



TRANSNET FREIGHT RAIL

an Operating Division of **TRANSNET SOC LTD**

[Registration No. 1990/000900/30]

## **REQUEST FOR PROPOSAL [RFP]**

**FOR THE SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR  
FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS NATIONALLY**

**RFP NUMBER: HOAC-HO-8788**  
**ISSUE DATE: 27 JUNE 2012**  
**CLOSING DATE: 07 AUGUST 2012**  
**CLOSING TIME: 10:00**  
**BID VALIDITY PERIOD: 30 NOVEMBER 2012**

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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
QSE	Qualifying Small Enterprise
RFP	Request for Proposal
SD	Supplier Development
SME	Small Medium Enterprise
SOC	State Owned Company
ST&C	Standard Terms and Conditions
TFRAC	Transnet Freight Rail Acquisition Council
TCO	Total Cost of Ownership
VAT	Value-Added Tax
ZAR	South African Rand

## **SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

### **Section 1: NOTICE TO BIDDERS**

#### **1 PROPOSAL REQUEST**

Responses to this RFP [hereinafter referred to as a **Proposal**] 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 **27 June 2012**, the RFP documents may be inspected at, and are obtainable from the office of the Secretariat, Inyanda No 1, Ground Floor, 21 Wellington Road, Parktown, Johannesburg, on payment of an amount of **R1000.00** (inclusive of VAT) per set. Payment is to be made as follows:

Bank:	Standard Bank
Account Number:	00 237 3963
Branch:	Braamfontein
Branch code:	004805
Account Name:	Transnet Limited Head Office
Reference:	HOAC-HO-8788

#### NOTES –

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

RFP documents will only be available until **17 July 2012**.

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

#### **2 FORMAL BRIEFING**

**A Compulsory RFP briefing** will be conducted at **15 Girton Road, Parktown, Johannesburg, Umjantshi A Boardroom** on the **18 July 2012 at 10 am**, at for a period of ± 2hrshours. [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 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 am and information will not be repeated for the benefit of Respondents arriving late.

### 3 PROPOSAL SUBMISSION

Proposals **in duplicate plus 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: **HOAC-HO-8788**  
 Description **SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS**  
 Closing date and time: **07 AUGUST 2012**  
 Closing address *[Refer options in paragraph 4 below]*

### 4 DELIVERY INSTRUCTIONS FOR RFP

#### 4.1 Delivery by hand

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

The measurements of the "tender slot" are 400mm 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.

a) It should also be noted that the above tender box is located inside the main entrance in 21 Wellington Road to the public 24 hours a day, 7 days a week.

#### 4.3 Dispatch by courier

If dispatched 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 CHAIRPERSON  
 TRANSNET FREIGHT RAIL  
 ACQUISITION COUNCIL  
 GROUND FLOOR  
 21 WELLINGTON ROAD  
 PARKTOWN**

4.4 Please note that this RFP closes punctually at 10:00 on Tuesday, 07 AUGUST 2012TH.

4.5 If responses are not delivered as stipulated herein, such responses will not be considered and will be treated as "UNRESPONSIVE."

- 4.6 No email or facsimile responses will be considered, unless otherwise stated herein.
- 4.7 The responses to this RFP will be opened as soon as practicable after the expiry of the time advertised for receiving them.
- 4.8 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.
- 4.9 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.
- 4.10 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 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 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 suppliers 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 appended hereto as Annexure A.

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 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 paragraph 5.1 above, in addition to such scoring, a further **5% [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 17 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 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 18 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 20 July 2012, substantially in the form set out in Section 12 hereto.
- 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 at telephone number 011 584 9486 or facsimile number 011-774-9760 on any matter relating to its RFP Proposal
- 6.3 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 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 **Supplier**] 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 would prefer not to do business with any agents [“middlemen”] who do not add significant value to the supply chain. In such instances Transnet will endeavour to contract directly with the overseas and / or local OEMs [Original Equipment Manufacturers].
- 9.5 Transnet may wish to visit the Respondent’s place of manufacture/workshop/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. 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 Goods 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 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.

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**

## **SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

### **Section 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS**

#### **1 BACKGROUND**

This document presents the required system configuration for an Outward-Facing Locomotive Digital Video Recorder (LDVR) System, together with the functional requirements, and the specifications and standards that the system has to conform to.

#### **2 EXECUTIVE OVERVIEW**

Most Transnet Operating Divisions currently procure their Audio Visual equipment requirements through a number of service providers. Our objective is to source all activity through a Preferred Supplier(s) capable of servicing all Transnet Operating Divisions in locations around the country.

Transnet is seeking a partner(s) to provide solutions for its Outward-Facing Locomotive Digital Video Recorder (LDVR) Systems 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**

The functionality of the Locomotive Digital Video Recorder System should be capable of recording video data continuously from the train drivers perspective in the leading locomotive of the train. This recording should

be available for downloading for the purposes of investigations and improvement in train handling. Transnet Freight Rail requires the supply and delivery of all 1700 units within an eleven month period from date of notification of award.

**4 GENERAL INFORMATION**

- 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 provide the information requested and 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. transport charges, handling charges, etc.
- 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 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:

\_\_\_\_\_

\_\_\_\_\_

**6 MANUFACTURERS**

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

**6.1 LOCAL MANUFACTURER(S):**

RFP ITEM NUMBER	NAME	ADDRESS [IN FULL]
_____	_____	_____

6.2 FOREIGN MANUFACTURER(S):

RFP ITEM NUMBER	NAME	ADDRESS [IN FULL]
_____	_____	_____
_____	_____	_____

**7 INSPECTION DETAILS**

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

7.1 LOCAL MANUFACTURER(S):

RFP ITEM NO.	NAME	ADDRESS [IN FULL]

7.2 FOREIGN MANUFACTURER(S):

RFP ITEM NO.	NAME	ADDRESS [IN FULL]

**8 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.

**9 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 supplier, which is not a registered South African Company.*

9.1 ZAR 1.00 [South African currency] being equal to \_\_\_\_\_ [foreign currency]

9.2 \_\_\_\_\_ % in relation to tendered price(s) to be remitted overseas by Transnet

9.3 \_\_\_\_\_ *[Name of country to which payment is to be made]*

9.4 Beneficiary details:

Name *[Account holder]* \_\_\_\_\_

Bank *[Name and branch code]* \_\_\_\_\_

Swift code \_\_\_\_\_

Country \_\_\_\_\_

9.5 \_\_\_\_\_ *[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.

**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 Goods and 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 Supplier of the relevant eligible Goods or 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.

**10 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 forth in Section 15 *[Specifications and Drawings]* of this RFP, and shall thereby 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:**

<b>YES</b>	
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<b>NO</b>	
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**11 CONTINUOUS IMPROVEMENT INITIATIVES**

11.1 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 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:**

<b>YES</b>	
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<b>NO</b>	
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If “yes”, please specify details in paragraph 11.2 below.

11.2 Respondents must briefly describe their commitment to the 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.

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**12 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:

12.1 **Quality and specification of Goods delivered:**

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12.2 **Continuity of supply** *[refer clause 10.3 of Form ST&C]:*

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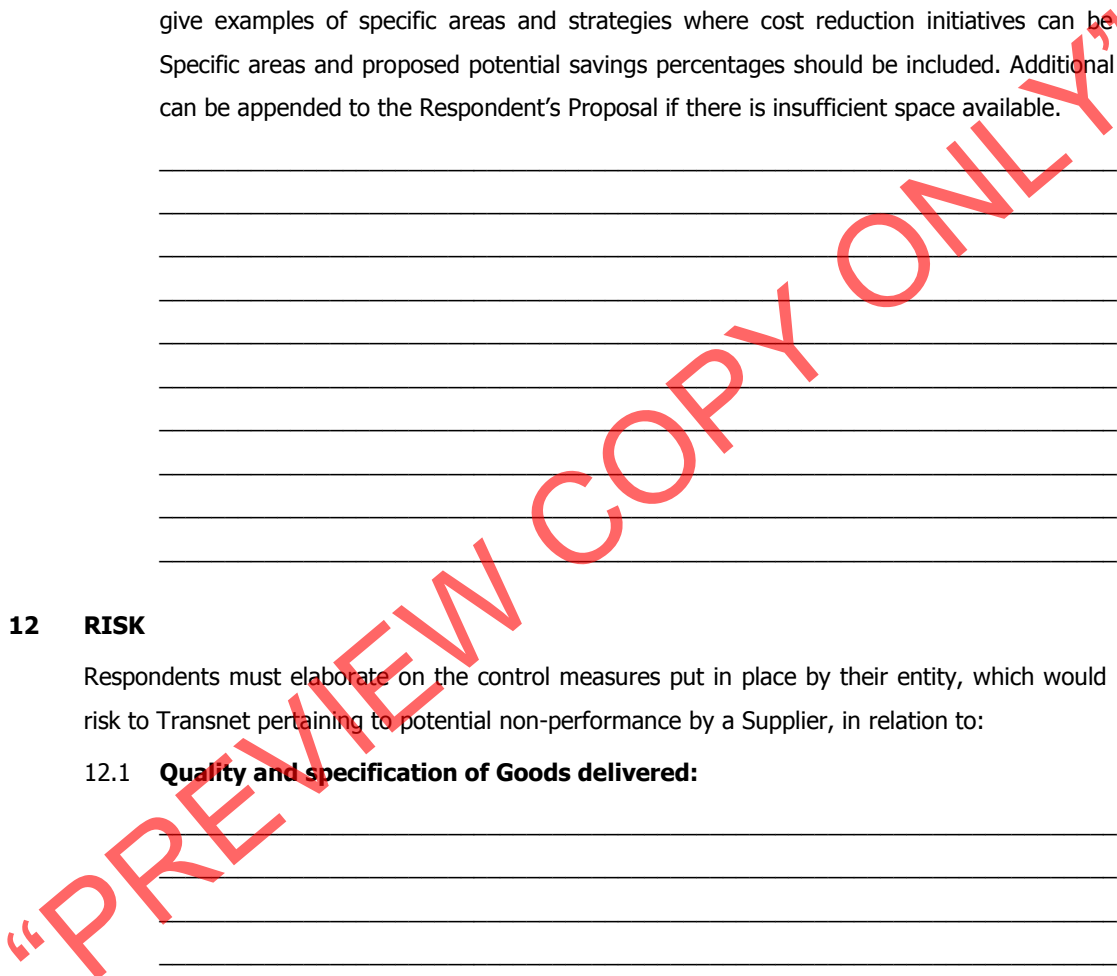
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12.3 **Compliance with the Occupational Health and Safety Act, 85 of 1993** *[refer clause 7.1(f) of Form ST&C]:*



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12.4 **Compliance with the National Railway Safety Regulator Act, 16 of 2002** [*refer paragraph 10 above*]:

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**13 REFERENCES**

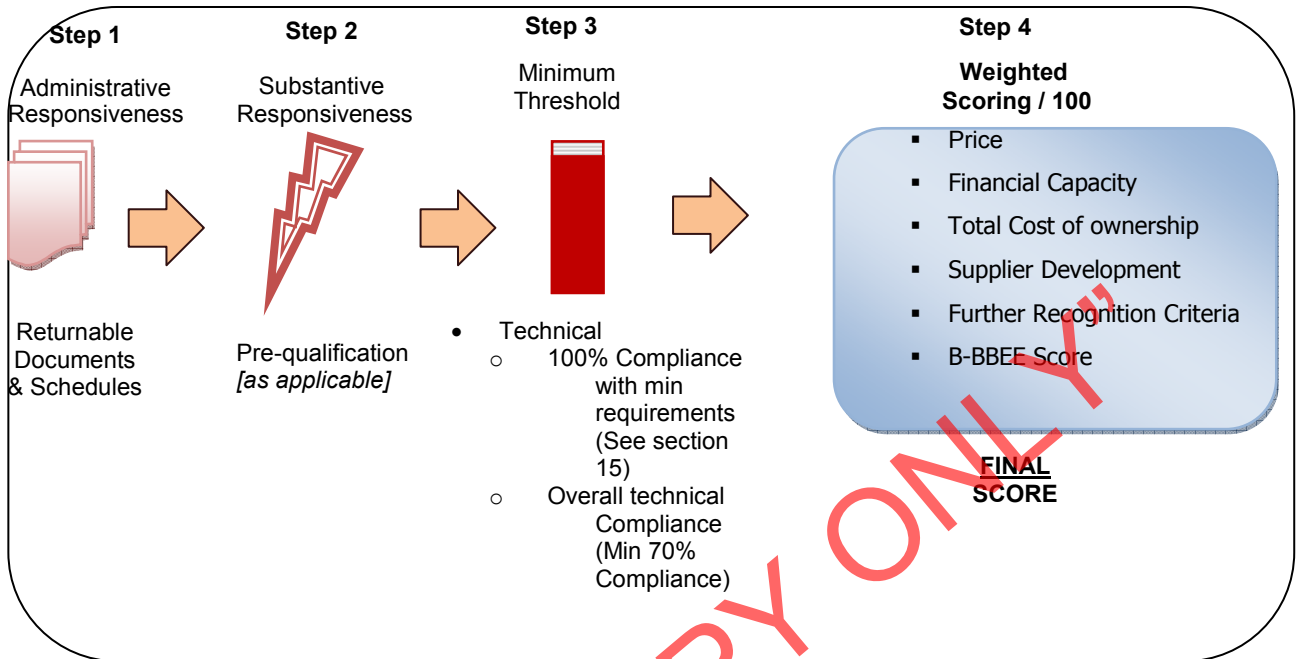
Please indicate below the company names and contact details of existing customers whom Transnet may contact to seek third party evaluations of your current service levels: Proof of technical capacity/work previously completed for Revenue generating railway with similar equipment

NAME OF COMPANY	CONTACT PERSON	TELEPHONE



**14 EVALUATION METHODOLOGY AND CRITERIA**

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



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

**14.1 STEP ONE: Test for Administrative Responsiveness**

The test for administrative responsiveness will include the following:

EVALUATION CRITERIA	RFP REFERENCE
<ul style="list-style-type: none"> <li>• whether the bid has been lodged on time</li> </ul>	<i>Section 1 paragraph 3</i>
<ul style="list-style-type: none"> <li>• whether all returnable documents and/or schedules [where applicable] were completed and returned by the closing date and time</li> </ul>	<i>Section 4</i>
<ul style="list-style-type: none"> <li>• whether the bid documentation has been duly signed by the Respondent.</li> </ul>	<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.***

**14.2 STEP TWO: Test for Substantive Responsiveness to RFP**

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

EVALUATION CRITERIA	RFP REFERENCE
<ul style="list-style-type: none"> <li>whether any pre-qualification criteria set by Transnet, have been met</li> </ul>	<i>Section 1 paragraphs 2.2, 6.1, 10.3</i> <i>Section 4 – validity period</i> <i>Section 8, General Bid Conditions clause 25</i> <i>Section 10</i>
<ul style="list-style-type: none"> <li>whether the bid contains a priced offer</li> </ul>	<i>Section 3</i>
<ul style="list-style-type: none"> <li>whether the bid materially complies with the scope and/or specification given</li> </ul>	<i>Section 2</i>
<ul style="list-style-type: none"> <li>whether all material terms and conditions stated in the bid document have been met</li> </ul>	<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.***

**14.3 STEP THREE: Test Minimum Threshold for Technical Criteria / Functional Requirements**

**Technical and Functional Criteria:**

EVALUATION CRITERIA	RFP REFERENCE
<ul style="list-style-type: none"> <li>Stage 1 - Technical Compliance to minimum requirements               <ul style="list-style-type: none"> <li>100% compliance required to move to stage 2 of technical evaluation</li> </ul> </li> </ul>	Section 15
<ul style="list-style-type: none"> <li>Stage 2               <ul style="list-style-type: none"> <li>Technical Compliance (40%) – Carried over from stage 1 of technical evaluation</li> <li>Risk &amp; Safety Plan</li> <li>Technical capacity &amp; resources</li> <li>Delivery lead times</li> <li>Warranty Period</li> </ul> </li> </ul>	

***The minimum threshold (70%) for Step Three evaluation criteria must be met or exceeded for a Respondent's proposal to progress to Step Four for final evaluation.***

**14.4 STEP FOUR: Final Weighted Scoring**

<b>EVALUATION CRITERIA</b>
<b>Commercial Criteria</b> <ul style="list-style-type: none"><li>• <b>Price Competitiveness</b></li><li>• <b>Financial Capacity</b></li><li>• <b>Total Cost of Ownership</b></li></ul>
<b>B-BBEE - Scorecard</b>
<b>Supplier Development Initiatives</b>
<b>Further Recognition Criteria</b>

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

“PREVIEW COPY ONLY”

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**Section 3: PRICING AND DELIVERY SCHEDULE**

**PRICING SCHEDULE:**

Item No	Description of Item	Quantity	Unit Price	TOTAL PRICE [ZAR]
1	Supply and Delivery of Digital Video Recorder System  Suppliers Proposal must include a breakdown as follows: (Camera, Microphone, Storage Module, Camera and Microphone interface cabling and Maintenance Manual)	1700		
2	Transport Cost : (Rate per Kilometre)			
<b>TOTAL PRICE, exclusive of VAT:</b>				

**Notes to Pricing:**

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

**DELIVERY SCHEDULE: Kindly indicate Operational Readiness to deliver the first batch of 155 complete units by completing the table below;**

Description of Item	Please tick appropriate column	Confirmatory signature to indicate delivery capacity
Supply of first camera equipment within 14 days		
Supply of first camera equipment within 1 month		
Supply of first camera equipment within 2 months		
Supply of first camera equipment within 3 months		
Supply of first camera equipment within 4 months		
Supply of first camera equipment beyond 4 months		

**Please provide a Delivery Schedule for the balance of the 1700 units required.**

**Below is a list of Depots where delivery of units will be required;**

CAMDEN, ERMELO, PHALABORWA, EMPANGENI, PYRAMIDSUID, WITBANK, KOMATIPOORT, NELSPRUIT, LYDENBURG, KRUGERSDORP, SPRINGS, COLIGNY, POLOKWANE, GERMISTON, CAPITAL PARK, SENTRAL RAND, JOHANNESBURG, WELGEDAG, NEWCASTLE, BEACONSFIELD, DURBANGOODS, UMBILO

**Note:** The number of units to be supplied per Depot per month will be confirmed at order placement based on TFR requirements

**Tenderers to note the following:**

- a) The LDVR system must be tried-and-tested in a revenue-generating railway operation for a period of at least six months.
- b) The contractor must be prepared to enter into an agreement with Transnet Rail Engineering for the fitment and future maintenance of the system.
- c) The contractor shall provide adequate training and transfer of skills to Transnet personnel, including the Trainers at the School of Engineering.
- d) The warranty period for each LDVR system begins once it is commissioned.
- e) The contractor shall be prepared to perform concurrent prototyping and simultaneous deployment of the system. Any changes/improvements shall not impact the further deployment of the system. All retrofits shall not impact contracted project timelines.
- f) The contractor shall have the capacity to equip locomotives simultaneously all over the country.
- g) All personnel shall demonstrate adequate qualifications for the implementation and support of the system.

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**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 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) Standard Terms and Conditions of Contract [Form ST&C – 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, 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 **12 months 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 Goods 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

\_\_\_\_\_  
Respondent's Signature

\_\_\_\_\_  
Date & Company Stamp

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 27 June 2012] 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 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 here whether Transnet may disclose their tendered prices and conditions to other Respondents:

<b>YES</b>		<b>NO</b>	
------------	--	-----------	--

### 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 √]. 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 – Goods	√
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 : Specifications and Drawings	✓
SECTION 16 : Non-Disclosure Agreement	✓
SECTION 17 : Further Recognition Criteria	✓
SECTION 18 : Supplier Development Initiatives	✓
- Annexure B : Supplier Development Bid Document	✓
- Annexure C : Supplier Development Value Summary	✓
- Annexure C1 : Supplier Development Questionnaire	✓

**Failure to provide all the above-referenced returnable documents marked with a [✓] will 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 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 the Agreement forthwith without any liability and without prejudice to any claims which Transnet 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 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 \_\_\_\_\_ 2012

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 \_\_\_\_\_  
Name \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2 \_\_\_\_\_  
Name \_\_\_\_\_

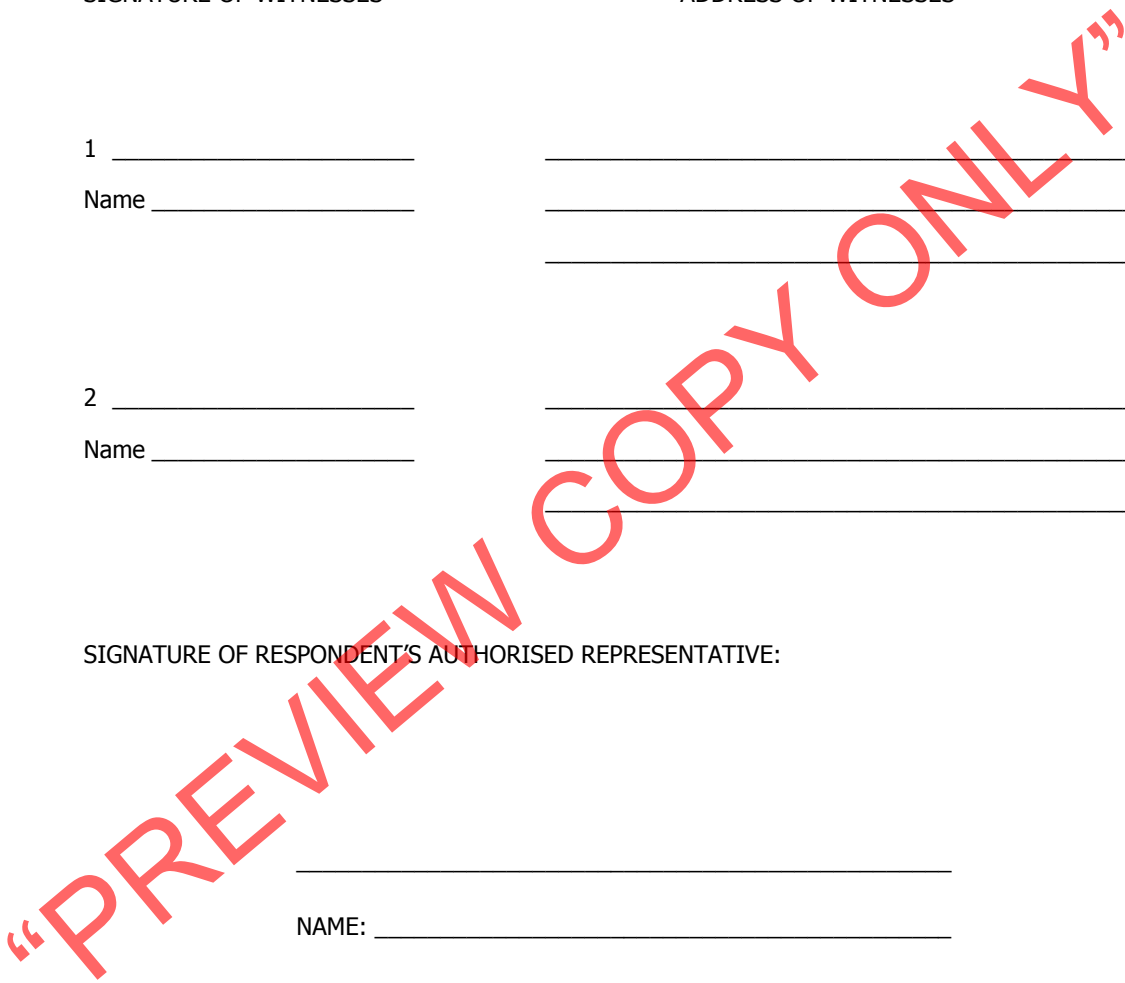
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE:

\_\_\_\_\_

NAME: \_\_\_\_\_

DESIGNATION: \_\_\_\_\_



**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**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 [✓]	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			
Postal address						
					Code	

Respondent’s Signature

Date & Company Stamp

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	

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**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 Goods.

FULL NAME \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE CHAIRMAN

FULL NAME \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE SECRETARY



**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**Section 7: CERTIFICATE OF ACQUAINTANCE WITH RFP DOCUMENTS**

NAME OF ENTITY:

\_\_\_\_\_

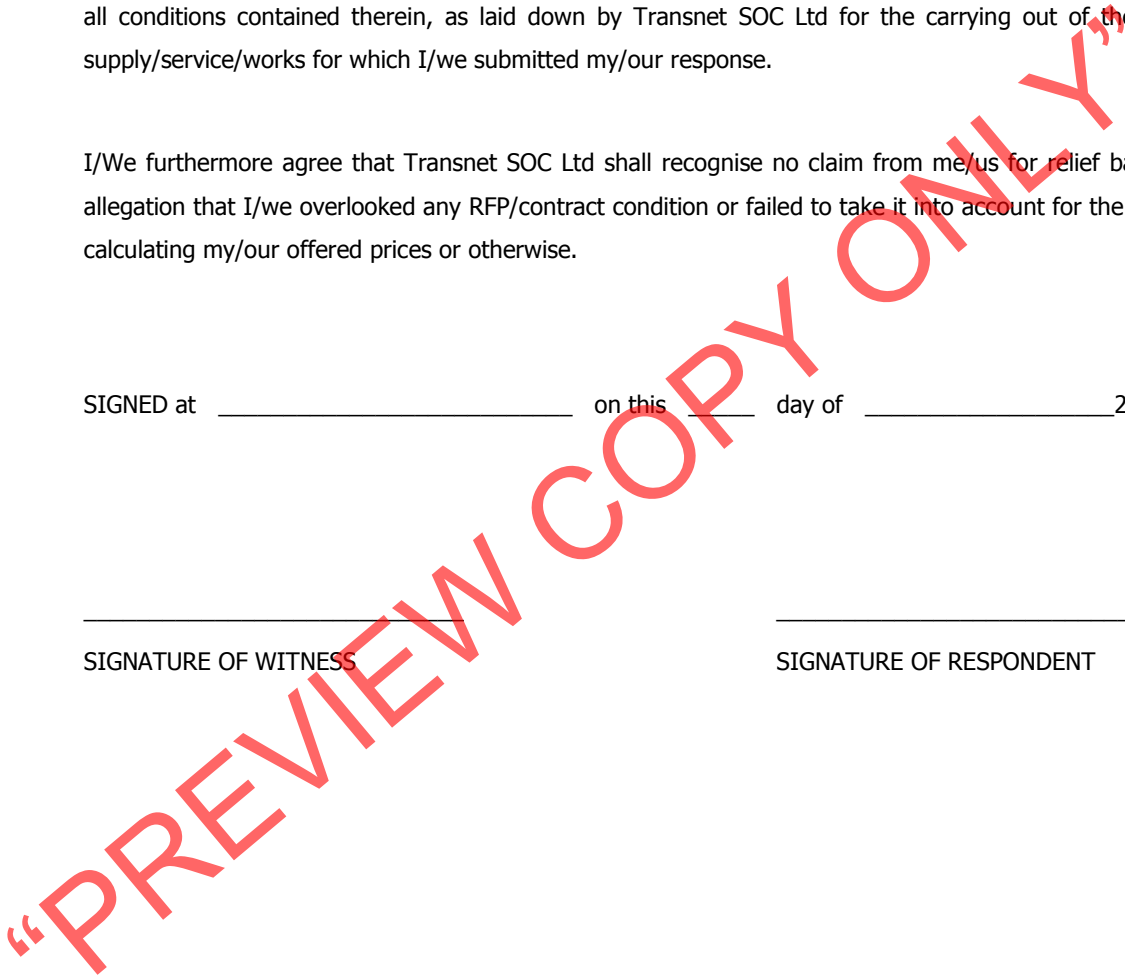
I/We \_\_\_\_\_ do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising this RFP and all conditions contained therein, as laid down by Transnet SOC Ltd for the carrying out of the proposed supply/service/works for which I/we submitted my/our response.

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



**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**Section 8: GENERAL BID CONDITIONS - GOODS**

**Refer General Bid Conditions attached hereto**

**“PREVIEW COPY ONLY”**

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**Section 9: STANDARD TERMS AND CONDITIONS OF CONTRACT  
FOR THE SUPPLY OF GOODS TO TRANSNET**

**Refer Form ST&C attached hereto.**

**Respondents should note the obligations as set out in  
clause 25 [Terms and Conditions of Bid]  
of the General Bid Conditions [RFP Section 8] which reads as follows:**

*"The Supplier shall adhere to the Standard Terms and Conditions of Contract as set out in Form ST&C – Goods, 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."*



**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**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.**

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR  
LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**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

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**Section 12: BID CLARIFICATION REQUEST FORM**

RFP deadline for questions / bid clarifications: **Before 12:00 on 03 August 2012**

TO: Transnet Frieght Rail  
ATTENTION: Barbara Msomi, Transnet Frieght Rail,  
EMAIL Barbara.msomi@transnet.net  
DATE: \_\_\_\_\_  
FROM: \_\_\_\_\_

RFP Bid Clarification No [to be inserted by Transnet]

**REQUEST FOR BID CLARIFICATION**

\_\_\_\_\_  
\_\_\_\_\_  
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## **SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

### **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 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

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
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**Section 14: CERTIFICATE OF ATTENDANCE OF RFP BRIEFING**

It is hereby certified that –

1. \_\_\_\_\_

2. \_\_\_\_\_

Representative(s) of \_\_\_\_\_ *[name of entity]*

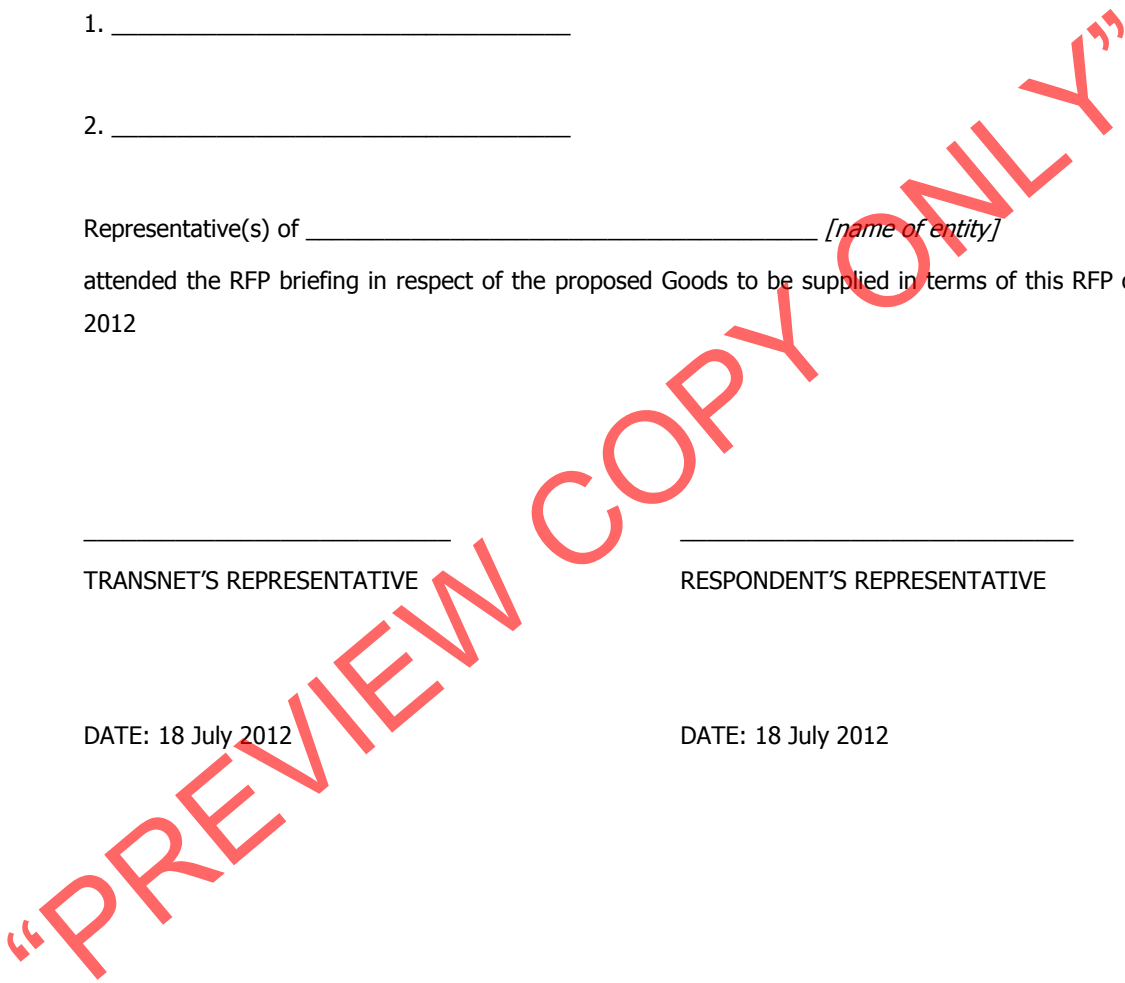
attended the RFP briefing in respect of the proposed Goods to be supplied in terms of this RFP on 18 JULY 2012

\_\_\_\_\_  
TRANSNET'S REPRESENTATIVE

\_\_\_\_\_  
RESPONDENT'S REPRESENTATIVE

DATE: 18 July 2012

DATE: 18 July 2012





**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO  
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**Section 15: SPECIFICATIONS**

**REFER TO ATTACHED SPECIFICATION NO BBF 3608 VERSION 1**

The following Minimum Requirements need to be met by suppliers to proceed to the second stage of Technical evaluations as indicated in step three of the evaluation methodology. Suppliers are to indicate their compliance with these minimum requirements by completing the following check list and provide proof with the submission. Short listed suppliers will be required to demonstrate their compliance to these minimum requirements by means of a presentation and / or physical demonstration of the proposed technical solution.

Item	Minimum Technical Compliance	Comply	Do not Comply
1	The LDVR system shall capture video data continuously from the leading locomotive which is date-and-time-stamped.		
2	The LDVR system shall view the right-of-way in the direction of travel.		
3	The LDVR system shall download the recorded data by a physical connection to another memory device.		
4	The LDVR system shall store five days of continuous video data.		
5	The LDVR system shall allow playback of the recording on any standard commercial-off-the-shelf media player.		
6	The LDVR system shall be able to detect the audible blowing of the locomotive horn.		
7	The LDVR system shall record any voice and radio conversations made in the locomotive cab.		
8	The LDVR system shall be robust against vandalism and theft and high vibrations.		
9	The LDVR system shall be resistant to manipulation of recorded data.		
10	The LDVR system shall be waterproof.		
11	The LDVR system shall survive an impact caused by a train-on-train collision in such a way that the recorded data will still be easily accessible from the storage medium.		
12	The cameras shall be of adequate resolution and the recording of		

	sufficient frame rate for the purposes of identifying the causes of incidents from the video data playback.		
13	The power supply available to the system in the locomotive cab is 13.8V dc at 10 amps maximum.		
14	The LDVR system shall have a battery backup power supply.		
15	Technical and system support shall be available from the contractor for a period of at least ten (10) years.		
16	The equipment shall operate effectively within Transnet Freight Rail's environment taking cognizance of the temperature, humidity, vibration, electromagnetic radiation and electromagnetic susceptibility found in locomotives.		
17	The LDVR system shall be capable of accommodating at least three video cameras and shall be capable of recording video data of all cameras simultaneously.		
18	The cameras shall be capable of Day & Night mode, with LED lighting distance up to at least 10 metres.		
19	The LDVR system shall provide USB ports to download video data to a portable memory device.		
20	The equipment shall be robust enough to withstand any "rough" operation by locomotive maintenance personnel and/or Train Drivers.		
21	An appropriate housing shall be provided for the protection of the camera equipment.		
22	The 50kV AC, 25kV AC, and 3kV DC traction environments that the system has to operate in are generally not conducive to "error-free" data communication and cognizance must be taken of this in the design. Efforts shall be made to reduce the Bit Error Rate (BER) requirement of the LDVR System itself to be as low as possible. The design shall also be tolerant of the effects of "burst" type noise expected from locomotive pantographs and the traction system.		
23	Should Transnet Freight Rail provide concessions to make use of wireless communications equipment, this equipment shall be ICASA-approved and all communication equipment and associated transmitting frequencies shall comply with statutory and legal requirements.		
24	The system shall be able to cater for all locomotive types, without having to redesign the system.		

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**Section 16: NON-DISCLOSURE AGREEMENT [NDA]**

**Complete and sign the Non-Disclosure Agreement attached hereto**

**“PREVIEW COPY ONLY”**



**Complete and sign NDA attached hereto  
NON-DISCLOSURE AGREEMENT**

**THIS AGREEMENT** is made the ..... day of ..... 2012

**BETWEEN:**

- (1) **Transnet Limited** ("Transnet") (Registration Number 1990/000900/06) whose registered office is at 49<sup>th</sup> Floor, Carlton Centre, 150 Commissioner Street, Johannesburg 2001, and
- (2) [.....] ("the Company") (Registration Number .....) whose registered office is at [.....]

**e) 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 Proposal.

**IT IS HEREBY AGREED**

**1. Interpretation**

**1.1 In this Agreement:-**

"**Agents**" means directors, officers, employees, agents, professional advisers, contractors or sub-contractors, or any Group member;

"**Confidential Information**" means Information 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 Proposal 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:-

- (i) is publicly available at the time of its disclosure or becomes publicly available (other than as result of disclosure by the Receiving Party or any of its Agents contrary to the terms of this letter); or



(ii) was lawfully in the possession of the Receiving Party or its Agents demonstrated by its written records or other reasonable evidence) free of any claim to its use or disclosure prior to its being so disclosed; or

(iii) 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;

**“Group”** means any subsidiary, any holding company and any subsidiary of any holding company of either party;

**“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;

**“Proposal”** means the aggregation of Transnet's Request for Information (RFI) and Request for Proposal (RFP).

## 2. Confidential Information

2.1 The Receiving Party will treat and keep all Confidential Information 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 Proposal or for the subsequent performance of any contract between the parties in relation to the Proposal.

2.3 Notwithstanding clause 2.1, the Receiving Party may disclose Confidential Information:

(i) To those of its Agents who strictly need to know the Confidential Information for the sole purpose set out in clause 2.2 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

(ii) 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 (ii) above, it shall promptly notify the Disclosing Party and co-operate 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 capat 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 to at least the same standard as the Receiving Party keeps its own Confidential Information. The Receiving Party shall not make any copies or reproduce in any form any Confidential Information except for the purpose of disclosure as permitted in accordance with this Agreement.
- 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 Receiving Party shall, within seven days of receipt of a written demand from the Disclosing Party or of its ceasing to be interested in the Proposal:
- (i) Return all written Confidential Information (including all copies); and
  - (ii) 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 Receiving Party or on its behalf (including by any person to whom disclosure has been made as permitted under clause 2.3(i) above.

The obligations in this clause 3.3 shall not apply to the extent that (but only for so long as) it is necessary to retain copies for the purpose of providing information to any regulatory authority in accordance with clause 2.3 (ii) above.

- 3.4 The Receiving Party shall on request supply a certificate signed by a director as to its full compliance with the requirements of clause 3.3 (ii) above.

### 4. Announcements

- 4.1 Neither party will make or permit to be made any announcement or disclosure of its prospective interest in the Proposal 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 [be continuing and shall survive the termination of any discussions or negotiations between the parties regarding the Proposal continue for a period of 3 (three) 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 Proposal and in complying with the terms of this Agreement.

## 7. Representations

7.1 Each party agrees that any Information made available to the Receiving Party or its Agents for the purpose of negotiations or discussions in relation to the Proposal will not form the basis of, or any representation in relation to, any contract, nor constitute an offer or invitation by the Disclosing Party.

7.2 Except in the case of fraudulent misrepresentation, the Disclosing Party accepts no responsibility for nor makes any representation or warranty, express or implied, with respect to the accuracy, reliability or completeness of any Information made available to the Receiving Party or its Agents.

## 8. Adequacy of damages

8.1 Without prejudice to any other rights or remedies of the Disclosing Party, the Receiving Party acknowledges and agrees that damages would not be an adequate remedy for any breach by it of the provisions of this Agreement and that the Disclosing Party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of any such provision by the Receiving Party or its Agents, and no proof of special damages shall be necessary for the enforcement of the rights under this Agreement.

8.2 Nothing contained in this Agreement shall be construed as prohibiting the Disclosing Party from pursuing any other remedies available by 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.

## 9. Data Protection

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

## 10. General

10.1 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.



10.2 No failure or delay in exercising any right, power or privilege under this Agreement as a waiver of it, nor will any single or partial exercise of it preclude any further exercise of any right, power or privilege under this Agreement or otherwise.

10.3 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.

10.4 This Agreement may only be modified by a written agreement duly signed by persons authorized on behalf of each party.

10.5 Nothing in this Agreement shall constitute the creation of a partnership, joint venture or agency between the parties.

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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

TRANSNET LIMITED:

By: .....  
(Signature)

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

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

COMPANY NAME: .....

By: .....  
(Signature)

Print name: \_\_\_\_\_

Title: \_\_\_\_\_





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

**SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

**Section 17: 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 5% [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, sustain 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 compliance scores [i.e. not the % change but the end-state quantum expressed as a percentage] in the table below. This will indicate how you would intend to sustain or improve your FRC compliance rating over the contract period, which will represent a binding commitment to the successful Respondent.*

Further Recognition Criteria				
Ownership Indicator	Required Responses	Compliance Target	Current Scores (%)	RFP Target Scores (%)
<b>A Ownership :</b>				
1. The percentage of the business owned by Black 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 sustained or 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 sustained or 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 (%)

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

<b>B Management :</b>				
1. The percentage of Black Middle Management involved in day to day management of the organisation, in relation to the total Middle Management cadre.	<i>Provide the percentage of Blacks that will be retained or 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>	Points will be allocated for any score >63% to 100%, on a sliding scale		
2. The percentage of Black Junior Management involved in day to day management of the organisation, in relation to the total Junior Management cadre.	<i>Provide the percentage of Blacks that will be retained or appointed by the organisation in the junior management cadre and will be operationally involved in the day to day running of the business, with individual responsibility for a particular area within the business and actively involved in a supervisory role with regards to the day to day management of the organisation, over the contract period.</i>	Points will be allocated for any score >68% to 100%, on a sliding scale		
<b>Employment Equity Indicator</b>	<b>Required Responses</b>	<b>Compliance Target</b>	<b>Current Scores (%)</b>	<b>RFP Target Scores (%)</b>
<b>C. Employment Equity :</b>				
1. The percentage of Black disabled employees in relation to the total number of employees in the organisation.	<i>Provide a commitment based on the extent to which the percentage of Black disabled employees, in relation to the total of all employees in the organisation, will be sustained or increased over the contract period.</i>	Points will be allocated for any score >2% to 10%, on a sliding scale		
2. The percentage of Black employees as a percentage of the total workforce i.e. of all employees in the organisation.	<i>Provide a commitment based on the extent to which the number of Black employees will be sustained or increased as a percentage of the organisation's total workforce, over the contract period.</i>	Points will be allocated for any score >65% to 100%, on a sliding scale		
3. The percentage of Black women employees as a percentage of the total workforce.	<i>Provide a commitment based on the increase in the number of Black women employees as a percentage of the organisation's total workforce, or sustained over the contract period.</i>	Points will be allocated for any score >40% to 100%, on a sliding scale		
<b>Enterprise Development Indicator</b>	<b>Required Responses</b>	<b>Compliance Target</b>	<b>Current Scores (%)</b>	<b>RFP Target Scores (%)</b>
<b>D. Enterprise Development :</b>				
1. The organisation's annual spend on Enterprise Development as a percentage of Net Profit after Tax [NPAT]	<i>Provide a commitment based on the retention or increase in your organisation's annual spend on Enterprise Development initiatives as a percentage of its Net Profit after Tax, over the contract period.</i>	Points will be allocated for any score >3% of NPAT, on a sliding scale		

Preferential Procurement Indicator	Required Responses	Compliance Target	Current Scores (%)	RFP Target Scores (%)
<b>E. Preferential Procurement:</b>				
1. B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition level as a percentage of total measured procurement spend	<i>Provide a commitment based on the extent to which B-BBEE spend will be sustained or increased over the contract period.</i>	Score will be allocated for any score >50% to 100%, on a sliding scale		

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## **SUPPLY AND DELIVERY OF DIGITAL VIDEO RECORDER SYSTEMS FOR FITMENT TO TFR LOCOMOTIVES FOR A PERIOD OF 12 MONTHS**

### **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 Black<sup>2</sup> 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 Classification Matrix

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

[**IC<sup>3</sup> Matrix**]. Currently there are four quadrants of SD initiatives which Transnet considers according to the IC<sup>3</sup> 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 20% [twenty 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 IC<sup>3</sup> 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

*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*

- 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 Annexures B, C and C1] 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 Annexures C and C1 have been derived.
- (iv) Respondents are required to provide an electronic copy [CD] of the completed Annexures C and C1 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 Supplier**] 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, which shall equate to the monetary value of any such SD initiative which the Supplier 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 Annexures B, C and C1], 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.*

- **SD Questionnaire – Annexure C1**

*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.***