



NEC3 Supply Contract

entered into by and between

Transnet SOC Ltd

Registration Number 1990/000900/30

(hereinafter referred to as the "Purchaser")

and

Registration Number

(hereinafter referred to as the "Supplier")

Description of the Work **SUPPLY AND DELIVER 80MM THICK G-BLOCK INTERLOCKING PAVERS
TO THE PORT OF RICHARDS BAY**

Contract Number **TCP CON 052/2012**

Start Date **01 December 2012**

Completion Date **31 July 2013**

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T1.1 Tender Notice and Invitation to Tender

Transnet SOC Ltd invites tenders for the supply and deliver 80mm thick G-block interlocking pavers to the Port of Richards Bay

Potentially emerging enterprises who satisfy criteria stated in the Tender Data may submit tender offers.

Preferences are offered to tenderers whose BBBEE credentials have been rated by SANAS accredited BBBEE accreditation agency.

Transnet fully endorses and supports the Governments 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 will therefore prefer to do business with local business enterprises who share these same values.

Tenderers who have already been accredited in terms of the Governments DTI (Department of Trade and Industry) BBBEE (Broad Base Black Economic Empowerment) scorecard are requested to submit their rating certificates with their applications. Tenderers who have not yet or who are in the process of being accredited must furnish proof from the Accreditation Agency who was requested to do their accreditation that they are busy with the accreditation process.

Tenderers are required to sign a Mutual Nondisclosure Agreement (attached hereto) and to return it within 3 days of receipt of this invitation of Tender.

The physical address for collection of tender documents is **Transnet Freight Rail RME, Old Naval Base, Commodores Close, Meerensee, Richards Bay.**

Documents may be collected during working hours between **08h00 and 15h00 on Tuesday the 30th and Wednesday the 31st of October 2012, from Qetelo Moshoeshoe at the Procurement Office.**

Queries relating to the issue of these documents may be addressed to

Ms Lizelle Smith
 Tel No. +27 35 905 4609
 Fax No. 086 679 3175
 Email Lizelle.smith@transnet.net

The closing time for receipt of tenders is **12h00, the 9th of November 2012**. Telegraphic, telephonic, facsimile, e-mail and late tenders will not be accepted.

The purchaser's details and address for delivery of the tender offers and identification details that are to be shown on each tender offer package are:

Location of tender box: Transnet Freight Rail, Main Reception, Richards Bay
Physical address: Old Naval Base, Commodores Close, Meerensee, Richards Bay
Identification details: Supply and deliver 80mm thick G-block interlocking pavers to the Port of Richards Bay

Tenders may only be submitted on the tender documentation that is issued.

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

Transnet fully subscribes to Government's New Growth Path objectives and Supplier Development commitments by Respondents will consequently feature prominently in the evaluation and award of this business.

Transnet urges Clients, Suppliers and Service Providers to report any acts of fraud and/or instances of corruption to Transnet's TIP-OFFS ANONYMOUS on 0800 003 056 or Transnet@tip-offs.com.

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TRANSNET SOC LTD
ENQUIRY NUMBER: TCP CON 052/2012
DESCRIPTION OF THE WORKS: SUPPLY AND DELIVER 80MM THICK G-BLOCK
INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY

ACKNOWLEDGMENT OF RECEIPT OF DOCUMENTS

AND INTENTION TO TENDER

(To be returned within 3 days after receipt)

Transnet Freight Rail

Enquiry No.: **TCP CON 052/2012**

FAX TO: **Lizelle Smith**

Closing Date: **9th of November 2012**

086 679 3175

or

EMAIL: **Lizelle.smith@transnet.net**

**For: SUPPLY AND DELIVER 80MM THICK G-BLOCK
INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY
ON THE TRANSNET FREIGHT RAIL – TCP CON 052/2012**

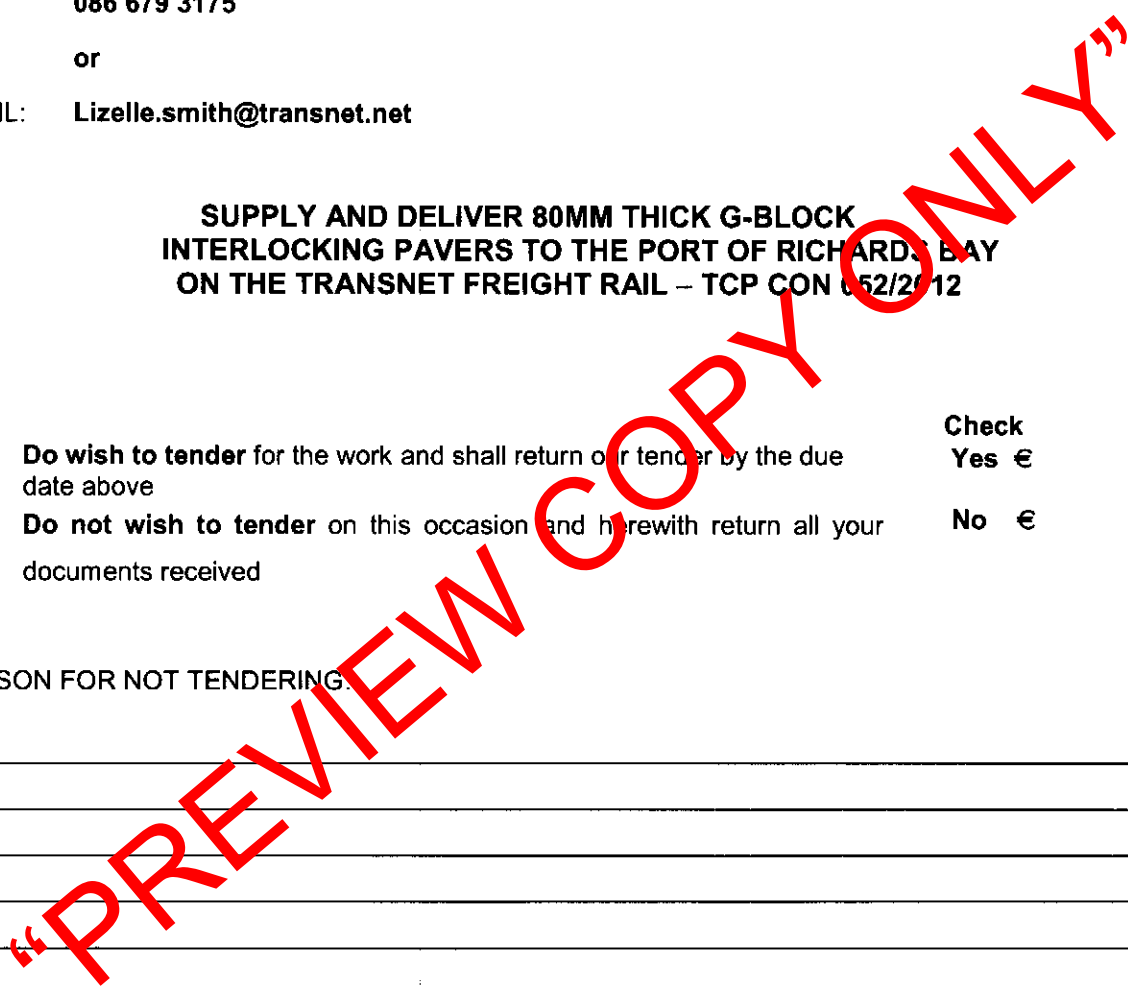
We: Do wish to tender for the work and shall return our tender by the due date above **Check Yes €**
Do not wish to tender on this occasion and herewith return all your documents received **No €**

REASON FOR NOT TENDERING

COMPANY'S NAME, ADDRESS, CONTACT, PHONE AND TELEFAX NUMBERS

SIGNATURE : _____

TITLE: _____





TRANSNET SOC LTD
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 INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY

T1.2 Tender Data

The conditions of tender are the Standard Conditions of Tender as contained in Annex F of the CIDB Standard for Uniformity in Construction Procurement (January 2009) as published in Government Gazette No 31823, Board Notice 12 of 2009 of 30 January 2009, subsequently amended (May 2010), Board Notice 86 of 2010. (See www.cidb.org.za)

The Standard Conditions of Tender make several references to Tender Data for details that apply specifically to this tender. This Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the Standard Conditions of Tender.

Each item of data given below is cross-referenced in the left hand column to the clause in the Standard Conditions of Tender to which it mainly applies.

Clause	Data
F.1.1	The <i>Purchaser</i> is Transnet SOC Ltd (Reg No. 1990/001900/30)
F.1.2	The tender documents issued by the <i>Purchaser</i> comprise: Part T1: Tendering procedures T1.1 Tender notice and invitation to tender T1.2 Tender data Part T2: Returnable documents T2.1 List of returnable documents T2.2 Returnable schedules Part C: The contract Part C1: Agreements and contract data C1.1 Form of offer and acceptance C1.2 Contract data (parts 1 & 2) Part C2: Pricing data C2.1 Pricing instructions C2.2 Pricing Schedule Part C3: Scope of work C3 Goods Information
F.1.4	The <i>Purchaser's</i> agent is: Name: Lizelle Smith Address: Old Naval Base, Commodores Close, Meerensee, Richards Bay Tel No. +27 35 905 4609 Fax No. 086 679 3175 E – mail Lizelle.smith@transnet.net
F1.6	The competitive negotiation procedure shall be applied.



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F.2.1 Only those tenderers who satisfy the following eligibility criteria are eligible to submit tenders:

Tenderers must submit proof of accreditation of their testing equipment and Quality Control from a SANAS Accredited Testing Laboratory.

F.2.12 No alternative tender offers will be considered

F.2.13.3 Parts of each tender offer communicated on paper shall be as an original, plus 1 (one) copies.

F.2.13.5 The *Purchaser's* details and address for delivery of tender offers and identification details that
 F.2.15.1 are to be shown on each tender offer package are:

Location of tender box **Transnet Freight Rail RME.**

Main Reception,

Richards Bay

Physical address:

**Old Naval Base, Commodores Close,
 Meerensee, Richards Bay**

Identification details:

The tender documents must be submitted in a sealed envelope labelled with:

- The Tender Number: **TCP CON 052/2012**
- The Tender Description: **SUPPLY AND DELIVER 80MM THICK G-BLOCK INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY**

Documents must be marked for the attention of The Supply Chain Manager: Mrs L Smith

F.2.13.9 Telephonic, telegraphic, facsimile or e-mailed tender offers will not be accepted.

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

F.2.16 The tender offer validity period is 12 weeks

F.2.22 Return and retained tender documents within 28 day after the expiry of the validity period

F.2.23 The tenderer is required to submit with his tender:

1. an **original** or a **certified copy** of a **valid** Tax Clearance Certificate issued by the South African Revenue Services;
2. A valid SANAS B-BBEE accreditation certificate

Note: Refer to Section T2.1 for List of Returnable Documents

F.3.4 The time and location for opening of the tender offers are:

Time **12h01 Friday the 9th of November 2012**

Location: **Transnet Freight Rail RME Main Reception, Old Naval Base, Commodores Close, Meerensee, Richards Bay**

F.3.11.1 The financial offer will be reduced to a comparative basis using the Tender Assessment Schedule.



F.3.11.5 The procedure for the evaluation of responsive tenders is Method 2

The financial offer will be scored using Formula 2 (option 1) where the value of W_1 is:

1. 90 where the financial value inclusive of VAT of all responsive tenders received have a value in excess of R1 000 000 or
2. 80 where the financial value inclusive of VAT of one or more responsive tender offers have a value that equals or is less than R1 000 000

Up to 100 minus W_1 tender evaluation points will be awarded to tenderers who complete the preferencing schedule and who are found to be eligible for the preference claimed.

Should the BBBEE rating not be provided, Transnet reserves the right to award no points and/or declare the tender void. Transnet also reserves the right to carry out an independent audit of the tenderers scorecard components at any stage from the date of close of the tenders until completion of the contract.

Tenderers with no accreditation will score zero points for preferencing.

F.3.13.1 Tender offers will only be accepted if:

- a) the tenderer submits **an original valid Tax Clearance Certificate** issued by the South African Revenue Services or has made arrangements to meet outstanding tax obligations;
- b) the tenderer submits a letter of intent from an insurer undertaking to provide the Performance Bond to the format included in Part T2.2 of this procurement document
- c) the tenderer is registered with the Construction Industry Development Board in an appropriate contractor grading designation;
- d) the tenderer or any of its directors/shareholders is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector;
- e) the tenderer has not:
 - i) abused the Purchaser's Supply Chain Management System; or
 - ii) failed to perform on any previous contract and has been given a written notice to this effect;
- f) the tenderer has completed the Compulsory Enterprise Questionnaire and there are no conflicts of interest which may impact on the tenderer's ability to perform the contract in the best interests of the *Purchaser* or potentially compromise the tender process and persons in the employ of the state are permitted to submit tenders or participate in the contract;
- g) the tenderer is registered and in good standing with the compensation fund or with a licensed compensation insurer;
- h) the Employer is reasonably satisfied that the tenderer has in terms of the Construction Regulations, 2003, issued in terms of the Occupational Health and Safety Act, 1993, the necessary competencies and resources to carry out the work safely.

F.3.18 The number of paper copies of the signed contract to be provided by the *Purchaser* is 1 (one).



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SUPPLIER DEVELOPMENT PLAN

The upswing in growth in the last decade, followed by the global recession in 2008, as well as persistently high unemployment and social inequality, forced the South African government to re-evaluate its growth strategy. This led to the development of a revised growth framework, the New Growth Path (NGP). The NGP aims to enhance growth, employment creation and equity, through the identification of strategies that will enable South Africa to grow in a more equitable and inclusive manner and promote the development of new industry to attain South Africa's developmental agenda.

In order to achieve this, the NGP focuses on:

- Increasing employment intensity of the economy
- Increasing the responsiveness of infrastructure and addressing competitiveness
- Balancing spatial development of rural areas and poorer provinces
- Reducing the carbon intensity of the economy
- Creating opportunities in changing regional and global environments
- Enabling transformation that benefits a wider range of social actors in society e.g. workers, rural communities, women etc.

Tenderers must submit a Supplier Development Plan (SDP) which clearly indicates the following benefits:

- Acceleration of localisation and transformation of local business by promoting technology transfer, skill development and job creation
- Focused regional development
- Increase in local content – security of supply, reduced cycle times, reduced exposure to foreign currency and reduction of supply chain costs (over time)
- Transformation of supplier dominance from large international or traditionally white owned business to locally owned and black owned suppliers

The SDP will be incorporated in the eventual Contract and will be managed as part of the Suppliers deliverables in terms of the contract. The final SDP will be submitted and agreed to by Transnet and Tenderers must clearly indicate in their Pricing Schedule the cost of implementation hereof. Financial penalties will be included in the contract and be imposed based on the Pricing Schedule for non compliance with the SDP.

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T2.1 List of Returnable Documents

1. Returnable Schedules

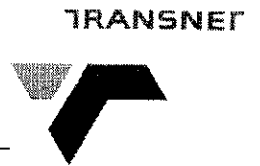
- T2.2-14 Authority to submit tender
- T2.2-16 Record of addenda to tender documents
- T2.2-17 Compulsory Enterprise Questionnaire
- T2.2-20 Quality Plan
- T2.2-27 Broad-Based Black Economic Empowerment (BBBEE)
- T2.2-31 Supplier Code of Conduct
- T2.2-33 Mutual Non-Disclosure Agreement
- T2.2-36 RFP Declaration Form
- T2.2-40 Supplier Development
- T2.2-43 RFP – Breach of Law

This schedule is required for payment purposes only:

- T2.2-34 Supplier Declaration Form

- 2. C1.1 Offer portion of Form of Offer & Acceptance
- 3. C1.2 Contract Data Part 2: Data by Supplier
- 4. C2.2 Bill of Quantities / Activity Schedule

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T2.2-14: Authority to submit a Tender

Indicate the status of the tenderer by ticking the appropriate box hereunder. The tenderer must complete the certificate set out below for his category of organisation or alternatively attach a certified copy of a company / organisation document which provides the same information for the relevant category as requested here.

A - COMPANY	B - PARTNERSHIP	C - JOINT VENTURE	D - SOLE PROPRIETOR
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A. Certificate for Company

I, _____, chairperson of the board of directors of _____, hereby confirm that by resolution of the board taken on _____ (date), Mr/Ms _____, acting in the capacity of _____, was authorised to sign all documents in connection with this tender offer and any contract resulting from it on behalf of the company.

Signed

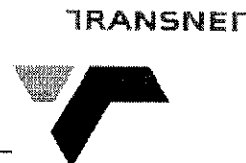
Date

Name

Position

Chairman of the Board of Directors

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B. Certificate for Partnership

We, the undersigned, being the **key partners** in the business trading as _____
_____ hereby authorise Mr/Ms _____, acting in the
capacity of _____, to sign all documents in connection with the tender
offer for Contract _____ and any contract resulting from it on our behalf.

Name	Address	Signature	Date

NOTE: This certificate is to be completed and signed by the full number of Partners necessary to commit the Partnership. Attach additional pages if more space is required.

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C. Certificate for Joint Venture

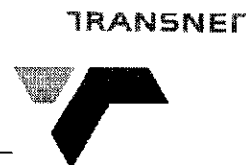
We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms _____, an authorised signatory of the company _____, acting in the capacity of lead partner, to sign all documents in connection with the tender offer for Contract _____ and any contract resulting from it on our behalf.

This authorisation is evidenced by the attached power of attorney signed by legally authorised signatories of all the partners to the Joint Venture.

Furthermore we attach to this Schedule a copy of the joint venture agreement which incorporates a statement that all partners are liable jointly and severally for the execution of the contract and that the lead partner is authorised to incur liabilities, receive instructions and payments and be responsible for the entire execution of the contract for and on behalf of any and all the partners.

Name of firm	Address	Authorising signature, name (in caps) and capacity

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D. Certificate for Sole Proprietor

I, _____, hereby confirm that I am the sole owner of the business trading as _____.

Signed

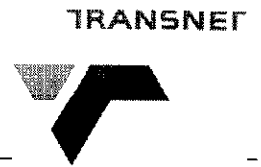
Date

Name

Position

Sole Proprietor

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T2.2-16 : Record of Addenda to Tender Documents

We confirm that the following communications received from the Employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer:

	Date	Title or Details
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Attach additional pages if more space is required.

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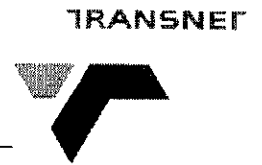
Signed _____

Date _____

Name _____

Position _____

Tenderer _____



T2.2-20 : Quality Plan

Due consideration must be given to the deliverables required to execute and complete the contract as per the Quality Management Standard stated in the Works Information and should include but not be limited to:

1. Project Quality Plan for the contract.
2. The Contractor's Quality Policy.
3. ISO 9001 certification.
4. Typical Quality Manual.
5. Typical Quality Control Plan.
6. Typical data book index.

Attached submissions to this schedule:

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Signed _____ Date _____

Name _____ Position _____

Tenderer _____

T2.2-27: Broad-Based Black Economic Empowerment (B-BBEE)

B-BBEE and preferencing scheme:

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 tender responses. Transnet will accordingly allow a "preference" in accordance with the 10% preference system, as per the Preferential Procurement Policy Framework Act 5 of 2000 (as amended), to companies who provide a B-BBEE Accreditation Certificate. All procurement and disposal transactions will be evaluated accordingly.

Consequently, when Transnet invites prospective suppliers to submit tenders for its various capital expenditure programmes, it urges tenderers (Large Enterprises and QSE's - see below) to have themselves accredited by any one of the various Accreditation Agencies approved by SANAS (the South African National Accreditation Systems, under the auspices of the Department of Trade and Industry)

In terms of Government Gazette No 32467, Notice No. 810 dated 31 July 2009, as from 1 February 2010 only B-BBEE Accreditation Certificates issued by SANAS approved Verification Agencies will be valid.

All certificates are to display the B-BBEE Verification Agency Body Name and BVA Body number.

Enterprises will be rated by such agencies based on the following:

- a) **Large Enterprises (i.e. annual turnover >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 <R5 million):**
 - EMEs are exempted from B-BBEE accreditation
 - Automatic rating of Level 4 B-BBEE irrespective of race of ownership, i.e. 100% B-BBEE recognition

- Black ownership >50% or Black Women ownership >30% automatically qualify as Level 3 B-BBEE, i.e. 110% B-BBEE recognition
- EME's should only provide documentary proof of annual turnover (i.e. audited financials) plus proof of Black ownership if Black ownership >50% or Black Women ownership >30%

In addition to the above, tenderers who wish to enter into a Joint Venture or subcontract portions of the contract to B-BBEE companies, must state in their tenders the percentage, of the total contract value that will be allocated to such B-BBEE companies, 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 tender response to enable Transnet to evaluate / adjudicate all tenders received on a fair basis.

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). Failure to do so will result in a score of zero being allocated for B-BBEE.

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

ZAR.....

- If annual turnover <R5m, please attach audited financials.
- If annual turnover >R5m, please attach an accreditation certificate issued by an Accreditation Agency, together with all the relevant score sheets pertaining thereto.

In addition to the accreditation certificate, Transnet also requires that tenderers 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 will use the DTI B-BBEE IT Portal as a single data source for its B-BBEE supplier selection criteria and procurement improvement programme by tracking compliance, understanding sound and by sourcing future procurement opportunities.

1. Instructions for registration and obtaining a DTI B-BBEE Profile:

1. Go to <http://bee.thedti.gov.za>
2. Click on B-BBEERegistry
3. Click on *Register or Login*
4. Click on *Click Here to Register*
5. Complete the registration page
6. Once registered, click on *List on Registry*

7. Follow all 'on-screen' and e-mailed instructions to submit your documentation and obtain your Profile

Socio-Economic Obligations for Foreign Tenderers:

Foreign tenderers, who do not have local agencies or other corporate representation in South Africa, will not be evaluated in terms of the B-BBEE requirements but will fall under the associated South African Government's initiative, namely, the Competitive Supplier Development Programme ("CSDP") as developed by the Department of Public Enterprises, details of which can be viewed at the Railways and Harbours Supply Chain Association's website, www.rhsupplychain.com

A 10% preference system (i.e. equivalent to the B-BBEE preference points above) will be allocated for the evaluation of a tenderer's offer under its socio-economic obligations in relation to the CSDP.

Signed _____ Date _____
Name _____ Position _____
Tenderer _____

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T2.2-33: Mutual Non-Disclosure Agreement

Note to tenderers: This Non-Disclosure Agreement is to be completed and signed by an authorised signatory:

THIS AGREEMENT is made effective as of day of 20..... by and between:

Transnet SOC Ltd (Registration No. 1990/000900/06), a company incorporated and existing under the laws of South Africa, having its principal place of business at Carlton Centre, 150 Commissioner Street, Johannesburg, 2001, South Africa,

and

..... (Registration No.), a private company incorporated and existing under the laws of South Africa having its principal place of business at

1. Purpose

The parties to this Agreement have a business relationship under which each party may disclose its Confidential Information to the other for the purpose of the **Manufacture, supply and deliver 80mm thick G-block interlocking pavers to the Port of Richards Bay**. Each party ("the receiving party") shall treat as confidential all information and know-how which it may receive from the other party ("the disclosing party") in terms of this Agreement (hereinafter referred to as "confidential information") and shall not divulge to any other party in any circumstances any such confidential information, and in particular, any such confidential information as is covered by the National Key Points Act (Act No. 102 of 1980), whether during the currency of this Agreement or at any time thereafter, without the prior written consent of the disclosing party.

2. Definition

"**Confidential Information**" means any information, technical data, or know-how, including, but not limited to, that which relates to research, product plans, products, services, customers, markets, software, developments, inventions, processes, designs, drawings, engineering, hardware configuration information, marketing or finances.

3. Exclusions

Confidential Information does not include information, technical data or know-how which:

- 3.1. is in the possession of the receiving party at the time of disclosure as shown by the receiving party's files and records immediately prior to the time of disclosure;
- 3.2. prior or after the time of disclosure becomes part of the public knowledge or literature, not as a result of any inaction or action of the receiving party;

- 3.3. is developed by the receiving party through its independent resources without reference to the disclosing party's Confidential Information;
- 3.4. is disclosed to the receiving party by a third party without restriction and, to the knowledge of the receiving party, without violation of any obligation of confidentiality; or
- 3.5. is approved for release by the disclosing party in writing.

4. Non-Disclosure of Confidential Information

- 4.1. The parties to this Agreement agree not to use the Confidential Information disclosed to it by the other party for its own use or for any purpose except to carry out the Purpose as contained in this Agreement. Neither party will disclose any Confidential Information of the other party to third parties except those directors, officers, employees, consultants and agents who are required to have the information in order to carry out the discussions of the contemplated Purpose. Each party will notify those directors, officers, employees, consultants and agents to whom Confidential Information of the other party is disclosed or who have access to Confidential Information of the other party that they are bound by the obligations of this Non-Disclosure Agreement.
- 4.2. Each party agrees that it will take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of the other party in order to prevent it from falling into the public domain or the possession of persons other than those persons authorised hereunder to have any such information, which measures shall include the highest degree of care that either party utilises to protect its own Confidential Information of a similar nature. Each party agrees to notify the other party in writing of any misuse or misappropriation of such Confidential Information of the other party which may come to its attention.

5. Promotion of Access to Information Act, No.2 of 2000

- 5.1. All information relating to the disclosing party and which the disclosing party has indicated to the receiving party in writing to be confidential information, shall be deemed to be confidential information.
- 5.2. No provision of this Agreement shall be construed in such a way that the disclosing party is deemed to have granted its consent to the receiving party to disclose the whole or any part of the confidential information in the event that the receiving party receives a request for the whole or any part of the confidential information in terms of the provisions of the Promotion of Access to Information Act, No.2 of 2000, as may be amended from time to time ("the Act").
- 5.3. Subject to the provisions of sub-clause 5.3 below, the disclosure of confidential information by the receiving party otherwise than in accordance with the provisions of this Agreement will entitle the disclosing party to institute action for breach of confidence against the receiving party, as envisaged by Section 65 of Act No.2 of 2000.



5.4. The receiving party acknowledges that the provisions of sub-clause 5.2 above shall not be construed in such a manner as to exclude the applicability of any other grounds of refusal contained in Act No.2 of 2000 which may be applicable in the event that the receiving party receives a request for the whole or any part of the confidential information in terms of Act No.2 of 2000.

6. Non-Solicitation

During the two-year period following the execution of this Agreement, neither party will solicit for employment, on its own behalf or that of any other person, any officer, director or employee of the other party at the level of director, vice-president or higher with whom the soliciting party became acquainted during the course of the discussions contemplated by this Agreement; provided, that the foregoing shall not be deemed to prohibit either party or a subsidiary of such party from making a general, public solicitation of employment in the ordinary course of such party or subsidiary's business, provided that such solicitation is not directed specifically to employees of the other party.

7. Mandatory Disclosure

In the event that either party or their respective directors, officers, employees, consultants or agents are requested or required by legal process to disclose any of the Confidential Information of the other party, the party required to make such disclosure shall give prompt notice so that the other party may seek a protective order or other appropriate relief. In the event that such protective order is not obtained, the party required to make such disclosure shall disclose only that portion of the Confidential Information, which its counsel advises that it is legally required to disclose.

8. Variation, Addition or Cancellation

No variation of, addition to, cancellation or novation of this Agreement in its entirety or of any term or condition thereof shall be of any force or effect unless such amendment or cancellation is reduced to writing and signed by both parties.

9. No License Granted

Nothing in this Agreement is intended to grant any rights to either party under any patent, copyright, trade secret or other intellectual property right nor shall this Agreement grant either party any rights in or to the other party's Confidential Information, except the limited right to review such Confidential Information solely for the purposes of the contemplated business relationship between the parties.

10. No Representations

No party makes any representation or warranty as to the accurateness or completeness of any Confidential Information provided hereunder. Neither party shall have any liability to the other arising from, or related to, the other party's use of Confidential Information provided hereunder.

11. Term



The foregoing commitments of either party in this Agreement shall survive any termination of the business relationship under the contemplated Purpose between the parties, and shall continue relative to any Confidential Information disclosed hereunder for a period of 10 (ten) years following the disclosure of such Confidential Information.

12. Miscellaneous

This Agreement shall be binding upon and for the benefit of the undersigned parties, their successors and assigns, provided that Confidential Information of either party may not be assigned without the prior written consent of the disclosing party. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof.

13. Governing Law and Jurisdiction

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Republic of South Africa, and shall be binding upon the parties hereto in South Africa and worldwide.

14. Disputes

Any dispute or difference arising out of or relating to this Confidentiality Agreement shall be referred to arbitration and settled by arbitration according to the rules then in effect of the Arbitration Foundation of Southern Africa. Such arbitration shall be held in Johannesburg, and conducted in the English language before 1 (one) arbitrator appointed in accordance with the said rules. The arbitrator shall apply the law chosen by the parties elsewhere in this Agreement to the merits of the dispute. This Agreement to arbitrate shall be enforceable in, and judgement upon any award may be entered in any court of any country having appropriate jurisdiction.

15. Remedies

Each party agrees that its obligations hereunder are necessary and reasonable in order to protect the other party and the other party's business, and expressly agrees that monetary damages may be inadequate to compensate the other party for any breach by either party of any covenants and agreements set forth herein. Accordingly, each party agrees and acknowledges that any such violation or threatened violation may cause irreparable injury to the other party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the other party shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages.

Signed

Date



Name

Position

Tenderer

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T2.2-34: Supplier Declaration Form

For Attention: The Financial Director or Company Secretary

Transnet Vendor Management has received a request to load your company as a Transnet SOC Ltd vendor. We would like to take this opportunity to welcome you as a potential vendor and request that you assist with the following to enable us to process this request:

1. Complete the "Supplier Declaration Form" (SDF) on page 3 of this letter
2. Copy of cancelled cheque **OR** letter from the bank verifying banking details (**with bank stamp**)
3. Certified copy of Identity document of Shareholders/Directors/Members (where applicable)
4. Certified copy of certificate of incorporation, CM29 / CM9 (name change)
5. Certified copy of share Certificates of Shareholders, CK1 / CK2 (if CC)
6. A letter with the company's letterhead confirming physical and postal address
7. Original or certified copy of SARS Tax Clearance certificate and Vat registration certificate
8. A signed letter from the Auditor / Accountant confirming most recent annual turnover and percentage black ownership in the company **AND/OR** B-BBEE certificate and detailed scorecard from a SANAS Accredited Verification Agency.

NB: Failure to submit the above documentation will delay the vendor creation process.

Where applicable, the respective Transnet SOC Ltd business unit processing your application may request further information from you, e.g. proof of an existence of a Service/Business contract between your business and the respective Transnet business unit etc.

IMPORTANT NOTES:

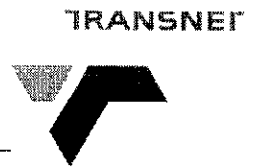
- a) **If your annual turnover is less than R5 million**, then in terms of the DTI codes, you are classified as an Exempted Micro Enterprise (EME). If your company is classified as an EME, please include in your submission, a signed letter from your Auditor / Accountant confirming your company's most recent annual turnover is less than R5 million and percentage of black ownership in the company **AND/OR** B-BBEE certificate and detailed scorecard from a SANAS Accredited Verification Agency.
- b) **If your annual turnover exceeds R5 million**, and you claim a specific BEE level, please include your BEE certificate in your submission as confirmation of your status.
- c) **To avoid PAYE tax being automatically deducted from any invoices received from you**, you must also contact the Transnet person who lodged this request on your behalf, so as to be correctly classified in terms of Tax legislation.

- d) Unfortunately, **no payments can be made to a vendor** until the vendor has been registered, and no vendor can be registered until the vendor application form, together with its supporting documentation, has been received and processed.

Regards,

Transnet Supplier Management

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SUPPLIER DECLARATION FORM

Company Trading Name							
Company Registered Name							
Company Registration Number Or ID Number If A Sole Proprietor							
Form of entity	CC	Trust	Pty Ltd	Limited	Partnership	Sole Proprietor	
VAT number (If registered)							
Company Telephone Number							
Company Fax Number							
Company E-Mail Address							
Company Website Address							
Postal Address							
Physical Address							
Contact Person							
Designation							
Telephone							
Email							
Annual Turnover Range (Last Financial Year)		< R5 Million	R5-35 million	> R35 million			
Does Your Company Provide		Products	Services	Both			
Area Of Delivery		National	Provincial	Local			
Is Your Company A Public Or Private Entity		Public		Private			
Does Your Company Have A Tax Director Or IRP30 Certificate		Yes		No			
Main Product Or Service Supplied (E.G. Stationery/Consulting)							

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BEE Ownership Details				
% Black Ownership		% Black women ownership		% Disabled person/s ownership
Does your company have a BEE certificate		Yes		No
What is your broad based BEE status (Level 1 to 8 / Unknown)				
How many personnel does the firm employ		Permanent		Part time

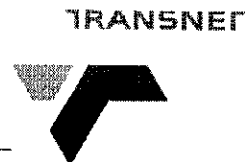
Name of person procuring your services/products	
Contact number	
Transnet operating division	

Duly Authorised To Sign For And On Behalf Of Firm / Organisation			
Name		Designation	
Signature		Date	

Stamp And Signature Of Commissioner Of Oath			
Name		Date	
Signature		Telephone No.	

NB: Please return the completed form, with all the supporting documentation to the person procuring your services/material/goods

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Internal Departmental Questionnaire

NB: "Once-off vendor" will only be created for extraordinary circumstances, i.e. derailments and other emergency situations. Note that only one (1) purchase order must be created against a "once-off vendor". Should the need arise to use a "once-off vendor" again, then an updated SDF together with the required documentation, is required for a "trade vendor" to be created

Section 1: To be completed by the Requesting / Sourcing Department

Vendor number											
TFR		TRE		TPT		TPL		TNPA		TCP	TRN
Create		Unblock		Amend		Extend		Once-Off / Emergency Request			
Supplier's trading name											
Supplier's registered name											
Please indicate if the Supplier has a contract with sourcing Transnet DD									Yes		No
If yes please submit / furnish details of such a contract (together with the SDF)											

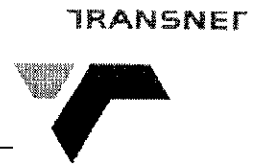
What is being procured from the supplier?

Products only	Yes		No	
Services only	Yes		No	
Labour only	Yes		No	
Mix of services and products	Yes		No	
Mix of services and labour	Yes		No	

If your answer is **YES** to any of the above questions (ii to v), please indicate whether the relevant **PAYE questionnaires** have been forwarded to **Supply Chain Services / the appropriate Cross Functional Sourcing Team (CFST)** for a decision on tax withholding from payments to this supplier.

Yes		No	
-----	--	----	--

If your reply to (b) is "NO", please furnish reasons :	
--	--



Advise on the Detailed Procurement Process (DPP) / Procurement Mechanism that was followed :

(e.g. Open market, Confined, Single Source, Approved List, etc)

Name	Grade	Date								Signature
		Y	Y	Y	Y	M	M	D	D	

Section 2: To be completed by the BEE Department (Confirm BEE Status)

NARROW BASED (NB)				BROADBASED (BBBEE)				
BEE O/S	BWBE	DPBE	MR	CONTR. LEVEL	EME: <R5m	QSE: >R5m <R35m	LARGE: >R35m	VALIDITY DATE

Name	Grade	Date								Signature
		Y	Y	Y	Y	M	M	D	D	
		Y	Y	Y	Y	M	M	D	D	

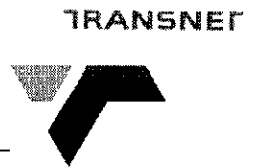
Section 3: To be completed by the Supplier Management Department

I hereby approve disapprove this application

Name	Grade	Date								Signature
		Y	Y	Y	Y	M	M	D	D	
Vendor number		Date Captured on SAP								Recon Account
		Y	Y	Y	Y	M	M	D	D	

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T2.2-36: RFP DECLARATION FORM

NAME OF COMPANY: _____

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 company 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 acknowledge that a direct relationship exists between a family member and/or an owner / member / director / partner / shareholder (unlisted companies) of our company and an employee or board member of the Transnet Group as indicated below: *[Respondent to indicate if this section is not applicable]*

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 your response and may preclude a Respondent from doing future business with Transnet]



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 company in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.

6. 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).
7. We further accept that Transnet reserves the right to reverse a tender award 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 _____ 20____

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

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T2.2-40 : Evaluation Schedule - Transnet Supplier Development

1.0 Aim and Objectives:

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

- Increasing employment intensity of the economy;
- Increasing the responsiveness of infrastructure and addressing competitiveness;
- Balancing spatial development of rural areas and poorer provinces;
- Reducing the carbon intensity of the economy;
- Creating opportunities in changing regional and global environments; and
- Enabling transformation that benefits a wider range of social actors in society e.g. workers, rural communities, women etc.

Transnet, as a State Owned Enterprise (SOE), plays an important role to ensure these objectives are met. Therefore, the purchasing of goods and services needs to be aligned to government objectives of developing and transforming the local supply base. Transnet's mission is to transform its supplier base by engaging in targeted supplier development (SD) initiatives to support localisation and industrialisation whilst providing meaningful opportunities for black South Africans with a particular emphasis on:

- Youth;
- Black women;
- Small businesses;
- People with disabilities, and
- Rural integration.

2.0 Tenderer Requirements.

Failure to submit and comply with the tender requirements of this section in the tender will result in disqualification.

3.0 Supplier Development:

To aid in implementation of SD, 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 target SD initiatives. Supplier development initiatives aim to build local suppliers that are competitive through building capability and capacity. Hence the framework has been termed the Increased Competitiveness, Capability and Capacity (IC³) Supplier Development Classification Matrix. For a detailed understanding of the IC³ Matrix, the respective SD initiatives and their objectives please refer to Transnet's SD Guideline Document for completion of the SD Plan in *Annexure A*. Currently there are four quadrants of SD initiatives which Transnet considers according to the IC³ Matrix. This tender has been identified as a Focused which involves lower industrial leverage and high value.

Transnet fully endorses and supports Government's New Growth Path Policy which aims to create five million jobs by the year 2020. Accordingly, Transnet requests tenderers to submit a Proposed Supplier Development Plan demonstrating their commitment and support to the New Growth Path Policy and how an appointment in terms of this agreement would assist the policy in achieving its objectives.

The table below sets out the categories that the comprehensive Supplier Development Plan should contain.

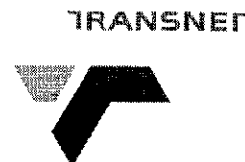
The following Supplier Development (SD) focus areas have been identified which forms part of the evaluation criteria, namely:

Category	Description
Skills development	Future skills transfer within the industry, with an emphasis on the accumulation of the knowledge and experience, which will occur as a result of the transaction.
Job creation / preservation	The increase in the number of jobs, by the <i>Consultant</i> , as a result of the award of business from Transnet. The number of jobs that are preserved as a result of the award of business is also taken into consideration.
Small business promotion	The encouragement of growth and expansion of emerging microenterprises, qualifying small enterprises, and start-ups through procurement and support mechanisms provided by the potential <i>Consultant</i> .

In response to this tender all tenderers are required to submit an appropriate SD Plan. Annexure A provides a SD Guideline Document for completion of the SD Plan.

- This is to be developed in the format provided in Annexure B which will represent a binding commitment on the part of the successful tenderers. The SD Plan should outline the type of activities the tenderer intends embarking upon should they be awarded the contract. This plan should provide an overview of what they intend to achieve and the mechanisms through which they will achieve their objectives. The SD Plan must further indicate how the following areas will be addressed as part of the SD Plan under each section.
 - Small businesses,
 - Job creation and skills transfer
 - Rural integration.

Annexure B further indicates the detailed areas which need to be completed for each of the evaluation criteria listed above. The tenderer is required to address each aspect detailed in this document and indicated in Annexure B as a minimum in their submission. This list is not exhaustive and the tenderer must not be limited to these areas when completing each section. The tenderer must provide supported calculations on how the Estimated Rand Values (ZAR) are derived.



SD Plan Document:

Your **SD Plan** is to be submitted as part of this RFP bid in the format (Appendix B) attached which will represent a binding commitment on the part of the successful tenderer.

Attached herewith the following documentation:

- **SD Guideline Document – Annexure A**

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

- **SD Plan Template – Annexure B**

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

Please note Tenderers are required to submit T2.2-40 Annexure B for each discipline they are submitting a tender

4.0 Further requirements

The SD Plan represents further detail on the SD Commitment which includes an explicit breakdown of the nature, extent and estimated monetary value of the SD commitments which the preferred tenderer propose to undertake as well as specific milestones and targets to ensure that the plan is in line with Transnet's SD objectives. The SD Plan may require certain additions or updates from the initial SD proposal to ensure that Transnet is satisfied that development objectives will be met. The tenderer must also ensure that the relevant mechanisms and procedures are in place to allow for access to information to measure and verify the tenderer's compliance with their stated SD commitments. The information provided by the tenderer to measure their progress against their stated targets is auditable.

The preferred tenderer must submit this SD Plan to Transnet in writing, after which both parties must reach an agreement within the timelines given by Transnet. Transnet reserves the right to reduce the number of days in which the tenderer must submit their SD Plan if it is deemed necessary based on the nature and complexity of the SD initiative. The award of the task order is dependent on agreement being reached on the SD Plan; therefore failure to submit or agree on the SD Plan within the stipulated timelines will result in the task order not being awarded. The tenderers are further requested to report to Transnet on a monthly basis on the status of the SD Plan in an agreed format between Transnet and the tenderer.

Failure to adhere to the milestones and targets defined in the SD Plan will also result in the application of financial penalties equating to a minimum of the monetary value of the initiative not delivered, which will be ignored at Transnet's discretion as well as the potential for termination of the contract in certain cases where milestones are not met.

Signed

Date

Name

Position

Tenderer



Annexure A

REQUEST FOR PROPOSAL

GUIDELINES FOR COMPLETION OF A SUPPLIER DEVELOPMENT PROPOSAL

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Note

For the purposes of this document, any reference to a/the "Service Provider" shall be construed to mean a reference to a Respondent (in terms of this RFT) and/or to a successful Respondent (to whom the business is to be awarded), as so indicated by the context hereinafter.

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WHAT IS SUPPLIER DEVELOPMENT?

The Supplier Development (SD) Programme is an initiative of the Department of Public Enterprises (DPE) supported by Transnet. The aim of SD is to increase the competitiveness, capacity and capability of the South African supply base where there are comparative advantages and potential competitive advantages of local or regional supply. This can be achieved through skills transfer, increasing the local content of items procured, as well as building new capability in the local supplier base. In addition, SD has its roots grounded firmly around the transformation of South Africa and the empowerment of previously disadvantaged individuals and enterprises.

BACKGROUND AND GUIDANCE ON THE SUPPLIER DEVELOPMENT OBJECTIVES FOR SOUTH AFRICA

As a developing economy with inherent structural and social imbalances, South Africa is facing the significant economic challenge of increasing growth in a manner that includes all South Africans. The historical lack of investment in infrastructure in South Africa has had significant negative impacts on local industry, resulting in a loss of key skills and a decrease in manufacturing industry capabilities. To respond to this, Government policies have been designed to address these imbalances and to act as a catalyst of change for the benefit of South Africa.

One of these Government policies, the New Growth Path (NGP) aims to enhance growth, employment creation and equity by reducing the dependencies of South African industries on imports, and promoting the development of skills and capabilities that are in short supply within the country. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner and promotes the development of new industry to attain South Africa's developmental agenda.

Transnet's SD is closely aligned to the NGP objectives and as a result is able to fulfil its commitment to sustainability within South Africa whilst at the same time addressing other corporate objectives, including increasing productivity and efficiency, volume growth, capital investment, financial stability, funding, human capital, SHEQ regulatory compliance and improving customer service.

The combined objectives of Transnet and Government can be realised through:

aggressively implementing capital investment plans which will result in competitive local industries;

improving operational efficiency;

using procurement to influence the development of the local supplier industry; and

ensuring it creates sufficient opportunities for the participation of previously disadvantaged groups in the economy.

This will lead to Transnet achieving its long-term objective of increasing both shareholder and societal value using its procurement expenditure to ensure local development through sustainable localisation of its supply chain, and the inclusion of the previously disadvantaged individuals in the economy in a manner that is beneficial to Transnet, South African industry, and the population of South Africa. As a result this State Owned Enterprise (SOE) is able to fulfil its responsibility as the biggest player in the South African freight logistics chain whilst complementing the objectives of Government.

TRANSNET'S SUPPLIER DEVELOPMENT OBJECTIVES

To aid its implementation of SD, Transnet has adapted an existing framework from the DPE. This framework allows for a basic set of principles to be applied to appropriately target SD initiatives. Supplier Development initiatives aim



to assist local suppliers in developing their competitive advantage through increasing their capability and capacity potential. Hence the framework has been termed the Increased Competitiveness, Capability and Capacity (IC3) Supplier Development Classification Matrix.

This contract encapsulates the types of SD opportunities which Transnet currently considers effective and allows Transnet to move its SD structure away from a dynamic policy environment towards a contract that is designed around general Supplier Development objectives. This enables Transnet to adopt a standard structure but also allows the flexibility to reconsider emphasis on certain aspects as objectives change. The IC3 Matrix (refer to Figure 1 below) categorises SD opportunities in a matrix based on their value, extent of industrial leverage and strategic importance to Transnet. Further categorisation of opportunities into the relevant quadrants is based on supplier-buyer power, industrial complexity, risk and the length of procurement period.

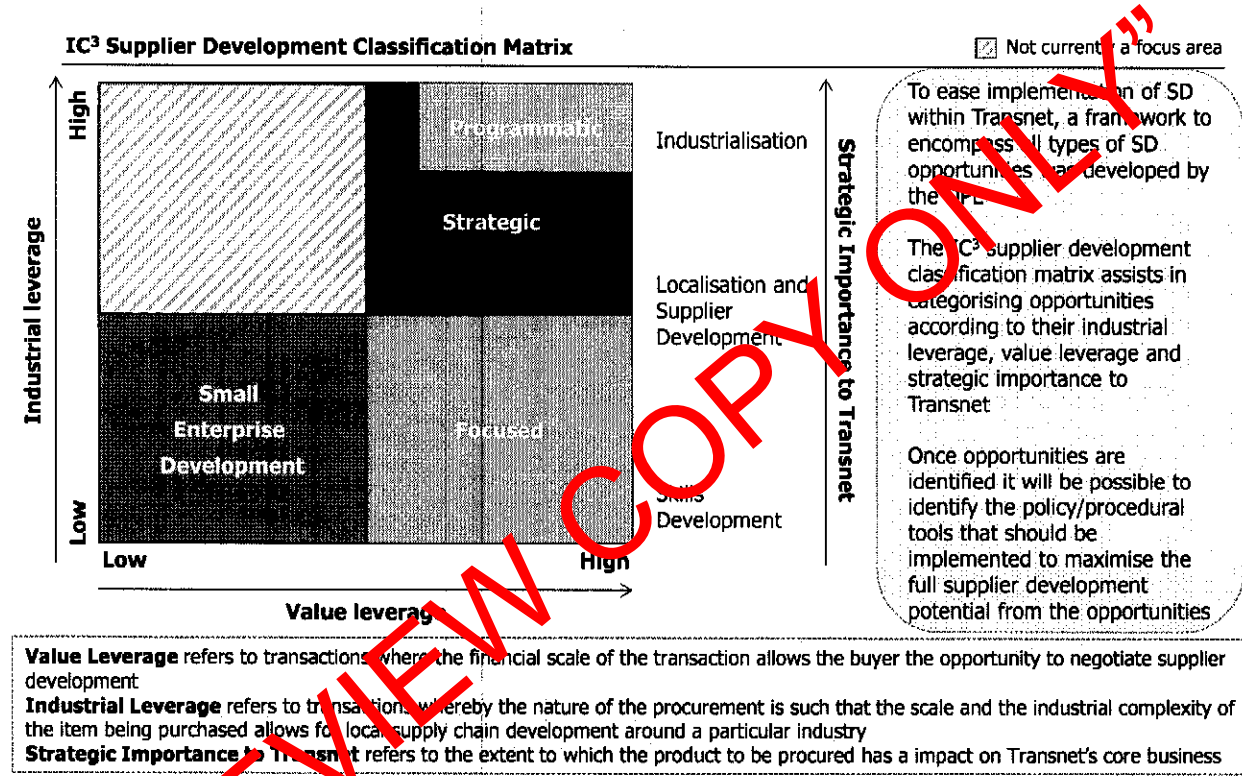


Figure 1: The IC³ Supplier Development Classification Matrix

In order for Service Providers to successfully meet the needs of a particular initiative, a detailed understanding of each quadrant is required.

Programmatic

Programmatic initiatives follow a longer than normal planning horizon and generally exceed the funding capacity of Transnet's balance sheet. They are identified either in the Industrial Policy Action Plan II (**IPAP II**) or through the SOE as a strategic fleet. Collaboration between the SOE and Government is achieved through focused task teams whereby infrastructure development and industrialisation is achieved through joint support and in some cases public spending. Investment is focused in plant, technology and skills in both intermediate and advanced capabilities to develop competitive advantage.

Strategic



Strategic initiatives follow a three to five year planning horizon, involving investment in at least plant, technology and/or skills in intermediate capabilities. This enforces the need for multinational corporations and Original Equipment Manufacturers (**OEMs**) to develop a certain percentage of their products locally. Strategic initiatives can therefore be used to achieve localisation objectives by increasing the competitiveness, capability and efficiency of local suppliers. Strategic initiatives can sometimes focus on advanced capabilities but will in most cases require Government support to develop local capability.

Focused

Focused initiatives include all high value transactions with limited industrial leverage and medium to low strategic importance. These initiatives address short to medium-term contracts that can be leveraged to encourage Supplier Development, with a focus on investment in technology or skills to enhance existing local capability. Emphasis will largely be placed on benefiting previously disadvantaged individuals. The overall result improves the socio-economic environment by creating competitive local suppliers and furthers objectives of empowerment, transformation and regional development.

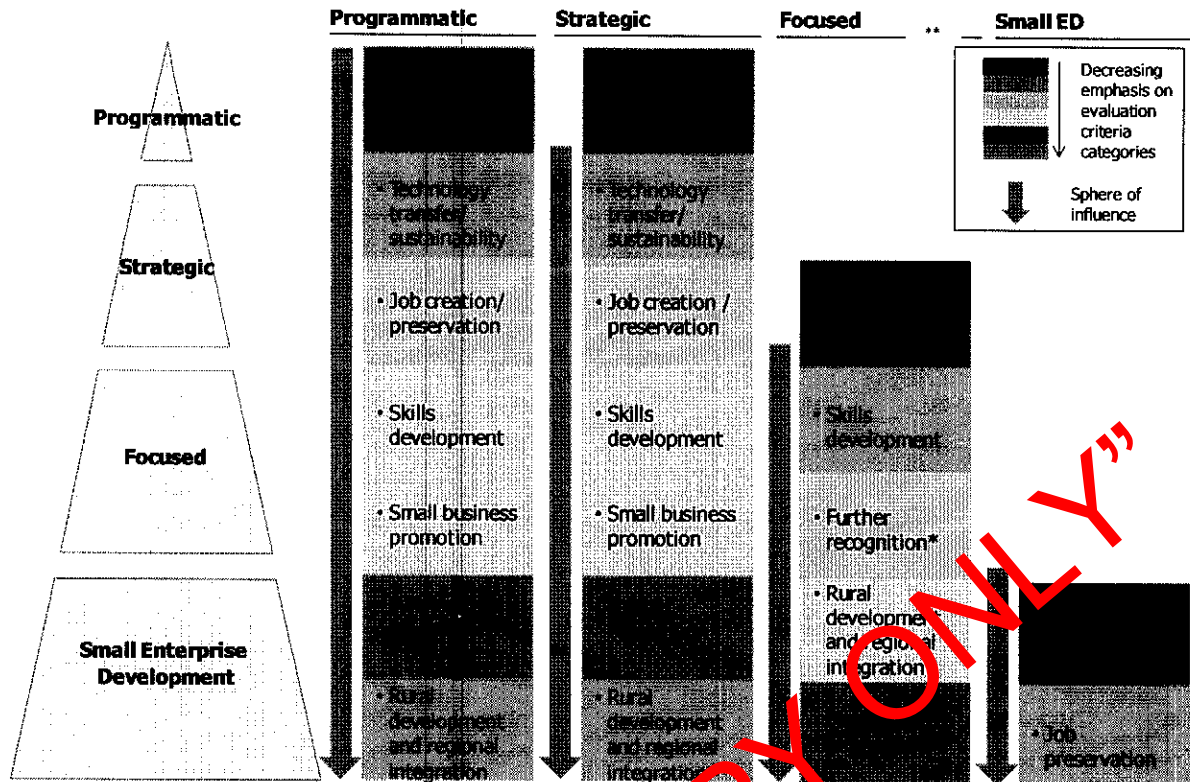
Small Enterprise Development

Small Enterprise Development initiatives are typically of low value and have no industrial leverage as they are characterised by typically low complexity goods and high competition. These initiatives concentrate on increasing the capability of small local suppliers and are targeted toward historically disadvantaged individuals and communities, providing basic skills development and improving local employment and quality job creation. It includes a wide range of non-financial services that help entrepreneurs start new businesses and grow existing ones.

RESPONSE BASED ON THE IC3 MATRIX QUADRANTS

Based on the supplier-buyer power, industrial complexity, risk and the length of procurement period, the Service Provider is expected to formulate a SD Proposal to identify the opportunities that it will pursue. Ideally the SD Proposal should address factors that are specific to the applicable quadrant of the IC3 matrix.

Transnet has identified a number of opportunities which may aid a Service Provider in formulating its response based on each quadrant. Each of the opportunities identified by the Service Provider should have a direct or indirect effect on the value it creates for the country in order to maximise the socio-economic impact.



*Points allocated in further recognition of certain components of BBBEE in line with Transnet and government objectives

** Indicative and varies on business and Macro Economic need

Figure 2: Transnet value capture through supplier influence

Programmatic

The strategic objective of “Programmatic transactions” is to assist Government to achieve its industrialisation objectives through the development of the local supplier base, in order to increase the cost efficiency of SOE procurement, support and maintenance programmes. In order to satisfy this objective a number of focus areas and key outcomes have been identified:

PROGRAMMATIC FOCUS AREAS -

- Technology transfer
- Skills development related to the manufacturing process and the industry
- Development of new technology and innovation
- Investment in plant
- Development of local companies aligned to empowerment objectives

KEY OUTCOMES -

- Industrialisation/localisation
- Technology transfer
- Skills development

Strategic

The main objective of Strategic transactions is to leverage local downstream suppliers through large-scale SOE procurement in order to develop a competitive local supplier base. In response to these objectives the following are the specific focus areas and key outcomes applicable:



STRATEGIC FOCUS AREAS -

- Transfer of technology and innovation to local suppliers from foreign OEM's
- Skills development related to the industry
- Development of local companies aligned to empowerment objectives

KEY OUTCOMES -

- Localisation
- Increased technology transfer
- Skills development
- Job creation/preservation

Focused

Focused initiatives assist local suppliers to improve their performance, enhance their existing production and skills capabilities with emphasis being placed on benefiting previously disadvantaged individuals and rural development. In order to satisfy these objectives a number of focus areas and key outcomes have been identified:

FOCUSED FOCUS AREAS -

- Developing a local supplier base that supports preferential procurement outcomes
- Developing skills within the specific industry
- Creating opportunity for job preservation
- Reducing income inequality in specific regions

KEY OUTCOMES -

- Empowerment
- Skills development
- Rural development
- Job creation/preservation

Small Business Development

Enterprise Development (ED) objectives are centred around assisting local suppliers to improve their skills by placing increased emphasis on benefiting previously disadvantaged individuals and rural development in line with the Broad-Based Black Economic Empowerment (B-BBEE) strategy. The following focus areas and key outcomes have been identified:

SMALL BUSINESS DEVELOPMENT FOCUS AREAS -

- Providing small businesses with opportunities and preferential trading terms, increased focus on black woman-owned enterprises, focus on the youth, people with disabilities and region-specific initiatives
- Empowering previously disadvantaged individuals to create their own businesses resulting in quality job creation

KEY OUTCOMES -

- Empowerment
- Rural development
- Skills development
- Job creation/preservation



Based on these focus areas and key outcomes, a Service Provider would need to actively focus on the quadrant-specific requirements in order to maximise the potential commercial benefit for Transnet, South Africa and themselves. In doing so value can be created across all lines of reporting resulting in continued relations.

SUPPLIER DEVELOPMENT CATEGORY DEFINITIONS AND HIGH LEVEL DESCRIPTIONS

Industrialisation

Refers specifically to industrial capability building that will result in globally leading capabilities developed within South Africa.

Criteria	Description
Value of investment in plant	Quantification of the monetary value invested in machinery, equipment and/or buildings as a result of this RFP
Percentage of local content utilised in the investment of plant	Percentage value invested in machinery, equipment and/or buildings that are sourced from local companies
Reduction in import leakage	A percentage indication of the increase in locally supplied products and therefore the resultant decrease in imports as a result of the award of a contract
Potential increase in export content	The percentage increase in exports that will result from increased industrial capability locally in relation to the award of a contract

Localisation

Refers specifically to industrial capability building that focuses on value-add activities of the local industry through manufacturing or service-related functions.

Criteria	Description
Percentage local content	Planned use of local parts as a percentage of the total contracted items
Value of local parts in relation to a bill of materials	Planned monetary value of the local parts utilised in a bill of materials (as a percentage of the total spend)
Value spent on local suppliers	Planned percentage monetary value spend on procurement of goods and services from SA suppliers
Number of local suppliers in the supply chain	Number of South African suppliers that are to be utilised in the fulfilment of a contract

Technology transfer/sustainability

Technology improvements are intangible assets with significant economic value. The Service Provider will be measured on its plan to transfer knowledge and IP to contribute towards capability building of the local supply base, which ultimately leads to improved efficiency and capability. Plans to assist in this by a Service Provider must be assessed to enable the local supply base to potentially export its newly-acquired technological know-how, thereby decreasing capital leakage.



Criteria	Description
Technology transfer including: <ul style="list-style-type: none"> ➤ Methods of manufacturing ➤ Introduction of new technologies ➤ IP transfer (number and value) 	<ul style="list-style-type: none"> ➤ Introduction of a new/improved method of manufacturing ➤ Provision of new technologies: <ul style="list-style-type: none"> ○ For processes ○ ICT ➤ The provision of patents, trademarks and copyrights
Number of local suppliers to be evaluated for integration into the OEM supply chain	An indication of the number of South African suppliers that an OEM/Service Provider plans to evaluate for possible inclusion into its supply chain, should it meet the requirements

Skills development

Indicates the company's commitment to education and whether that is in line with targeted groups (artisans, technicians, etc.). Consideration needs to be directed towards the adequate quality and value of skills so developed in order to allow for better evaluation in line with Government's objectives.

Criteria	Description
Number of downstream supply chain individuals to be trained including: <ul style="list-style-type: none"> • Number of artisans trained • Number of technicians trained • Number of black people trained • Total number of people trained 	Number of individuals that the Service Provider plans to train in the local industry over the contract period; training undertaken in the previous year will be taken into account
Number of company employees to be trained	Number of individuals within the company (in South Africa) that the Service Provider plans to train over the contract period; training undertaken in the previous year will not be taken into account as past employee training appears in the skills development pillar of the B-BBEE scorecard; criteria broken down as for industry training above
Certified training (yes/ no)	Compliance with local and/or international skills accreditation
Rand value spent on training	Total planned monetary value spend (as a % of contract value) on skills development/training for the contract period within the industry; money spent in the previous year will be included in year 1 to make allowance for Service Providers who have just completed a training drive within the industry
Number of bursaries/ scholarships (specify field of study)	The number of higher education bursaries/scholarships provided in the previous year and planned for the length of the contract
Number of apprentices (sector must be specified)	The number of apprentices that the Service Provider plans to enlist during the course of the contract
Investment in Schools in specific sectors e.g. engineering	The monetary value that the Service Provider is prepared to invest in the development and running of schools to increase technical skills development



Job creation/preservation

Allows assessment of Government's objectives to increase labour absorption, focusing on unskilled workers and the youth.

Criteria	Description
Number of jobs created including: <ul style="list-style-type: none"> ➤ New skilled jobs created ➤ New unskilled jobs created ➤ Number of jobs created for youth 	Number of jobs to be created during the period of the contract <ul style="list-style-type: none"> ➤ Jobs for people who have undergone training in and/or outside the work environment and are in possession of a minimum level of secondary qualification ➤ Jobs for people who have not undergone any formal training or from whom no minimum level of education is required ➤ Jobs created for individuals aged 16 – 30 years

Small business promotion

These criteria give an indication of the Service Provider's commitment to developing small business in line with NGP and B-BBEE requirements.

Criteria	Description
Percentage procurement from: <ul style="list-style-type: none"> • QSEs • EMEs • Start-ups 	Refers to the planned procurement from small business as a % of the total planned procurement spend
Non-financial support provided to small business	Service Providers will be credited for each non-financial ED support that they are planning to give to small business e.g. Professional support; employee time allocated to assisting small business
Financial support provided to small business	Service Providers will be credited for each financial ED support initiative that they are planning to undertake during the contract period e.g. Shorter payment terms; interest free loans
Joint ED initiatives with Transnet	The number of ED initiatives that the Service Provider will jointly run with Transnet: <ul style="list-style-type: none"> • That are aligned to Transnet's objectives • That are non-financial in nature

Rural development/integration

The Service Provider's planned use of local labour and business will contribute to Government's NGP objectives and result in supply chain efficiencies. Commitment to rural development will result in the alleviation of poverty and thereby contribute to development objectives. The development must be sustainable in order to have a long-term and meaningful impact.



Criteria	Description
Number of local employees	Number of people employed from within the town/city of operation
Value spent on local business	Monetary value spent on business within the town/city of operation
Proximity of business to operations	The locality of the business in relation to operations, preference is given for regional (provincial) locality
Number of rural businesses to be developed	The number of rural businesses that the Service Provider plans to develop as a result of the contract
Value of development to local community (sustainable)	The monetary value spent on rural community development that will result in long-term social improvements

Market Intelligence Assistance

Service Providers with limited knowledge of the local market, supply base and capabilities may require assistance in identifying local suppliers and the development needs in order to develop its SD proposal. The United Nations Industrial Development Organisation (UNIDO) supplies a benchmarking service in South Africa which will be able to assist Service Providers in identifying potential local suppliers with which to work. In addition, this service will provide insight as to the type of support that these local suppliers require in order to become more competitive. UNIDO's benchmarking tool gives insight into the performance levels being seen in Service Providers' businesses and the practices used to deliver the products or services being ordered. The benchmarking tool focuses on:

Performance data relating to -

- FINANCIAL PERFORMANCE
- CUSTOMER DATA
- PROCESSES
- LEARNING & GROWTH

Company's current business situation -

- PLANS FOR THE BUSINESS AND CAPABILITIES TO MANAGE THEIR FULFILMENT
- ABILITY TO GENERATE BUSINESS
- EMPLOYEE RELATIONSHIPS
- DEVELOPING NEW MARKETS
- DEVELOPING PRODUCTS AND SERVICES
- MANAGING MONEY

The UNIDO benchmarking tool provides a basic framework through which an understanding of the South African market can be established. Whilst the list of criteria may not be exhaustive, Service Providers are free to meet with UNIDO to further understand how they can work together to develop a deeper understanding of the market and the SD opportunities available.



GOVERNMENT POLICY DOCUMENTS

- NIPP http://www.thedti.gov.za/industrial_development/nipp.jsp
IPAP2 <http://www.thedti.gov.za/DownloadFileAction?id=561>
CSDP <http://www.dpe.gov.za/res/transnetCSDP1.pdf>
NGP <http://www.thepresidency.gov.za/pebble.asp?relid=2323>

OTHER REFERENCE WEBSITES

References	Website
Department of Public Enterprise (DPE)	www.dpe.gov.za
United Nations Industrial Development Organisation (UNIDO)	www.unido.org/spx

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GLOSSARY OF WORDS

Broad-Based Black Economic Empowerment (B-BBEE)

A South African legal requirement that require all entities operating in the South African economy to contribute to empowerment and transformation

Enterprise Development (ED)

An element contained within the B-BBEE scorecard whereby a Measured Entity can receive recognition for any Qualifying Enterprise Development Contributions towards Exempted Micro-Enterprises or Qualifying Small Enterprises which are 50% black owned or 30% black woman owned. Enterprise Development Contributions consists of monetary and non-monetary, recoverable and non-recoverable contributions actually initiated in favour of a beneficiary entity by a measured entity with the specific objective of assisting or accelerating the development, sustainability and ultimate financial independence of the beneficiary. This is commonly accomplished through the expansion of a beneficiaries financial and/or operation capacity.

Industrial Policy Action Plan II (IPAPII)

The implementation plan for the National Industrial Policy Framework (NIPF) which details key action plans (KAPs) and timeframes for the implementation of industrial policy actions in line with the NIPF.

Integrated Supply Chain Management (iSCM)

Refers to an integrated "one supply chain management" strategy within Transnet which has been developed with Centres of Excellence (COEs) with cross-functional teams comprising divisional and corporate task team members, to deliver value through improved efficiencies and compliance with the regulatory environment.

New Growth Path (NGP)

Developed by the Economic Development Department tabled in January 2010 frames a new approach to unlocking economic growth by knitting together the IPAP2 as well as policies and programmes in rural development, agriculture and, sciences & technology, education, skills development, labour, mining and beneficiation, tourism and social development with the aim to target limited capital and capacity at activities that maximise the creation of decent work opportunities. Key indicators include: Quality job creation, Youth employment, Labour intensive growth, and Equity.

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Original Equipment Manufacturer (OEM)

Refers to a manufacturing company that owns the intellectual property rights and patents for the equipment it sells and services

Socio-economic Development

Refers to development which addresses social and economic aspects such as job creation, poverty reduction and increased national value add and which not only focuses on the business's financial bottom line.

State Owned Enterprise (SOE)

Refers to Government-owned corporations. They are legal entities created, and owned, by Government to undertake commercial activities on behalf of an owner Government, and are usually considered to be an element or part of the state. They are established to operate on a commercial basis.

Supplier Development (SD)

Improving the socio-economic environment by creating competitive local suppliers via Enterprise Development, CSDP and other initiatives such as Preferential Procurement. This results in a supply base that can eventually be competitive to market its goods on the international market leading to increased exports.

United Nations Industrial Development Organisation (UNIDO)

A specialised agency of the United Nations. Its mandate is to promote and accelerate sustainable industrial development in developing countries and economies in transition, and work towards improving living conditions in the world's poorest countries by drawing on its combined global resources and expertise.

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ANNEXURE B
Supplier Development Plan Table

SD Category Tender Requirement	Tender Requirement Criteria	Description	Detailed Description of Bidder's Supplier Development (SD) Proposal	Estimated National Value Add (ZAR)
Job Creation / Preservation	No. of jobs created with emphasis on black youth and people with disabilities (focus area : jobs created in local community)	The increase in the number of jobs, as a result of the award of business from Transnet. The number of jobs that are preserved as a result of the award of business is also taken into consideration		
Skills Development	Number of employees trained to be evaluated on basis of man hours of training	Future skills transfer within the industry, with an emphasis on the accumulation of the knowledge and experience, which will occur as a result of the transaction		
Small Business Promotion	Percentage Procurement from: <ul style="list-style-type: none"> • QSE's • EME's • Start-ups Non-Financial Support provided to small business	The encouragement of growth and expansion of emerging microenterprises, qualifying small enterprises and start-ups through procurement and support mechanisms provided by the potential Consultant. Service Providers will be credited for each non-financial ED support that they are planning to give to small business e.g. Professional support; employee time allocated to assisting small business		

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The scoring of the Supplier Development Plan will be as follows:

	Technical approach and methodology
Poor (score 40)	Poor response/answer/solution lacks convincing evidence, medium risk that stated employer's requirements will not be met.
Satisfactory (score 70)	Satisfactory response/answer/solution to the particular aspect of the requirement, evidence given that the stated employer's requirements will be met.
Good (score 90)	Good response/answer/solution demonstrates real understanding and evidence of ability to meet stated employer's requirements.
Very Good (score 100)	Very good response/answer/solution gives real confidence that the tenderer is most likely to ensure compliance with stated employer's requirements.

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Signed _____ Date _____

Name _____ Position _____

Tenderer _____



T2.2-43: REQUEST FOR PROPOSAL – BREACH OF LAW

NAME OF COMPANY: _____

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 company have been found guilty of a serious breach of
law, tribunal or regulatory obligation.

SIGNED a _____ on this _____ day of _____ 20____

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT



TRANSNET SOC LTD
 ENQUIRY NUMBER: TCP CON 052/2012
 DESCRIPTION OF THE WORKS: SUPPLY AND DELIVER 80MM THICK G-BLOCK
 INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY

C1.1 Form of Offer & Acceptance

Offer

The Purchaser, identified in the Acceptance signature block, has solicited offers to enter into a contract for the procurement of the:

Supply and deliver 80mm thick G-Block interlocking pavers to the Port of Richards Bay.

The tenderer, identified in the Offer signature block, has examined the documents listed in the Tender Data and addenda thereto as listed in the Returnable Schedules, and submitting this Offer has accepted the Conditions of Tender.

By the representative of the tenderer, deemed to be duly authorised, signing this part of this Form of Offer and Acceptance the tenderer offers to perform all of the obligations and liabilities of the *Supplier* under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the *conditions of contract* identified in the Contract Data.

	The offered total of the Prices exclusive of VAT is	R
	Value Added Tax @ 14% is	R
	The offered total of the amount due inclusive of VAT is	R
	Amount in Words	

This Offer may be accepted by the *Purchaser* by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document including the Schedule of Deviations (if any) to the tenderer before the end of the period of validity stated in the Tender Data, or other period as agreed, whereupon the tenderer becomes the party named as the *Supplier* in the *conditions of contract* identified in the Contract Data.

Signature(s) _____
 Name(s) _____
 Capacity _____
 For the tenderer: _____ (Insert name and address of organisation)

Name & signature of witness _____ Date _____



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Acceptance

By signing this part of this Form of Offer and Acceptance, the *Purchaser* identified below accepts the tenderer's Offer. In consideration thereof, the *Purchaser* shall pay the *Supplier* the amount due in accordance with the *conditions of contract* identified in the Contract Data. Acceptance of the tenderer's Offer shall form an agreement between the *Purchaser* and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

- Part C1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)
- Part C2 Pricing Data
- Part C3 Scope of Work: Goods Information including Supply Requirements

and drawings and documents (or parts thereof), which may be incorporated by reference into the above listed Parts.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Returnable Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the *Purchaser* during this process of offer and acceptance, are contained in the Schedule of Deviations attached to and forming part of this Form of Offer and Acceptance. No amendments to or deviations from said documents are valid unless contained in this Schedule.

The tenderer shall within two weeks of receiving a completed copy of this agreement, including the Schedule of Deviations (if any), contact the *Purchaser's Supply Manager* (whose details are given in the Contract Data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the *conditions of contract* identified in the Contract Data at, or just after, the date this agreement comes into effect. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the Schedule of Deviations (if any).

Unless the tenderer (now *Supplier*) within five working days of the date of such receipt notifies the *Purchaser* in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the Parties.

Signature(s)

Name(s)

Capacity

**for the
Purchaser**

Transnet SOC Ltd
 Old Naval Base, Commodores Close,
 Meerensee, Richards Bay, 3900

Date

Name &
signature of
witness

Note: If a tenderer wishes to submit alternative tenders, use another copy of this Form of Offer and Acceptance.

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 INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY



Schedule of Deviations

Note:

1. This part of the Offer & Acceptance would not be required if the contract has been developed by negotiation between the Parties and is not the result of a process of competitive tendering.
2. The extent of deviations from the tender documents issued by the Purchaser prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender.
3. A tenderer's covering letter must not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid be the subject of agreement reached during the process of Offer and Acceptance, the outcome of such agreement shall be recorded here and the final draft of the contract documents shall be revised to incorporate the effect of it.

No.	Subject	Details
1		
2		
3		
4		
5		
6		
7		

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By the duly authorised representatives signing this Schedule of Deviations below, the *Purchaser* and the tenderer agree to and accept this Schedule of Deviations as the only deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Tender Schedules, as well as any confirmation, clarification or changes to the terms of the Offer agreed by the tenderer and the *Purchaser* during this process of Offer and Acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Form shall have any meaning or effect in the contract between the parties arising from this Agreement.

For the tenderer:

For the Purchaser

Signature _____

Name _____

Capacity _____

On behalf of *(Insert name and address of organisation)* _____

Transnet SOC Ltd
 Old Naval Base, Commodores Close,
 Meerensee, Richards Bay, 3900

Name & signature of witness _____

Date _____



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 DESCRIPTION OF THE WORKS: SUPPLY AND DELIVER 80MM THICK G-BLOCK
 INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY

C1.2 SC3 Contract Data

Part one - Data provided by the Purchaser

Completion of this data in full, according to the Options chosen, is essential to create a complete contract.

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for Options	
	of the NEC3 Supply Contract (December 2009)	X7: Delay damages
10.1	The <i>Purchaser</i> is (name):	Transnet SOC Ltd (Reg. no. 990/00900/30)
	Address	Sutton Centre, 150 Commissioner Street, Johannesburg, 2001
	Tel No.	011 308-3001
	Fax No.	011 826 6912
	E-mail address	Jannie.visser@transnet.net
	Having elected its Contractual Address for the purpose of the contract as:	Transnet Freight Rail RME Old Naval Base, Commodores Close, Richards Bay, Opposite Zululand Yacht Club, Meerensee, Richards Bay
10.1	The <i>Supply Manager</i> is (name):	Jannie Visser
	Address	Transnet Freight Rail RME Old Naval Base, Commodores Close, Meerensee, Richards Bay, 3901
	Tel	035 905 3662
	Fax	035 905 3545
	e-mail	Jannie.visser@transnet.net
11.2(13)	The <i>goods</i> are	Supply and deliver 80mm thick g-block Interlocking pavers to the port of Richards bay



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 INTERLOCKING PAVERS TO THE PORT OF RICHARDS BAY

11.2(15)	The Goods Information is in	Part 3 of this contract: Scope of Work
12.2	The <i>law of the contract</i> is the law of	the Republic of South Africa subject to the jurisdiction of the Courts of South Africa
13.1	The <i>language of this contract</i> is	English
13.3	The <i>period for reply</i> is	1 week
2	The Supplier's main responsibilities	Data required by this section of the core clauses is provided by the <i>Supplier</i> in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data.
3	Time	
30.1	The <i>starting date</i> is	1 December 2012
30.1	The delivery date of the goods is	1 April 2013
30.2	The <i>Supplier</i> does not bring the <i>goods</i> to the Delivery Place more than one week before the Delivery Date.	No
4	Testing and defects	
42	The <i>defects date</i> is	Not Required
43.2	The <i>defect correction period</i> is	Not Required
5	Payment	
50.1	The <i>assessment interval</i> is monthly	On the 31 st day of each month.
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	Payment will be effected on or before the last day of the month following the month during which a valid Tax invoice and statement were received.
6	Compensation events	No additional data is required for this section of the <i>conditions of contract</i> .
7	Title	No additional data is required for this section of the <i>conditions of contract</i> .
8	Risks, liabilities, indemnities and insurance	
84.1	The <i>Purchaser</i> provides these insurances from the Insurance Table	None



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- 86.1 The *Supplier's* liability to the *Purchaser* for indirect or consequential loss, including loss of profit, revenue and goodwill is limited to
1. Where the Contract involves manufacture and/or fabrication of Plant and Materials, components or other goods to be incorporated into the works, at premises other than the Site, the *Supplier* shall satisfy the *Purchaser* that such Plant and Materials, components or other goods are adequately insured during manufacture and/or fabrication and transportation.
 2. Should the *Purchaser* have an insurable interest in such items during manufacture or fabrication, such interest shall be noted by an endorsement made on the *Supplier's* policies of insurance.
 3. The insurance coverage referred to in 1 and 2 above shall be obtained from an insurer in terms of an insurance policy approved by the *Purchaser*. The *Supplier* shall arrange with the insurer to submit to the *Supply Manager* the original and duplicate original of the policy or policies of insurance and the receipts for payment of current premiums, together with a certificate from the insurer or insurance broker concerned, confirming that the policy or policies provide the full coverage as required. The original policy will be returned to the *Supplier*.
- Motor Vehicle Liability Insurance comprising (as a Minimum) "Balance of Third Party" Risks including Passenger and Unauthorised Passenger Liability indemnity with a minimum indemnity limit of R10,000,000 (to be determined by risk assessment of the potential risk exposure).

86.2 The *Supplier's* is not liable to the *Purchaser* for loss of or damage to the *Purchaser's* property in excess of

The Replacement Value of any one event

9 Termination and dispute resolution

- 94.1 The *Adjudicator* is (Name) the person selected from the Panel of Adjudicators listed in Annexure B to this Contract Data by the Party intending to refer a dispute to him.
- 94.2(3) The *Adjudicator nominating body* is: the Chairman of The Association of Arbitrators (Southern Africa)
- 94.4(2) The *tribunal* is: Arbitration



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94.4(5) The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa).
10 Data for Option clauses	
X7 Delay damages	
X7.1 Delay damages for Delivery are	<p>Delay damages will be charged R100.00 per square meter per day for delay in delivery and if the supplier cannot meet the required scope quantity per day</p>

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C1.2 Contract Data

Part two - Data provided by the *Supplier*

The tendering supplier is advised to please read both the NEC3 Supply Contract (December 2009) and the relevant parts of its Guidance Notes (SC3-GN) in order to understand the implications of this Data which the tenderer is required to complete. An example of the completed Data is provided on page 26 of the SSC Guidance Notes and Flow Charts.

Completion of the data in full, according to Options chosen, is essential to create a complete contract.

Clause	Statement	Data												
10.1	The <i>Supplier</i> is (Name): Address Tel No. Fax No.													
11.2(8)	The Goods Information for the <i>Supplier's</i> design is in:													
11.2(11)	The tendered total of the Prices is	See C1.1 Form of Offer and Acceptance												
11.2(12)	The <i>price schedule</i> is in:	The document called 'Price Schedule' in Part 2 of the contract												
11.2(14)	The following matters will be included in the Risk Register													
30.1	The <i>delivery date</i> of the goods and services is:	<table border="1"> <thead> <tr> <th></th> <th><i>goods and services</i></th> <th><i>delivery date</i></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>2</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>3</td> <td>.....</td> <td>.....</td> </tr> </tbody> </table>		<i>goods and services</i>	<i>delivery date</i>	1	2	3
	<i>goods and services</i>	<i>delivery date</i>												
1												
2												
3												

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PART 2: PRICING DATA
NEC3 Supply Contract

Document reference	Title	No of pages
C2.1	Pricing assumptions	1
C2.2	The <i>price schedule</i>	1

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C2.1 Pricing assumptions

1. The conditions of contract

1.1. How goods and services are priced and assessed for payment

Clause 11 in NEC3 Supply Contract, December 2009 (SC3) core clauses states:

Identified and defined terms	11 11.2	<p>(11) The Prices are the amounts stated in the price column of the Price Schedule. Where a quantity is stated for an item in the Price Schedule, the Price is calculated by multiplying the quantity by the rate.</p> <p>(12) The Price Schedule is the <i>price schedule</i> unless later changed in accordance with this contract.</p>
Assessing the amount due	50.2	<p>The amount due is</p> <ul style="list-style-type: none"> • the Price for each lump sum item in the Price Schedule which the <i>Supplier</i> has completed, • where a quantity is stated for an item in the Price Schedule, an amount calculated by multiplying the quantity which the <i>Supplier</i> has completed by the rate, • plus other amounts to be paid to the <i>Supplier</i>, • less amounts to be paid by or retained from the <i>Supplier</i>. <p>Any tax which the law require the <i>Purchaser</i> to pay to the <i>Supplier</i> is included in the amount due.</p>

This confirms that the Supply Contract is a priced contract where the Prices are derived from a list of items of goods and services which can be priced as lump sums or as expected quantities of goods and services multiplied by a rate, or a mix of both.

1.2. Format of the price schedule

Tenders are to ensure that prices quoted per item are inclusive of Transport to the Delivery points as per Pricing Schedule.

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C2.2 the price schedule

Description	Unit	Quantity	Rate	Price	Lead time
80mm thick G-Block interlocking pavers	M ²	33 300			
TOTAL				R	

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PART 3: GOODS INFORMATION

Document reference	Title	No of pages
	This cover page	1
C3.1	<i>Purchaser's Goods Information</i>	7
Total number of pages		8

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C3.1: PURCHASER'S GOODS INFORMATION

Contents

Part 3: GOODS INFORMATION	1
C3.1: <i>purchaser's</i> goods information	2
Part 3: Goods Information	3
C3.1: Purchaser's goods information	3
3.1 Overview of the <i>goods</i>	3
3.2 Specifications of the goods	3
3.3 Delay damages for delivery	3
3.4 Insurance	4
3.5 Price structure and payment	4
3.6 Access to site	4
3.7 Procurement	5

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Part 3: Goods Information

C3.1: Purchaser's goods information

3.1 Overview of the goods

This contract is for the supply and delivery of 80mm thick G-block interlocking pavers for the surfacing of an open stockpile area to be used initially for the storage of chrome ore that is destined for export. The area is known as the C&D West Area in the Port of Richards Bay.

The Supplier must be able to deliver at least a 500.0m² per day to site, as per clause 30.1- Delivery Date in the Contract Data. -

The material will be off loaded as indicated on site and or stockpiled if so decided by the RME Site representative.

Access to the Port of Richards Bay will be subjected to the Transnet Port Terminal security requirements and regulations. The *Supplier* will be responsible for obtaining the access permits for himself, his staff and delivery vehicles.

The trucks and truck drivers need to comply with the site Safety and must at all times wear correct PPE and the trucks must also have orange construction flashing lights and reversing sirens. The driver and assistants must have a valid medical certificate, drivers licence and the crane for off loading must have a valid load test certificate.

3.2 Specifications of the goods

3.2.1 G-Block Interlocking concrete pavers = 33 300.0m²

3.2.2 For Technical Specifications, refer to SANS 1058/2012 and Technical Notes 1/2012 issued through Concrete Manufacturing Association i.e. New Concrete Block Paving Standards Amended. Copy attached.

3.3 Delay damages for delivery

Refer to NEC3 SC part C1.2 - Contract Data, Data provided by the Purchaser, Clauses 50.5 for Delay damages. Delay damages will be charged R100.00 per square meter per day for delay in delivery and if the *Supplier* cannot meet the required scope quantity per day.



3.4 Insurance

Refer to NEC3 SC part C1.2 - Contract Data, Data provided by the Purchaser. Clauses 8 – Risks, liabilities, indemnities and insurance.

3.5 Price structure and payment

The fees payable by Transnet to the *Supplier* for the delivery of material shall be in accordance with the schedule of prices agreed to.

The invoiced amount payable to the *Supplier* shall be the sum of the charges as set out in the clause above, which shall be determined in accordance with the records, approved delivery notes and such other documents kept by the parties, and which shall be invoiced monthly.

The *Supplier* shall, after the end of each month, submit to Transnet invoices, certified as correct, specifying the services rendered during the proceeding month and detailing the amount due.

Transnet shall effect payment thirty (30)-days after receipt of a valid TAX-invoice from the *Supplier*.

The *Supplier* shall correct any error in the invoiced amount per credit note.

3.6 Access to site

Access to the Port of Richards Bay will be subjected to the Transnet Port Terminal security requirements and regulations. The *Supplier* will be responsible for obtaining the access permits for himself, his staff and delivery vehicles.

The trucks and truck drivers need to comply with the site Safety and must at all times wear correct PPE and the trucks must also have orange construction flashing lights and reversing sirens.



3.7 Procurement

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 Anti Corruption Act.

This code of conduct has been included in this contract to formally apprise 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 Enterprise, 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 (origin of manufacture, specifications, intellectual property rights, etc);
 - Collusion;
 - Failure to disclose accurate information required during the sourcing activity (ownership, financial situation, B-BBEE status, etc.);
 - 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

1. *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



The *Supplier's* Invoices

1.1.1

- When the responsible person as per each SAP Purchase Order certifies payment following an assessment date, the *Supplier* complies with the *Employer's* procedure for invoice submission.
- The invoice states the following:
 - Invoice addressed to Transnet SOC Ltd;
 - Transnet Limited's VAT No: 4720103177;
 - Invoice number;
 - The *Supplier's* VAT Number; and
 - The Contract number
 - Purchase order number
 - The invoice contains the supporting detail
- The invoice is presented either by post or by hand delivery.
- Invoices submitted by post are addressed to:
Transnet Freight Rail RME
PO Box 425
Richards Bay
3900
- Invoices submitted by hand are presented to:
Transnet Capital Projects
Main office building, Old Naval Base, Commodores Close, Meerensee, Richards Bay
- The invoice is presented as an original.
- B-BBEE and preferencing scheme

“PREVIEW COPY ONLY”



Points will be awarded to tenderers based on preferencing using the balanced Department of Trade and Industry (DTI) scorecard. The application of the Broad-Based Black Economic Empowerment recognition levels and score preferencing points are as follows:

Contribution Level	Qualification on the generic scorecard	Broad-Based BEE Recognition Level	Preferencing Points Scored
Level 1	Greater than or equal to 100 points	135%	10
Level 2	Greater than or equal to 85 points but less than 100 points	125%	9
Level 3	Greater than or equal to 75 points but less than 85 points	110%	8
Level 4	Greater than or equal to 65 points but less than 75 points	100%	7
Level 5	Greater than or equal to 55 points but less than 65 points	80%	6
Level 6	Greater than or equal to 45 points but less than 55 points	60%	5
Level 7	Greater than or equal to 40 points but less than 55 points	50%	4
Level 8	Greater than or equal to 30 points but less than 40 points	10%	2
Level 9	Less than 30 points	0%	0

On the basis the tenderer with a B-BBEE recognition level of 135% will achieve 10 points, and the points will be allocated accordingly on a pro-rata basis as per the table above.

In addition to the above provision is made for the case where a tenderer has greater than 50% black ownership. In this instance, provided the requisite documentary evidence is supplied, the tenderer will then be awarded preference points one level above that awarded based on the DTI scorecard.

For example, a tenderer with > 50% black ownership obtaining a Level 6 contribution equating to 5 points will be awarded 6 preferencing points (Level 5).

Tenderers claiming Preference Points must submit together with the tender document their generic scorecard, evaluated by an independent accreditation agency. Transnet therefore requires tenderers to have been accredited by one of the various Accreditation Agencies in accordance with the latest relevant Codes of Practice applicable not more than 3 months prior to the date of tender. Should the B-BBEE rating not be provided, Transnet reserves the right to award no points and/or declare the tender void. Transnet also reserves the right to carry out an independent audit of the tenderers scorecard components at any stage from the date of close of the tenders until completion of the contract.

Tenderers with no accreditation will score zero points for preferencing.

NEW CONCRETE BLOCK PAVING STANDARD AMENDED

The new South African Bureau of Standards (SABS) mark for concrete block pavers (CBP), and manufacturers who produce to the specifications within the standard, SANS 1058-2010, has been amended. This new standard was announced in March 2010 and was officially introduced at the beginning of September 2011.

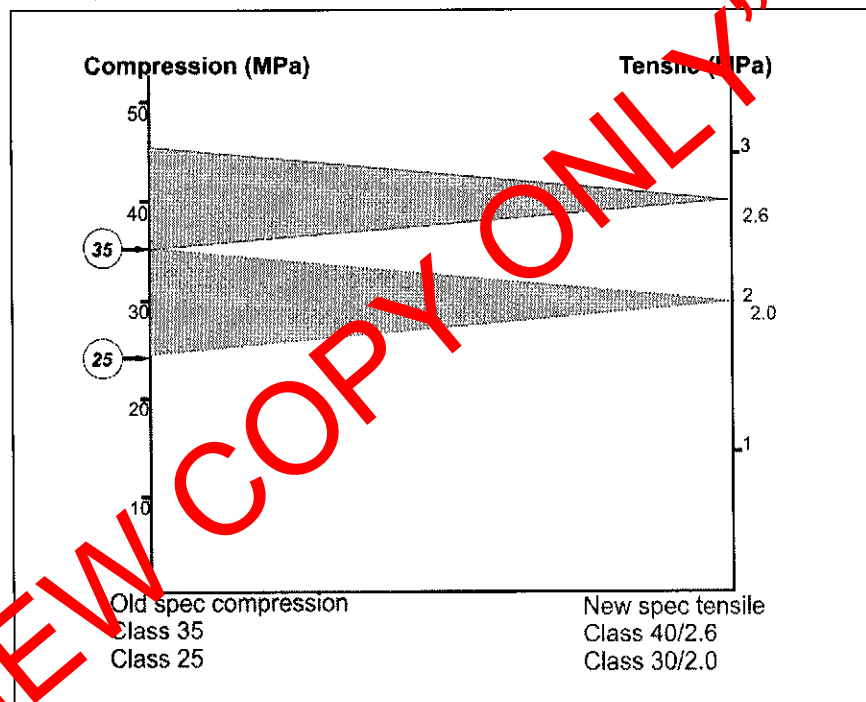
The 18-month window period was given to manufacturers to alter their mix designs and production processes in compliance with the standard.

While some manufacturers are complying with the new standard, most are not able to do so consistently. As a result of this, the Concrete Manufacturers Association (CMA) initiated an amendment in which the performance criteria of the standard as promulgated in 2010 have been lowered – although only marginally.

Furthermore, the two strength ratings within the standard have been renamed for greater clarity. The amended standard will be published in January/February 2012 and, even in its amended form, it sets a higher quality benchmark and is more comprehensive than the standards it replaces.

Unlike the old standard, SANS 1058-2006, which relied on a single, compression based measurement, SANS 1058-2010 includes two new

COMPARISON OF OLD AND NEW SPECIFICATIONS



performance measurement techniques: tensile splitting and abrasion testing.

However, to help the industry better understand the new performance measurements, SANS 1058-2010 still refers to the old compression standard, even though it does not form part of the new standard.

The CMA made a conscious decision to increase the performance requirement of

quality concrete block pavers in drafting the new standards in collaboration with the SABS and to this end, two upgraded strength ratings were added.

Class 30/2.0, officially rated at 2.0MPa (tensile strength), is indicative of a compressive strength rating of around 30MPa, and Class 40/2.6, rated at 2.6MPa (tensile strength), approximates a compressive strength rating of about 40MPa.

Unfortunately there is not a direct correlation between the tensile and compression strength of a concrete block paver. This relationship varies depending on aggregate type, shape and grading and the amount of vibration available during manufacture.

For specification purposes, Class 30/2.0 replaces the old class 25 of SANS 1058-2006, which was based on a compressive



A set of paving blocks after a run on the abrasion testing machine.

strength rating of 25MPa, and Class 40/2.6 replaces the old Class 35 based on a compressive strength rating of 35MPa.

Tensile splitting is a far more appropriate performance measure than compressive testing because it measures resistance to cracking and break-ups opposed to resistance to crushing.

Research has shown that paving blocks are hardly ever crushed under load whereas cracking and break-up as well as abrasion are the main causes of paving failure. The tensile split test involves applying line loads to the top and bottom of the blocks using two steel bars, each with a diameter of 150mm. Plywood strips are inserted between the bars and the blocks to ensure an even load distribution. More importantly, the test takes the thickness of the block into account whereas thickness was not a factor in old compression testing.

It is known that paving blocks with good strength rating do not necessarily provide good abrasion resistance, which is why a surface-wear test has been included in the new standard.

Abrasion is specific to the quality, density, shape and particle distribution of the aggregates used in the topping layer and the percentage binder. For example, a paving block with a high strength rating can have low abrasion resistance. Conversely, a block with low strength rating can have excellent surface-wear properties.

Most South African paving producers manufacture pavers with two layers. The bottom and thicker sections provide the required strength. The top layers, which are at least as strong, are coloured with pigments for enhanced aesthetic appeal.

Now that the new standard measures abrasion resistance, these topping layers are being designed with excellent surface-wear properties. Even lower grade-blocks with a good topping layer can offer high abrasion resistance, providing the topping layers do more than offer colour variation.

It is important to note that pedestrian traffic is highly abrasive, more so than most other forms of traffic.

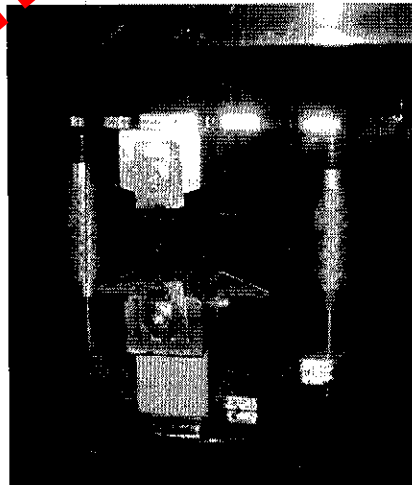


Abrasion testing machine.

As part of its research for the new standard, the CMA investigated all forms of abrasion resistance, testing various systems around the world. In the end, it opted for the Australian/New Zealand model, which proved to be suited to in-situ performance conditions. The amendments to SANS 1058-2010 restricts the average mass loss per block to 20g after being pounded by 600 16g ball bearings for 60 minutes in a rotating steel box.

A water absorption test had been included in the original SANS 1058-2010 because CBP with low absorption rates tend to offer better durability but the test has been dropped in the amended standard. The denser a block the lower its water absorption rate and a block with good density will almost invariably pass the tensile splitting test. The absorption test was first introduced in Europe to prevent blocks from shattering when frozen. Although the requirement has been left out of the amended SANS 1058-2010, it remains an informative and voluntary part of the standard.

It is strongly recommended that both private and public specifiers adopt the revised standard as soon as possible and that block users check compliance with the new standard prior to ordering. ■



SANS 1058-2010 includes two new performance measurement techniques tensile splitting and abrasion testing.

FOR MORE INFORMATION, CONTACT THE CONCRETE MANUFACTURERS ASSOCIATION (CMA)
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