and
5. furthermore, we declare that a family, business and/or social relationship exists / does not exist [delete as applicable] between an owner / member / director / partner / shareholder of our entity and an employee or board member of the Transnet Group.
6. If such a relationship exists, Respondent is to complete the following section:

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FULL NAME OF OWNER/MEMBER/DIRECTOR/
PARTNER/SHAREHOLDER:

ADDRESS:

Indicate nature of relationship with Transnet:

[Failure to furnish complete and accurate information in this regard will lead to the disqualification of a response and may preclude a Respondent from doing future business with Transnet]

7. We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet [other than any existing and appropriate business relationship with Transnet] which could unfairly advantage our entity in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.

8. We accept that any dispute pertaining to this Bid will be resolved through the Ombudsman process and will be subject to the Terms of Reference of the Ombudsman. The Ombudsman process must first be exhausted before judicial review of a decision is sought. [Refer "Important Notice to Respondents" overleaf].

9. We further accept that Transnet reserves the right to reverse an award of business or decision based on the recommendations of the Ombudsman without having to follow a formal court process to have such award or decision set aside.

SIGNED at _____ on this ____ day of _____ 2013

For and on behalf of _____ duly authorised hereto	AS WITNESS:
Name:	Name:
Position:	Position:
Signature:	Signature:
Date:	
Place:	

IMPORTANT NOTICE TO RESPONDENTS

- **Transnet has appointed a Procurement Ombudsman to investigate any material complaint in respect of RFPs exceeding R5,000,000.00 [five million S.A. Rand] in value. Should a Respondent have any material concern regarding an RFP process which meets this value threshold, a complaint may be lodged with Transnet's Procurement Ombudsman for further investigation.**
- **It is incumbent on the Respondent to familiarise himself/herself with the Terms of Reference for the Transnet Procurement Ombudsman, details of which are available for review at Transnet's website www.transnet.net.**
- **An official complaint form may be downloaded from this website and submitted, together with any supporting documentation, within the prescribed period, to procurement.ombud@transnet.net**
- **For transactions below the R5,000,000.00 [five million S.A. Rand] threshold, a complaint may be lodged with the Chief Procurement Officer of the relevant Transnet Operating Division.**
- **All Respondents should note that a complaint must be made in good faith. If a complaint is made in bad faith, Transnet reserves the right to place such a Bidder on its List of Excluded Bidders.**

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Section 11: BREACH OF LAW FORM

NAME OF ENTITY: _____

I/We _____

do hereby certify that *I/we have/have not been* found guilty during the preceding 5 [five] years of a serious breach of law, including but not limited to a breach of the Competition Act, 89 of 1998, by a court of law, tribunal or other administrative body. The type of breach that the Respondent is required to disclose excludes relatively minor offences or misdemeanours, e.g. traffic offences.

Where found guilty of such a serious breach, please disclose:

NATURE OF BREACH:

DATE OF BREACH: _____

Furthermore, I/we acknowledge that Transnet SOC Ltd reserves the right to exclude any Respondent from the bidding process, should that person or entity have been found guilty of a serious breach of law, tribunal or regulatory obligation.

SIGNED at _____ on this _____ day of _____ 2013

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

**RFP
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Section 12: RFP CLARIFICATION REQUEST FORM

RFP No: CRAC-HO-10357

RFP deadline for questions / RFP Clarifications: Before **12:00 on 27th May 2013**

TO: Transnet SOC Ltd
ATTENTION: Barbara Msomi, Transnet Freight Rail
EMAIL: Barbara.msomi@transnet.net
DATE: _____
FROM: _____

RFP Clarification No [to be inserted by Transnet]

"PREVIEW COPY ONLY"

REQUEST FOR RFP CLARIFICATION

Respondent's Signature

Date & Company Stamp

RFP
**FOR DESIGN, MANUFACTURE, PROGRAMME, SUPPLY AND MAINTENANCE OF LOCOMOTIVE
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Section 13: SUPPLIER CODE OF CONDUCT

Transnet aims to achieve the best value for money when buying or selling goods and obtaining services. This however must be done in an open and fair manner that supports and drives a competitive economy. Underpinning our process are several acts and policies that any supplier dealing with Transnet must understand and support. These are:

- The Transnet Supply Chain Policy
- Section 217 of the Constitution - the five pillars of Public PSCM [Procurement and Supply Chain Management]: fairness, equity, transparency, competitiveness and cost effectiveness;
- The Public Finance Management Act [PFMA];
- The Preferential Procurement Policy Framework Act [PPPFA];
- The Broad-Based Black Economic Empowerment Act [B-BBEE]; and
- The Prevention and Combating of Corrupt Activities Act.

This Code of Conduct has been included in this RFP to formally apprise prospective Transnet Suppliers of Transnet's expectations regarding the behaviour and conduct of its Suppliers.

Prohibition of bribes, kickbacks, unlawful payments, and other corrupt practices

Transnet is in the process of transforming itself into a self-sustaining State Owned Company [SOC], actively competing in the logistics industry. Our aim is to become a world class, profitable, logistics organisation. As such, our transformation is focused on adopting a performance culture and to adopt behaviours that will enable this transformation.

a) *Transnet will not participate in corrupt practices and therefore expects its Suppliers to act in a similar manner.*

- Transnet and its employees will follow the laws of this country and keep accurate business records that reflect actual transactions and payments to our Suppliers.
- Employees must not accept or request money or anything of value, directly or indirectly, to:
 - illegally influence their judgement or conduct or to ensure the desired outcome of a sourcing activity;
 - win or retain business or to influence any act or decision of any decision stakeholders involved in sourcing decisions; or
 - gain an improper advantage.
- There may be an occasion when a Supplier is confronted with fraudulent or corrupt behaviour by a Transnet employee. We expect our Suppliers to use our "Tip-offs Anonymous" Hot line to report these acts [0800 003 056].

b) *Transnet is firmly committed to the ideas of free and competitive enterprise.*

- Suppliers are expected to comply with all applicable laws and regulations regarding fair competition and antitrust.
- Transnet does not engage with non-value adding agents or representatives solely for the purpose of increasing B-BBEE spend [fronting].

c) *Transnet's relationship with Suppliers requires us to clearly define requirements, exchange information and share mutual benefits.*

- Generally, Suppliers have their own business standards and regulations. Although Transnet cannot control the actions of our Suppliers, we will not tolerate any illegal activities. These include, but are not limited to:
 - misrepresentation of their product [e.g. origin of manufacture, specifications, intellectual property rights];
 - collusion;
 - failure to disclose accurate information required during the sourcing activity [e.g. ownership, financial situation, B-BBEE status];
 - corrupt activities listed above; and
 - harassment, intimidation or other aggressive actions towards Transnet employees.
- Suppliers must be evaluated and approved before any materials, components, products or services are purchased from them. Rigorous due diligence is conducted and the Supplier is expected to participate in an honest and straight forward manner.
- Suppliers must record and report facts accurately, honestly and objectively. Financial records must be accurate in all material respects.

Conflicts of interest

A conflict of interest arises when personal interests or activities influence [or appear to influence] the ability to act in the best interests of Transnet. Examples include, but are not limited to:

- Transnet employees awarding business to entities in which their family members or business associates have an interest
- Transnet employees having a financial interest in a bidding entity

Bidding entities are required to disclose any interest/s which exist between themselves and any employee and/or Transnet Board member.

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Section 14: B-BBEE PREFERENCE POINTS CLAIM FORM

This preference form contains general information and serves as a claim for preference points for Broad-Based Black Economic Empowerment [**B-BBEE**] Status Level of Contribution.

1. INTRODUCTION

- 1.1 A total of 10 preference points shall be awarded for B-BBEE Status Level of Contribution.
- 1.2 Failure on the part of a Bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System [**SANAS**] or a Registered Auditor approved by the Independent Regulatory Board of Auditors [**IRBA**] or an Accounting Officer as contemplated in the Close Corporation Act [**CCA**] together with the bid will be interpreted to mean that preference points for B-BBEE Status Level of Contribution are not claimed.
- 1.3 Transnet 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 Transnet.

2. GENERAL DEFINITIONS

- 2.1 "**all applicable taxes**" include value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 "**B-BBEE**" means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.3 "**B-BBEE status of contributor**" means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 "**Bid**" means a written offer in a prescribed or stipulated form in response to an invitation by Transnet for the provision of goods, works or services;
- 2.5 "**Broad-Based Black Economic Empowerment Act**" means the Broad-Based Black Economic Empowerment Act, 2003 [Act No. 53 of 2003];
- 2.6 "**comparative price**" means the price after the factors of a non-firm price and all unconditional discounts that can utilised have been taken into consideration;
- 2.7 "**consortium or joint venture**" means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract;

- 2.8 **"contract"** means the agreement that results from the acceptance of a bid by Transnet;
- 2.9 **"EME"** means any enterprise with an annual total revenue of R5 [five] million or less;
- 2.10 **"firm price"** 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 and excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **"functionality"** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **"non-firm prices"** means all prices other than "firm" prices;
- 2.13 **"person"** includes reference to a juristic person;
- 2.14 **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **"subcontract"** means the primary contractor's assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Empowerment Act and promulgated in the Government Gazette on 9 February 2007;
- 2.17 **"trust"** 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; and
- 2.18 **"trustee"** 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.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The Bidder obtaining the highest number of total points for the evaluation criteria as enumerated in Section 2 of the RFP will be awarded the contract, unless objective criteria justifies the award to another bidder.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.
- 3.3 Points scored will be rounded off to 2 [two] decimal places.
- 3.4 In the event of equal points scored, the Bid will be awarded to the Bidder scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more Bids have scored equal points including equal preference points for B-BBEE, the successful Bid will be the one scoring the highest score for functionality.
- 3.6 Should two or more Bids be equal in all respect, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 4.1 In terms of Regulation 5(2) and 6(2) of the Preferential Procurement Regulations, 2011, preference points shall be awarded to a Bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points [Maximum 10]
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

Note: Refer to Section 1 of the RFP document for further information in terms of B-BBEE ratings.

- 4.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EME's with B-BBEE Status Level Certificates.
- 4.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.4 A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided that the entity submits its B-BBEE status level certificate.
- 4.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 4.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialised scorecard contained in the B-BBEE Codes of Good Practice.
- 4.7 A person will not be awarded points for B-BBEE status level if it is indicated in the Bid documents that such a Bidder intends subcontracting more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not qualify for at least the same number of points that such a Bidder qualifies for, unless the intended subcontractor is an EME that has the capability and ability to execute the subcontract.
- 4.8 A person awarded a contract may not subcontract more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

5. B-BBEE STATUS AND SUBCONTRACTING

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

B-BBEE Status Level of Contributor _____ = _____ [maximum of 10 points]

Note: Points claimed in respect of this paragraph 5.1 must be in accordance with the table reflected in paragraph 4.1 above and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the Close Corporation Act.

5.2 Subcontracting:

Will any portion of the contract be subcontracted? YES/NO [delete which is not applicable]

If YES, indicate:

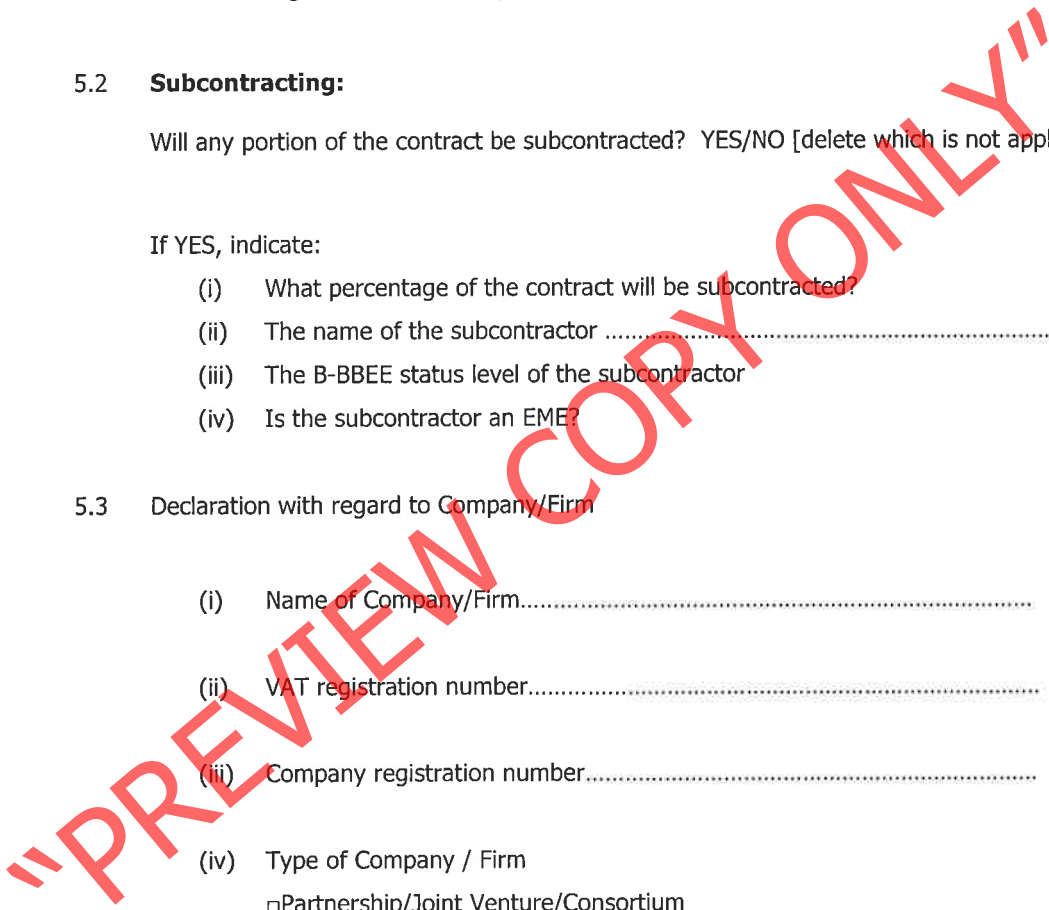
- (i) What percentage of the contract will be subcontracted? %
- (ii) The name of the subcontractor
- (iii) The B-BBEE status level of the subcontractor
- (iv) Is the subcontractor an EME? YES/NO

5.3 Declaration with regard to Company/Firm

- (i) Name of Company/Firm.....
- (ii) VAT registration number.....
- (iii) Company registration number.....

- (iv) Type of Company / Firm
 - Partnership/Joint Venture/Consortium
 - One person business/sole propriety
 - Close Corporations
 - Company (Pty) Ltd
 [TICK APPLICABLE BOX]

- (v) Describe Principal Business Activities
 -
 -
 -
 -



(vi) Company Classification

Manufacturer

Supplier

Professional Service Provider

Other Service Providers, e.g Transporter, etc

[TICK APPLICABLE BOX]

(vii) Total number of years the company/firm has been in business.....

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Respondent's Signature

Date & Company Stamp

BID DECLARATION

I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the company/firm, certify that points claimed, based on the B-BBEE status level of contribution indicated in paragraph 4 above, qualifies the company/firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 6 above, the contractor may be required to furnish documentary proof to the satisfaction of Transnet that the claims are correct.
- (iii) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, Transnet 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) restrict the Bidder or contractor, its shareholders and directors, and/or associated entities, or only the shareholders and directors who acted in a fraudulent manner, from obtaining business from Transnet for a period not exceeding 10 years, after the *audi alteram partem* [hear the other side] rule has been applied; and/or
 - (e) forward the matter for criminal prosecution.

WITNESSES:

1.

2.

SIGNATURE OF BIDDER

DATE:

.....
COMPANY NAME:

ADDRESS:.....
.....
.....

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Section 15: CERTIFICATE OF ATTENDANCE OF RFP BRIEFING

It is hereby certified that –

1. _____

2. _____

Representative(s) of _____ *[name of entity]*

attended the RFP briefing in respect of the proposed Goods to be supplied in terms of this RFP on **14th
May 2013.**

TRANSNET'S REPRESENTATIVE

RESPONDENT'S REPRESENTATIVE

DATE _____

DATE _____

EMAIL _____

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Section 16: CERTIFICATE OF ACQUAINTANCE WITH SPECIFICATIONS AND DRAWINGS

[appended hereto as Appendix (iii)]

I/We

_____ do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising the Specifications and Drawings for the carrying out of the proposed supply for which I/we submitted my/our Proposal.

I/We furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any provisions of the Specifications and Drawings or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.

I/We confirm having been advised that a signed copy of this Schedule can be submitted in lieu of the Specifications and Drawings as confirmation in terms of the Returnable Schedule.

SIGNED at _____ on this _____ day of _____ 2013

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

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Section 17: NON DISCLOSURE AGREEMENT

Entered into by and between

TRANSNET SOC LTD

Registration Number 1990/000900/30

and

Registration Number _____

RFP Number CRAC-HO-10357

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THIS AGREEMENT is made between

Transnet SOC Ltd [Transnet] [Registration No. 1990/000900/30]

whose registered office is at 49th Floor, Carlton Centre, 150 Commissioner Street, Johannesburg 2001,

and

_____ **[the Company]** [Registration No _____] whose
registered office is at _____

WHEREAS

Transnet and the Company wish to exchange Information [as defined below] and it is envisaged that each party may from time to time receive Information relating to the other in respect thereof. In consideration of each party making available to the other such Information, the parties jointly agree that any dealings between them shall be subject to the terms and conditions of this Agreement which themselves will be subject to the parameters of the Bid Document.

IT IS HEREBY AGREED**1. INTERPRETATION**

In this Agreement:

- 1.1 **Agents** mean directors, officers, employees, agents, professional advisers, contractors or sub-contractors, or any Group member;
- 1.2 **Bid or Bid Document** means Transnet's Request for Information [**RFI**] Request for Proposal [**RFP**] or Request for Quotation [**RFQ**], as the case may be;
- 1.3 **Confidential Information** means any information or other data relating to one party [the **Disclosing Party**] and/or the business carried on or proposed or intended to be carried on by that party and which is made available for the purposes of the Bid to the other party [the **Receiving Party**] or its Agents by the Disclosing Party or its Agents or recorded in agreed minutes following oral disclosure and any other information otherwise made available by the Disclosing Party or its Agents to the Receiving Party or its Agents, whether before, on or after the date of this Agreement, and whether in writing or otherwise, including any information, analysis or specifications derived from, containing or reflecting such information but excluding information which:
- 1.3.1 is publicly available at the time of its disclosure or becomes publicly available [other than as a result of disclosure by the Receiving Party or any of its Agents contrary to the terms of this Agreement]; or
- 1.3.2 was lawfully in the possession of the Receiving Party or its Agents [as can be demonstrated by its written records or other reasonable evidence] free of any restriction as to its use or disclosure prior to its being so disclosed; or

- 1.3.3 following such disclosure, becomes available to the Receiving Party or its Agents [as can be demonstrated by its written records or other reasonable evidence] from a source other than the Disclosing Party or its Agents, which source is not bound by any duty of confidentiality owed, directly or indirectly, to the Disclosing Party in relation to such information;
- 1.4 **Group** means any subsidiary, any holding company and any subsidiary of any holding company of either party; and
- 1.5 **Information** means all information in whatever form including, without limitation, any information relating to systems, operations, plans, intentions, market opportunities, know-how, trade secrets and business affairs whether in writing, conveyed orally or by machine-readable medium.

2. CONFIDENTIAL INFORMATION

- 2.1 All Confidential Information given by one party to this Agreement [the **Disclosing Party**] to the other party [the **Receiving Party**] will be treated by the Receiving Party as secret and confidential and will not, without the Disclosing Party's written consent, directly or indirectly communicate or disclose [whether in writing or orally or in any other manner] Confidential Information to any other person other than in accordance with the terms of this Agreement.
- 2.2 The Receiving Party will only use the Confidential Information for the sole purpose of technical and commercial discussions between the parties in relation to the Bid or for the subsequent performance of any contract between the parties in relation to the Bid.
- 2.3 Notwithstanding clause 2.1 above, the Receiving Party may disclose Confidential Information:
- 2.3.1 to those of its Agents who strictly need to know the Confidential Information for the sole purpose set out in clause 2.2 above, provided that the Receiving Party shall ensure that such Agents are made aware prior to the disclosure of any part of the Confidential Information that the same is confidential and that they owe a duty of confidence to the Disclosing Party. The Receiving Party shall at all times remain liable for any actions of such Agents that would constitute a breach of this Agreement; or
- 2.3.2 to the extent required by law or the rules of any applicable regulatory authority, subject to clause 2.4 below.
- 2.4 In the event that the Receiving Party is required to disclose any Confidential Information in accordance with clause 2.3.2 above, it shall promptly notify the Disclosing Party and cooperate with the Disclosing Party regarding the form, nature, content and purpose of such disclosure or any action which the Disclosing Party may reasonably take to challenge the validity of such requirement.
- 2.5 In the event that any Confidential Information shall be copied, disclosed or used otherwise than as permitted under this Agreement then, upon becoming aware of the same, without prejudice to any rights or remedies of the Disclosing Party, the Receiving Party shall as soon as practicable notify the Disclosing Party of such event and if requested take such steps [including the institution of legal proceedings] as shall be necessary to remedy [if capable of remedy] the default and/or to prevent further unauthorised copying, disclosure or use.
- 2.6 All Confidential Information shall remain the property of the Disclosing Party and its disclosure shall not confer on the Receiving Party any rights, including intellectual property rights over the Confidential Information whatsoever, beyond those contained in this Agreement.

3. RECORDS AND RETURN OF INFORMATION

- 3.1 The Receiving Party agrees to ensure proper and secure storage of all Information and any copies thereof.
- 3.2 The Receiving Party shall keep a written record, to be supplied to the Disclosing Party upon request, of the Confidential Information provided and any copies made thereof and, so far as is reasonably practicable, of the location of such Confidential Information and any copies thereof.
- 3.3 The Company shall, within 7 [seven] days of receipt of a written demand from Transnet:
- 3.3.1 return all written Confidential Information [including all copies]; and
- 3.3.2 expunge or destroy any Confidential Information from any computer, word processor or other device whatsoever into which it was copied, read or programmed by the Company or on its behalf.
- 3.4 The Company shall on request supply a certificate signed by a director as to its full compliance with the requirements of clause 3.3.2 above.

4. ANNOUNCEMENTS

- 4.1 Neither party will make or permit to be made any announcement or disclosure of its prospective interest in the Bid without the prior written consent of the other party.
- 4.2 Neither party shall make use of the other party's name or any information acquired through its dealings with the other party for publicity or marketing purposes without the prior written consent of the other party.

5. DURATION

The obligations of each party and its Agents under this Agreement shall survive the termination of any discussions or negotiations between the parties regarding the Bid and continue thereafter for a period of 5 [five] years.

6. PRINCIPAL

Each party confirms that it is acting as principal and not as nominee, agent or broker for any other person and that it will be responsible for any costs incurred by it or its advisers in considering or pursuing the Bid and in complying with the terms of this Agreement.

7. ADEQUACY OF DAMAGES

Nothing contained in this Agreement shall be construed as prohibiting the Disclosing Party from pursuing any other remedies available to it, either at law or in equity, for any such threatened or actual breach of this Agreement, including specific performance, recovery of damages or otherwise.

8. PRIVACY AND DATA PROTECTION

- 8.1 The Receiving Party undertakes to comply with South Africa's general privacy protection in terms Section 14 of the Bill of Rights in connection with this Bid and shall procure that its personnel shall observe the provisions of such Act [as applicable] or any amendments and re-enactments thereof and any regulations made pursuant thereto.

- 8.2 The Receiving Party warrants that it and its Agents have the appropriate technical and organisational measures in place against unauthorised or unlawful processing of data relating to the Bid and against accidental loss or destruction of, or damage to such data held or processed by them.

9. GENERAL

- 9.1 Neither party may assign the benefit of this Agreement, or any interest hereunder, except with the prior written consent of the other, save that Transnet may assign this Agreement at any time to any member of the Transnet Group.
- 9.2 No failure or delay in exercising any right, power or privilege under this Agreement will operate as a waiver of it, nor will any single or partial exercise of it preclude any further exercise or the exercise of any right, power or privilege under this Agreement or otherwise.
- 9.3 The provisions of this Agreement shall be severable in the event that any of its provisions are held by a court of competent jurisdiction or other applicable authority to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.
- 9.4 This Agreement may only be modified by a written agreement duly signed by persons authorised on behalf of each party.
- 9.5 Nothing in this Agreement shall constitute the creation of a partnership, joint venture or agency between the parties.
- 9.6 This Agreement will be governed by and construed in accordance with South African law and the parties irrevocably submit to the exclusive jurisdiction of the South African courts.

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Section 18: SUPPLIER DEVELOPMENT INITIATIVES

1.1 Aim and Objectives

Historically in South Africa there has been a lack of investment in infrastructure, skills and capability development and an inequality in the income distribution and wealth of a significant portion of the population. There have been a number of Government initiatives developed to address these challenges. In particular, the New Growth Path [NGP] developed in 2010 aligns and builds on previous policies to ensure the achievement of Government's development objectives for South Africa. Transnet fully endorses and supports Government's New Growth Path policy.

The key focuses of the NGP include:

- increasing employment intensity of the economy
- addressing competitiveness
- balancing spatial development of rural areas and poorer provinces
- reducing the carbon intensity of the economy
- creating opportunities in improving regional and global cooperation
- enabling transformation that benefits a wider range of social actors in society e.g. workers, rural communities, youth and women

Transnet, as a State Owned Company [SOC], plays an important role to ensure these objectives are achieved. Therefore, the purchasing of goods and services needs to be aligned to Government's objectives for developing and transforming the local supply base. Transnet's mission is to transform its supplier base by engaging in targeted supplier development initiatives to support localisation and industrialisation whilst providing meaningful opportunities for Black⁴ South Africans with a particular emphasis on:

- Youth [16 to 35 year olds]
- Black women
- People with disabilities
- Small businesses
- Rural integration

1.2 Supplier Development [SD]

To facilitate the implementation of Supplier Development initiatives, Transnet has adapted an existing framework from the Department of Public Enterprises [DPE]. This framework allows for a basic set of principles to be applied to appropriately targeted SD initiatives. Supplier development initiatives aim to build local suppliers who are competitive through building capability and capacity. Hence the framework has been termed the Increased Competitiveness, Capability and Capacity Supplier Development

⁴ "Black" means South African Blacks, Coloureds and Indians, as defined in the B-BBEE Act, 53 of 2003

Classification Matrix [**IC³ Matrix**]. Currently there are four quadrants of SD initiatives which Transnet considers according to the IC³ Matrix. This RFP has been identified as developmental and leverage.

Supplier Development Initiatives are a prerequisite for this RFP. Transnet requires Respondents to meet or exceed a threshold of 30% in respect of their SD commitments on this contract.

Accordingly, Respondents are required to provide a commitment of the Supplier Development initiative they will undertake during the contract period. Transnet requires that all Respondents submit a **Supplier Development Bid Document** demonstrating their commitment and support for the New Growth Path Policy and how an appointment in terms of this RFP would assist in achieving the NGP objectives.

The contract which will be concluded with the successful bidder will incorporate the SD undertakings made in the SD Bid Document as a term of the contract.

- a) For a detailed understanding of the IC³ Matrix, the respective SD initiatives and their objectives, please refer to the "Guidelines for the Completion of a Supplier Development Bid Document" appended hereto as **Appendix (iv)**.
- b) The following Supplier Development [**SD**] focus areas have been identified, namely:

Category	Description
Capability and Capacity Building in South Africa (existing industry)	Industrial capability building that focuses on value-added activities of the South African industry through manufacturing or service-related activities
New Skills development	Skills transfer & skills education which will occur as a result of the award of contract
Job Creation/Preservation	Number of jobs created or preserved resulting from the award of contract

- c) The **Supplier Development Bid Document** is to be submitted as a separate document, developed in line with the criteria set out in **Annexure B [Supplier Development Value Summary]** appended hereto. The Supplier Development Bid Document is a detailed narrative document explaining the Respondent's Bid value as summarised in Annexure B. There is no prescribed format for this document. This SD Bid Document will represent a binding commitment on the part of the successful Respondent. The SD Bid Document should outline the type of activities you intend to embark upon should you be awarded the contract. This Bid Document should also provide an overview of what you intend to achieve, when, and the mechanisms whereby you will achieve those objectives.

Annexure B must be completed, indicating by cross-reference the detailed areas which have been addressed in your SD Bid Document for each of the evaluation criteria listed in paragraph 1.2 (c) above, together with the Value Indicators therefor.

Notes for completion of SD Bid Document:

- (i) Respondents are urged to pay careful attention to the compilation of the SD Bid Document [including Annexure B] since this will form an essential component of the evaluation of your Proposal.
- (ii) Respondents are required to address each of the aspects under the detailed SD Description as a minimum for submission. This is not an exhaustive list however, and Respondents must not be limited to these choices when compiling each section.

- (iii) Please provide detailed calculations to illustrate how your estimated Rand values provided in Annexure B have been derived.
- (iv) Respondents are required to provide an electronic copy [CD] of the completed Annexure B as part of the SD Bid Document submission.

1.3 Additional contractual requirements

Should a contract be awarded through this RFP process, the successful Respondent(s) [hereinafter referred to as **the Service Provider**] will be contractually committed, *inter alia*, to the following conditions:

- a) The Supplier will be required to submit a Supplier Development Plan within 45 [forty-five] days from the signature date of a Letter of Intent [**LOI**]. This SD Plan represents additional detail in relation to the SD Bid Document providing an explicit breakdown of the nature, extent, timelines and monetary value of the SD commitments which the Supplier proposes to undertake and deliver during the term of the contract. Specific milestones, timelines and targets will be recorded to ensure that the SD Plan is in line with Transnet's SD objectives and that implementation thereof is completed within the term of the contract.
- b) The SD Plan may require certain additions or updates to the initial SD Bid Document in order to ensure that Transnet is satisfied that development objectives will be met.
- c) The Supplier will need to ensure that the relevant mechanisms and procedures are in place to allow for access to information to measure and verify the Supplier's compliance with its stated SD commitments.
- d) The Supplier will be required to provide:
 - (i) monthly status updates to Transnet for each SD initiative. [Detailed requirements will be provided by Transnet];
 - (ii) quarterly status reports for Transnet and the DPE. [Detailed reporting requirements will be provided by Transnet]; and
 - (iii) a final Supplier Development report, to be submitted to Transnet prior to the expiry date of the contract, detailing delivery, implementation and completion of all SD components plus auditable confirmation of the Rand value contribution associated with each such SD commitment.
- e) All information provided by the Supplier in order to measure its progress against its stated targets will be auditable.
- f) The Supplier will be required to submit this SD Plan to Transnet in writing, within 45 [forty-five] days after signature of a Letter of Intent [**LOI**], where after both parties must reach an agreement [signed by both parties] within 20 [twenty] days. Transnet will reserve the right to reduce or increase the number of days in which the Supplier must submit its SD Plan if it is deemed reasonable, based on the degree of complexity of the SD initiative.
- g) The contract will be conditional on agreement being reached by the parties on the SD Plan submitted by the Supplier. Therefore failure to submit or thereafter to agree to the SD Plan within the stipulated timelines will result in the non-award of such a contract or termination thereof.

- h) Failure to adhere to the milestones and targets defined in an SD Plan may result in the invocation of financial penalties, to be determined at Transnet's discretion, as well as providing Transnet cause to terminate the contract in certain cases where material milestones are not being achieved.

1.4 Supplier Development Documentation

Your **SD Bid Document** [including Annexure B], to be submitted as part of your RFP Proposal, will represent a binding commitment on the part of the successful Respondent.

Attached herewith is the following documentation:

- **SD Guideline Document – Appendix (iv)**

This document must be used as a guideline to complete the SD Bid Document.

- **SD Value Summary – Annexure B**

This template must be completed as part of the bid which will represent a binding financial commitment on the part of the successful Respondent.

As these are listed as mandatory returnable documents, failure to submit, or to submit an incomplete Supplier Development Bid Document, which includes all the required Annexures as indicated in this Section, will result in disqualification of your Proposal.

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