



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE

Appointment of a service provider or a consortium of service providers for printing, storage, packaging and distribution of workbooks for the Department of Basic Education for a period of three (3) years, with an option to extend for another two (2) years

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ABBREVIATIONS

BAC	: Bid Adjudication Committee
B-BBEE	: Broad-Based Black Economic Empowerment
CPA	: Contract Price Adjustment
CSD	: Central Supplier Database
DBE	: Department of Basic Education
ERRP	: Economic Reconstruction and Recovery Plan
GCC	: The General Conditions of Contract
LED	: Local Economic Development
LTSM	: Learner Teacher Support Material
NATIS	: National Traffic Information System
SBD	: Standard Bidding Document
TCBD	: Transversal Contract Bidding Document
VAT	: Value - Added Tax
PED	: Provincial Education Department
POPI	: Protection of Personal Information
SANAS	: The South African National Accreditation System
SMME	: Small, Medium and Micro-enterprises
SCC	: Special Conditions of Contract
SLA	: Service Level Agreement

1 DESCRIPTION OF THE PROJECT

- 1.1 The project seeks to provide all Grades R to 9 learners in public schools with learner workbooks to enhance learning and teaching and improve learner outcomes.
- 1.2 The Department of Basic Education (DBE) is required to print and distribute the Grades R to 9 Volume 1 and 2 workbooks to all public schools.
- 1.3 The printed workbooks must be distributed as indicated in Annexure A: Scope of work in paragraph 5.

2 PURPOSE

- 2.1 The workbooks are intended to support the improvement of learner performance in Languages, Life Skills and Mathematics by assisting teachers to expose learners to a set of standardized exercises.
- 2.2 The purpose of this bid invitation is to appoint a suitably qualified service provider or a consortium of service providers to print, store, package, and distribute Grades R to 9 learner workbooks to public schools/education districts/Provincial Education Department (PED) offices as well as DBE offices. Bidders are requested to note that printing includes binding of materials. Bidders are also requested to note that packaging, includes picking and packing of materials. The distribution of learner workbooks to education districts, PED offices and DBE offices may be made as a special request, however these special requests also form part of the contract as contemplated in paragraph 4.3.

3 BACKGROUND

- 3.1 Since 2011, the Department of Basic Education has been providing learner workbooks for identified subjects to learners in public schools. The provision of a workbook for each learner in each subject is a critical deliverable of the DBE.

4 THE SCOPE OF WORK / KEY DELIVERABLES

- 4.1 The successful service provider or a consortium of service providers is/are expected to perform the following key deliverables in the execution of ensuing contracts:
 - 4.1.1 Print, store, package and deliver the specified Grades R to 9 learner workbooks to all public schools.

4.1.2 Ensure that Grades R to 9 learner workbooks are delivered at the correct school/s/education districts/PED offices/DBE office's address in proper condition, in correct quantities and signed for by the designated official with proof of receipt of the workbooks with a school stamp/education district stamp/PED stamp/DBE stamp.

4.1.3 The successful service provider or a consortium of service providers is required to print, store, package and deliver the following specified workbooks:

4.1.3.1 Grade R (terms 1, 2, 3 and 4 workbooks) in 11 Official Languages;

4.1.3.2 Grades 1 to 6 Home Language workbooks in 11 Official languages for Volumes 1 and 2;

4.1.3.3 Grades 1 to 3 Mathematics workbooks in 11 Official languages for Volumes 1 and 2;

4.1.3.4 Grades 4 to 9 Mathematics workbooks in English and Afrikaans Volumes 1 and 2;

4.1.3.5 Grades 1 to 3 Life Skills Workbooks in 11 Official Languages Volumes 1 and 2; and

4.1.3.6 Grades 1 to 6 English First Additional Language Volumes 1 and 2.

4.2 The detailed scope of work is attached as **Annexure A**.

4.3 Annually, the DBE will provide the data for the fluctuating number of learners to be provided with workbooks to the service provider. The unit price for printing, storage, packaging and distribution of this escalation or decrease in learner numbers will stay the same as the original price agreed upon in the contract.

5 GENERAL REQUIREMENTS

5.1 Bidders are required return all fully completed and signed attached SBD forms (SBD1, SBD3.1, SBD4, SBD6.1, SBD8 and SBD9). All bids must be submitted on the official forms (not to be retyped). **Any alteration on the forms will lead to disqualification.**

5.2 In case of a consortium or joint venture, SBD forms must be completed separately by each company that is on the joint venture. All bids must be submitted on the official forms (not to be retyped). **Any alteration on the forms will lead to disqualification**

6 MANDATORY REQUIREMENTS

The Bidder/s must:

- 6.1 Provide a detailed and relevant company profile. In the case of a consortium or a joint venture, a profile of each company must be submitted.
- 6.2 The Bidder is required to submit their LED strategy on how SMMEs, designated groups (Youth, Women and Persons with disabilities) and local communities will benefit from the project in all province. Signed agreements/contracts between parties in the case of subcontracting must be included as part of the strategy. The agreements/contracts must outline roles and responsibilities of each party.
- 6.3 Submit signed reference letters on the client's letterhead stating the following details:
- items/components (printing, storage, packaging and distribution) of the project;
 - the scope/size of the project/s; and
 - monetary value of the project/s.
- These letters must not be older than 5 years. The reference letters must contain contactable details.
- 6.4 Submit a detailed Project Plan that will ensure continued supply of Grades R to 9 learner workbooks to schools/education districts/PED offices as well as DBE offices.
- 6.5 Submit proof of ownership of (or of hiring) a dedicated and verifiable central warehouse space of a minimum of 30 000 m² located in any of the nine (9) provinces as well as 1000 m² for the other provinces. The proof, in the case of ownership must be a title deed or bond documents and in the case of hiring the proof must be in the form of a lease agreement (s) or a letter of commitment for the full duration of the contract from the owner to hire such a property accompanied by proof of ownership by the lessor.
- 6.6 Provide occupational health and safety document from the relevant authority for all facilities (e.g. warehouse/s and/or offices) to be utilised for the project.
- 6.7 Provide proof of insurance or letter (s) of intent for an insurance agreement from an accredited financial service provider for covering all stages (printing, storage, packaging and distribution) of the project.

- 6.8 Submit proof, in the case of ownership, an asset register of the company indicating high volume machine/s required for printing, binding, packaging, and quality management as per the functionality evaluation criteria below. In the case of hiring, the proof must be in the form of a lease agreement (s) or a letter of commitment for the full duration of the contract from the owner to hire such machine/s.
- 6.9 Submit proof of fleet of delivery vehicles to be utilised for the project as per the functionality evaluation criteria below. In the case of ownership, valid vehicle certificate of registration documents as per NATIS must be submitted and in the case of hiring, the proof must be in the form of a lease agreement (s) or a letter of commitment with copies of valid vehicle certificate of registration documents from the owner of such vehicles. A roadworthy certificate must be submitted per vehicle.
- 6.10 Provide a unit price including and the total price (Grades R – 9) inclusive of VAT for year one (1). The pricing schedule to be completed in full is attached as **Annexure B**.
- 6.11 Bidders who intend to bid as a consortium or joint venture are also required to provide:
- 6.11.1 an agreement signed by nominated members of both/ all consortium or joint venture partners; and
 - 6.11.2 state the leading company.
- 6.12 If bidding with an intention of subcontracting certain tasks, the bidder must state the name of the subcontract Company/s and percentage to be sub-contracted. Full details of the B-BBEE status and scoring must be provided.
- 6.13 A letter from an external auditor confirming the work done as found in the reference letters.
- 6.14 Copies of SLAs and/or contracts and or orders for the project/s done as found in the reference letters.
- 6.15 Documentation confirming stockpile and/or guarantees of minimum 30 000 tons of paper.
- 6.16 Letter from the bank/s demonstrating a financial viability of at least 50% of the project in year one (1).
- 6.17 Audited financial statements for the past three (3) financial years.
- 6.18 Auditor’s letter guaranteeing that the entity(s) are a going concern at the time of submitting the bid.

NB: Bidders who do not comply with all the mandatory requirements will be disqualified.

7 CONDITIONS

- 7.1 Bidders including individual companies in a Joint venture or a consortium must be registered on the Central Supplier Database (CSD) and provide their CSD Number as required on the attached SBD1 form.
- 7.2 The bidder must ensure that all financial and supply arrangements for goods and/or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding to DBE.
- 7.3 In the event that the bidder will be supported by a third party, the bidder must obtain written confirmation from the third party that the DBE can conduct due diligence and in loco inspection on the premises of the third party.
- 7.4 The DBE reserves the right to change the Terms of Reference prior to the closing of a bid. It is the responsibility of the bidders to visit the DBE website and e-portal for the updates.
- 7.5 Bids received at the address indicated in the bid documents after the closing date and time, will not be accepted for consideration.
- 7.6 The DBE reserves the right not to appoint a service provider and will not be held responsible for the reimbursement of the expenses incurred by bidders during the preparation of their bid.
- 7.7 The DBE reserves the right to negotiate the price with the preferred bidders prior to the award and with the successful bidder(s) post award.
- 7.8 The DBE reserves the right to award contracts to more than one service provider or a consortium of service providers for this contract.
- 7.9 The DBE will sign a Service Level Agreement (SLA) with the successful bidder. The commencement date will be the day on which the last signing party appends their signature to the contract.
- 7.10 All datasets (learner enrolment numbers, school information, etc), and electronic material such as print ready copies, art work and any other materials, shall remain the

sole property of the DBE and shall be expected to be returned to the Department on annual basis for the duration of the contract.

- 7.11 The DBE will from time to time amend the material as and when required. The successful bidder will be notified about these amendments to effect such changes at no additional cost.
- 7.12 The service provider will be expected to complete all deliverables of the project and adhere strictly to the deadlines agreed upon at all times and to compile written reports on completion of each deliverable, or as and when requested.
- 7.13 The DBE will confine its contractual dealings with the primary service provider in a case where there is a consortium.
- 7.14 The service provider shall undertake to avoid any activity of whatsoever nature that may be detrimental to the Department's interest, goodwill and reputation.
- 7.15 Material compiled by the DBE may not be used in any form or for any purpose other than the purpose stipulated in this agreement. If the service provider wishes to use such material in any other form or for any other purpose, including, but not limited to, workshops, media releases and the like, it must request permission in writing from the DBE for such use.
- 7.16 In the case of any material compiled, developed, researched, commented on, or evaluated on behalf of the DBE as a result of a contractual agreement with the service provider, or any other form of material, irrespective of whether in a completed form or otherwise, all intellectual property rights relating to such material will vest in the State. The service provider may not use any such material without first having obtained written approval from the DBE.
- 7.17 The DBE will request approval from the designated officer wherein the copyright vests. Only once the designated officer has granted written approval, will the DBE convey such written approval to the service provider and the service provider will then have permission for such usage.

- 7.18 Protection of Personal Information Act, No. 4 of 2013: Personal information must be processed lawfully and in a reasonable manner that does not encroach on the privacy of the data subject. Therefore, the Department will incorporate the terms and conditions of processing and collecting the required information in to the SLA to ensure compliance with the privacy requirements as set out by the POPI Act before any information is disclosed to such service provider.
- 7.19 Termination of contract: The Department, without prejudice to any other remedy for breach of contract, by written notice of default sent to the service provider reserves the right to terminate this contract with the appointed service provider or a consortium of service providers, in accordance with clause 23 of the General Conditions of Contract, should there be a breach of contract or challenges experienced with the service delivery and customer service to the Department.
- 7.20 The General Conditions of Contract (GCC) shall apply for this bid. In a case whereby there is a conflict between the GCC and the conditions and provisions as set out in this bid, then the Special Conditions of Contract as set out in this Terms of Reference will apply.

8 EVALUATION PROCESS

8.1 The evaluation process will be conducted in phases as follows:

Phase I	Phase II	Phase III	Phase IV
Mandatory and other bid requirements	Functionality	Supplier due diligence	Price and B-BBEE
Compliance with mandatory and other bid requirements.	Bids will be evaluated in terms of functionality. Bidders that have achieved the minimum qualifying score of 90 points for functionality will qualify for the Due diligence Phase.	Site inspection of the supplier premises of business and/or main warehouse and/or Fleet and any other item/s to validate the information presented by the Bidder. The outcome of the validation process may affect the scores.	Bids will be evaluated in terms of the 90/10 preference point system

9 FUNCTIONALITY

9.1 9.1.1 Functionality will be evaluated on the basis of the responses and supporting documentation supplied by the bidders.

9.1.2 Certain functionality criteria are essential for the successful bidder to be able to execute the workbook project successfully. These criteria should carry within themselves a minimum of 90% (based as a percentage of the maximum available points) and the failure to reach at least 90% in these individual fields of criteria, in itself will lead to a failure to meet the functionality requirements.

9.1.3 Bidders should also note that the allocation of points may be done on the basis that not whole points, but decimals of points may also be allocated.

No	Functionality Evaluation Criteria	Points
1	<p>Local Economic Development strategy (LED)</p> <p>a) The Bidder is required to submit their LED strategy on how SMMEs, designated groups (Youth, Women and Persons with disabilities) and local communities will benefit from the project in all provinces.</p> <ul style="list-style-type: none"> • Designated groups <ul style="list-style-type: none"> i. A bidder that submitted an LED strategy that demonstrate how designated groups (Youth, Women and Persons with disabilities) will benefit from the project in all provinces = Scale of 0 - 4 points • SMMEs <ul style="list-style-type: none"> A bidder that submitted an LED strategy that demonstrate how SMMEs will benefit from the project in all provinces = Scale of 0 - 3 points • Local communities <ul style="list-style-type: none"> i. A bidder that submitted an LED strategy that demonstrate how local communities will benefit from the project in all provinces = Scale of 0 - 3 points 	10

2	<p>Experience based on company profiles and reference letters. This criterion is essential for the successful execution of the workbook project and therefore carries within itself a minimum of 90%. A bidder must therefore score 18 out of 20 points.</p> <ul style="list-style-type: none"> • Bidder's experience in printing of high volume of materials. <ul style="list-style-type: none"> i. 10 years and more, experience in printing of high volume materials in South Africa = 3 points ii. 5 - 9 years experience in printing of high volume materials in South Africa = 2 points iii. 3 – 4 years of experience in printing of high volume materials in South Africa = 1 points iv. 1 - 2 years of experience in printing of high volume materials in South Africa = 0 points • Bidder's experience in storage and packaging of large volume of materials. <ul style="list-style-type: none"> i. 10 years and more, experience in storage of high volume materials in South Africa = 3 points ii. 5 - 9 years experience in storage of high volume materials in South Africa = 2 points iii. 3 – 4 years of experience storage of high volume materials in South Africa = 1 points iv. 1 - 2 years of experience in storage of high volume materials in South Africa = 0 points • Bidder's experience in distribution of large volume of materials. <ul style="list-style-type: none"> i. 10 years and more, experience in distribution of high volume materials in South Africa = 3 points ii. 5 - 9 years experience in distribution of high volume materials in South Africa = 2 points iii. 3 – 4 years of experience in of high volume materials in South Africa = 1 points iv. 1 - 2 years of experience in distribution of high volume materials in South Africa = 0 points 	20
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	<ul style="list-style-type: none"> • Number of materials printed, stored, packaged and distributed. <ul style="list-style-type: none"> i. Proven experience on printing, storing, packaging and distributing of 60 million materials and more in South Africa = 3 points ii. Proven experience on printing, storing, packaging and distributing of 40 – 59 999 million materials and more in South Africa = 2 points iii. Proven experience on printing, storing, packaging and distributing of 20 – 39 999 million materials and more in South Africa = 1 points iv. Proven experience on printing, storing, packaging and distributing of less than 20 million materials in South Africa 0 points • Reference letters on the client's letterhead stating the following details: <ul style="list-style-type: none"> • items/components (printing, storage, packaging and distribution) of the project; • the scope/size of the project; and • monetary value of the project. • These letters must not be older than 5 years. The reference letters must contain contactable details. In the case of a consortium or a joint venture, letters may come from different members of the consortium or a joint venture. • Each item/component (printing, storage, packaging and distribution) in one letter or different letters will count as one. A cumulative count will be conducted to assess the count per item/component/s as follows: • Printing <ul style="list-style-type: none"> i. 5 or more references to printing = 2 points ii. 3 - 4 references to printing = 1 points iii. 1 - 2 references to printing = 0 points • Storage <ul style="list-style-type: none"> i. 5 or more references to storage = 2 points ii. 3 - 4 references to storage = 1 points iii. 1 – 2 references to storage = 0 points 	
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	<ul style="list-style-type: none"> • Packaging <ul style="list-style-type: none"> i. 5 or more references to packaging = 2 points ii. 3 - 4 references to packaging = 1 points iii. 1 – 2 references to packaging = 0 points • Distribution <ul style="list-style-type: none"> i. 5 or more references to distribution = 2 points ii. 3 - 4 references to distribution = 1 points iii. 1 – 2 references to distribution = 0 points 	
3	<p>Artwork, Printing, die cutting and binding. This criterion is essential for the successful execution of the workbook project and therefore carries within itself a minimum of 90%. A bidder must therefore score 13.5 out of 15 points.</p> <p>a) Process of artwork, sign off and provide support. Curriculum vitae (CVs) of the dedicated specialist must be submitted.</p> <ul style="list-style-type: none"> i. The company has three (3) or more dedicated specialist employee/s to effect artwork changes to the materials and sign off for printing = 3 points ii. The company has two (2) dedicated specialist employee/s to effect artwork changes to the materials and sign off for printing = 2 points iii. The company has one (1) dedicated employee to effect artwork changes to the materials and sign off for printing = 1 point iv. The company has no dedicated employee to effect artwork changes to the materials and sign off for printing = 0 points <p>b) The capacity of printing machines: Specifications from the manufacture must be submitted</p> <ul style="list-style-type: none"> i. Capacity to print 40 000 and above pages per hour = 4 points ii. Capacity to print 30 000to 39 999 pages per hour = 3 points iii. Capacity to print 20 000 to 29 999 pages per hour = 2 points iv. Capacity to print below 19 999 pages per hour = 0 points 	15

	<p>c) Capacity of printers to do Inline die cutting for stickers: Specifications from the manufacture must be submitted</p> <ul style="list-style-type: none"> i. Capacity to do 15 000 and above pages per hour = 4 points ii. Capacity to do 10000 to 14 999 pages per hour = 3 points iii. Capacity to do 2000 to 4 999 pages per hour = 2 points iv. Capacity to do below 1 999 pages per hour = 0 points <p>d) Capacity of machine/s to do High volume binding: Specifications from the manufacture must be submitted</p> <ul style="list-style-type: none"> i. Capacity to bind 10 000 or more books per hour = 4 points ii. Capacity to bind 5000 to 9 999 books per hour = 3 points iii. Capacity to bind 2000 to 4 999 books per hour = 2 points iv. Capacity to bind below 1999 books per hour = 0 point 	
4	<p>Labour Capacity Composition of Labour Force</p> <ul style="list-style-type: none"> i. Staff complement for the duration of the contract: A List of positions must be submitted indicating the anticipated gender of person/s to fill the position/s ii. 40% or more staff is made up of Women = 2 points iii. Less than 40% staff is made up of Women = 0 points <p>a) Staff complement for the duration of the contract: A List of positions must be submitted indicating the anticipated Youth (18 – 35 years old) of person/s to fill the position/s</p> <ul style="list-style-type: none"> i. 20% or more staff is made up of Youth = 1 points ii. Less than 20% staff is made up of Youth = 0 points <p>b) Staff complement for the duration of the contract: A List of positions must be submitted indicating the anticipated Person/s with disability to fill the position/s</p> <ul style="list-style-type: none"> i. 5% or more staff is made up of Persons with disabilities = 2 points ii. Less than 5% staff is made up of Persons with disabilities = 0 points 	5

5	<p>Fleet availability or written guarantees of distribution vehicles for high volume materials. This criterion is essential for the successful execution of the workbook project and therefore carries within itself a minimum of 90%. A bidder must therefore score 13.5 out of 15 points.</p> <p>a) The bidder must demonstrate that they have enough delivery vehicles or provide written guarantees of distribution vehicles to deliver high volume materials.</p> <p>i. The company has fleet/written guarantees for a total number of:</p> <ul style="list-style-type: none"> • 100 or more of 34 tons (18meters); • 125 of 28 tons (15 meters); • between 125 and 150 of 24 tons (12 meters); and • a total of 500 between 8 and 1.4 tons nationally <p>= 15 points</p> <p>ii. The company has fleet/written guarantees for a total number of:</p> <ul style="list-style-type: none"> • between 75 and 99 of 34 tons (18meter); • between 100 and 124 of 28 tons (15 meters); • between 100 and 124 of 24 tons (12 meters); and • a total of 500 between 8 and 1.4 tons nationally <p>= 10 points</p> <p>iii. The company has fleet/written guarantees for a total number of:</p> <ul style="list-style-type: none"> • between 50 and 74 of 34 tons (18meter); • between 50 and 74 of 28 tons (15 meters); • between 100 and 124 of 24 tons (12 meters): and • a total of 500 between 8 and 1.4 tons nationally <p>= 5 points</p> <p>iv. The company has fleet/written guarantees for a total number of:</p> <ul style="list-style-type: none"> • between 25 and 49 of 34 tons (18meter); • between 100 and 124 of 28 tons (15 meters); • between 100 and 124 of 24 tons (12 meters); and • a total of 500 between 8 and 1.4 tons nationally <p>= 0 points</p>	15
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6	<p>Warehousing. This criterion is essential for the successful execution of the workbook project and therefore carries within itself a minimum of 90%. A bidder must therefore score 9 out of 10 points.</p> <p>a) Central warehouse:</p> <ul style="list-style-type: none"> i. The bidder must demonstrate a dedicated and verifiable central warehouse space of a minimum of 30 000 m² = 5 points ii. The bidder does not demonstrate a dedicated and verifiable central warehouse space of a less than 30 000 m² = 0 points <p>b) Provincial warehouses</p> <ul style="list-style-type: none"> i. Bidders must demonstrate a warehouse space of a minimum of 1000 m² in each of the eight (8) provinces, excluding the central warehouse = 2 points ii. Bidders that demonstrate a warehouse space of less than 1000 m² in one or more of the eight (8) provinces, excluding the central warehouse = 0 points <p>c) Bidders must demonstrate that the central and provincial warehouses have the necessary facilities and equipment or provide written guarantees to hire such equipment and facilities.</p> <ul style="list-style-type: none"> i. Forklifts, trolley jacks, IT equipment, high end sorting equipment, scanners, etc. = Scale of 0 - 3 points 	10
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7	<p>Project plan. This criterion is essential for the successful execution of the workbook project and therefore carries within itself a minimum of 90%. A bidder must therefore score 13.5 out of 15 points.</p> <p>a) A detailed Project Plan that will ensure continued supply of Grades R to 9 learner workbooks to schools/education districts/PED offices as well as DBE offices that contains the following:</p> <ul style="list-style-type: none"> - process of printing, storage, packaging and distribution; - milestones, deliverables and timeframes; and - processes such as fully operational call centre, data management systems, processing of artwork, printing processes, pick and pack as well as deliveries and reporting, etc. <p>i. Project plan which clearly details the process of printing, storage, packaging and distribution of workbooks including milestones, deliverables and timeframes as well as processes such as fully operational call centre, data management systems, processing of artwork, printing processes, pick and pack as well as deliveries and reporting, etc. = Scale of 0 - 15 points</p>	15
8	<p>Risk management strategy. This criterion is essential for the successful execution of the workbook project and therefore carries within itself a minimum of 90%. A bidder must therefore score 9 out of 10 points.</p> <p>a) The bidders are required to submit a comprehensive risk management strategy associated with the project in printing, binding, storage, packaging and distribution. Each risk must be accompanied by a mitigating strategy.</p> <p>i. The bidder submitted a comprehensive risk management strategy associated with the project in printing, binding, storage, packaging and distribution. Each risk must be accompanied by a mitigating strategy = Scale of 0 - 10 points</p>	10
TOTAL		100 points

- 9.2 Bidders must submit supporting documents as proof for all the above elements, where applicable
- 9.3 Bidders that have achieved the minimum qualifying score of **90 points** for functionality will be evaluated further for price and B-BBEE.
- 9.4 The DBE will conduct a supplier due diligence prior to final award. The outcome of the validation process may affect the scores.

10 NON-COMPULSORY BRIEFING SESSION

- 10.1 The DBE will hold a second non-compulsory briefing session based on the amendments to the TOR only, as follows:
Venue: Virtual, Bidders who are interested in joining the briefing session must send their email addresses to Tenders@dbe.gov.za
Date: 14 December 2021
Time: 11:00 – 12:00

11 PREFERENTIAL POINT SYSTEM

- 11.1 Only qualifying bids will be evaluated in terms of 90/10 preference point system where 90 points will be used for price only and 10 points for B-BBEE points. (Refer to attached SBD 6.1 form).

- 11.2 The following formula will be used for the calculation of price:

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Ps= Points scored for price of bid under consideration
Pt= Rand value of acceptable bid under consideration
Pmin= Rand value of lowest bid

- 11.3 Bidders are required to submit a valid BBBEE certificate in order to claim preference points.
- 11.4 Non-submission of a valid BBBEE certificate will lead to a bidder scoring 0 for preference points.

12 CONTRACT PRICE ADJUSTMENTS

12.1 Formula

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

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

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

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

12.2 Formula component definitions

12.2.1 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.

12.2.2 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.

12.2.3 Cost components and proportions

The cost components of the contract price usually constitute the 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.

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. Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

Cost Component	Percentage
D1 – Labour	
D2 – Transport	
D3 – Housing and utilities	
D4 – Insurance	
D5 – Other	
TOTAL (Cost components must add up to 100%)	100

12.2.4 Applicable indices / references

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:

Cost component	Index Publication	Index Reference
D1 – Labour	STATS SA P0141 (CPI), Or Labour agreement ¹	Table E - All Items Or Labour agreement to be provided
D2 – Transport	STATS SA P0141 (CPI) Or	Table E - Transport – Other Running Cost Or Table L2
D3 – Housing and utilities	STATS SA (CPI)	Table E – Housing and Utilities (Overall)
D4 – Insurance	STATS SA (CPI)	Table E – Insurance
D5 – Other	Specify	Documentary evidence to accompany claim during the adjustment period

12.2.5 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 30 November 2021.

12.2.6 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).

12.2.7 Price Adjustment Periods

Adjustment to contract prices may be applied for at the following dates:

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates <i>from</i> which adjusted prices will become effective
1st Adjustment	01 March 2023	March 2023	1 April 2023
2nd Adjustment	01 March 2024	March 2024	1 April 2024

12.3 Additional CPA requirements

12.3.1 Unless prior approval has been obtained from DBE, no adjustment in contract prices will be made by the contracted service provider or a consortium of service providers.

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

12.3.3 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.

12.3.4 An electronic price adjustment calculator will be available on request from DBE during the CPA period.

12.3.5 The Department reserves the right to negotiate a price adjustment or not grant any price adjustment.

13 CONTACT DETAILS

13.1 General

Department of Basic Education

Physical address: Sol Plaatje House, 222 Struben Street, cnr. Paul Kruger and Thabo Sehume Streets, Pretoria.

13.2 Bid Enquiries

Department of Basic Education

E-mail: Tenders@dbe.gov.za

13.3 Enquiries must be made at least seven (7) days before the closing date of the bid. The responses will be published on the eTender Publication Portal.