



TRANSNET FREIGHT RAIL

an Operating Division of **TRANSNET SOC LTD**

(Registration No. 1990/000900/30)

REQUEST FOR PROPOSAL [RFP]

FOR THE PROVISION OF SPECIALISED SECURITY SERVICES IN THE FORM OF INFORMATION GATHERING, INVESTIGATIONS AND CONDUCTING EFFECTS BASED OPERATIONS FOR A PERIOD OF TWO YEARS

RFP NUMBER CRAC VAR 7222
ISSUE DATE: 25 JUNE 2012
CLOSING DATE: 19 JULY 2012
CLOSING TIME: 10:00
BID VALIDITY PERIOD: 90 days

“PREVIEW COPY ONLY”

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LIST OF ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
CD	Compact/computer disc
DAC	Divisional Acquisition Council
DPE	Department of Public Enterprises
DTI	Department of Trade and Industry
EME	Exempted Micro Enterprise
FRC	Further Recognition Criteria
GBC	General Bid Conditions
ID	Identity Document
JV	Joint Venture
LOI	Letter of Intent
NDA	Non-Disclosure Agreement
NGP	New Growth Path
OD	Transnet Operating Division
PTN	Post-Tender Negotiations
PSIRA	Private Security Industry Regulatory Authority
QSE	Qualifying Small Enterprise
RFP	Request for Proposal
SAPS	South African Police Services
SD	Supplier Development
SME	Small Medium Enterprise
SOC	State Owned Company
ST&C	Standard Terms and Conditions
TFRAC	Transnet Freight Rail Acquisition Council
VAT	Value-Added Tax
ZAR	South African Rand

**RFP FOR THE PROVISION OF
SPECIALISED SECURITY SERVICES IN THE FORM OF INFORMATION GATHERING, INVESTIGATIONS
AND CONDUCTING EFFECTS BASED OPERATIONS
FOR A PERIOD OF TWO YEARS**

Section 1 : NOTICE TO BIDDERS

1 PROPOSAL REQUEST

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

On or after 25 June 2012, the RFP documents may be inspected at, and are obtainable from the office of the Transnet Freight Rail Tender Advice Centre, Ground Floor, Inyanda House 1, 21 Wellington Road, Parktown Johannesburg, during office hours i.e. Monday to Friday between 08h00 to 15h00, on payment of an amount of R1000 (inclusive of VAT) per set. Payment is to be made as follows:

Account Name: Transnet Freight Rail
Standard Bank
Account number: 203158598
Branch code: 004805.

NOTES –

- a) This amount is not refundable.
- b) A receipt for such payment made must be presented when collecting the RFP documents.
- c) The deposit slip must reflect the RFP number and the Company Name.

RFP documents will only be available until 15:00 on 03 July 2012.

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

2 FORMAL BRIEFING

A compulsory pre-proposal RFP briefing will be conducted at the Bombela Boardroom, Ground Floor, Inyanda House 2 at 10h00, on the 04 July 2012, at 15 Girton Road, Parktown, Johannesburg for a approximately of ± 1.5 hours. [Respondent to provide own transportation and accommodation].

- 2.1 A Certificate of Attendance in the form set out in Section 14 hereto must be completed and submitted with your Proposal.
- 2.2 Respondents without a valid RFP document in their possession will not be allowed to attend RFP briefing.
- 2.3 The briefing session will start punctually at 09:00 and information will not be repeated for the benefit of Respondents arriving late.

3 PROPOSAL SUBMISSION

Proposals in duplicate plus a CD copy must reach the Secretary, Transnet Freight Rail 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 VAR 7222
 Description: THE PROVISION OF SPECIALISED SECURITY IN THE FORM OF INFORMATION GATHERING, INVESTIGATIONS AND CONDUCTING EFFECTS BASED OPERATIONS
 Closing date and time: 19 JULY 2012at 10:00
 Closing address: *[Refer options in paragraph 4 below]*

4 DELIVERY INSTRUCTIONS FOR RFP

4.1 Delivery by hand

If delivered by hand, the envelope is to be deposited in the Transnet Freight Rail tender box which is located at the main entrance of the Office Block, Inyanda House 1, 21 Wellington Road, Parktown Johannesburg, and should be addressed as follows:

THE SECRETARY
 TRANSNET FREIGHT RAIL ACQUISITION COUNCIL
 INYANDA HOUSE 1
 TENDER BOX
 OFFICE BLOCK FOYER
 21 WELLINGTON ROAD
 PARKTOWN
 JOHANNESBURG

- a) The measurements of the "tender slot" are 500mm wide x 100mm high, and Respondents must please ensure that response documents or files are not 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 the main entrance of Inyanda House 1 and is accessible to the public 24 hours a day, 7 days a week.

4.2 Despatch by courier

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

THE SECRETARY
 TRANSNET FREIGHT RAIL ACQUISITION COUNCIL
 GROUND FLOOR
 INYANDA HOUSE 1
 OFFICE BLOCK
 21 WELLINGTON ROAD
 PARKTOWN
 JOHANNESBURG

- 4.3 Please note that this RFP closes punctually at **10:00** on **Thursday 19 July 2012**.

- 4.4 If responses are not delivered as stipulated herein, such responses will not be considered and will be treated as "UNRESPONSIVE."
- 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 Freight Rail 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. All envelopes must reflect the return address of the Respondent on the reverse side.
- 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 23 [*Alterations made by the Respondent to Tendered Prices*] of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.

5 BROAD-BASED BLACK ECONOMIC EMPOWERMENT & 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 local business 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. Transnet will accordingly allow "preference" points to companies who provide a B-BBEE Accreditation Certificate. All procurement transactions will be evaluated accordingly.

Consequently, when Transnet invites prospective Service Providers to submit Proposals for its various expenditure programmes, it urges Respondents [*Large Enterprises and QSE's - see below*] to have themselves accredited in compliance with the Government Gazette No 34612, Notice No. 754 dated 23 September 2011. As from 1 October 2011 valid B-BBEE Accreditation 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.

5.1 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]:
- EMEs are exempted from B-BBEE accreditation
 - Automatic rating of Level 4 B-BBEE irrespective of race or ownership. Black ownership greater than 50% or Black Women ownership greater than 50% automatically qualify as Level 3 B-BBEE
 - EME's should provide documentary proof of annual turnover [i.e. annual financials signed off by an accounting officer] plus proof of Black ownership if Black ownership is greater than 50% and/or Black Women ownership is greater than 50%

Respondents will be 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 proof of turnover in respect of EMEs].

N.B. Failure to do so 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 Annexure A.

5.2 **Joint Ventures and Subcontractors**

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

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.

5.3 **B-BBEE Registration**

In addition to the accreditation 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 Further Recognition Criteria

Transnet encourages its Service Providers to constantly strive to improve their B-BBEE rating. Whereas Respondents will be allocated points in terms of a preference point system based on its B-BBEE scorecard to be assessed as detailed in paragraph 5.1 above, in addition to such scoring, a further **10% [ten per cent]** will be allocated to a Respondent's score based on the "Further Recognition Criteria" [FRC] on an ascending scale. This will be calculated based on the extent to which the Respondent commits to meet and/or exceed the minimum compliance targets with its proposed target score to be achieved during the contract period.

Respondents are required to submit their Further Recognition Criteria with their Proposals. *[Refer Section 16 for further instructions]*

5.5 Supplier Development Initiatives

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 through its facilitation of Supplier Development [SD] initiatives. Hence Supplier Development Initiatives are a prerequisite for this RFP and are included in the Evaluation Criteria. *[Refer Section 17 for instructions]*

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, a Bid Clarification Request Form should be submitted before 12:00 on 18 July 2012, 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 all Respondents need to indicate by email their intention to respond to this RFP by informing Transnet of their contact details as soon as possible but before **03 July 2012** to Goodhope.Kunene@transnet.net

6.2 After the closing date of the RFP, a Respondent may communicate with the Secretary of the Transnet Freight Rail Acquisition Council, at telephone number 011 544 9486; email Prudence.Nkabinde@transnet.net on any matter relating to its RFP Proposal.

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

7 INSTRUCTIONS FOR COMPLETING THE RFP

7.1 Sign one set of 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 can be a copy of the original signed Proposal.

- 7.2 Both sets of documents 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 in MS Word / Excel format, not PDF versions, noting that the signed original set will be legally binding *[paragraph 7.1 above]*.
- 7.4 All returnable documents listed in the Proposal Form [Section 4] must be returned with your Proposal.

8 COMPLIANCE

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

9 ADDITIONAL NOTES

- 9.1 All returnable documents as indicated in the Proposal Form *[Section 4]* must be returned with the response.
- 9.2 Changes by the Respondent to its submission will not be considered after the closing date.
- 9.3 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 your behalf [if not the authorised signatories] must also be submitted along with the Proposal together with their contact details.
- 9.4 Transnet may wish to visit the Respondent's place of business during this RFP process.
- 9.5 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.
- 9.6 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. Transnet reserves the right to reject any or all offers.

**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 a Proposal in response to it. In particular, please note that Transnet reserves the right to:

- 10.1 modify the RFP's Services and request Respondents to re-bid on any 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;
- 10.4 not necessarily accept the lowest priced Proposal;
- 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 Services which are reflected in the scope of this RFP;
- 10.9 split the award of the contract between more than one Service Provider; 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.

Kindly note that Transnet will not reimburse any Respondent for any preparatory costs or other work performed in connection with this 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 on the part of Transnet employees to
TIP-OFFS ANONYMOUS : 0800 003 056**

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Section 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS

1 BACKGROUND

Transnet Freight Rail's national rail network is subjected to chronic theft by petty criminals, crime syndicates and unscrupulous scrap metal dealers purchasing stolen Transnet Freight Rail copper based assets, infrastructure, and /or material. **On average Transnet Freight Rail lost 9, 3km of copper cable (i.e. Overhead contact or catenary wire) 93 locomotive batteries and 7666 rail clips per month in 2011 / 2012.** Theft of train locomotive batteries and theft of goods in transit severely impact the scheduled train plan and service delivery to customers.

Theft is particularly rife in the Transnet Freight Rail Central and Eastern Regions (See Annexure D: Transnet Freight Rail Operating Regions).

2 EXECUTIVE OVERVIEW

The selected Service Provider(s) will share in the mission and business objectives of Transnet Freight Rail. These mutual goals will be met by meeting the contractual requirements and new challenges in an environment of teamwork, joint participation, flexibility, innovation and open communications. In this spirit of partnership, Transnet Freight Rail and its Service Provider(s) will study the current ways they do business to enhance current practices and support processes and systems. Such a partnership will allow Transnet Freight Rail 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 Service Provider's economies of scale and streamlined service processes.
- 2.2** Transnet must receive proactive improvements from the Service Provider with respect to supply of Services and related processes.
- 2.3** Transnet's overall competitive advantage must be strengthened by the chosen Service Provider's expertise and service delivery systems.

3 SCOPE OF REQUIREMENTS

3.1. Service Description

For reasons stated Transnet Freight Rail is in need of specialised security services in the form of:

- 3.1.1. Information gathering, and profiling of criminal syndicates (members) & scrap metal dealers colluding with such crime syndicates; and
- 3.1.2. Effects based operations with Reaction / Task Teams aimed at arresting and building case dockets in order to assist with successfully prosecuting criminals involved in the theft of Transnet Freight Rail assets.
- 3.1.3. The focus area where Transnet Freight Rail requires a reduction in theft in the short term is the Transnet Freight Rail Central and Eastern regions, while at least maintaining the situation in the Western region. Should theft be displaced to the Western region, the prospective Service Provider (s) must have the capacity to deploy teams to the Western region.

3.2. Information Gathering And Effects Based Operations

- 3.2.1. All information gathered on behalf of Transnet Freight Rail will be done in accordance with:
 - The SA Constitution
 - The SA Bill of Rights
 - Criminal Procedure Act, 51 of 1977, as amended
 - Interception of Communications and Provision of Communication related Information Act, 70 of 2002
- 3.2.2. Conduct risk assessments as required.
- 3.2.3. Building of electronic databases insofar as it relates to:
 - Incidents
 - Suspects
 - Syndicates
 - Asset Recovery
 - Arrests
 - Convictions
- 3.2.4. The Service Provider will supply a dual server that can be housed in a safe location decided by Transnet Freight Rail so that the data link from the Service Provider's electronic database to Transnet Freight Rail can be accessed without delays in order to retrieve data pertain to Transnet Freight Rail. Access levels to the electronic database will be decided and managed by the Transnet Freight Rail Head of Security.
- 3.2.5. The Service Provider is to furnish Transnet Freight Rail with electronic backups of all data gathered on a monthly basis in the form of a CD.
- 3.2.6. Conduct situation analysis focused on but not limited to the scrap metal market in the Republic of South Africa and neighboring countries, and advise management on pro-active measures;

- 3.2.7. Conduct profiling on the results of the situation analysis and provide criminal trend analysis.
- 3.2.8. Investigate criminal activities committed by but not limited to, metal merchants, smelters, exporters and/or metallurgical laboratories relating but not limited to the trading, transporting or handling of Transnet Freight Rail's stolen conductor/cable and any Transnet Freight Rail goods stolen in transit;
- 3.2.9. Investigate criminal activities committed by individuals or syndicates responsible for amongst others the theft of conductor/cables on Transnet Freight Rail's network, perway infrastructure and theft of rolling stock components;
- 3.2.10. Compile focused project and operational plans to address illegal or suspected illegal trading in Transnet Freight Rail's stolen assets (e.g. conductor/cables, perway infrastructure and goods stolen in transit);
- 3.2.11. Identify hotspots and execute effects based operations in collaboration with law enforcement agencies;
- 3.2.12. Establish mobile investigation teams to investigate syndicate activities in hotspots with the aim of apprehending these, and to effectively manage criminal cases for successful prosecution.

3.3. Pro-Active Objectives

- 3.3.1. Evaluate those preventive measures currently being implemented and/or established both internally and externally to address illegal trading in stolen conductor/cable, perway infrastructure or goods stolen in transit emanating from previous investigation experience.
- 3.3.2. Based on the results of the evaluation that would determine whether additional and/or refined preventative measures may need to be considered in order to reduce the number of individuals or syndicates targeting Transnet Freight Rail assets.
- 3.3.3. Ensure that adequate investigations resources are maintained in accordance with Transnet Freight Rail's requirements.
- 3.3.4. Interaction and coordination with South African Law Enforcement Agencies and/or Authorities.
- 3.3.5. Interaction and coordination with accredited Private Security Industry role-players.
- 3.3.6. Keeping Transnet Freight Rail abreast of developments within the trade of copper based metals locally and internationally.

3.4. Proactive functions

3.4.1. Amongst other functions listed, services provided by the appointed Service Provider may include:

- profiling of criminal syndicates;
- the monitoring and gathering information of the activities of identified criminal syndicates;
- initiate effects based operations to apprehend criminal syndicate members after sufficient evidence is gathered in order to ensure successful prosecution and conviction;
- to support the criminal justice system during the prosecution process; and
- to monitor the syndicate members after their bail release.

3.5. Conduct Benchmarking

3.5.1. Training programmes for internal or external role players including awareness presentations, practical workshops and presentations on specific topics, relating to the amongst others the non-ferrous metal market in the Republic of South Africa and neighbouring countries;

3.5.2. Due diligence reviews of project plans, operational plans and activities in order to determine whether requirements are met and assist to correct deficiencies determined in the due diligence;

3.6. Deliverables

3.6.1. The primary contract deliverable is based on a reduction of at least thirty percent (30%) in the year on year high crime incidents including but not limited to:-

- (a) Copper based infrastructure theft (e.g. copper based transmission cables);
- (b) Perway infrastructure theft (e.g. sleepers, rail clips, rails)
- (c) Rolling stock component theft
- (d) Theft of goods in transit

3.6.2. Conduct research and investigations of amongst others the scrap metal market in the Republic of South Africa in order to identify the exporters of non-ferrous scrap from the Republic of South Africa;

3.6.3. Identify metallurgical laboratories / scrap metal dealers / smelters / in the Republic of South Africa that are involved in the analyses of non-ferrous metals destined for the export market. Identify markets or outlets for the sale of stolen goods in transit;

3.6.4. Source information relating to crime syndicates and related industries (formal or informal) in order to obtain information on suspected stolen scrap material exported, imported, transported or analysed by the said industries;

3.6.5. Establish a database to log all information gathered during the above-mentioned research, which information shall be made available to Transnet Freight Rail's security department when so requested,

- either in the form of a weekly or monthly reports. Documents and files that have completed the full legal process are to be handed over to Transnet Freight Rail;
- 3.6.6. Analyse the information gathered and building criminal case dockets for successful prosecution;
- 3.6.7. Submit the processed evidence (case dockets) to Transnet Freight Rail for transmission to relevant government authorities for relevant action;
- 3.6.8. Submit a monthly task instructions on the 01st day of each month indicating the tasks to be executed;
- 3.6.9. Submit a daily status report pertaining to the objectives of the scope of work;
- 3.6.10. Submit a structured monthly report to Transnet Freight Rail on tasks executed during the relevant month, accompanied by a timesheet that specifies tasks and hours spent during the execution thereof. In addition the monthly report will include a case register indicating arrests effected, pending as well as finalised cases.
- 3.6.11. Upon the termination of this Agreement, the Service Provider will hand over to Transnet Freight Rail copies of pending case dockets within a period of 20 (twenty) Business Days. This shall include copies of the court docket and contact details of the investigating officers. In addition, the Service Provider shall be required to testify on behalf of Transnet Freight Rail as and when notified of such circumstances, which obligation shall survive the termination of the Agreement to be concluded between Transnet Freight Rail and the appointed Service Provider.
- 3.6.12. Recovered property must be placed in safe custody by the Service Provider on detection, until Transnet Freight Rail is informed and takes possession of recovered property. Transnet Freight Rail will arrange for disposal as per the Transnet Freight Rail "Exhibit and Recovery" process in alignment with Transnet Freight Rail Supply Chain Services.
- 3.6.13. Special Projects and Effects Based Operations must, where possible, be conducted jointly with the support of Transnet Freight Rail Security with all project and operational files handed to Transnet Freight Rail on completion of the project within a period of 20 (twenty) Business Days or on request.

4 GENERAL INFORMATION

- 4.1** The Service Provider(s) shall be fully responsible to Transnet Freight Rail for the acts and omissions of persons directly or indirectly employed by them.
- 4.2** The Service Provider(s) must provide the information requested and comply with the requirements stated in this RFP.

5 EXCHANGE AND REMITTANCE

The attention of the Respondents is directed to clause 8 [*Exchange and Remittance*] of the General Bid Conditions appended hereto. The Respondent is also to note that the particulars of the exchange rate on which the Respondent has based its tendered price(s), is/are to be stipulated hereunder, *only if Transnet is requested by the Respondent to effect payment overseas direct to the Respondent's principal or Service Provider, which is not a registered South African Company.*

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

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

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

5.4 Beneficiary details:

Name [Account holder] _____

Bank [Name and branch code] _____

Swift code _____

Country _____

5.5 _____ [Applicable base date of Exchange Rate used]

EXPORT CREDIT AGENCY SUPPORTED FINANCE:

In order to finance its payment obligations under a future contract where foreign transactions are involved, Transnet would consider raising debt financing [an "**ECA Facility**"] from one or more banks and financial institutions, with the benefit of export credit agency [**ECA**] credit support to be provided by an Export Credit Agency.

Under such circumstances the successful Respondent will agree to undertake:

- a) to provide (and/or cause the Parent to provide, as applicable) to Transnet and the banks and financial institutions that may participate in the ECA Facility all such assistance as an importer of services, which are eligible for ECA credit supported finance by an Export Credit Agency, is generally required to provide for the purposes of obtaining ECA support;
- b) not to do or (as Service Provider of the relevant eligible Services) omit to do anything, which may adversely affect Transnet's prospects of qualifying for or, once obtained, maintaining ECA credit support by an Export Credit Agency in respect of an ECA Facility.

All cost, expenses, charges and liabilities incurred by Transnet in establishing an ECA Facility with credit support from an Export Credit Agency, would be for the account of Transnet.

6 SERVICE LEVELS

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

6.2 Transnet Freight Rail will have monthly reviews with the Service Provider's account representative and / or company director or managing member on an on-going basis.

6.3 Transnet Freight Rail reserves the right to request that any member of the Service Provider's team involved on the Transnet Freight Rail account be replaced if deemed not to be adding value for Transnet Freight Rail.

6.4 The primary contract deliverable is based on a reduction of at least **thirty percent (30%)** in the year on year high crime incidents including but not limited to:-

- (a) Copper based infrastructure theft (e.g. copper based transmission cables);
- (b) Perway infrastructure theft (e.g. sleepers, rail clips, rails)
- (c) Rolling stock component theft
- (d) Theft of goods in transit

6.5 The Service Provider must provide a telephone number for customer service calls.

6.6 Failure of the Service Provider 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 Service Provider.

Acceptance of Contract Deliverables:

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

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

7 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 Service Provider, in relation to:

7.1 Quality of Services provided:

7.2 Continuity of Services [refer clause 6.9 of Form ST&C]:

7.3 Compliance with the Occupational Health and Safety Act, 85 of 1993 [refer clause 8.1(f) of Form ST&C]:

“PREVIEW COPY ONLY”

8 REFERENCES

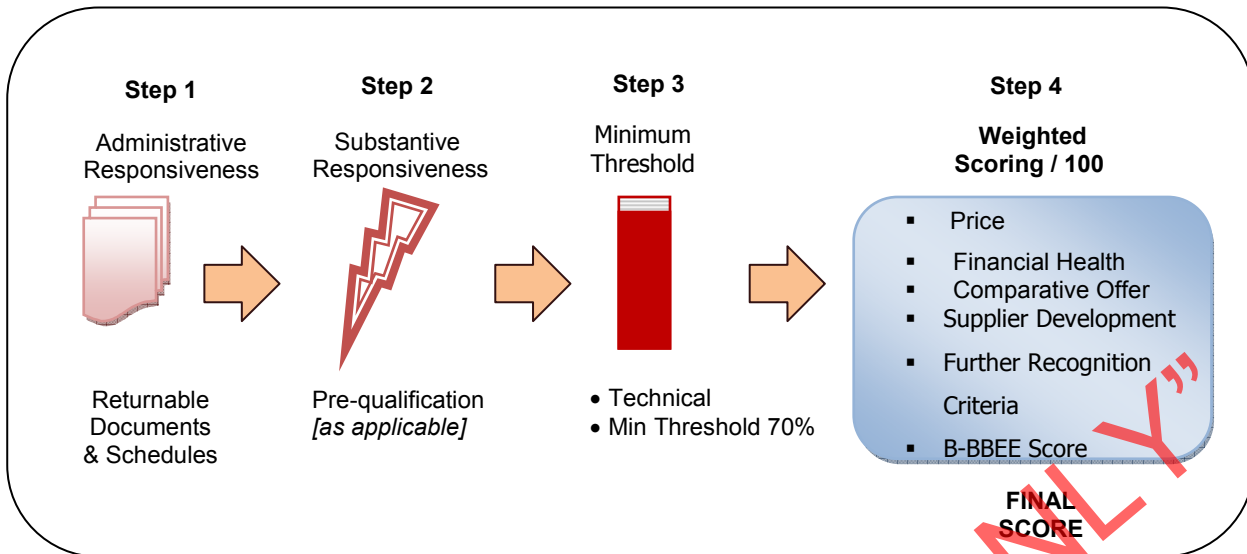
Please indicate below the company names and contact details of existing customers whom Transnet may contact to seek third party evaluations of your current service levels:

NAME OF COMPANY	DESCRIPTION OF SERVICE	PERIOD	CONTACT PERSON	TELEPHONE	VALUE OF CONTRACT

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9 EVALUATION METHODOLOGY AND CRITERIA

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



9.1 STEP ONE: Test for Administrative Responsiveness

The test for administrative responsiveness will include the following:

EVALUATION CRITERIA	RFP REFERENCE
• whether the bid has been lodged on time	<i>Section 1 paragraph 3</i>
• whether all returnable documents and/or schedules [where applicable] were completed and returned by the closing date and time	<i>Section 4</i>
• whether the bid documentation has been duly signed by the Respondent.	<i>Section 1 paragraph 7.1</i>

The test for administrative responsiveness [Step One] must be passed for a Respondent's proposal to progress to Step Two for further evaluation.

9.2 STEP TWO: Test for Substantive Responsiveness to RFP

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

EVALUATION CRITERIA	RFP REFERENCE
• whether any pre-qualification criteria set by Transnet, have been met	<i>Section 1 paragraphs 2.2, Section 4 – validity period & returnable documents and schedules Section 8, General Bid Conditions clause 20 Section 10</i>
• whether the bid contains a priced offer	<i>Section 3</i>
• whether the bid materially complies with the scope and/or specification given	<i>Section 2</i>

<ul style="list-style-type: none"> whether all material terms and conditions stated in the bid document have been met 	<i>All Sections</i>
--	---------------------

The test for substantive responsiveness [Step Two] must be passed for a Respondent's proposal to progress to Step Three for further evaluation.

9.3. STEP THREE: Test Minimum Threshold for Technical Criteria

9.3.1. Technical Criteria:

EVALUATION CRITERIA	RFP REFERENCE
<ul style="list-style-type: none"> Acceptance of contract deliverables 	<i>Section 2, paragraph 6</i>
<ul style="list-style-type: none"> Control measures to mitigate Transnet's risk exposure 	<i>Section 2, paragraph 7</i>
<ul style="list-style-type: none"> The submission of a 10-15 page Technical Project Plan inclusive of but not limited to the strategy, operational plans and activities that the bidder will undertake to execute the contract deliverables. The Technical Project Plan must include but need not be limited to detail of: <ul style="list-style-type: none"> Crime (Syndicate) Profiling and Trend Analysis tools to be utilized; Specialised forensic investigation technology; Crime Incident Analysis tools to be utilized; Evidence of case handling and testifying in court (i.e. case handling) – Provide modus operandi and evidence of successful results; Sustainable cost benefits, Valued Added Services and / or Innovation; The expected crime reduction percentage that TFR can expect over a specific period of time; Current operational offices; and The availability and operational application of a data link that will grant Transnet Freight Rail access to the Respondents master server in order for Transnet to access and retrieve data pertaining to Transnet for further data analysis, dissemination and decision making. 	<i>Section 2 [Scope of Requirements]</i>
<ul style="list-style-type: none"> The submission of a schedule of Specialised in-field information gathering and effects based operations equipment that the Respondent proposes to utilise in executing the project, including, but not limited to; <ul style="list-style-type: none"> Type and quantity of vehicles; Type and quantity of surveillance equipment (day and night use); Communication systems; Command and Control centre(s) and Any additional value adding equipment / services 	<i>Section 2 [Scope of Requirements]</i>
<ul style="list-style-type: none"> Resource capacity in amongst others the following categories <ul style="list-style-type: none"> Human Resources department Risk Management Resources department Information Technology Resources department Administration Resources department Legal Resources department 	<i>Section 2 [Scope of Requirements]</i>

<ul style="list-style-type: none"> • Indicate the organisational structure of the Respondent • Indicate the personnel strength (CVs) of key human resources to be dedicated to the project (i.e. qualifications, years on experience, projects successfully completed, etc.) 	
<ul style="list-style-type: none"> • Verifiable trade references – <ul style="list-style-type: none"> ○ Details of Period of the contract ○ Details of Value of the contract 	<i>Section 2, paragraph 8</i>
<ul style="list-style-type: none"> • Verifiable accreditation with law enforcement agencies (Evidence of established law enforcement collaboration or partnership relationships - locally and internationally) – provide an extensive list and proof of such associations. 	<i>Section 2 [Scope of Requirements]</i>

Transnet Freight Rail reserves the right to conduct a physical audit of the resources indicated in the Technical Project Plan / Method Statement of the shortlisted Respondents who have met the minimum threshold of 70%, should such an audit be deemed necessary. Failure of the physical audit will result in the Tenderer being disqualified.

The minimum threshold of 70% for the technical evaluation criteria must be met in order for the Respondent to move to the Final Evaluation stage (Stage Four).

9.4. STEP FOUR: COMMERCIAL OFFER; BBBEE & SUPPLIER DEVELOPMENT

9.4.1. Commercial Criteria:

EVALUATION CRITERIA	RFP REFERENCE
<ul style="list-style-type: none"> • Unit Price Competitiveness for minimum requirements • Cumulative Total Monthly Comparative Offer • Financial Health <ul style="list-style-type: none"> ○ Transnet Freight Rail will further test the financial health on the Tenderers in order to ascertain financial capacity to execute the contract deliverables ○ The assessment will be based on the submission of the Respondent’s Audited Financial Statements for the past three financial years. ○ The elements to be evaluated by Transnet will include: <ul style="list-style-type: none"> ▪ Gearing & Profitability ▪ Annual Turnover in relation to Contract Budget ▪ Liquidity 	<i>Section 3</i>

9.4.2. Broad-Based Black Economic Empowerment criteria**B-BBEE Scorecard:**

EVALUATION CRITERION	RFP REFERENCE
<ul style="list-style-type: none"> Current status evaluated according the B-BBEE Accreditation scorecard 	<i>Section 1, paragraph 5 & Preferential Points Claim Form</i>

- **B-BBEE - current scorecard** [*Refer paragraph 17.4(a)(i) above*]
- **Further Recognition Criteria – future targets** [*Refer paragraph 17.4(a)(ii) above*]

9.4. Supplier Development Criteria [*Refer paragraph 17, plus Annexure B & C*]

- The submission of an enterprise development plan which has as its aim the creation and preservation of employment, skills development, and small business promotion within the specialized field of information gathering, investigations and effects based operations. In conjunction with this Enterprise Development plan, complete the Supplier / Enterprise Development Questionnaire marked Annexure C1.
- The Enterprise Development plan should be specific in detailing how these ED objectives will be accomplished.

9.3 SUMMARY: Evaluation Thresholds and Weightings

EVALUATION CRITERIA	MINIMUM THRESHOLD [%]
Technical / Functionality	70%

EVALUATION CRITERIA	FINAL WEIGHTED SCORES
Commercial Criteria <ul style="list-style-type: none"> • Monthly Unit Price Competitiveness • Financial Health • Cumulative Total Monthly Comparative Offer 	<ul style="list-style-type: none"> • 70% <ul style="list-style-type: none"> (35%) (15%) (50%)
B-BBEE - Scorecard	<ul style="list-style-type: none"> • 10%
Supplier Development Initiatives	<ul style="list-style-type: none"> • 10%
Further Recognition Criteria	<ul style="list-style-type: none"> • 10%
TOTAL SCORE:	100

Note: Transnet reserves the right to conduct post-tender negotiations with the preferred Respondent(s)

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Section 3 : PRICING AND DELIVERY SCHEDULE

The Commercial Offer should contain:

- Detailed and auditable monthly project costs
- Project costs are to be accompanied by the resource quantities, the resource description and (job) functions proposed in order to meet the project deliverables.
- The costing must be specified in terms of whether it is a fixed or variable cost. If variable costs are indicated an explanation of the variable nature of the costs must accompany the pricing proposal.
- As Transnet Freight Rail is seeking an outcomes based solution it will not rigidly prescribe the type and quantity of resources to be deployed. However, in order to be able to compare the commercial proposals, Tenderers can include, but need not be limited to the following resources:
 - Project Director
 - Project Managers;
 - Investigators
 - Information Gatherers
 - (i) Field Workers
 -
 - Operational equipment
 - (i) - Firearms
 - (ii) - Standard Binoculars
 - (iii) - Thermal Imaging Night Vision Video Cameras
 - (iv) - Standard Digital Video Cameras
 - (v) - Cell phones
 - (vi) - Trunk Radio Base Station
 - (vii) - Portable Trunk Radios
 - Travel Costs / km (Please specify per kilometer rate only)
 - Other (Specify detail)
- The monthly pricing proposal is to be completed in the format provided for in **Annexure E**. The completed pricing proposal must be signed by the Respondent's delegated representative and be dated and stamped.

Notes to Pricing:

- a) All Prices must be quoted in South African Rand, exclusive of VAT
- b) Prices quoted must be held valid for a period of 90 [ninety] days
- c) Currency rate of exchange utilised : _____
- d) Respondents are to indicate whether prices quoted would be subject to adjustment after a period of 12 months, and if so which proposed adjustment factor(s) would be utilised.

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Section 4 : PROPOSAL FORM

I/We _____

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

of *[full address]*

carrying on business under style or title of *[trading 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 Services 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) Standard Terms and Conditions of Contract [Form ST&C – Services];
- (ii) General Bid Conditions – Services; 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, 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 Services 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.

Respondent's Signature

Date & Company Stamp

I/We accept that any contract resulting from this offer will be for a period of **TWO (2) Years** only; and agree to a penalty clause to be negotiated with Transnet, which will allow Transnet to invoke a penalty [details to be negotiated] against us should the delivery of the Services be delayed due to non-performance by ourselves.

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 Service Provider**] will be informed of the acceptance of its Proposal. Unsuccessful Respondents will be advised in writing of the name of the successful Service Provider 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)

CONFIDENTIALITY

All information related to a subsequent contract, both during and after completion, is to be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Services, 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 here whether Transnet may disclose their tendered prices and conditions to other Respondents:

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

PRICE REVIEW

The successful Respondent(s) 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 Respondent's price(s) is/are found to be higher than the benchmarked price(s), then the Respondent 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 AND SCHEDULES

Respondents are required to submit the following returnable documents and schedules with their responses [see √]. In the second column indicate the Respondent's responsiveness with a [Y] or non-responsiveness with a [N]. All Sections, as indicated in the footer of each page, must be signed, stamped and dated by the Respondent:

SECTION 1 : Notice to Bidders	√	
- ANNEXURE A : B-BBEE Preference Points Claim Form	√	
SECTION 2 : Background, Overview and Scope of Requirements	√	
SECTION 3 : Pricing & Delivery Schedule	√	
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	√	
- Original Tax Clearance Certificate	√	
- Certified copy of VAT Registration Certificate	√	
- Certified copy of Company Registration Certificate	√	
- Valid B-BBEE Accreditation Certificate [Large Enterprises and QSEs]	√	
- Annual financials signed off by an accounting officer [EMEs]	√	

- Audited Financials for previous 3 years	√	
SECTION 6 : Signing Power - Resolution of Board of Directors	√	
SECTION 7 : Certificate of Acquaintance with RFP Documents	√	
SECTION 8 : General Bid Conditions – Services	√	
SECTION 9 : Standard Terms and Conditions of Contract	√	
SECTION 10 : RFP Declaration Form	√	
SECTION 11 : Breach of Law	√	
SECTION 12 : Bid Clarification Request Form	√	
SECTION 13 : Supplier Code of Conduct	√	
SECTION 14 : Certificate of attendance of RFP Briefing	√	
SECTION 15 : Non-Disclosure Agreement	√	
SECTION 16 : Further Recognition Criteria	√	
SECTION 17 : Supplier Development Initiatives	√	
- A Narrative Supplier Development Proposal Strategy Document	√	
- Annexure C : Supplier Development Value Summary	√	
Other required returnable documents	√	
- Company / Close Corporation Structure / Organogram	√	
- Company / Close Corporation Profile	√	
- PSIRA Registration documents of all Company Directors or CC members, indicating at least Grade B qualification	√	
- Criminal record clearance certificates for all company directors or CC members	√	
- Letter of Good Standing from PSIRA	√	
- Letter of Good Standing from the Private Security Industry Provident Fund	√	
- SAPS Central Firearm Registry (CFR) Code of Body	√	
- SAPS CFR list of company / CC firearms	√	
- Letter of Good Standing from the Compensation Fund (COID)	√	
Public Liability Insurance Policy & an original letter from the Insurer indicating the validity of the policy and the value of the cover.	√	
A detailed technical project plan or method statement detailing how the Respondent plans to execute the contract assignment.	√	
- Risk Register associated with the services to be rendered and accompanying risk mitigation measures	√	
- Respondent's Business Continuity Plan	√	
- Respondent's Quality Management Plan	√	
- Respondent's Environmental Management Plan	√	

Failure to provide all the above-referenced returnable documents may result in a Respondent’s disqualification. Bidders are therefore urged to ensure that all these documents are returned with their Proposals.

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 B-BBEE Accreditation 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 Freight Rail with such renewals as and when they become due, Transnet Freight Rail shall be entitled, in addition to any other rights and remedies that it may have in terms of the eventual Agreement, to terminate the Agreement forthwith without any liability and without prejudice to any claims which Transnet Freight Rail may have for damages against the Respondent.

By signing the 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 Freight Rail 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 _____ 2012

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name

2 _____

Name

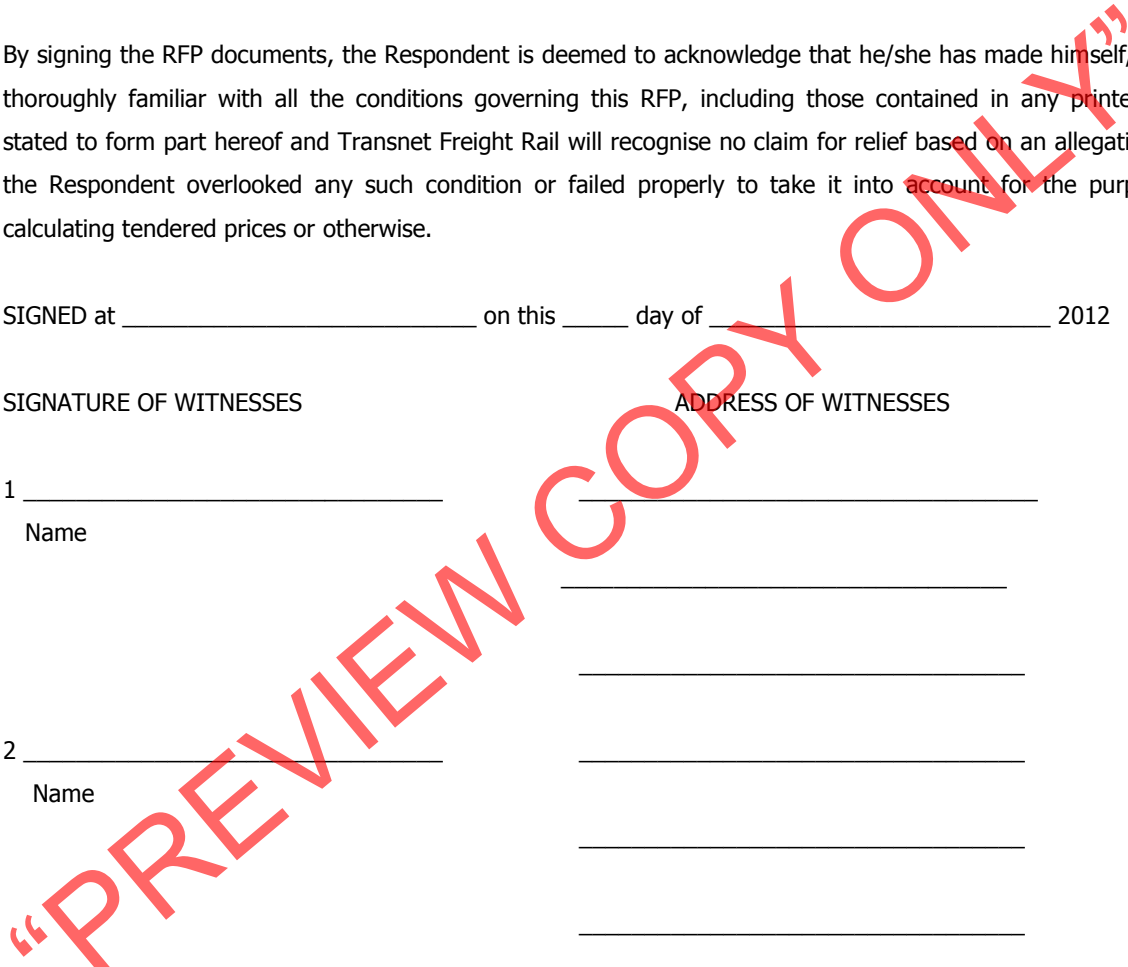
SIGNATURE OF RESPONDENT’S AUTHORISED REPRESENTATIVE:

NAME: _____

DESIGNATION: _____

Respondent’s Signature

Date & Company Stamp



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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. A letter on the entity’s letterhead confirm physical and postal addresses
6. **Original** valid SARS Tax Clearance Certificate and **certified copy** of VAT Registration Certificate
7. A signed letter from your auditor or accountant confirming most recent annual turnover figures

Note: No contract shall be awarded to any 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 [√]	<input checked="" type="checkbox"/> CC	<input type="checkbox"/> Trust	<input type="checkbox"/> Pty Ltd	<input type="checkbox"/> Limited	<input type="checkbox"/> Partnership	<input type="checkbox"/> 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		
Postal address						

Respondent’s Signature _____

Date & Company Stamp _____

		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 Proposals and/or Agreements for the supply of Services.

FULL NAME _____

SIGNATURE CHAIRMAN

FULL NAME _____

SIGNATURE SECRETARY



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Section 7 : CERTIFICATE OF ACQUAINTANCE WITH RFP DOCUMENTS

NAME OF ENTITY:

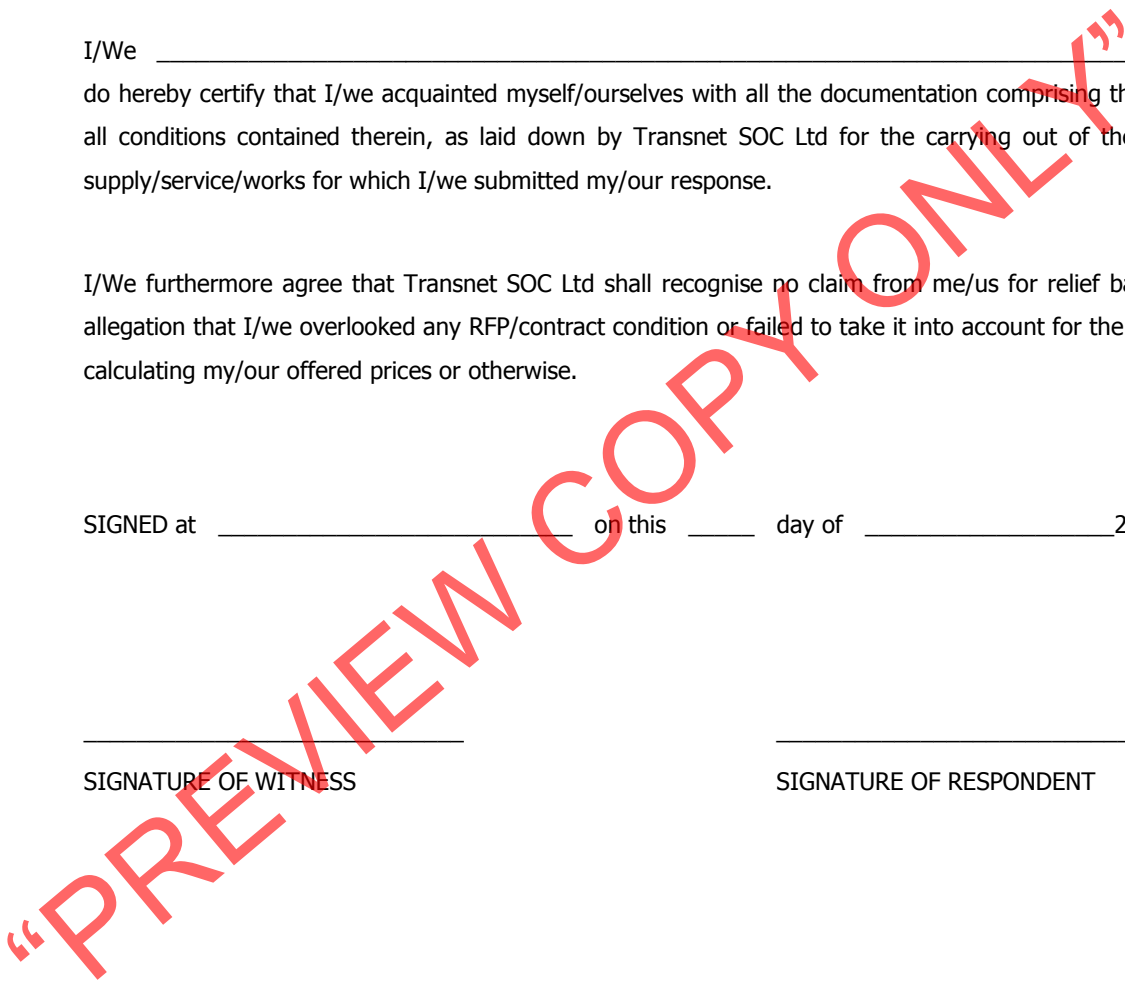
I/We _____
do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising this RFP and all conditions contained therein, as laid down by Transnet SOC Ltd for the carrying out of the proposed supply/service/works for which I/we submitted my/our response.

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.

SIGNED at _____ on this _____ day of _____ 2012

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT



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Section 8 : GENERAL BID CONDITIONS - SERVICES

Refer General Bid Conditions appended hereto

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**Section 9 : STANDARD TERMS AND CONDITIONS OF CONTRACT
FOR THE PROVISION OF SERVICES TO TRANSNET**

Refer Form ST&C appended hereto.

Respondents should note the obligations as set out in
clause 20 [*Terms and Conditions of Bid*]
of the General Bid Conditions [RFP Section 8] which reads as follows:

"The Service Provider shall adhere to the Standard Terms and Conditions of Contract as set out in Form ST&C – Services, a copy of which is attached hereto. Should the Respondent find any conditions unacceptable, it should indicate which conditions are unacceptable and offer alternatives. 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 bid 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.

If such a relationship exists, Respondent is to complete the following section:

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 may lead to the disqualification of a response and may preclude a Respondent from doing future business with Transnet]

6. 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.
7. 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].*
8. 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 _____ 2012

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

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 _____ 20__

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

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Section 12: BID CLARIFICATION REQUEST FORM

RFP No: CRAC VAR 7222

RFP deadline for questions / bid clarifications: **Before 12:00 on 18 July 2012**

TO: Transnet SOC Ltd
ATTENTION: The RFP Administrator, Transnet Freight Rail
EMAIL: Goodhope.Kunene@transnet.net or Sherwin.thomas@transnet.net
DATE: _____
FROM: _____

RFP Bid Clarification No [to be inserted by Transnet]

REQUEST FOR BID CLARIFICATION

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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/or 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 Procurement Procedures Manual [**PPM**];
- Section 217 of the Constitution - the five pillars of Public PSCM [Procurement and Supply Chain Management]: fair, equitable, transparent, competitive and cost effective;
- The Public Finance Management Act [**PFMA**];
- 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 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.

1. 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 with 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 times when a Supplier is confronted with fraudulent or corrupt behaviour of Transnet employees. We expect our Suppliers to use our "Tip-offs Anonymous" Hot line to report these acts [0800 003 056].

2. *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].

3. *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.

- Doing business with family members
- Having a financial interest in another company in our industry

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Section 14: CERTIFICATE OF ATTENDANCE AT THE RFP BRIEFING

It is hereby certified that –

1. _____

2. _____

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

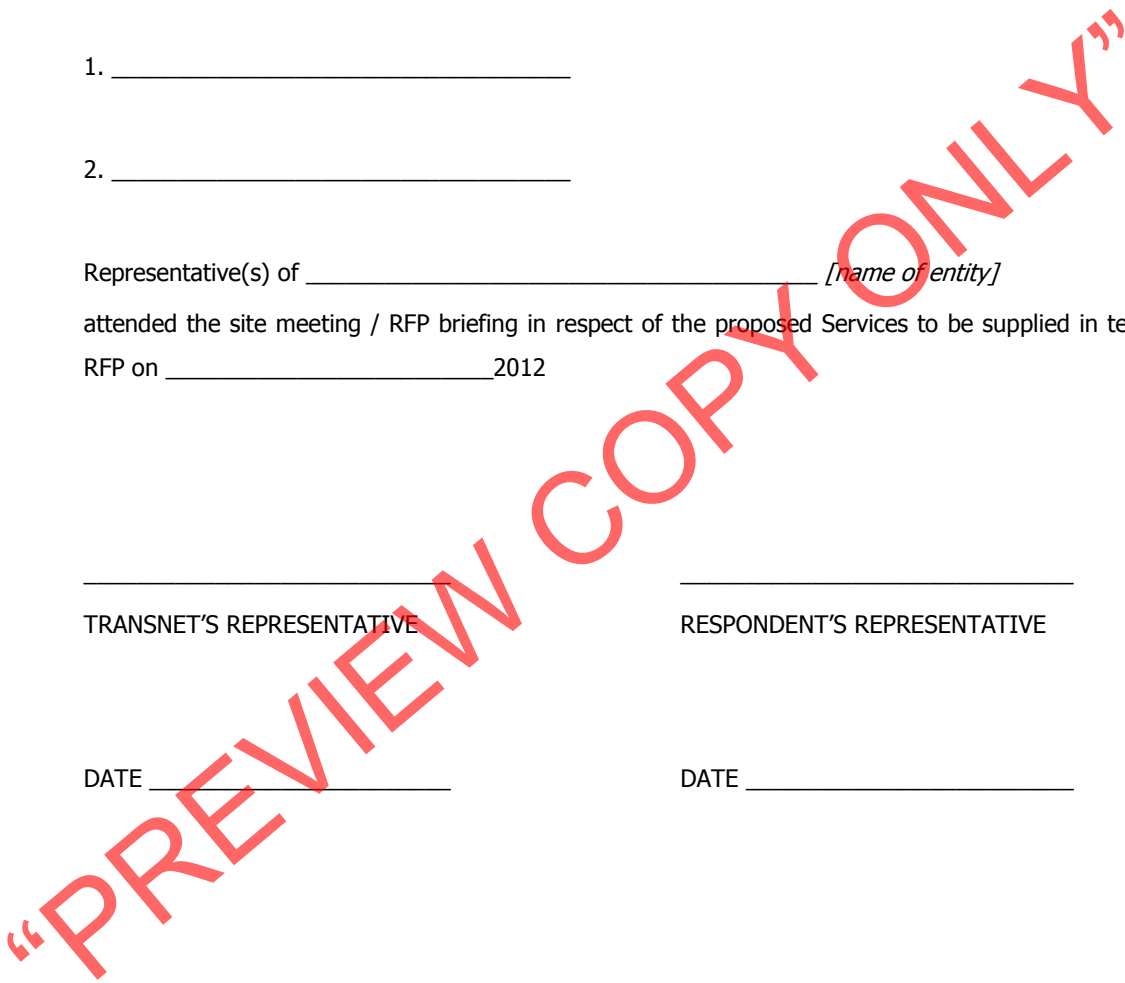
attended the site meeting / RFP briefing in respect of the proposed Services to be supplied in terms of this RFP on _____ 2012

TRANSNET'S REPRESENTATIVE

RESPONDENT'S REPRESENTATIVE

DATE _____

DATE _____



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Section 15: NON-DISCLOSURE AGREEMENT [NDA]

Complete and sign the Non-Disclosure Agreement appended hereto

“PREVIEW COPY ONLY”

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Section 16: FURTHER RECOGNITION CRITERIA [FRC]

Transnet encourages its suppliers to constantly strive to improve their B-BBEE rating. Whereas Respondents will be allocated points in terms of a preference point system based on its B-BBEE scorecard to be assessed as detailed in Section 1, paragraph 5.1, in addition to such scoring, a further 10% [ten per cent] will be allocated to Respondents score based on the following "Further Recognition Criteria" on an ascending scale. This will be calculated based on the extent to which the Respondent commits to meet and/or exceed the minimum compliance targets with its proposed target score to be achieved during the contract period.

Respondents are to insert their Further Recognition Criteria current and target % scores in the table below. This will indicate how you would intend to improve your rating over the contract period:

Further Recognition Criteria				
Ownership Indicator	Required Responses	Compliance Target	Current Scores (%)	RFP Target Scores (%)
A Ownership :				
1. The percentage of the business owned by Black ¹ persons.	<i>Provide a commitment based on the extent to which ownership in the hands of Black persons as a percentage of total ownership of the organisation will be increased over the contract period.</i>	Points will be allocated for any score >50% to 100%, on a sliding scale		
2. The percentage of your business owned by Black women.	<i>Provide a commitment based on the extent to which ownership in the hands of black women as a percentage of total ownership of the organisation will be increased over the contract period.</i>	Points will be allocated for any score >30% to 100%, on a sliding scale		
Management Control Indicator	Required Responses	Compliance Target	Current Scores (%)	RFP Target Scores (%)
B Management :				
1. The percentage of Black Senior Top Management involved in day to day management of the organisation, in relation to the total Top Management cadre.	<i>Provide the percentage of Blacks that will be appointed by the Board and will be operationally involved in the day to day Top management of the business, with individual responsibility for overall and/or financial management of the business and actively involved in the development and implementation of overall strategy, over the contract period.</i>	Points will be allocated for any score >40% to 100%, on a sliding scale		

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

<p>2. The percentage of Black Middle Management involved in day to day management of the organisation, in relation to the total Middle Management cadre.</p>	<p><i>Provide the percentage of Blacks that will be appointed by the organisation in the middle management cadre and will be operationally involved in the day to day management of the business, with individual responsibility for a particular area within the business and actively involved in the day to day management of the organisation, over the contract period.</i></p>	<p>Points will be allocated for any score >63% to 100%, on a sliding scale</p>		
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“PREVIEW COPY ONLY”

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Section 17: 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/or 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 Black² 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

² "Black" means South African Blacks, Coloureds and Indians, as defined in the B-BBEE Act, 53 of 2003

termed the Increased Competitiveness, Capability and Capacity Supplier Development 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 *strategic*, involving high commercial leverage and high value. Transnet’s expectation is that a minimum SD target of 10% [ten per cent] of the Respondent’s tendered value is offered as part of its SD initiatives to be submitted [the SD Bid Document].

Accordingly, Transnet requests all Respondents to 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.

- b) 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 Annexure B.
- c) The following Supplier Development [SD] focus areas have been identified and are included in the prescribed evaluation criteria, namely:

Category	Description
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
Small Business Promotion	Encouragement for growth and the expansion of emerging local firms, through procurement and support mechanisms
<i>Green economy / carbon footprint: The potential reduction of the economy’s carbon intensity [i.e. creation of a greener economy] should be regarded as a key priority within all the above SD Categories and for all proposed SD initiatives</i>	

- d) The **Supplier Development Bid Document** is to be submitted as a separate document, developed in line with the criteria set out in Annexure C [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 Appendix C.** 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 C must also 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 C] 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 C have been derived.
- (iv) Respondents are required to provide an electronic copy [CD] of the completed Annexure C 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 Service Provider 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 Service Provider 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 Service Provider will need to ensure that the relevant mechanisms and procedures are in place to allow for access to information to measure and verify the Service Provider's compliance with its stated SD commitments.
- d) The Service Provider 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 Service Provider in order to measure its progress against its stated targets will be auditable.
- f) The Service Provider 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 Service Provider 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 Service Provider. 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, which shall equate to the monetary value of any such SD initiative which the Service Provider fails to deliver, 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 C], 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 – Annexure B**

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

- **SD Value Summary – Annexure C**

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

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.