

TRANSNET FREIGHT RAIL

an Operating Division of **TRANSNET SOC LTD**

[Registration No. 1990/000900/30]

REQUEST FOR PROPOSAL [RFP]

FOR THE DESIGN, MANUFACTURE AND SUPPLY OF SPECIALIZED (F-TYPE, LOW PROFILE, UNIVERSAL AND TURNOUT) CONCRETE SLEEPERS TO TFR DEPOTS FOR A PERIOD OF ONE YEAR WITH AN OPTION TO EXTEND FOR A FURTHER YEAR ON AN "AS AND WHEN REQUIRED" BASIS THE TENDER SHALL MAKE PROVISION FOR;

- **THE MANUFACTURE AND SUPPLY OF SPECIALIZED (F-TYPE, LOW PROFILE, UNIVERSAL AND TURNOUT) CONCRETE SLEEPERS APPROVED THROUGH A TESTING PROCESS BY TFR'S TECHNOLOGY MANAGEMENT DEPARTMENT**
- **NEW POTENTIAL ENTRANTS TO SUBMIT PROPOSALS FOR ANY TYPE OF CONCRETE SLEEPERS USED BY TFR, TO BE SUBJECTED TO A RIGID TESTING PROCESS BY TFR'S TECHNOLOGY MANAGEMENT DEPARTMENT TO BE ELIGIBLE TO PARTICIPATE IN FUTURE TRANSNET TENDERS FOR THE SUPPLY OF CONCRETE SLEEPERS.**

RFP NUMBER HOAC_HO_15362
ISSUE DATE: 09 JUNE 2015
CLOSING DATE: 30 JUNE 2015
CLOSING TIME: 10:00 am
BID VALIDITY PERIOD: 92 Business Days from Closing Date

SCHEDULE OF BID DOCUMENTS

Section No	Page
SECTION 1: NOTICE TO BIDDERS	4
1 INVITATION TO BID.....	4
2 FORMAL BRIEFING.....	5
3 PROPOSAL SUBMISSION.....	5
4 DELIVERY INSTRUCTIONS FOR RFP.....	5
5 BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND SOCIO-ECONOMIC OBLIGATIONS.....	6
6 COMMUNICATION	8
7 CONFIDENTIALITY	8
8 INSTRUCTIONS FOR COMPLETING THE RFP.....	9
9 COMPLIANCE	9
10 DISCLAIMERS	9
11 LEGAL REVIEW	10
SECTION 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS.....	11
1 BACKGROUND.....	11
2 EXECUTIVE OVERVIEW.....	12
3 SCOPE OF REQUIREMENTS.....	12
4 GREEN ECONOMY / CARBON FOOTPRINT.....	15
5 GENERAL SUPPLIER OBLIGATIONS.....	15
6 EVALUATION METHODOLOGY.....	15
SECTION 3: PRICING AND DELIVERY SCHEDULE.....	19
1 DISCLOSURE OF PRICES TENDERED.....	20
2 "AS AND WHEN REQUIRED" CONTRACTS.....	20
3 RETURN OF SURPLUS GOODS.....	21
4 RESPONDENT'S SAMPLES	21
5 MANUFACTURERS.....	21
6 INSPECTION DETAILS	22
7 IMPORTED CONTENT	22
8 EXCHANGE AND REMITTANCE.....	22
9 EXPORT CREDIT AGENCY SUPPORTED FINANCE.....	23
10 NATIONAL RAILWAY SAFETY REGULATOR ACT	23
11 SERVICE LEVELS	24
12 TOTAL COST OF OWNERSHIP AND CONTINUOUS IMPROVEMENT INITIATIVES	24
13 RISK	25
14 REFERENCES	25
SECTION 4: PROPOSAL FORM AND LIST OF RETURNABLE DOCUMENTS.....	26
SECTION 5: RFP DECLARATION AND BREACH OF LAW FORM.....	32
SECTION 6: RFP CLARIFICATION REQUEST FORM	34
SECTION 7: B-BBEE PREFERENCE POINTS CLAIM FORM	35
SECTION 8: CERTIFICATE OF ATTENDANCE OF THE NON-COMPULSORY RFP BRIEFING.....	41

SECTION 9: SUPPLIER DEVELOPMENT INITIATIVES42
SECTION 10: DECLARATION OF SUPPLIER DEVELOPMENT COMMITMENTS46
SECTION 11: B-BBEE IMPROVEMENT PLAN47

ANNEXURE A1: TECHNICAL QUESTIONNAIRE FOR NON-APPROVED PRODUCTS

ANNEXURE A2: TECHNICAL QUESTIONNAIRE FOR APPROVED PRODUCTS

ANNEXURE B: FUNCTIONAL QUESTIONNAIRE

ANNEXURE C: SUPPLIER DEVELOPMENT PLAN

ANNEXURE D: SD VALUE SUMMARY

ANNEXURE E: B-BBEE IMPROVEMENT PLAN

ANNEXURE F 1: SPECIFICATION FOR MONOLITHIC PRE-STRESSED CONCRETE SLEEPERS

ANNEXURE F 2: SPECIFICATION FOR MONOLITHIC PRE-STRESSED CONCRETE CROSSING SLEEPERS

ANNEXURE G: SUPPLIER DEVELOPMENT GUIDELINE DOCUMENT

ANNEXURE H: GENERAL BID CONDITIONS

ANNEXURE I: TERMS AND CONDITIONS OF CONTRACT

ANNEXURE J: INTEGRITY PACT

"PREVIEW COPY ONLY"

**RFP FOR THE DESIGN, MANUFACTURE AND SUPPLY OF
SPECIALIZED (F-TYPE, LOW PROFILE, UNIVERSAL AND TURNOUT) CONCRETE SLEEPERS
TO TFR DEPOTS FOR A PERIOD OF ONE YEAR WITH AN OPTION TO EXTEND FOR A FURTHER YEAR ON
AN "AS AND WHEN REQUIRED" BASIS**

Section 1: NOTICE TO BIDDERS

1 INVITATION TO BID

Responses to this RFP [hereinafter referred to as a **Bid** or a **Proposal**] are requested from persons, companies, close corporations or enterprises [hereinafter referred to as an **entity, Respondent** or **Bidder**].

DESCRIPTION	Design, Manufacture and Supply of Specialized (F-Type, Low Profile, Universal and Turnout) Concrete Sleepers to TFR Depots [the Goods]
BID FEE AND BANKING DETAILS	R 500.00 [inclusive of VAT] per set. Payment is to be made as follows: Bank: Standard Bank Account Number: 20 315 8198 Branch code: 094805 Account Name: Transnet Freight Rail Reference: HOAC_HO_15362 NOTE – This amount is not refundable. A receipt for such payment made must be presented when collecting the RFP documents and submitted thereafter with your Proposal.
INSPECT / COLLECT DOCUMENTS FROM	The Office of the Secretariat, Transnet Freight Rail Acquisition Council Ground Floor Tender Box Inyanda House 1 21 Wellington Road Parktown
ISSUE DATE AND COLLECTION DATE DEADLINE	Between 09:00 and 15:00 from Tuesday the 09 June 2015 until Thursday 18 June 2015 10:00 am . Note: If a bid fee is applicable, payment must be effected prior to the deadline for collection. Pursuant to this requirement, should a third party [such as a courier] be instructed to collect RFP documents on behalf of a Respondent, please ensure that this person [the third party] has a "proof of payment" receipt for presentation to Transnet when collecting the RFP documents.
NON COMPULSORY BRIEFING SESSION	Yes Refer to paragraph 2 for details.
CLOSING DATE	10:00 am on Tuesday 30 June 2015 Bidders must ensure that bids are delivered timeously to the correct address. As a general rule, if a bid is late or delivered to the incorrect address, it will not be accepted for consideration.
VALIDITY PERIOD	Ninety-two [92] Business Days from Closing Date. Bidders are to note that they may be requested to extend the validity period of their bid, on the same terms and conditions, if the internal evaluation process has not been finalised within the validity period.

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

2 FORMAL BRIEFING

A non-compulsory pre-proposal RFP briefing will be conducted at Inyanda 2, Umjantshi A Boardroom, Ground Floor (15 Girton Road) on the **18 June 2015**, at 12:00 for a period of ± Two [02] hours. [Respondents to provide own transportation and accommodation]. The briefing session will start punctually and information will not be repeated for the benefit of Respondents arriving late.

- 2.1 Despite the briefing session being non-compulsory, Transnet nevertheless encourages all Respondents to attend. Transnet will not be held responsible if any Respondent who did not attend the **non-compulsory** briefing session subsequently feels disadvantaged as a result thereof.
- 2.2 Respondents without a valid RFP document in their possession will not be allowed to attend the RFP briefing.

3 PROPOSAL SUBMISSION

Proposals must be submitted in a sealed envelope addressed as follows:

The Secretariat, Transnet Freight Rail Acquisition Council	
RFP No:	HOAC_HO_15362
Description	DESIGN, MANUFACTURE AND SUPPLY OF SPECIALIZED (F-TYPE, LOW PROFILE, UNIVERSAL AND TURNOUT) CONCRETE SLEEPERS TO TFR DEPOTS FOR A PERIOD OF ONE YEAR WITH AN OPTION TO EXTEND FOR A FURTHER YEAR ON AN "AS AND WHEN REQUIRED" BASIS
Closing date and time:	23 June 2015 at 10:00 am
Closing address	[Refer to options in paragraph 4 below]

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

4 DELIVERY INSTRUCTIONS FOR RFP

4.1 Delivery by hand

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

THE SECRETARIAT
 TRANSNET FREIGHT RAIL ACQUISITION COUNCIL
 GROUND FLOOR
 TENDER BOX
 INYANDA HOUSE 1
 21 WELLINGTON ROAD
 PARKTOWN

The measurements of the "tender slot" are 400mm wide x 100mm high, and Respondents must please ensure that response documents or files are no larger than the above dimensions. Responses which are too bulky [i.e. more than 100mm thick] must be split into two or more files, and placed in separate envelopes, each such envelope to be addressed as required in paragraph 3 above.

- a) It should also be noted that the above tender box is located at Inyanda No 1, Ground Floor, 21 Wellington Road, Parktown and is accessible to the public 24 hours a day, 7 days a week.

4.2 Dispatch by courier

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

THE SECRETARIAT
 TRANSNET FREIGHT RAIL ACQUISITION COUNCIL
 INYANDA NO 1
 GROUND FLOOR
 21 WELLINGTON ROAD
 PARKTOWN

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

As described in more detail in the attached BBEE Claim Form and as prescribed in terms of the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000 and its Regulations, Respondents are to note that Transnet will allow a "preference" to companies who provide a valid B-BBEE Verification Certificate.

The value of this bid is estimated to exceed R1 000 000 (all applicable taxes included); and therefore the **90/10** system shall be applicable.

Respondents are required to complete Section 7 [the B-BBEE Preference Point Claim Form] and submit it together with proof of their B-BBEE Status as stipulated in the Claim Form in order to obtain preference points for their B-BBEE status.

Note: Failure to submit a valid and original B-BBEE certificate or a certified copy thereof at the Closing Date of this RFP will result in a score of zero being allocated for B-BBEE.

5.1 B-BBEE Joint Ventures or Consortiums

Respondents who would wish to respond to this RFP as a Joint Venture [**JV**] or consortium with B-BBEE entities must state their intention to do so in their RFP submission. Such Respondents must also submit a signed JV or consortium agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party. If such a JV or consortium agreement is unavailable, the partners must submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by Transnet through this RFP process. This written confirmation must clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to Transnet.

Respondents are to note the requirements for B-BBEE compliance of JVs or consortiums as required by Section 7 [the B-BBEE Preference Point Claim Form] and submit it together with proof of their B-BBEE Status as stipulated in the Claim Form in order to obtain preference points for their B-BBEE status.

Note: Failure to submit a valid and original B-BBEE certificate for the JV or a certified copy thereof at the Closing Date of this RFP will result in a score of zero being allocated for B-BBEE.

5.2 Subcontracting

Transnet fully endorses Government's transformation and empowerment objectives and when contemplating subcontracting Respondents are requested to give preference to companies which are

Black Owned, Black Women Owned, Black Youth Owned, owned by Black People with Disabilities, EMEs and QSEs including any companies designated as B-BBEE Facilitators¹.

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

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

In terms of Section 7 of this RFP [the B-BBEE Preference Point Claim Form] Respondents are required to indicate the percentage of the contract that will be sub-contracted as well as the B-BBEE status of the sub-contractor/s.

5.3 B-BBEE Improvement Plan

Transnet encourages its Suppliers to constantly strive to improve their B-BBEE rating. Whereas Respondents will be allocated points in terms of a preference point system based on its B-BBEE scorecard to be assessed as detailed in paragraph 5.1 above, in addition to such scoring, Transnet also requests that Respondents submit a B-BBEE improvement plan. Respondents are therefore requested to indicate the extent to which they will maintain or improve their B-BBEE status over the contract period.

Respondents are requested to submit their B-BBEE Improvement Plan as an additional document with their Proposal by completion of **Annexure E** appended hereto. [Refer to Section 10 for further instructions]

5.4 Supplier Development Initiatives

Historically in South Africa there has been a lack of investment in infrastructure, skills and capability development which has resulted in 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] and New Development Plan [NDP] aligns and builds on previous policies to ensure the achievement of Government's development objectives for South Africa.

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

¹ The Minister of the Department of Trade and Industry has the power to designate certain Organs of State or Public Entities as B-BBEE Facilitators. For example, the South African National Military Veterans' Association (SANMVA) has been designated as a B-BBEE Facilitator. As such they will be treated as having rights of ownership held 100% by Black People, 40% by Black Women and 20% by Black designated groups.

As a **prequalification criterion** to participate in this bid, Respondents are required to provide a commitment that the monetary value of all SD initiatives to be undertaken by them will not be less than **20% [Twenty percent]** of the contract value.

*All Respondents must refer to Section 8 for instructions and complete **Section 9 [Declaration of Supplier Development Commitments]** as this is a mandatory returnable document. In addition, Respondents are required to submit a Supplier Development Plan and SD Value Summary, **Annexure C and D** as these are required as essential returnable documents.*

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

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

6 COMMUNICATION

- 6.1 For specific queries relating to this RFP, an RFP Clarification Request Form should be submitted to [Mulalo Mukwena] before **16:00 on 25 June 2015**, substantially in the form set out in Section 6 hereto. In the interest of fairness and transparency Transnet's response to such a query will then be made available to the other Respondents who have collected RFP documents. For this purpose Transnet will communicate with Respondents using the contact details provided to the Secretariat on issue of the bid documentation to the Respondent. Kindly ensure that you provide the Secretariat with the **correct** contact details, as Transnet will not accept responsibility for being unable to contact a bidder who provided incorrect contact details.
- 6.2 After the closing date of the RFP, a Respondent may only communicate with the Secretariat of the Transnet Freight Rail Acquisition Council, at telephone number 011-544-9486, email Prudence.Nkomo@transnet.net on any matter relating to its RFP Proposal.
- 6.3 Respondents are to note that changes to its submission will not be considered after the closing date. Respondents are warned that a Proposal may be liable to disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer or employee of Transnet in respect of this RFP between the closing date and the date of the award of the business. Furthermore, Respondents found to be in collusion with one another will be automatically disqualified and restricted from doing business with Transnet in the future.

7 CONFIDENTIALITY

- 7.1 All information related to this RFP is to be treated with strict confidence. In this regard Respondents are required to certify that they have acquainted themselves with the Non-Disclosure Agreement. All information related to a subsequent contract, both during and after completion thereof, will be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Goods, which is either directly or indirectly related to Transnet's business, written approval to divulge such information must be obtained from Transnet.

8 INSTRUCTIONS FOR COMPLETING THE RFP

- 8.1 Proposals must be submitted in duplicate hard copies [1 original and 1 copy] and must be bound.
- 8.2 Sign one set of original documents [sign, stamp and date the bottom of each page]. This set will serve as the legal and binding copy. A duplicate set of documents is required. This second set must be a copy of the original signed Proposal.
- 8.3 Both sets of documents are to be submitted to the address specified in paragraph 4 above, and Bidders must ensure that the original and copies (where applicable) are identical in all respects as Transnet will not accept any liability for having disqualified a bidder for failing to provide a mandatory returnable document in either the original or the copy of the RFP albeit that it was included in the other.
- 8.4 A CD copy of the RFP Proposal must be submitted. Please provide files in MS Word / Excel format, and PDF versions, noting that the signed original set will be legally binding.
- 8.5 **All returnable documents tabled in the Proposal Form [Section 4] must be returned with your Proposal.**
- 8.6 Unless otherwise expressly stated, all Proposals furnished pursuant to this RFP shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated.
- 8.7 Any additional conditions must be embodied in an accompanying letter. Subject only to clause 15 [Alterations made by the Respondent to Bid Prices] of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.

9 COMPLIANCE

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

10 DISCLAIMERS

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

- 10.1 modify the RFP's Goods and request Respondents to re-bid on any such changes;
- 10.2 reject any Proposal which does not conform to instructions and specifications which are detailed herein;
- 10.3 disqualify Proposals submitted after the stated submission deadline [closing date];
- 10.4 not necessarily accept the lowest priced Proposal or an alternative bid;
- 10.5 reject all Proposals, if it so decides;
- 10.6 withdraw the RFP on good cause shown;
- 10.7 award a contract in connection with this Proposal at any time after the RFP's closing date;
- 10.8 award a contract for only a portion of the proposed Goods which are reflected in the scope of this RFP;
- 10.9 split the award of the contract between more than one Supplier, should it at Transnet's discretion be more advantageous in terms of, amongst others, cost or developmental considerations;

- 10.10 make no award of a contract;
- 10.11 Reduce or increase the volumes indicated if it is so decided.
- 10.12 cancel the contract, should a contract be awarded on the strength of information furnished by the Respondent, which after conclusion of the contract, is proved to have been incorrect.

Technical Disclaimers

- 10.13 award only to bidder's whose products are approved;
- 10.14 disqualify respondent/s who do not have the right to sub license or supply the material to TFR;
- 10.15 not disclose technical details or finer details of product testing results (Product Approval Process);
- 10.16 limit the testing reports for internal use only;
- 10.17 limit the number of samples to be tested;
- 10.18 decide on the testing priority;

Transnet reserves the right to undertake post-tender negotiations [PTN] with selected Respondents or any number of short-listed Respondents, such PTN to include, at Transnet's option, any evaluation criteria listed in this RFP document. Transnet reserves the right to award the business to the highest scoring bidder/s unless objective criteria justify the award to another bidder.

Should the preferred bidder fail to sign or commence with the contract within a reasonable period after being requested to do so, Transnet reserves the right to award the business to the next ranked bidder, provided that he/she is still prepared to provide the required goods at the quoted price.

Transnet reserves the right to lower the threshold for Functionality from **60% [Sixty percent]** to **50% [Fifty percent]** if no Bidders pass the predetermined minimum threshold in respect of Functionality.

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

11 LEGAL REVIEW

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

Transnet urges its clients, suppliers and the general public to report any fraud or corruption to

TIP-OFFS ANONYMOUS : 0800 003 056

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Section 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS

1 BACKGROUND

According to the 10th State of Logistics survey for South Africa, Logistics costs as a percentage of **GDP** have remained at a stable level of **12.5%** for **2011 to 2013** and were forecast to show a slight increase in **2014** depending on the magnitude of fuel inflation. This figure reflects a high cost of doing business in South Africa, based on the fact that more commodities are conveyed through road transportation.

To make business more customer-centric and competitive, South Africa plans to move more commodities from the Road transportation system to be conveyed via the Railway transportation system. This aim shall result in a reduction of the cost of doing business in South Africa and thus positively affect our country's GDP. Currently, Road logistics cost in South Africa account for **50.4%** of total logistics cost and is very sensitive to the crude oil price as this influences the South Africa fuel price. The cost of fuel as a percentage of total road logistics cost amounts to **30%** of total cost.

TFR owns approximately **80%** of Africa's total Rail network, which puts us (Transnet) in a very good position to support the state's aims and plans. Furthermore, South Africa is undergoing an Infrastructure development program which includes extending the current Rail network. The program shall enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda.

It is however, well recorded that Railway systems suffers from the lack of reliability, which have been a huge disadvantage for Railway operators and their clients/customers. Various Railway operators are working hard to address this inherent disadvantage. In Transnet, the **Rail Network strategy** was formulated, amongst other things; the strategy aims and plans **to maintain the rail network infrastructure within specified lifecycles** which are guided by certain maintenance standards. For Transnet to play its role in pushing the commodities from the Road to Rail transportation, it must be ensured that the Railway Infrastructure is running at its optimum levels.

The railway infrastructure must be reliable enough to give our customers confidence and break the stereotypes on railway systems. For Transnet to realise its goals and mission, it is pivotal that at the centre of its operations, the company keeps reliable Suppliers of Railway Infrastructure components. The railway infrastructure is made up of the following main components:

- Permanent way
- Signaling technology
- Telecommunications systems
- Electrical systems

Sleepers form part of the railway infrastructure Permanent Way (Perway) components together with Bridges, Rails, Fastenings, Ballast, Sub-ballast and Subgrade. Sleepers are positioned between rails and ballast to **ensure appropriate load transfer and distribution from the rails to the ballast.**

Moreover, sleepers help to **maintain constant rail spacing and rail inclination** while ensuring adequate mechanical strength in vertical and horizontal directions.

Sleepers can be made of concrete, timber and/or steel. Concrete sleepers possess an advantage of being able to assume different shapes such as the mono-block and the twin-block sleepers. Through this Request for Proposal, Transnet aims to procure **Specialized Concrete Sleepers**. Specialised Sleepers, in this case, comprise of:

- F-Type
- Low profile
- Universal
- Turnout Sleepers

2 EXECUTIVE OVERVIEW

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

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

- 2.1 Transnet must receive reduced cost on acquisition and improved service benefits resulting from the Supplier's economies of scale and streamlined service processes.
- 2.2 Transnet must achieve appropriate availability that meets user needs while reducing costs for both Transnet and the chosen Supplier(s).
- 2.3 Transnet must receive product improvements from the Supplier with respect to supply of Goods and related processes.
- 2.4 Transnet's overall competitive advantage must be strengthened by the chosen Supplier's leading edge technology and service delivery systems.
- 2.5 Transnet end users must be able to rely on the chosen Supplier's personnel for service enquiries, recommendations and substitutions.
- 2.6 Transnet must reduce costs by streamlining its acquisition of Goods, including managed service processes on a Group basis.

3 SCOPE OF REQUIREMENTS

3.1 Supply of Specialised Concrete Sleepers

Transnet Freight Rail seeks a supplier(s) for the national supply of Specialised concrete sleepers for a one year period with an option to extend for a further year on an 'as and when' basis. Below are the types of Concrete Sleeper to be procured through this procurement event;

- F-Type Concrete Sleepers
- Low Profile Concrete Sleepers
- Universal Concrete Sleepers
- Turnouts Concrete Sleepers

Other key considerations in the design should include:

- Technical Approval is included as a threshold with a prescribed minimum percentage threshold of **100%**. Refer to the Technical Questionnaire, *Annexure A1 and A2*.
- The following technical documents are required from bidders proposing approved products:
 - A list of approved products which are being proposed by the bidder
 - Detailed drawings of each of the proposed products including tolerances, the proposed method of marking the sleepers and the appropriate fastening system.
 - A brief description of the products offered and their method of manufacture
 - Details of the various strength and quality tests which apply to the proposed sleepers (Compressive strength at de moulding, 7 day, 28 day, bending etc.)
 - Details of the:
 - quality control organization
 - examples of QA control for Concrete cube test results.
 - examples of QA control for Bend tests on sleepers results.
 - examples of QA control for Stressing equipment tests, dynamometer etc.
 - A valid copy of the manufacturer's ISO 9002 accreditation if the manufacturer is in operation for more than 18 months?
 - A site layout of the stock yard area indicating where the sleepers will be stacked and the amount of sleepers that can be stacked in the stock yard
 - Production capacity of each type of sleeper offered and a cross reference to where it will be placed in the dispatch yard. (Assuming that sleepers need to be stacked for 28 days before loading it)
 - A valid copy of the access to siding agreement
- Products must be in compliance with the two technical specifications;
 - specification for monolithic pre-stressed concrete sleepers used on 1065 mm gauge railway track (PWM2-5 AUG 2014 v2) {Annexure F1}
 - specification for monolithic pre-stressed concrete crossing sleepers used on 1065 mm gauge railway track (PWM2-14 AUG 2014 v2) {annexure F2}
 - A Respondent's compliance with the minimum technical threshold will be measured by their responses to **Annexure A2**.

3.2 Testing of Concrete Sleepers

Concrete Sleepers are a strategic commodity to TFR; unless the Sleepers have been approved through experience gained as a result of installation in TFR's Rail Network and/or approved through a testing process by TFR's Technology Management department, products that are not approved will be subjected to a product approval process. The Product approval may take up to 18 months and is divided into the following two phases:

Conditional Approval Stage

- Bidders will be requested to submit their designs and comprehensive technical details of their proposed products for evaluations.
- Design approval, based on the submitted documents
- Laboratory testing, which takes approximately 6 months.
- Laboratory testing is done by Transnet Freight Rail Technology Management and the results are communicated to the applicant (supplier) to ensure transparency.

Unconditional Approval Stage (In – Track Testing)

- Based on the results of the “Conditional Approval Stage”, the In –Track testing process will commence
- In-Track testing takes approximately 12 months.
- This is required to optimize the performance of the concrete sleepers during various climatic conditions.

Due to the product approval process which takes a period of approximately 18 months, potential new suppliers (bidders) whose products are not yet approved **will not be awarded any business** from this procurement event. The following documents are required from bidders who are proposing non-approved products to be tested by Transnet;

- A list of unapproved Concrete Sleepers proposed by the bidder
- Detailed designs (to be submitted within 30 calendar days from date of request)

Respondents must complete and submit **Annexure A1 – Technical Questionnaire for non-approved products**. A Respondent’s qualification for product approval proves shall be determined by their responses to **Annexure A1**.

3.3 Other Criterion to be considered

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

- Supplier Development is included as Pre-qualification requirements were Bidders need to commit to at least **20%** of contract value to be spent on SD initiatives.
 - Respondents must complete and submit **Annexure C - Supplier Development Plan** and **Annexure D – SD Value Summary**.
- Functionality is included as a threshold with a prescribed percentage threshold of **60%**.
 - Transnet reserves the right to lower this Functionality threshold from **60%** to **50%** if no Bidders pass the predetermined minimum threshold.
 - Respondents must complete and submit **Annexure B – Functionality Questionnaire**.
 - A Respondent’s compliance with the minimum functionality threshold will be measured by their responses to Annexure B.
 - Under Technical functionality, Transnet would prefer to procure Sleepers from a supplier that offers the following value for money:
 - Shorter delivery lead times
 - High production and loading capacity
 - High flexibility in response to emergency orders
 - Ability to load during night times

- Large size of the stock yard
- Access to a Railway siding to be used for loading

3.4 Access to a Railway Siding

Respondents, if awarded the contract, are required to indicate that they do have access to a Railway Siding to be utilised for loading Sleepers for the duration of the contract period.

Respondents must indicate below whether they have access to a railway siding as required:

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

3.5 Estimated Quantities

Transnet requires an estimate of between **200 000 to 400 000** Specialised Sleepers to be procured during the 12 months period of this contract.

4 GREEN ECONOMY / CARBON FOOTPRINT

Transnet wishes to have an understanding of your company's position with regard to environmental commitments, including key environmental characteristics such as waste disposal, recycling and energy conservation. *Please submit details of your entity's policies in this regard.*

5 GENERAL SUPPLIER OBLIGATIONS

5.1 The Supplier(s) shall be fully responsible to Transnet for the acts and omissions of persons directly or indirectly employed by them.

5.2 The Supplier(s) must comply with the requirements stated in this RFP.

6 EVALUATION METHODOLOGY

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

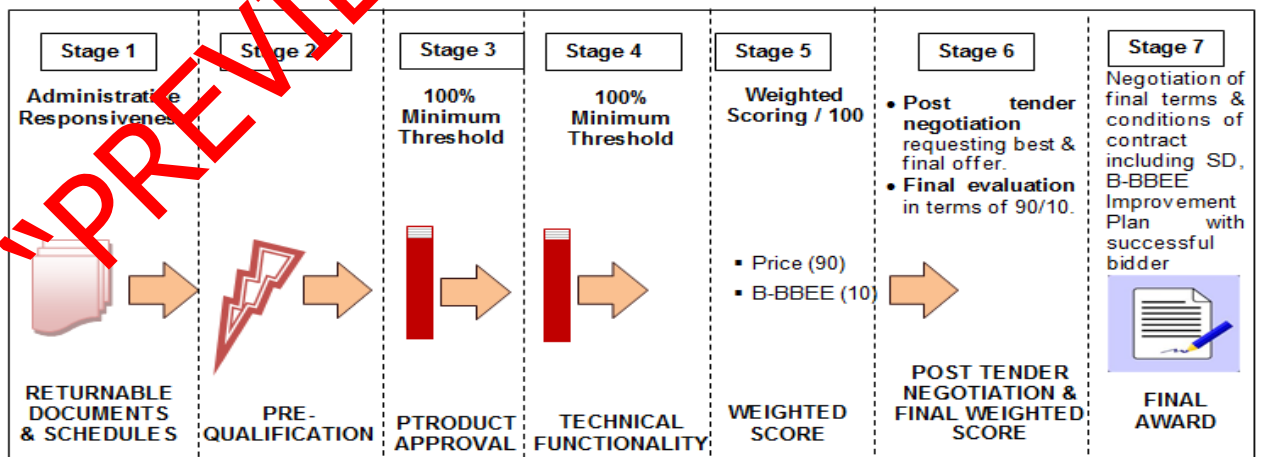


Figure 1: Prescribed Evaluation Process

NB: Evaluation of the various stages will normally take place in a sequential manner. However, in order to expedite the process, Transnet reserves the right to conduct the different stages of the evaluation process in parallel. In such instances the evaluation of bidders at any given stage must therefore not be interpreted to mean that bidders have necessarily passed any previous stage(s).

6.1 STAGE ONE: Test for Administrative Responsiveness

The test for administrative responsiveness will include the following:

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

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

6.2 STAGE TWO: Test for Substantive Responsiveness to RFP

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

Check for substantive responsiveness	RFP Reference
<ul style="list-style-type: none"> Whether any general pre-qualification criteria set by Transnet, have been met 	<i>Section 1 paragraphs 6, 10.3 Section 4 – validity period Section 8, General Bid Conditions clause 19 Sections 10, 11</i>
<ul style="list-style-type: none"> Whether the Bid contains a priced offer 	<i>Section 3</i>
<ul style="list-style-type: none"> Whether the Bid materially complies with the scope and/or specification given 	<i>All Sections</i>
<ul style="list-style-type: none"> Whether any Technical pre-qualification set by Transnet have been met as follows: Any bidder proposing to supply approved products must have access to a dedicated Railway Siding to be utilized for loading concrete sleepers for the duration of the contract. 	<i>Section 2 – Scope of Work</i>
<ul style="list-style-type: none"> Whether the Bid contains a commitment that the monetary value of all SD initiatives to be undertaken by the Respondent will not be less than 20 % [Twenty percent] of the contract value. 	<i>Section 1 paragraph 5.4</i>

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

6.3 STAGE THREE: Minimum Threshold of 100% for Technical Approval

The test for product approval will include the following:

Minimum Threshold 100%	RFP Reference
<ul style="list-style-type: none"> Test whether the product has been approved by TFR's Technology Management Department, or not. Unapproved products will be subjected to a product approval process that takes approximately 18 months period. 	<p><i>Annexure A1</i></p> <p><i>Annexure A2</i></p>

The test for Technical Approval threshold [Stage Three] must be passed for a Respondent's proposal to progress to Stage Four for further evaluation

6.4 STAGE FOUR: Minimum Threshold of 60 % for Functional Requirements

The test for the Functional threshold will include the following:

Technical Evaluation Criteria	% Weightings	RFP Reference
• Delivery lead times	25	<i>Section 2 paragraph 33 & Section 3, Annexure B</i>
• Loading Capacity	30	
• Notification Period Required for Emergency Work	20	
• Ability to load at night	5	
• Stock yard Size	20	
Total Weighting:	100%	
Minimum qualifying score required:	60%	

The minimum threshold for technical/functionality [Stage Four] must be met or exceeded for a Respondent's Proposal to progress to Stage Five for final evaluation

6.5 STAGE FIVE: Evaluation and Final Weighted Scoring

a) **Price Criteria** [Weighted score 90/10 points]:

Evaluation Criteria	RFP Reference
• Commercial offer	<i>Section 3</i>

Transnet will utilise the following formula in its evaluation of Price:

$$PS = 90 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where:

P_s = Score for the Bid under consideration

P_t = Price of Bid under consideration

P_{min} = Price of lowest acceptable Bid

- b) **Broad-Based Black Economic Empowerment criteria** [Weighted score 10 points]
- B-BBEE - current scorecard / B-BBEE Preference Points Claims Form
 - Preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table indicated Section 4.1 of the B-BBEE Preference Points Claim Form.

6.6 SUMMARY: Applicable Thresholds and Final Evaluated Weightings

Threshold	Minimum Percentage [%]
Technical Approval	100%
Functionality	60%

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

6.7 STAGE SIX: Post Tender Negotiations

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

6.8 STAGE SEVEN: Final Contract Award

Transnet will negotiate the final terms and condition the contract with the successful Respondent(s). This may include aspects such as Supplier Development, the B-BBEE Improvement Plan, price and delivery. Thereafter the final contract will be awarded to the successful Respondent(s).

IMPORTANT NOTICE TO RESPONDENTS

Transnet has appointed a Procurement Ombudsman to investigate any **material complaint** in respect of RFPs exceeding R5million [five million S.A. Rand] in value. Should a Respondent have any material concern regarding an RFP process which meets this threshold, a complaint may be lodged with the Ombudsman for further investigation. The Ombudsman reserves the right to refer the complaint to an external service provider for investigation.

It is incumbent on the Respondent to familiarise himself/herself with the Terms of Reference OF the Ombudsman which are available for review at Transnet's website www.transnet.net.

An official complaint form may be downloaded from this website and submitted, together with any supporting documentation, within the prescribed period, to procurement.ombud@transnet.net.

For transactions below the abovementioned threshold, a complaint may be lodged with the Chief Procurement Officer of the relevant Transnet Operating Division/Specialist Unit.

Respondents are to note that a complaint must be made in good faith. If a complaint is made in bad faith, Transnet reserves the right to place such a Bidder on its List of Excluded Bidders.

**RFP FOR THE DESIGN, MANUFACTURE AND SUPPLY OF
SPECIALIZED (F-TYPE, LOW PROFILE, UNIVERSAL AND TURNOUT) CONCRETE SLEEPERS
TO TFR DEPOTS FOR A PERIOD OF ONE YEAR WITH AN OPTION TO EXTEND FOR A FURTHER YEAR
ON AN "AS AND WHEN REQUIRED" BASIS**

**CLOSING VENUE: Inyanda No 1, Ground Floor,
21 Wellington Road, Parktown**

CLOSING DATE: 30 JUNE 2015

CLOSING TIME: 10:00 am

VALIDITY PERIOD: 92 Business Days

Section 3: PRICING AND DELIVERY SCHEDULE

Respondents are required to complete the table below:

Item No	Description of Item	Unit	Rate
5.	FY		
6.	F4		
7.	Low Profile		
8.	Universal 2,1m		
9.	Universal 2,4m		
10.	Universal 2,7m		
11.	Universal 2,8m		
12.	Universal 3,0m		
13.	Universal 3,2m		
14.	Universal 3,8m		
15.	Universal 4,2m		
16.	Universal 6,0m		
17.	1:9 Turnout for 48kg/m rail		
18.	1:9 Turnout for 57kg/m rail		
19.	1:9 Turnout for 60kg/m rail		
20.	1:12 Turnout for 48kg/m rail		
21.	1:12 Turnout for 57kg/m rail		
22.	1:12 Turnout for 60kg/m rail		
23.	1:20 Turnout for 48kg/m rail		
24.	1:20 Turnout for 57kg/m rail		
25.	1:20 Turnout for 60kg/m rail		

Respondents are encouraged to add any other extra items that form part of the Specialised Concrete Sleepers.

Notes to Pricing:

- a) All Prices must be quoted in South African Rand, exclusive of VAT
- b) To facilitate like-for-like comparison bidders must submit pricing strictly in accordance with this pricing schedule and not utilise a different format. Deviation from this pricing schedule could result in a bid being declared non responsive.
- c) Quantities given are estimates only.
- d) Any orders resulting from this RFP will be on an "as and when required" basis.
- e) Prices are to be quoted on an Ex-works basis
- f) Pricing per sleeper must include battens and strapping for transportation
- g) Please indicate here, your price per kilometre rate (road transportation): _____
- h) Please note that should you have offered a discounted price(s), Transnet will only consider such price discount(s) in the final evaluation stage if offered on an unconditional basis.
- i) Where a Respondent's price(s) includes imported content, the rate of exchange to be used must be the currency's rate published by the South African Reserve Bank 7 [seven] calendar days prior to the closing date of this RFP:
Currency rate of exchange utilised: _____
- j) Manufacturing lead time calculated from date of receipt of purchase order: _____ weeks.
- k) Respondents, if awarded the contract, are required to indicate that their prices quoted would be kept firm and fixed for the contract duration. [Not to be confused with bid validity period Section 1, Clause 1]

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

1 DISCLOSURE OF PRICES TENDERED

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

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

NO	
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2 "AS AND WHEN REQUIRED" CONTRACTS

- 2.1 Purchase orders will be placed on the Supplier(s) from time to time as and when Goods are required.
- 2.2 Transnet reserves the right to place purchase orders until the last day of the contract for deliveries to be effected, within the delivery period / lead time specified, beyond the expiry date of the contract under the same terms and conditions as agreed upon.
- 2.3 Delivery requirements may be stipulated in purchase orders and scheduled deliveries may be called for. However, delivery periods and maximum monthly rates of delivery offered by the Respondents will be used as guidelines in establishing lead times and monthly delivery requirements with the Supplier.

- 2.4 Where scheduled deliveries are required, the delivery period(s) specified must be strictly complied with, unless otherwise requested by Transnet. Material supplied earlier than specified may not be paid for or may be returned by Transnet, with the Supplier being held liable for all expenses so incurred, e.g. handling and transport charges.
- 2.5 If the delivery period offered by the Respondents is subject to a maximum monthly production capacity, full particulars must be indicated in Section 3 [Pricing and Delivery Schedule]
- 2.6 The Respondent must state hereunder its annual holiday closedown period [if applicable] and whether this period has been included in the delivery lead time offered:

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

3 RETURN OF SURPLUS GOODS

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

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

4 RESPONDENT'S SAMPLES

In this RFP Respondents who are proposing products for the testing and approval process are required to submit samples of the proposed products. A date will be communicated for Sleeper designs and samples to be submitted for testing to the address mentioned hereunder:

TRANSNET FREIGHT RAIL TECHNOLOGY MANAGEMENT
1 HOUT STREET
GEORGE GOCH
JEPPE TOWN
JOHANNESBURG

The sample(s) must be clearly marked with the reference number of this RFP and the names and addresses of both the Respondent and the manufacturer.

- 4.1 Failure to submit the sample(s) in due time may result in a Proposal being rejected. Proposals must under no circumstances be included in the package containing a sample(s).

5 MANUFACTURERS

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

- 5.1 Local Manufacturer(s):

RFP ITEM NO.	NAME	BUSINESS ADDRESS

5.2 Foreign Manufacturer(s):

RFP ITEM NO.	NAME	BUSINESS ADDRESS

6 INSPECTION DETAILS

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

6.1 Local Manufacturer(s)

RFP ITEM NO.	NAME	BUSINESS ADDRESS

6.2 Foreign Manufacturer(s)

RFP ITEM NO.	NAME	BUSINESS ADDRESS

7 IMPORTED CONTENT

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

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

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

8 EXCHANGE AND REMITTANCE

The attention of the Respondents is directed to clause 16 [*Exchange and Remittance*] of the General Bid Conditions. If Transnet is requested by the Respondent to effect payment overseas direct to the

Respondent's principal or supplier, which is not a registered South African Company please complete the details below, using the rate of exchange published by the South African Reserve Bank 7 [seven] calendar days before the closing date of this RFP:

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

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

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

8.4 Beneficiary details:

Name [Account holder] _____

Bank [Name and branch code] _____

Swift code _____

Country _____

8.5 _____ [Applicable base date of Exchange rate used]

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

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

9 EXPORT CREDIT AGENCY SUPPORTED FINANCE

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

Under such circumstances the successful Respondent will agree to undertake:

a) to provide [and/or cause the Parent/OEM to provide, as applicable] to Transnet and the banks and financial institutions that may participate in the ECA Facility all such assistance as an importer of Goods and/or Services, which are eligible for ECA credit supported finance by an ECA, is generally required to provide for the purposes of obtaining ECA support;

b) not to do or [as Supplier of the relevant eligible Goods or services] omit to do anything, which may adversely affect Transnet's prospects of qualifying for, once obtained, maintaining ECA credit support by an ECA in respect of an ECA Facility.

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

10 NATIONAL RAILWAY SAFETY REGULATOR ACT

In compliance with the National Railway Safety Regulator Act, 16 of 2002, the successful Respondent [the Supplier] shall ensure that the Goods to be supplied to Transnet, under the terms and conditions of a contract between the parties, comply fully with the specifications as set out in **Annexure F [Specifications and Drawings]** of this RFP, and shall also adhere to railway safety requirements and/or regulations [as applicable]. Permission for the engagement of a subcontractor by the Supplier, as applicable, both initially and during the course of a contract, shall be subject to a review of the capability of the proposed subcontractor to comply with the specified railway safety requirements and/or

regulations. The Supplier and/or its subcontractor shall grant Transnet access, during the term of the contract, to review any safety-related activities, including the coordination of such activities across all parts of the organisation.

Accepted:

YES	
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NO	
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11 SERVICE LEVELS

- 11.1 An experienced national account representative(s) is required to work with Transnet’s procurement department. [No sales representatives are needed for individual department or locations]. Additionally, there shall be a minimal number of people, fully informed and accountable for this agreement.
- 11.2 Transnet will have quarterly reviews with the Supplier’s account representative on an on-going basis.
- 11.3 Transnet reserves the right to request that any member of the Supplier’s team involved on the Transnet account be replaced if deemed not to be adding value for Transnet.
- 11.4 The Supplier guarantees that it will achieve a 95% [ninety five per cent] service level on the following measures:
 - a) Random checks on compliance with quality
 - b) On-time delivery

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

- 11.5 The Supplier must provide a telephone number for customer service calls.
- 11.6 Failure of the Supplier to comply with stated service level requirements will give Transnet the right to cancel the contract in whole, without penalty to Transnet, giving 30 [thirty] calendar days’ notice to the Supplier of its intention to do so.

Acceptance of Service Levels:

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

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

12 TOTAL COST OF OWNERSHIP AND CONTINUOUS IMPROVEMENT INITIATIVES

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

Accepted:

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

NO	
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If “yes”, please specify details in paragraph 14.2 below.

- 12.2 Respondents must briefly describe their commitment to TCO and continuous improvement initiatives and give examples of specific areas and strategies where cost reduction initiatives can be introduced. Specific areas and proposed potential savings percentages should be included.

Additional information can be appended to the Respondent's Proposal if there is insufficient space available below.

13 RISK

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

13.1 Quality and specification of Goods delivered:

13.2 Continuity of supply:

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

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

14 REFERENCES

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

NAME OF COMPANY	CONTACT PERSON	TELEPHONE

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ON AN "AS AND WHEN REQUIRED" BASIS**

Section 4: PROPOSAL FORM AND LIST OF RETURNABLE DOCUMENTS

I/We _____
[name of entity, company, close corporation or partnership] of [full address]

_____ carrying on business trading/operating as

represented by _____
in my capacity as _____

being duly authorised thereto by a Resolution of the Board of Directors or Members or Certificate of Partners, dated _____ to enter into, sign execute and complete any documents relating to this proposal and any subsequent Agreement. The following list of persons are hereby authorised to negotiate on behalf of the abovementioned entity, should Transnet decide to enter into Post Tender Negotiations with shortlisted bidder(s).

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

I/We hereby offer to supply the abovementioned Goods at the prices quoted in the schedule of prices in accordance with the terms set forth in the documents listed in the accompanying schedule of RFP documents.

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

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

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

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

Respondent's Signature
RFP: HOAC_HO_15362

Date & Company Stamp

I/We further agree that if, after I/we have been notified of the acceptance of my/our Proposal, I/we fail to enter into a formal contract if called upon to do so, or fail to commence the supply of Goods within **7 [seven] weeks** thereafter, Transnet may, without prejudice to any other legal remedy which it may have, recover from me/us any expense to which it may have been put in calling for Proposals afresh and/or having to accept any less favourable Proposal.

I/We accept that any contract resulting from this offer will be for a period of **one year with an option to extend for a further 12 months** only.

Furthermore, I/we agree to a penalty clause/s to be negotiated with Transnet, which will allow Transnet to invoke a penalty against us for non-compliance with material terms of this RFP including the delayed delivery of the Goods due to non-performance by ourselves, failure to meet Supplier Development and B-BBEE Improvement Plan commitments. A penalty of up to 100% of the outstanding portion of the Supplier Development commitment will be applied and Transnet reserves the right to set this off against any payment due to the Respondent. In addition, I/we agree that non-compliance with any of the material terms of this RFP, including those mentioned above, will constitute a material breach of contract and provide Transnet with cause for cancellation.

ADDRESS FOR NOTICES

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

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

Name of Entity:

Facsimile:

Address:

NOTIFICATION OF AWARD OF RFP

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

VALIDITY PERIOD

Transnet requires a validity period of 92 [ninety-two] Business Days [from closing date] against this RFP.

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

Respondent's Signature
RFP: HOAC_HO_15362

Date & Company Stamp

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

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

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

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

RETURNABLE DOCUMENTS

All Sections, as indicated in the footer of each page, must be signed, stamped and dated by the Respondent. **Returnable Documents** means all the documents, Sections and Annexures, as listed in the tables below.

a) Mandatory Returnable Documents

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

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

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
SECTION 3 : Pricing and Delivery Schedule	
SECTION 2: Scope of Work	
ANNEXURE A1: Technical Questionnaire for Non-Approved Products	
ANNEXURE A2: Technical Questionnaire for Approved Products	
SECTION 10: Declaration of Supplier Development Commitments	
ANNEXURE B: Functional Questionnaire	

b) Essential Returnable Documents

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

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

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

ESSENTIAL RETURNABLE DOCUMENTS & SCHEDULES	SUBMITTED [Yes or No]
SECTION 2: Scope of Work	
<ul style="list-style-type: none"> - Detailed drawings of each of the proposed products including tolerances, the proposed method of marking the sleepers and the appropriate fastening system. 	
<ul style="list-style-type: none"> - Details of the various strength and quality tests which apply to the proposed sleepers (Compressive strength at de moulding, 7 day, 28 day, bending etc.) 	
<ul style="list-style-type: none"> - Details of the: <ul style="list-style-type: none"> - quality control organization - examples of QA control for Concrete cube test results. - examples of QA control for Bend tests on sleepers results. - examples of QA control for Stressing equipment test (dynamometer, etc. 	
<ul style="list-style-type: none"> - A valid copy of the Manufacturer's ISO 9002 accreditation if the manufacturer is in operation for more than 18 months 	
<ul style="list-style-type: none"> - A site layout of the stock yard area indicating where the sleepers will be stacked and the amount of sleepers that can be stacked in the stock yard 	
<ul style="list-style-type: none"> - Production capacity of each type of sleeper offered and a cross reference to where it will be placed in the dispatch yard. (Assuming that sleepers need to be stacked for 28 days before loading it) 	
<ul style="list-style-type: none"> - A valid copy of the access to signing agreement 	
SECTION 4 : Proposal Form and List of Returnable documents	
<ul style="list-style-type: none"> - Valid and original, or a certified copy, of your entity's B-BBEE Accreditation Certification as per the requirements stipulated in the B-BBEE Claims Form Section 7. Note: failure to provide these required documents at the closing date and time of the RFP will result in an automatic score of zero being allocated for preference 	
<ul style="list-style-type: none"> - In the case of Joint Ventures, a copy of the Joint Venture Agreement or written confirmation of the intention to enter into a Joint Venture Agreement 	
<ul style="list-style-type: none"> - Latest Financial Statements signed by your Accounting Officer or latest Audited Financial Statements plus 2 previous years (Not applicable to Bidders who are proposing unapproved products) 	
SECTION 6: Certificate of attendance of non-compulsory RFP Briefing	
Original and valid Tax Clearance Certificate [Consortia / Joint Ventures must submit a separate Tax Clearance Certificate for each party]	
ANNEXURE D : Supplier Development Value Summary	
SECTION 5 : RFP Declaration and Breach of Law Form	
SECTION 7 : B-BBEE Preference Claim Form	
ANNEXURE C : Supplier Development Plan	

"PREVIEW COPY ONLY"

c) Additional Documents

In addition to the requirements of paragraphs (a) and b) above, Respondents are further requested to submit with their Proposals the following **additional documents** as detailed below. Please confirm submission of these additional documents by so indicating [Yes or No] in the table below:

ADDITIONAL DOCUMENTS	SUBMITTED [Yes or No]
ANNEXURE E : B-BBEE Improvement Plan	

CONTINUED VALIDITY OF RETURNABLE DOCUMENTS

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

By signing this certificate the Respondent is deemed to acknowledge that he/she has made himself/herself thoroughly familiar with and agrees with all the conditions governing this RFP, including those contained in any printed form stated to form part hereof, including but not limited to the documents stated below and Transnet SOC Ltd will recognise no claim for relief based on an allegation that the Respondent overlooked any such condition or failed properly to take it into account for the purpose of calculating tendered prices or otherwise.

Bidders furthermore agree that Transnet SOC Ltd shall recognise no claim from them for relief based on an allegation that they have overlooked any RFP/contract condition or failed to take it into account for the purpose of calculating their tendered prices or otherwise.

Bidders accept that an obligation rests on them to clarify any uncertainties regarding any bid which they intend to respond on, before submitting the bid. The Bidder agrees that he/she will have no claim based on an allegation that any aspect of this RFP was unclear but in respect of which he/she failed to obtain clarity.

The bidder understands that his/her Bid will be disqualified if the Certificate of Acquaintance with RFP documents included in the RFP as a returnable document, is found not to be true and complete in every respect.

- 1 General Bid Conditions*
- 2 Terms and Conditions of Contract for the supply of Goods to Transnet*
- 3 Supplier Integrity Pact*
- 4 Non-disclosure Agreement*
- 5 Specifications and drawings included in this RFP
- 6 Supplier Development initiatives included in this RFP
- 7 Vendor Application Form* and all supporting documents (first time vendors only)

Alternatively, for all existing vendors, please provide vendor number(s) here:

Transnet Operating Division	Unique Vendor Number	Yes / No
Transnet Group		
TFR, etc.		

In the Yes/No column above, please confirm that all the information e.g. company address and contact details, banking details etc. are still correct as at the time of allocation of the vendor number(s).

*(available on Transnet’s website or upon request)

SIGNED at _____ on this ____ day of _____ 2015

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name _____

2 _____

Name _____

SIGNATURE OF RESPONDENT’S AUTHORIZED REPRESENTATIVE: _____

NAME: _____

DESIGNATION: _____

"PREVIEW COPY ONLY"

**RFP FOR THE DESIGN, MANUFACTURE AND SUPPLY OF
SPECIALIZED (F-TYPE, LOW PROFILE, UNIVERSAL AND TURNOUT) CONCRETE SLEEPERS
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ON AN "AS AND WHEN REQUIRED" BASIS**

Section 5: RFP DECLARATION AND BREACH OF LAW FORM

NAME OF ENTITY: _____

We _____ do hereby certify that:

1. Transnet has supplied and we have received appropriate responses to any/all questions [as applicable] which were submitted by ourselves for RFP Clarification purposes;
2. we have received all information we deemed necessary for the completion of this Request for Proposal [RFP];
3. we have been provided with sufficient access to the existing Transnet facilities/sites and any and all relevant information relevant to the Services as well as Transnet information and Employees, and has had sufficient time in which to conduct and perform a thorough due diligence of Transnet's operations and business requirements and assets used by Transnet. Transnet will therefore not consider or permit any pre- or post-contract verification or any related adjustment to pricing, service levels or any other provisions/conditions based on any incorrect assumptions made by the Respondent in arriving at his Bid Price.
4. 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;
5. we are satisfied insofar as our entity is concerned, that the processes and procedures adopted by Transnet in issuing this RFP and the requirements requested from Bidders in responding to this RFP have been conducted in a fair and transparent manner; and
6. furthermore, we declare that a family, business and/or social relationship **exists / does not exist** [delete as applicable] between an owner / member / director / partner / shareholder of our entity and an employee or board member of the Transnet Group including any person who may be involved in the evaluation and/or adjudication of this Bid.
7. In addition, we declare that an owner / member / director / partner / shareholder of our entity **is / is not** [delete as applicable] an employee or board member of the Transnet Group.
8. If such a relationship as indicated in paragraph 5 and/or 6 exists, the Respondent is to complete the following section:

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

ADDRESS:

Indicate nature of relationship with Transnet:

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

9. We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet [other than any existing and appropriate business relationship with Transnet] which could unfairly advantage our entity in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.
10. 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.
11. We further accept that Transnet reserves the right to reverse an award of business or decision based on the recommendations of the Ombudsman without having to follow a formal court process to have such award or decision set aside.

BREACH OF LAW

12. We further hereby certify that I/we (the bidding entity and/or any of its directors, members or partners) **have/have not been** [delete as applicable] 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. This includes the imposition of an administrative fine or penalty.

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

NATURE OF BREACH:

DATE OF BREACH: _____

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

SIGNED at _____ on this ____ day of _____ 2015

For and on behalf of _____ duly authorised hereto	AS WITNESS:
Name:	Name:
Position:	Position:
Signature:	Signature:
Date:	Registration No of Company/CC
Place:	Registration Name of Company/CC

**RFP FOR THE DESIGN, MANUFACTURE AND SUPPLY OF
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Section 6: RFP CLARIFICATION REQUEST FORM

RFP No: HOAC_HO_15362

RFP deadline for questions / RFP Clarifications: Before 12:00 on [REDACTED]

TO: Transnet SOC Ltd
ATTENTION: The Tender Administrator
EMAIL: [Mulalo.mukwena@transnet.net]
DATE: _____
FROM: _____

RFP Clarification No [to be inserted by Transnet] [REDACTED]

REQUEST FOR RFP CLARIFICATION

"PREVIEW COPY ONLY"

**RFP FOR THE DESIGN, MANUFACTURE AND SUPPLY OF
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Section 7: B-BBEE PREFERENCE POINTS CLAIM FORM

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

1. INTRODUCTION

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

2. GENERAL DEFINITIONS

- 2.1 "**all applicable taxes**" include value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 "**B-BBEE**" means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.3 "**B-BBEE status of contributor**" means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 "**Bid**" means a written offer in a prescribed or stipulated form in response to an invitation by Transnet for the provision of goods, works or services;
- 2.5 "**Broad-Based Black Economic Empowerment Act**" means the Broad-Based Black Economic Empowerment Act, 2003 [Act No. 53 of 2003];
- 2.6 "**comparative price**" means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
- 2.7 "**consortium or joint venture**" means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract;
- 2.8 "**contract**" means the agreement that results from the acceptance of a bid by Transnet;
- 2.9 "**EME**" means any enterprise with an annual total revenue of R5 [five] million or less as per the 2007 version of the B-BBEE Codes of Good Practice and means any enterprise with an annual total revenue of R10 [ten] million or less as per the Revised Codes of Good Practice issued on 11

October 2013 in terms of Government Gazette No. 36928;

- 2.10 **"firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs and excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **"functionality"** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **"non-firm prices"** means all prices other than "firm" prices;
- 2.13 **"person"** includes reference to a juristic person;
- 2.14 **"QSE"** means any enterprise with an annual total revenue between R5 [five] million and R35 [thirty five] million as per the 2007 version of the B-BBEE Codes of Good Practice and means any enterprise with an annual total revenue of between R10 [ten] million and R50 [fifty] million as per the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928
- 2.15 **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.16 **"subcontract"** means the primary contractor's assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.17 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Empowerment Act and promulgated in the Government Gazette on 9 February 2007;
- 2.18 **"trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.19 **"trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

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

3.6 Should two or more Bids be equal in all respect, the award shall be decided by the drawing of lots.

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

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

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

4.2 Bidders who qualify as EMEs in terms of the 2007 version of the Codes of Good Practice must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EME's with B-BBEE Status Level Certificates.

4.3 Bidders who qualify as EMEs in terms of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928 are only required to obtain a sworn affidavit on an annual basis confirming that the entity has an Annual Total Revenue of R10 million or less and the entity's Level of Black ownership.

4.4 In terms of the 2007 version of the Codes of Good Practice, Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

4.5 The Department of Trade and Industry recently revised the Codes of Good Practice on 11 October 2013 [Government Gazette No. 36928]. The Revised Codes will replace the Black Economic Empowerment Codes of Good Practice issued on 9 February 2007. The Revised Codes provide for a transitional period ending 30 April 2015. During the transitional period, companies may elect to be measured in terms of the Revised Codes or the 2007 version of the Codes. Companies which are governed by Sector-specific Codes will be measured in terms of those Sector Codes.

4.6 As such, Transnet will accept B-BBEE certificates issued based on the Revised Codes. Transnet will also continue to accept B-BBEE certificates issued in terms of the 2007 version of the Codes provided it was issued before 1 May 2015. Thereafter, Transnet will only accept B-BBEE certificates issued based on the Revised Codes.

4.7 In terms of the Revised Codes of Good Practice, Bidders who qualify as QSEs must comply with all the elements of B-BBEE for the purposes of measurement. QSEs that are at least 51% or 100% Black owned are only required to obtain a sworn affidavit on an annual basis confirming that the entity has an Annual Total Revenue of R50 million or less and the entity's Level of Black

ownership. Large enterprises must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

- 4.8 A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided that the entity submits its B-BBEE status level certificate.
- 4.9 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 4.10 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialised scorecard contained in the B-BBEE Codes of Good Practice.
- 4.11 A person will not be awarded points for B-BBEE status level if it is indicated in the Bid documents that such a Bidder intends subcontracting more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not qualify for at least the same number of points that such a Bidder qualifies for, unless the intended subcontractor is an EME that has the capability and ability to execute the subcontract.
- 4.12 A person awarded a contract may not subcontract more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.
- 4.13 Bidders are to note that in terms of paragraph 2.6 of Statement 000 of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928, any representation made by an entity about its B-BBEE compliance must be supported by suitable evidence or documentation. As such, Transnet reserves the right to request such evidence or documentation from Bidders in order to verify any B-BBEE recognition claimed.

5. B-BBEE STATUS AND SUBCONTRACTING

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

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

Note: Points claimed in respect of this paragraph 5.1 must be in accordance with the table reflected in paragraph 4.1 above and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or a sworn affidavit in the case of an EME or QSE.

5.2 Subcontracting:

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

If YES, indicate:

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

5.3 Declaration with regard to Company/Firm

- (i) Name of Company/Firm.....
- (ii) VAT registration number.....
- (iii) Company registration number.....
- (iv) Type of Company / Firm [TICK APPLICABLE BOX]

- Partnership/Joint Venture/Consortium
- One person business/sole propriety
- Close Corporations
- Company (Pty) Ltd

- (v) Describe Principal Business Activities

.....
.....

- (vi) Company Classification [TICK APPLICABLE BOX]

- Manufacturer
- Supplier
- Professional Service Provider
- Other Service Providers, e.g Transporter, etc

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

BID DECLARATION

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

- (i) The information furnished is true and correct.
- (ii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 6 above, the contractor may be required to furnish documentary proof to the satisfaction of Transnet that the claims are correct.
- (iii) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, Transnet may, in addition to any other remedy it may have:
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the Bidder or contractor, its shareholders and directors, and/or associated entities, or only the shareholders and directors who acted in a fraudulent manner, from obtaining business from Transnet for a period not exceeding 10 years, after the *audi alteram partem* [hear the other side] rule has been applied; and/or
 - (e) forward the matter for criminal prosecution.

WITNESSES:

1.

2.

SIGNATURE OF BIDDER

DATE:.....

COMPANY NAME:

ADDRESS:.....

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Section 8: CERTIFICATE OF ATTENDANCE OF THE NON-COMPULSORY RFP BRIEFING

It is hereby certified that –

1. _____

2. _____

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

attended the RFP briefing in respect of the proposed Goods to be supplied in terms of this RFP on
_____ 2015

TRANSNET'S REPRESENTATIVE

RESPONDENT'S REPRESENTATIVE

DATE _____

DATE _____

EMAIL _____

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Section 9: SUPPLIER DEVELOPMENT INITIATIVES

1.1 Aim and Objectives

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

The key focuses of the NGP include:

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

Transnet, as a State Owned Company [SOC], plays an important role to ensure these objectives are achieved. Therefore, the purchasing of goods and services needs to be aligned to Government's objectives for developing and transforming the local supply base. Transnet's mission is to transform its supplier base by engaging in targeted supplier development initiatives to support localisation and industrialisation whilst providing meaningful opportunities for Black² South Africans with a particular emphasis on:

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

1.2 Supplier Development [SD]

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

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

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

As a prequalification criterion to participate in this bid, Respondents are required to provide a commitment that the monetary value of all SD initiatives to be undertaken by them will not be less than **20% [twenty percent]** of the contract value.

Accordingly, Respondents are required to provide a commitment of the Supplier Development initiative they will undertake during the contract period in the **Supplier Development Value Summary**. In addition, Transnet requires that all Respondents submit a **Supplier Development Plan** demonstrating how they will discharge their commitments made in the Supplier Development Value Summary. The contract which will be concluded with the successful bidder will incorporate the SD undertakings made in the abovementioned documents as a term of the contract.

- a) For a detailed understanding of the IC³ Matrix, the respective SD initiatives and their objectives, please refer to the "Supplier Development Guidelines" appended hereto as **Annexure G**. This document must be used as a guideline to complete the SD Plan.
- b) The following Supplier Development [**SD**] focus areas have been identified, namely:

Category	Description
New Skills development	Skills transfer & skills education which will occur as a result of the award of contract
Job Creation	Number of jobs created resulting from the award of contract
Enterprise and Supplier Development	Encouragement for growth and the expansion of emerging local firms, through procurement and support mechanisms
Rural Integration and Regional Development	Incorporation of the use of rural labour and regional businesses which will contribute to NGP objectives

Green economy / carbon footprint: The potential reduction of the economy's carbon intensity [i.e. creation of a greener economy] should be regarded as a key priority within all the above SD categories and for all proposed SD initiatives

- a) The **Supplier Development Plan** is to be submitted as a separate document, developed in line with the criteria set out in the **Supplier Development Value Summary**. The Supplier Development Plan is a detailed narrative document explaining the Respondent's Bid value as summarised in the Supplier Development Value Summary. The SD Plan should outline the type of activities you intend to embark upon should you be awarded the contract. This SD Plan should also provide an overview of what you intend to achieve, when, and the mechanisms whereby you will achieve those objectives. The SD Value Summary and SD Plan will represent a binding commitment on the part of the successful Respondent.

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

Notes for completion of the SD Plan:

- (i) Respondents are required to address each of the aspects under the detailed SD Description as a minimum for submission. This is not an exhaustive list however, and Respondents must not be limited to these choices when compiling each section.
- (ii) Please provide detailed calculations to illustrate how your estimated Rand values have been derived.
- (iii) Respondents are required to provide an electronic copy [CD] of the completed Annexure D as part of the SD Plan submission.

1.3 Additional contractual requirements

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

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

- g) The contract will be conditional on agreement being reached by the parties on the Implementation Plan submitted by the Supplier. Therefore failure to submit or thereafter to agree to the Implementation Plan within the stipulated timelines will result in the non-award of such a contract or termination thereof.
- h) Failure to adhere to the milestones and targets defined in an Implementation Plan may result in the invocation of financial penalties, to be determined at Transnet's discretion, as well as providing Transnet cause to terminate the contract in certain cases where material milestones are not being achieved.

1.4 **Supplier Development Returnable Documents**

Attached herewith is the following documentation:

- **Declaration of Supplier Development Commitments – Section 10 [mandatory]**
- **SD Plan – Annexure C [essential]**
- **SD Value Summary – Annexure D [essential]**

Respondents are to note whether the abovementioned documents are listed as mandatory or essential returnable documents in Section 4 to this RFP as failure to submit, or to submit an incomplete mandatory returnable document, will result in disqualification of your Proposal. Failure to submit an essential returnable document may result in disqualification of your Proposal.

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Section 10: DECLARATION OF SUPPLIER DEVELOPMENT COMMITMENTS

I/We _____
hereby **agree/do not agree** *[Delete as applicable]* to commit that not less than **20 %** of the contract value will be spent cumulatively on Supplier Development Initiatives. This pre-qualification criterion must be discharged against the following Supplier Development categories as outlined in the Supplier Development Value Summary [Annexure C]:

- Skills development
- Job creation
- Enterprise and Supplier Development
- Rural / regional integration

I/We do hereby certify that the Supplier Development commitments made in relation to this RFP are solely in relation to this transaction and are not duplicated in relation to any other contracts that I/we have secured with any other organ of state including other State Owned Companies.

Furthermore, I/we do hereby declare that this undertaking also applies to any other contracts that I may have secured with Transnet including other Transnet Operating Divisions/Specialist Units. For the purposes of verification of this undertaking, the following is a list of contracts with Supplier Development commitments that I/we have secured with Transnet:

SIGNED at _____ on this _____ day of _____ 2015

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

**RFP FOR THE DESIGN, MANUFACTURE AND SUPPLY OF
SPECIALIZED (F-TYPE, LOW PROFILE, UNIVERSAL AND TURNOUT) CONCRETE SLEEPERS
TO TFR DEPOTS FOR A PERIOD OF ONE YEAR WITH AN OPTION TO EXTEND FOR A FURTHER YEAR
ON AN "AS AND WHEN REQUIRED" BASIS**

Section 11: B-BBEE IMPROVEMENT PLAN

Transnet encourages its Suppliers to constantly strive to improve their B-BBEE rating and requests that Respondents submit a B-BBEE improvement plan. Respondents are therefore requested to indicate whether they will maintain or improve their BBBEE status over the contract period.

Additional contractual requirements

Should a contract be awarded through this RFP process, the successful Respondent(s) may be contractually committed, *inter alia*, to the following conditions:

- a) The original B-BBEE Improvement Plan may require certain additions or updates in order to ensure that Transnet is satisfied that developmental objectives will be met.
- b) The Supplier will need to ensure that the relevant mechanisms and procedures are in place to allow Transnet access to information to measure and verify the Supplier's compliance with its stated B-BBEE Improvement commitments.
- c) The Supplier will be required to provide:
 - (i) quarterly status reports for Transnet; and
 - (ii) a final B-BBEE Improvement Plan report, to be submitted to Transnet prior to the expiry date of the contract, detailing delivery, implementation and completion of all B-BBEE Improvement components.
- d) All information provided by the Supplier in order to measure its progress against its stated targets will be auditable.

Respondents are requested to submit their B-BBEE Improvement Plan as an **additional document** with their Proposal by completion of **Annexure E** appended hereto.