



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

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Dear Bidders

ADDENDUM TO THE TERMS OF REFERENCE ON TENDER DBE209: APPOINTMENT OF A SERVICE PROVIDER OR CONSORTIUM OF SERVICE PROVIDERS FOR PROVISIONING OF SERVICES ON THE EARLY CHILDHOOD DEVELOPMENT NUTRITION SUPPORT PROGRAMME OF THE DEPARTMENT OF BASIC EDUCATION FOR A PERIOD OF THREE YEARS

The following areas of the TORs were amended:

4.2 Project Phases and Timelines

The project will run for a period of 3 years and will follow the phases outlined below:

4.2.1 Contract award (16 November 2026)

This phase includes contract signing, an inception meeting, and finalisation of the implementation plan. The service provider must ensure readiness to begin operations a month after the awarding of contract.

4.2.2 Establishment of warehousing and logistics (month after the awarding of contract)

During this one-month setup period, the service provider must secure and prepare warehouses, storage facilities, logistics systems, and any required infrastructure to support the programme.

4.2.3 Provisioning and procurement of food items (from January, and annually thereafter)

Procurement of food items and other materials must be completed before the first delivery cycle

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4.2.4 Packaging and preparation of food packs (ongoing)

Packaging and preparation of nutrition packs must be completed in line with DBE specifications so that distribution can begin in February 2027, and in March for the subsequent years.

4.2.5 Distribution to ECD Centres February 2027 – Ongoing for 3 Years)

Distribution of packaged nutrition items to warehouse hubs and ECD centres will commence in November and continue routinely as per approved delivery schedules.

4.2.6 Monthly invoicing and financial reconciliation (November 2026 – end of contract) The service provider must submit accurate monthly invoices, accompanied by proof of setup costs (once-off) and monthly delivery, and perform ongoing financial reconciliations.

4.2.7 Monitoring, compliance and reporting (November 2026 – end of contract) Monthly performance, operational, risk, and compliance reports must be submitted. Reporting begins in September (setup progress) and continues for the duration of the contract.

4.2.8 Programme close-out (Final 3 months of contract term) Includes final reconciliation of deliveries, handover of records, and submission of the final programme and close-out reports.

7.1 Mandatory requirements

7.1.6.1 The value of the project, which must be clearly stated. At least one (1) project must have a minimum value of R100 million each to demonstrate financial capacity.

7.1.6.2 The duration of the project, which must be clearly stated. Each project must have been implemented for a minimum period of twelve (12) consecutive months (whether completed or still running) to demonstrate operational capability.

7.1.6.7 Bider/s must provide proof of ownership or a leasing agreement signed by both parties or signed letter of intent /commitment per warehouse stating the minimum of 1500m² for the central warehouse (inclusive of office space or administration offices) and sizes of the hubs.

7.1.8: Bidders must provide a unit price and a total price inclusive of VAT for year one (1). The pricing schedule is attached as **Annexure B**. All items on the pricing schedule must be costed.

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12.1. The recommended Bidder must submit a letter of comfort from the Banking Institution registered in South Africa or Accredited Financing House Guarantee confirming that for the duration of the contract the Bidder can access a credit facility to the value of R30 million. Failure to submit the letter of comfort within 14 working days of request from the DBE will result in the disqualification of the recommended bidder.

12.2 The recommended Bidder must submit Certificate of Acceptability as per Regulation R638 for all warehouses and hubs within 21 days after recommendation has been made. This certificate is a mandatory legal document in South Africa for any business handling, preparing, or transporting food. It verifies compliance with food safety and hygiene standards, issued by local municipality. Failure to submit the Certificate of Acceptability within 21 working days of request from the DBE will result in the disqualification of the recommended bidder.

12.3 The recommended Bidder must provide proof within 14 working days of DBE's request that the warehouse is comprehensively insured against theft, fire, and other damage of goods from an accredited Financial Services Provider. If comprehensive insurance is not yet in place, the recommended bidder must submit written confirmation from the warehouse owner or an accredited Financial Services Provider confirming that comprehensive insurance will be in place before the commencement of contract implementation. Failure to provide the required insurance within the stipulated timeframe will result in the disqualification of the recommended bidder.

7.1.6.1 The value of the project, which must be clearly stated. At least one (1)

13. CONTRACT PRICE ADJUSTMENT

13.1 Formula

13.1.1 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.

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

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

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

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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.

13.2 Formula component definitions

13.2.1 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.

13.2.2 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.

13.2.3 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 components	Percentage
D1- Labour	

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D2-Transport	
D3-Housing utilities	
D4-Insurance	
D5-Other	
TOTAL (Cost components must add up to 100%)	100

13.2.4 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	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.

13.2.5 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 November 2026.

13.2.6 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).

13.2.7 Price Adjustment Periods

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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 from which adjusted prices will become effective
1st Adjustment	30 April 2028	March 2028	1 May 2028
2nd Adjustment	N/A	March 2029	N/A

13.3 Additional CPA requirements

13.3.1 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.

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

13.3.3 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.

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

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

Bidders are required to take note of the amended areas of the Terms of Reference and bid according to the revised quantities.

The tender closing date of 23 October 2026, is extended to 2 November 2026 at 11:00

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Yours sincerely

A handwritten signature in black ink, appearing to be 'HM Mweli', written in a cursive style.

**MR HM MWELI
DIRECTOR-GENERAL
DATE: 16 OCTOBER 2026**