



Contractors must advise the SAPS Contract Management immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished to the Section Head Bid Management: Supply Chain Management: SAPS – email: [-SmitJ3@saps.gov.za](mailto:-SmitJ3@saps.gov.za).

### **19.1.2 SUPPLIER PERFORMANCE MANAGEMENT**

Supplier performance management will be the responsibility of end-users of SAPS and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, SAPS Contract Management must be informed for corrective action.

Deliveries not complying with the order forms will be returned to the contractor at the contractor's expense.

### **19.2 PLACEMENT OF ORDERS AND PAYMENTS**

Orders will be placed by participating departments who will be responsible for the payment to contractors for goods delivered and/or services rendered.

#### **19.2.1 ORDERS**

Contractors should note that each individual purchasing institution is responsible for generating the order(s) as well as the payment(s) thereof.

Contractors should note that the order(s) will be placed as and when required during the contract period and delivery points will be specified by the relevant purchasing institution(s).

The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the contractor deviate from the orders issued by the purchasing institutions.

The South African Police Service is under no obligation to accept any quantity which is in excess of the ordered quantity.



### **19.2.2 SERVICE AND MAINTENANCE**

Service and maintenance must be made in accordance with the instructions appearing on the official order forms issued by purchasing institutions as per Science Laboratory indicated.

Delivery note stating the official order number against which the service has been effected.

In respect of items awarded to them, contractors must adhere strictly to the delivery lead times quoted in their bids.

### **19.3 QUALITY ADHERANCE**

Bidder's attention is drawn to paragraph 8 of the General Conditions of Contract regarding inspection, tests and analysis.

If the service delivered supplies are not in accordance with the contract requirements, the cost of inspections, ting facility shall be paid by the contractor.

### **19.4 WARRANTY AND WORKMANSHIP**

Workmanship during the service and repair of the X-Ray machines must be of high quality and standard and must be guaranteed for a certain period. Period must be mentioned. State guarantee on workmanship. Guarantee on a new items installed in machine must be provided. Workmanship must carry the approval of original manufacturer.

The warranty applicable shall be in terms of paragraph 15 of the General Conditions of Contracts

### **19.5 CONTRACT PRICE ADJUSTMENT**

#### **19.5.1 FORMULA**

Prices submitted for this bid will be regarded as non-firm and subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods of time.



Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.

The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

$$Pa = (1-V) Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + Dn \frac{Rnt}{Rno} \right) + VP1$$

Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85). .
D1 – Dn	=	= Each factor (or percentage) of the bid price, e.g., material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%).
R1t – Rnt	=	= End Index. Index figure obtained from the index at the end of each adjustment period
R1o–Rno	=	Base Index. Index figure at the time of bidding.
VPt	=	15% (or 0.15) of the original bid price. This portion of the bid price 'remains fixed, i.e. it is not subject to price adjustment.

## 19.6 FORMULA COMPONENT DEFINITIONS

### 19.6.1 ADJUSTABLE AMOUNT



The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid the adjustable amount is 85% of the original bid price. For example, if the bid price is R1000, then only R850 will be subject to adjustment.

### 19.6.2 FIXED PORTION

The fixed portion represents those costs which will not change over the adjustment period and **DOES NOT** represent the profit margin. In this bid the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract period.

### 19.6.3 COST COMPONENTS AND PROPORTIONS

- a) The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components. In this bid the following cost components will be used to calculate contract price adjustments.
- b) Bidders are requested to submit the cost breakdown of the bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document. Successful bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.
- c) In a case where the same cost components are applicable to all items offered please fill out the Cost components document attached with the bid other than that cost components must be indicated on each line item when finalising pricing schedule.



<b>Cost Component</b>	<b>% Contribution</b>
D1- Imported Raw Material / Finished product (if applicable)	
D2 - Local Raw Material / Finished product (if applicable)	
D3 - Labour	
D4 - Transport	
D5 – Housing and utilities	
D6 – Other	
<b>TOTAL (Cost components must add up to 100%)</b>	<b>100 %</b>

#### 19.6.4 APPLICABLE INDICES/REFERENCE

The applicable index refers to the relevant market index, which is a true reflection of price movement(s) in the cost over time. In this bid the following indices or reference will be applicable:

<b>Cost component</b>	<b>Index Publication</b>	<b>Index Reference</b>
D1 – Imported Raw Material / Finished product (if applicable)	Supplier / Manufacturer invoice(s) and remittance	Documentary evidence to accompany claim.
D2 - Local Raw Material / Finished product (if applicable)	STATS SA P0142.1 (PPI) Table 1	Textiles, clothing and Footwear – Clothing OR Documentary evidence to accompany claim
D3 - Labour	STATS SA P0141 (CPI),	Table E - All Items OR Labour agreement to be



	Table E OR Labour agreement <sup>2</sup>	provided
D4 – Transport	STATS SA P0141 (CPI) Table E	Table E - Transport – Other Running Cost
D5 – Housing and utilities	STATS SA P0141 (CPI) Table E	Table E – Housing and utilities Headline
D6 – other	Specify	Documentary evidence to accompany application

#### 19.7.5 BASE INDEX DATE

The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is 2024-04-01.

#### 19.7.6 END INDEX DATE

The end index dates are the dates at predetermined points in time during the contract period. In this bid the end indices are defined in the next paragraph (Price Adjustment Periods).

#### 19.8 RATES OF EXCHANGE (ROE) – BASE AND AVERAGE RATES

In the event where material and/or finished products are imported the following will apply:

The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted taking into account the base RoE rate and the average RoE rate over the period under review indicated.

In the event where the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate for the earlier



## SPECIAL CONDITIONS OF CONTRACT 19/1/9/1/93TA (23)

32

invoice and the average RoE rate for the period under review as indicated below for the later invoice.

The imported cost component (D1) will be adjusted together with all the other cost components and at the predetermined dates.

Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item(s) to South African currency is indicated in the table below.

<b>CURRENCY</b>	<b>RATES OF EXCHANGE</b> 12-month average for the period from which the contract commence	<b>DATE FOR RATE OF EXCHANGE:</b>
US Dollar	USD1 =ZAR R18.69	12 Months average for the period 2023-09-01 -2023-11-30
Pound Sterling	PS1=ZAR R23.79	12 Months average for the period 2023-09-01 -2023-11-30
Euro	Euro=ZAR R20.45	12 Months average for the period 2023-09-01 -2023-11-30
Yuan	Yuan= ZAR R2.63	12 Months average for the period 2023-09-01 -2023-11-30

Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period from which the contract commence using the Reserve Bank published rates for the specific currency. Visit [www.reservebank.co.za](http://www.reservebank.co.za) to obtain the relevant rates. Please refer to TCBD 2 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

Contract price adjustments due to rate of exchange variations are based on average exchange rates as published by the Reserve Bank for the periods indicated hereunder:



ADJUSTMENT	AVERAGE EXCHANGE RATES FOR THE PERIOD:
1st Adjustment	Date to Date: One year from the date of contract

**20. GENERAL**

Unless prior approval has been obtained from SAPS Contract Management, no adjustment in contract prices will be made.

Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.

CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.

In the event where the supplier's CPA application, based on the above formula and parameters, differs from Contract Management SAPS verification, Contract Management SAPS will consult with the supplier to resolve the differences. The South African Police Service reserves the right to negotiate amended contract prices at any stage prior to the final notification to end users.

**21. BREACH OF CONTRACT**

The South African Police Service reserves the right to terminate the contract(s) if the contractor does not honour contract(s) obligations including submission of information.

**22. CONTRACT WITH SUB-CONTRACTOR OR OTHER MANUFACTURER**

Once the successful bidder has entered into a contract with a subcontractor or manufacturer, such subcontractor or manufacturer cannot be replaced by





another sub-contractor or manufacturer without the written prior approval of the South African Police Service.

**23. ABILITY OF BIDDERS**

The ability of bidders to carry out a contract successfully will be taken into account fully during the consideration of bids. This includes, where necessary, an investigation of the bidder's financial position, previous contracts carried out, availability of skills and knowledge, existing workload, after sales services, if applicable, visits to point of manufacture, etc.

**24 CONTACT DETAILS**

South African Police Service  
Section Head: Contract Management  
117 Cresswell Road  
Silverton  
0184

**BID COLLECTION**

Captain Paul  
Tel: 012-841 7189  
Fax: 012-8417482  
Paul EG@saps.gov.za



35

NAME OF BIDDER: .....

NAME OF CONTACT PERSON: .....

CAPACITY: .....

SIGNATURE:.....DATE:.....

28

**GAUTENG PROVINCE:**

Item	Description	CONSUMER	ICN	QUANTITY	PRICE
1	Service and maintenance of X-Ray machine	PRETORIA PSS	9865T05020621	1	R

Required by:

**South African Police Service**

- At:

GAUTENG PRETORIA: PSS

- Does offer comply with specification?

\*YES/NO

- If not to specification, indicate deviation(s) .....

- Lead Time .....

**Note: prices must include all costs (VAT, Storage, delivery, retrieval etc.)**

**Note: prices quoted must include all costs**

37

**WESTERN CAPE PROVINCE:**

Item	Description	CONSUMER	ICN	QUANTITY	PRICE
1	Service and maintenance of X-Ray machine	CAPE TOWN: PSS	9865T05020621	1	R

Required by:

**South African Police Service**

- At:

**WESTERN CAPE PSS**

- Does offer comply with specification?

**\*YES/NO**

- If not to specification, indicate deviation(s)

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- Lead Time

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**Note: prices must include all costs (VAT, Storage, delivery, retrieval etc.)**

**Note: prices quoted must include all costs**

**KWAZULU NATAL PROVINCE**

Item	Description	CONSUMER	ICN	QUANTITY	PRICE
1	Service and maintenance of X-Ray machine	KZN DURBAN PSS	9865T05020621	1	R

Required by:

**South African Police Service**

- At:

**KZN DURBAN**

- Does offer comply with specification?

**\*YES/NO**

- If not to specification, indicate deviation(s)

.....

- Lead Time

.....

**Note: prices must include all costs (VAT, Storage, delivery, retrieval etc.)**

**Note: prices quoted must include all costs**



39

**AUTHORIZATION DECLARATION**

**NAME OF THE BIDDER:** \_\_\_\_\_

**BID NUMBER:** \_\_\_\_\_

**DESCRIPTION:** \_\_\_\_\_

**CLOSING DATE:** \_\_\_\_\_

Are you sourcing the goods or services from a third party?

YES	NO
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*\* If you have answered YES to the above question, please provide full details in the table below of the third party(ies) from whom you are sourcing the goods or services.*

**1. Declaration by the bidder where the bidder is sourcing goods or services from a third party.**

The bidder hereby declares the following:-

- 1.1 The bidder is sourcing the goods or services listed in the Form 1 attached, from a third party in order to comply with the terms and conditions of the bid.
- 1.2 The bidder has informed the third party of the terms and conditions of the bid and the third party is acquainted with the said terms and the description of the goods or services listed in the Form 1.
- 1.3 The bidder has received the attached, unconditional written undertaking from the third party to supply the goods or services listed in the form 1 in accordance with the terms and conditions of the bid document for the duration of the contract. A template has been attached (Form 2) that is to be used for the purpose of the third party undertaking.
- 1.4 The bidder confirms that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party.

**2. The bidder declares that the information contained herein is true and correct.**

**3. The bidder acknowledges that the SAPS reserves the right to verify the information contained therein and if found to be false or incorrect may invoke any remedies available to it in the bid documents.**

**SIGNATURE BY THE BIDDER**

Signed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Signature \_\_\_\_\_ Full name \_\_\_\_\_

Designation \_\_\_\_\_

