



TRANSNET SOC LIMITED
(REGISTRATION NO.1990/000900/06)
TRADING AS
TRANSNET FREIGHT RAIL

NEC3 Engineering & Construction Short Contract
(ECSC)

RFQ No. KDS NS 00017 7705 CIDB

Refurbishment of main transformers, auxiliary transformers and Bucchols relays at Alkmaar, Mayfern, Karino, Granietpoort and Vienna 3kV DC traction substations under the control of the Depot Engineer, Nelspruit.

Open date: 12 September 2011

Closing date: 4th October 2011

Option Date: 12 weeks

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Part T1: Tendering Procedures

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delivering on our commitment *to you*

Suppliers Code of Conduct

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Suppliers 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:

- » Transnet Procurement Policy - A guide for tenderers;
- » 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 (BBBEE); and
- » The Anti-Corruption Act.

This code of conduct has been compiled 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.

Transnet will not participate in corrupt practices. Therefore, it 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, from suppliers.

Employees may not receive anything that is calculated to:

- Illegally influence their judgement or conduct or to influence the outcome of a sourcing activity;
 - Win or retain business or to influence any act or decision of any person involved in sourcing decisions; 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" Hotline to report these acts - 0800 003 056.

Transnet is firmly committed to free and competitive enterprise.

- » Suppliers are expected to comply with all applicable laws and regulations regarding fair competition and antitrust practices
- » Transnet does not engage non-value adding agents or representatives solely for the purpose of increasing BBBEE spend (fronting).

Transnet's relationship with suppliers requires us to clearly define requirements, to 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, BBBEE 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 must be 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.

Conflict of Interest

A conflict of interest arises when personal interests or activities influence (or appear to influence) the ability to act in the best interests of Transnet. Examples are:

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



Show that you support good business practice by logging onto www.transnet-suppliers.net and completing the form.

This will allow us to confirm that you have received, and agree to, the terms and conditions set out in our Suppliers Code of Conduct.

TIP-OFFS ANONYMOUS HOTLINE
0800 003 056

Part T1.2: Tender Data

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T1.2 TENDER DATA

The conditions of tender are the Standard Conditions of Tender as contained in Annexure F of the CIDB Standard for Uniformity in Construction Procurement. (See www.cidb.org.za) The Standard Conditions of Tender make several references to the Tender Data for details that apply specifically to this tender. The 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 to the clause in the Standard Conditions of Tender to which it mainly applies.

F.1.1 The employer is **Transnet Limited trading as Transnet Freight Rail**.

F.1.2 The tender documents issued by the employer comprise:

Part T1: Tendering procedure

T1.1 Tender notice and invitation to tender

- Suppliers Code of Conduct

T1.2 Tender data

Part T2: Returnable documents

T2.1 List of returnable documents

T2.2 Returnable Schedules

Part C1: Agreements and contract data

C1.1 Contract Data: General

C1.2 Contract data: The contractor's Offer and Acceptance

C1.3 Contract Data: Works Information

Part C2: Pricing data

C2.1 Pricing instructions

C2.2 Price list

Part C3: Scope of work

C3.1 Works Information

C3.2 Secondary specifications

C3.3 General specifications

Part C4: Site information

C4 Site information

- Principal Controlled insurance

F.1.4 The employer's agent is:

Name: Mr. Joseph Majola

Address: Network Planning, (Infra Electrical) Nelspruit

Tel: 013 752 9466

Cel. 083 277 8737

E-mail: Joseph.majola@transnet.net

F.2.1.1 The following Tenderers who are registered with the CIDB, or are capable of being so prior to the evaluation of submissions, in a contractor grading designation equal to or higher than a contractor grading designation determined in accordance with the sum tendered for a **2EP** class of construction work, are eligible to submit tenders.

- a) contractors who have a contractor grading designation equal to or higher than a contractor grading designation determined in accordance with the sum tendered for a **2EP** class of construction work; and

Joint ventures are eligible to submit tenders provided that:

1. every member of the joint venture is registered with the CIDB;
2. the lead partner has a contractor grading designation in the **2EP** class of construction work; and
3. the combined contractor grading designation calculated in accordance with the Construction Industry Development Regulations is equal to or higher than a contractor grading designation determined in accordance with the sum tendered for a **2EP** class of construction work.

F.2.7 The arrangements for a compulsory clarification meeting are as stated in the Tender Notice and Invitation to Tender. Tenderers must sign the attendance list in the name of the tendering entity. Addenda will be issued to and tenders will be received only from those tendering entities appearing on the attendance list.

F.2.12 If a Tenderer wishes to submit an alternative tender offer, the only criteria permitted for such alternative tender offer is that it demonstrably satisfies the Employer's standards and requirements, the details of which may be obtained from the Employer's Agent.

Calculations, drawings and all other pertinent technical information and characteristics as well as modified or proposed Pricing Data must be submitted with the alternative tender offer to enable the Employer to evaluate the efficacy of the alternative and its principal elements, to take a view on the degree to which the alternative complies with the Employer's standards and requirements and to evaluate the acceptability of the pricing proposals. Calculations must be set out in a clear and logical sequence and must clearly reflect all design assumptions. Pricing Data must reflect all assumptions in the development of the pricing proposal.

Acceptance of an alternative tender offer will mean acceptance in principle of the offer. It will be an obligation of the contract for the Tenderer, in the event that the alternative is accepted, to accept full responsibility and liability that the alternative offer complies in all respects with the Employer's standards and requirements.

The modified Pricing Data must include an amount equal to 5% of the amount tendered for the alternative offer to cover the Employer's costs of confirming the acceptability of the detailed design before it is constructed. No alternative tender offers will be considered.

F.2.13.2 Return all returnable documents to the employer after completing them in their entirety, either electronically (if they were issued in electronic format) or by writing in black ink.

F.2.13.3 Parts of the tender offer communicated on paper shall be submitted as an original, plus one copy.

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

If posted, the envelope must be addressed to:

**The Chairperson
Transnet Freight Rail Acquisition Council
P.O. Box 4244
JOHANNESBURG
2000**

and must be dispatched in time for sorting by the Post Office to reach the Post Office Box indicated above, before the closing time of the tender.

If delivered by hand, to be deposited to the Transnet Freight Rail Acquisition Council tender box which is located in the foyer, and to be addressed as follows:

**The Chairperson
Transnet Freight Rail Acquisition Council
Ground Floor, Inyanda House
21 Wellington Road
Park Town
JOHANNESBURG
2001**

It should also be noted that the above tender box is accessible to the public 24 hours per day, 7 days a week.

The measurements of the "tender slot" are 500mm wide x 100mm high, and Tenderers must please ensure that tender documents/files are not larger than the above dimensions. Tenders, which are too bulky (i.e. more than 100mm thick) must be split into two or more files, and placed in separate envelopes.

Identification details

Tenders must be submitted before the closing hour on the date as shown in F.2.15 below, and must be enclosed in a sealed envelope which must have inscribed on the outside:

- (a) Tender No
- (b) Description of work
- (c) Closing date of tender

F.2.13.6 A two-envelope procedure will not be followed.

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

F.2.15 Telephonic, telegraphic, telex, facsimile or e-mailed tender offers will not be accepted.

F.2.16 The tender offer validity period is **12 weeks**.

F.2.19 Access shall be provided for the following inspections, tests and analysis:
Inspection of current arrangement foundation and steelwork condition and measurements in substation yards during the tender period after the site meeting and prior to the closing date of tender.

F.2.23 The Tenderer is required to submit with his tender:
Either a Certificate of Registration issued by the Construction Industry Development Board or a copy of the application Form for registration in terms of the construction Industry Development Board Act (Form F006) and an original valid Tax Clearance Certificate issued by the South African Revenue Services.

F.3.4 The time and location for opening of the tender offers are:
Time: **10:00** on the closing date of tender.
Location: **Transnet Freight Rail Acquisition Council, Ground Floor, Inyanda House, 21 Wellington Road, Park Town, JOHANNESBURG**

F.3.11.1 The procedure for the evaluation of responsive tenders is **Method 4**

The score for quality is to be calculated using the following formula:

$$W_Q = W_2 \times S_O / M_S$$

Where: W_2 is the percentage score given to quality and equals 60
 S_O is the score for quality allocated to the submission under consideration
 M_S is the maximum possible score for quality in respect of a submission

The score for financial offer is calculated using Formula 2 (option 1) of SANS294

Formula	Comparison aimed at achieving	Option 1	Option 2
1	Highest price or discount	$A = (1 + \frac{P - P_m}{P_m})$	$A = P / P_m$
2	Lowest price or percentage commission / fee	$A = (1 - \frac{P - P_m}{P_m})$	$A = P_m / P$

where:

P_m = the comparative offer of the most favourable tender offer.
 P = the comparative offer of tender offer under consideration

Where: W_1 is the percentage score given to financial offer and equals 100 minus W_2 .

The score for quality and financial offer is to be combined, before the addition of the score for preference, as follows:

$$W_C = W_3 \times (1 + \frac{S - S_m}{S_m})$$

Where W_3 is the number of tender evaluation points for quality and financial offer and equals:

- 1) 90 where the financial value, VAT inclusive, of all responsive tenders received have a value in excess of R500,000; or
- 2) 80 where the financial value, VAT inclusive, of one or more responsive tender offers equals or is less than R500,000.

S is the sum of score for quality and financial offer of the submission under consideration.

S_m is sum of the score for quality and financial offer of the submission scoring the highest number of points

Up to 100 minus W_3 tender evaluation points will be awarded to Tenderers who complete the preference schedule and who are found to be eligible for the preference claimed. Tenderers shall submit BBBEE rating certificates with detailed scorecards that will be issued by the verification agencies that do their BBBEE ratings in accordance with the latest Department of Trade and Industry codes of Good Practice.

F.3.11.3 Only those Tenderers who score a minimum score of **60** points in respect of the following quality criteria are eligible to submit tenders.

Description of quality criteria and sub criteria		Maximum number of tender evaluation points	
	Weight	Sub weight	Effective weight
Clause by clause compliance to all specifications	60%	%	
References/previous performance record		%	
Risk/safety plan		%	
Technical capacity / resources		%	
Delivery / completion period		%	
Total evaluation points for quality (W_Q)			100

Criteria to be evaluated on the following scales as per CIDB BEST PRACTICE GUIDELINES #A4:

- a) Poor = 20 = 1
- Satisfactory = 40 = 2
- Good = 60 = 3
- Very good = 80 = 4
- Excellent = 100 = 5

F.3.13.1 Tender offers will only be accepted if:

- a) The Tenderer has in his or her possession 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 is registered with the Construction Industry Development Board in an appropriate contractor grading designation;
- c) The Tenderer or any of its directors 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.
- d) The Tenderer has not:
 - i) abused the Employer's Supply Chain Management System; or
 - ii) failed to perform on any previous contract and has been given a written notice to this effect; and
- e) 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 employer or potentially compromise the tender process.

F.3.18 The number of paper copies of the signed contract to be provided by the employer is one.

The additional conditions of tender are:

1. The Tenderer is deemed to have satisfied himself before tendering as to the correctness and sufficiency of his tender for the *works* and of the prices stated in the priced Activity Schedule in the *works* Information. The rates and prices (except in so far as otherwise provided in the Tender) collectively cover full payment for the discharge of all his obligations under the Contract and all matters and things necessary for the proper completion of the *works*.
2. ***The tenders shall be completed in black ink only.***

3. TENDERING PROCEDURE

- 3.1 An addendum reflecting changes to the project specification and 'Activity Schedule' shall be forwarded to the Tenderer after the site meeting and the Tenderer shall quote accordingly, failure of which will result in disqualification.
- 3.2 Tenderers shall duly fill in the attached 'Activity Schedule'. The prices shall be fixed for the duration of the contract and no escalation will be allowed. Items not reflected in the 'Activity Schedule', but covered in the project specification or agreed at site meetings, shall be added to the 'Activity Schedule' by the Tenderer and quoted for accordingly.
- 3.3 Tenderers shall submit qualifications of staff that will be performing the works. Only qualified technical personnel shall perform the works on the electrical equipment or installations thereof.
- 3.4 During the duration of the contract, the successful Tenderer shall be required to inform the Deputy of any staff changes and provide the qualifications of the replacement staff for approval.
- 3.5 Tenderers shall indicate clause-by-clause compliance with the specifications. This shall take the form of a separate document listing all the specifications clause numbers indicating the individual statement of compliance or non-compliance.
- 3.6 Tenderers shall motivate a statement of non-compliance.
- 3.7 The successful Tenderer shall provide a Gantt or a similar chart showing when the works will be done and energised. This chart shall be submitted to the Employer or Deputy within 14 days after the award of the contract has been made to the successful Tenderer.
- 3.8 Where equipment offered does not comply with standards or publications referred to in the specification, Tenderers shall state which standards apply and submit a copy in English or certified translation.
- 3.9 Tenderers shall submit descriptive literature consisting of detailed technical specifications, general constructional details and principal dimensions, together with clear illustrations of the equipment offered.
- 3.10 During the duration of the contract period, the successful Tenderer shall be required to inform the Employer / Deputy of any changes to equipment offered and submit detailed information on replacement equipment for approval prior to it being used on this contract.
- 3.11 Tenderer shall submit equipment type test certificates as specified on the contract. These shall be in English or certified translation.

PART T2: RETURNABLE DOCUMENTS / SCHEDULES

T2.1 LIST OF RETURNABLE DOCUMENTS

The tenderer must complete the following returnable documents:

1.0 Returnable documents required for tender evaluation purposes

No	Returnable Documents
1	Letter of Good Standing with the Compensation Commissioner
2	Safety Plan and Fall Protection Plan in accordance with the Construction Regulations of 2003 and Transnet's E4E
3	Quality Assurance/control Plan
4	Environmental Management Plan
5	Certified copy of CIDB certification
6	Proposed Organization and Staffing
7	Certified Copy of Share Certificates CK1 & CK2
8	Certified Copy of Certificate of Incorporation and CM29 and CM9
9	Certified Copy of Identity Documents of Shareholders / Directors / Members (where applicable)
10	Original or certified cancelled cheque OR original or certified letter from the bank verifying banking details (with bank stamp and signature)
11	Current and original or certified Tax Clearance Certificate
12	Certified VAT registration certificate
13	A signed letter from the Accountant/Auditor confirming most recent annual turnover and percentage black ownership in the company AND/OR certified BBBEE certificate and scorecard from an accredited rating agency
14	Programme and method statement
15	Statement of compliance or non-compliance with all clauses of the Scope of Works and all the technical specifications. The clause-by-clause statement of compliance shall take the form of a separate document listing all the clause numbers of all the above specifications indicating the individual statement of compliance or non-compliance. Tenderers shall motivate a statement of non-compliance.

T2.2 RETURNABLE SCHEDULES

The tenderer must complete the following returnable schedules:

2.0 Returnable Schedules required for tender evaluation purposes

No	Returnable schedules
1	Certificate of Attendance of Information Briefing Session or site inspection
2	Certificate of Authority for Signatory (Resolution by Board)
3	Schedule of Tenderers experience
4	Schedule of Subcontractors (where applicable)
5	Certificate of authority for joint ventures (where applicable)
6	Schedule of Plant and Equipment (Tools and Machinery)
7	Foreign Exchange Rate Information (where applicable)
8	Record of Addenda to Tender Document
9	Supplier declaration form Duly completed SDF (Supplier declaration form)
10	Compulsory enterprise Questionnaire
11	Approach paper, which responds to the proposed scope of works.
12	Experience of Key Staff in the form of Curriculum Vitae
13	Transnet SOC limited contractual safety clauses which will form part of any resulting contract.
14	Proposed amendments and qualifications
15	Labour Payment Schedule

3.0 Returnable Schedules that will be incorporated into the contract

- 3.1 Certificate of attendance of information briefing session/site inspection
- 3.2 Certificate of Authority for Signatory (Resolution by Board)
- 3.3 Schedule of Tenderers experience
- 3.4 Schedule of Sub-contractors
- 3.5 Certificate of authority for joint ventures (where applicable)
- 3.6 Schedule of Plant and equipment
- 3.7 Foreign Exchange Rate Information (where applicable)
- 3.8 Record of Addenda to Tender Document
- 3.9 Supplier declaration form duly completed (SDF)
- 3.10 Compulsory Enterprise Questionnaire
- 3.11 Approach paper, which responds to the proposed scope of works.
- 3.12 Experience of key staff in the form of Curriculum Vitae
- 3.13 Transnet SOC Limited contractual safety clauses which will form part of any resulting contract
- 3.14 Proposed amendments and qualifications.
- 3.15 Labour Payment Schedule.

Part T2: Returnable Documents

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