



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE FOR 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

1. AIM

To appoint a suitable service provider or Consortium of Service Providers for provisioning of services on the Early Childhood Development (ECD) Nutrition Support Pilot Programme of the Department of Basic Education (DBE) over a three-year period.

2. BACKGROUND

In 2022, the Early Childhood Development (ECD) function was transferred from the Department of Social Development (DSD) to the Department of Basic Education (DBE). From the onset of the handover, it was evident that the sector had been underfunded and under-resourced. This has resulted in a situation where many ECD programmes do not have the basic resources to implement ECD services effectively.

The 2024 Thrive by Five Index shows that only 42% of four-year-olds enrolled in Early Learning Programme (ELPs) are developmentally on track, with significant inequalities across provinces. The 2025 Thrive by Five nutritional findings also show that while national stunting rates in ELP-enrolled children average around 5–6%, the burden is far higher in poorer provinces such as the Eastern Cape and Limpopo, where combined stunting rates reach close to 10%. Stunting remains

strongly associated with poorer early learning outcomes and carries a national economic cost estimated at approximately 1.3% of GDP annually, reinforcing the urgency of addressing early childhood malnutrition.

In response to these challenges, the DBE has introduced the Nutrition Support Project (NSP) to enhance the nutritional wellbeing of vulnerable children enrolled in ELPs. The NSP forms part of the broader National Early Childhood Development Strategy and focuses on strengthening ELP capacity through the provision of scheduled deliveries of nutritious food packs. This intervention aims to close the nutritional gaps highlighted by recent research, support healthy early development, and ensure that children enter the foundation phase with improved readiness to learn and thrive.

Therefore, the DBE seeks to appoint a service provider(s) to render comprehensive services for the provision and distribution of nutritional products to 1035 ECD centres in the Eastern Cape province, reaching 26 620 children for 264 feeding days per annum. The list of centres is attached as **Annexure A**. It must be noted that the attached list is a draft to allow service provider(s) to be able to develop quotations. The data may change.

3. SCOPE OF WORK

The appointed service provider will be required to implement as well as provide the project management solution that facilitates the end-to-end procurement, storage, packaging, and distribution of all required resources and materials. The areas that must be covered extensively include the following:

- 3.1 Source, procure and deliver all products based on the standardized menu as prescribed by the DBE to all identified ECD centres. The approved menu is attached as **Annexure B**. The service provider/s will be responsible for the supply of non-perishable (dry) and perishables (fresh fruit and vegetables) to all identified ECD centres within the province.
- 3.2 Develop an intelligent and resilient supply chain covering all points within the province, ensuring efficient service delivery to learners/ children. The plan must include a comprehensive strategy for the procurement and

distribution of approved nutritional products, including fresh fruit and vegetables.

- 3.3 The service provider shall establish an adaptable and responsive supply chain system capable of addressing emerging challenges through real-time visibility, agile planning, and effective business continuity measures to ensure uninterrupted service delivery.
- 3.4 Managing procurement for fast growth and systems to streamline procurement-payment processes.
- 3.5 The service provider shall manage financial and operational activities across all centres within the province(s) and implement a unified platform to monitor and evaluate distribution channels, thereby enhancing efficiency in procurement and service delivery.
- 3.6 Negotiate competitive prices (based on economies of scale) with local manufacturers and producers.
- 3.7 Centralised and standardised procurement to take advantage of economies of scale.
- 3.8 The service provider is required to provide:
 - Data/call centre management
 - Central procurement and supply chain solutions
 - Contract logistics (warehousing)
 - Distribution and management
 - IT systems and support
 - Administration
 - Document management
 - Real-time reporting capability
 - Full auditing and accounting of all financial aspects within the project.
 - Established warehouse hub facilities fully equipped and meeting Health and Safety requirements throughout the province/s

3.9 In addition to the above, the appointed service provider must ensure that the facilities have:

- Key warehousing and distribution operations processes
- Reputable warehouse management system (WMS)
- Full integration from the WMS to the distribution system
- SMMEs/distributors are pre-alerted with the required vehicle specifications for collection from the warehouse hub to execute deliveries based on a pre-planned schedule
- Final distribution plan is communicated to and approved by the DBE
- Create Local Economic Development and participation
- Proof of deliveries (PODs) are designed to DBE specifications and comply with audit requirements
- Reconciliation of PODs and follow up with the various SMMEs for payment processing
- Provide monthly stock reports and delivery reports
- Report any shortages/discrepancies regarding any delivery to the warehouse hubs
- Real time stock on hand reporting
- Compliance with Occupational Health and Safety (OHS) and handling equipment
- Warehouse management system with real-time reporting
- Documentation management and data updates
- Staff training and skills development

4. DELIVERABLES AND TIME FRAMES

The project will be implemented over a three-year period where the service provider or Consortium will be expected to source, procure, pack and deliver the nutritious product to the identified ECD centres.

The sourcing, procurement, supply and delivery are aligned to the DBE planning cycle on school nutrition which usually commences at the beginning of January of each year, through the school calendar dates, and is based on the number

of identified children/learners at each ECD centre.

4.1 Deliverables

4.1.1 Provisioning

- 4.1.1.1 The fresh fruit and vegetables should be sourced from only local manufacturers and suppliers to expand the Local Economic Development programme.
- 4.1.1.2 Documentation must be provided to identify the supply of all procured goods.
- 4.1.1.3 The service provider must guarantee the delivery of goods and services by entering into a detailed and binding Service Level Agreement with the DBE.
- 4.1.1.4 The service provider must establish focus groups in the province to assist with the inspection of centres, and produce reports, in order to ensure the feeding of every single child and monitor the performance of the food volunteers and the centre overall.

4.1.2 Packaging

- 4.1.2.1 Picking and packing of goods per centre as per specifications provided.
- 4.1.2.2 Managing all processes within the warehouse hubs through automated software and electronic devices for accurate picking and packing.
- 4.1.2.3 Generate progress reports on the activities within the warehouse hubs.
- 4.1.2.4 Ensure that there is no waste incurred at any of the facilities.

4.1.3 Warehousing

- 4.1.3.1 Assist all local partners (SMMEs) to provide storage facilities for all ECD requirements.
- 4.1.3.2 Assist all local partners (SMMEs) to provide warehouse hubs with

equipment to assist with bulk purchasing of goods.

- 4.1.3.3 Assist all local partners (SMMEs) to provide warehouse hubs, preferably close to the ECD centres throughout the province.
- 4.1.3.4 Provide the correct-sized warehouse and hubs (at least one (1) central warehouse of minimum 3000m² includes working space or administration or offices) and various smaller size hubs to supply services and goods required for the specified number of ECD centres.
- 4.1.3.5 Warehouse management system, physical security and visible demarcation of the warehouse hubs.
- 4.1.3.6 Comprehensive insurance cover (theft, fire, and other damages).
- 4.1.3.7 Provide a floor plan with clear demarcations for workstations and workflow.
- 4.1.3.8 Clearly outlined systems to receive, store and dispatch materials.
- 4.1.3.9 Warehouse hubs must comply with regulations governing general hygiene requirements for food premises and the transport of food – Regulation R638. The warehouse hubs must be certified for storage of food upon receiving the product in the facilities.

4.1.4 Distribution

- 4.1.4.1 Deliver the packed menu to all approved ECD centres.
- 4.1.4.2 Track and monitor the delivery of goods to ECD centres.
- 4.1.4.3 Provide logistics related to loading and transportation of the food packs to all ECD centres.
- 4.1.4.4 Prepare management plans for all distribution to ECD centres.
- 4.1.4.5 Make use of SMME businesses within each district to enhance Local Economic Development focusing on women, youth and people with disabilities.
- 4.1.4.6 Recommended delivery of dry goods to happen on a monthly cycle and fresh products on a weekly basis.

4.1.5 Reporting

- 4.1.5.1** Provide a system that generates periodic reports on procurement, logistics, Local Economic Development and expenditure.

- 4.1.5.2** Report on budget expenditure on time.
- 4.1.5.3** Preparation of periodic management and comprehensive operational reports.
- 4.1.5.4** Progress reports on procurement and deliveries to centres on a weekly basis.
- 4.1.5.5** Records on proof of delivery for payment.
- 4.1.5.6** Detailed verified accounting and financial reports including a comprehensive close out report for AGSA.
- 4.1.5.7** Audited financial reports on all financial expenditure.
- 4.1.5.8** Assist the department with a detailed forecast budget report for the DBE to secure the correct allocated funds for the programme.
- 4.1.5.9** Provide reports and assistance to all DBE officials on the programme, when requested.

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.

- 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.

5. DURATION OF THE PROJECT

Three years.

6. NON-COMPULSORY BRIEFING SESSION

- 6.1 The DBE will hold a Non-Compulsory Briefing Session virtually on a date and time as published. Bidders who wish to attend the briefing session must forward their email address to Tenders@dbe.gov.za . A link to the virtual meeting will be provided to the interested Bidders.

7. BIDDING REQUIREMENTS

7.1. Mandatory requirements

The Bidders must comply with the following mandatory requirements:

- 7.1.1 The Bidder/s must submit a company profile(s). In the case of a consortium or a joint venture, a profile of each company must be submitted. A Company Profile of each company must state that the Bidder/s has five years of experience in the following:
 - 7.1.1.1.1 Sourcing of goods
 - 7.1.1.1.2 Procuring of goods
 - 7.1.1.1.3 Pick and packaging of goods
 - 7.1.1.1.4 Distribution of goods
- 7.1.2 The Bidder/s must provide a project plan.
- 7.1.3 The Bidder must submit their Local Economic Development (LED) strategy on how SMMEs, designated groups (women, youth and people with disabilities) and local communities will benefit from the project in each province. The plan must indicate the projected number of new jobs to be created over the duration of the project as well as sustainability thereafter.
- 7.1.4 The Bidder must submit audited financial statements for the past three financial years.
- 7.1.5 The Bidder/s must comply with the DBE approved menu, failure to quote all items on the pricing schedule of the menu as well as quantities will lead to disqualification.
- 7.1.6 The Bidder/s must submit five (5) signed clients reference letters, on official letterhead, confirming Bidder's experience in providing similar services in the past, within South Africa stating the following details:
 - 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.

7.1.6.3 A clear description of the project, outlining the scope and services provided.

7.1.6.4 The reference letters must not be older than three (3) years from the closing date of this bid.

7.1.7 Bidder/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. The ownership or lease agreement should be for the full duration of the contract (3 years).

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.

7.1.9 Alteration of the Standard Bidding Documents (SBD forms) will lead to disqualification.

Bidders who do not comply with all of the above mandatory requirements will be disqualified.

7.2. Administrative Requirements

7.2.1. Bidders should return all fully completed and signed attached SBD forms (SBD1, SBD3.1, SBD4, and SBD6.1). Non-submission of the SBD6.1 form will result in non-allocation of specific goals.

7.2.2. In case of a Consortium or Joint Venture, Bidders should individually submit the fully completed and signed SBD forms separately.

7.2.3. If Bidding as a Consortium or Joint venture, the Consortium or Joint Venture must provide the following information and documents:

- i. The agreement signed by nominated members of both/ all consortium or joint venture partners;
- ii. Name of the leading company;

7.2.4. If bidding with the intention of subcontracting certain tasks the Bidder must state the name of the subcontract Company and the percentage to be subcontracted.

8. FUNCTIONALITY EVALUATION CRITERIA

Bids will be evaluated in terms of the following criteria:

Functionality Evaluation	Description		Weight
Company profile	Company profile indicating the company's experience in providing similar services in sourcing, procuring, packaging and delivery of goods.		30
	Functionality	Score	
	30 points for 5 years and more experience in providing similar services	30	
	25 points for 4 years and not more than 5 years' experience in providing similar services.		
	20 points for 3 years and not more than 4 years' experience in providing similar services.		
15 points for 2 years and not more than 3 years' experience in providing similar services.			
	10 points for 1 year and not more than 2 years' experience in providing similar services.		
	0 points for less than one year experience in providing similar services.		

Functionality Evaluation	Description	Score									
Work plan/ Project Plan	Provide a Work plan/ Project Plan that contains: - Project Deliverables - Project Milestones - Timelines for each milestone The scoring rubric is attached as Annexure C.	45									
	<table><tr><th>Functionality</th><th>Score</th></tr><tr><td>A plan detailing ALL the project deliverables is clearly outlined.</td><td>0-20</td></tr><tr><td>Project milestones under each deliverable are clearly outlined and all relevant details are supplied.</td><td>0-15</td></tr><tr><td>Timelines (from when to when) for each of the milestones are clearly outlined.</td><td>0-10</td></tr></table>		Functionality	Score	A plan detailing ALL the project deliverables is clearly outlined.	0-20	Project milestones under each deliverable are clearly outlined and all relevant details are supplied.	0-15	Timelines (from when to when) for each of the milestones are clearly outlined.	0-10	
	Functionality		Score								
	A plan detailing ALL the project deliverables is clearly outlined.		0-20								
	Project milestones under each deliverable are clearly outlined and all relevant details are supplied.		0-15								
Timelines (from when to when) for each of the milestones are clearly outlined.	0-10										
Risk Management Plan	Provide a Risk Management Plan with risks and risk mitigating factors identified:	25									
	<table><tr><th>Functionality</th><th>Score</th></tr><tr><td>Risk management plan with risks identified and its mitigation factors (5 points for each risk and its mitigation factor) mentioned for the project. Each risk identified for a project must be accompanied by a mitigation. – 5 risks and its mitigation factors identified – 25 points – 4 risks and its mitigation factors identified – 20 points – 3 risks and its mitigations identified – 15 points – 2 risks and its mitigation factors identified – 10 points – 1 risk and its mitigation factor identified – 5 points – 0 risk and mitigation factor identified – 0 points </td><td>25</td></tr></table>		Functionality	Score	Risk management plan with risks identified and its mitigation factors (5 points for each risk and its mitigation factor) mentioned for the project. Each risk identified for a project must be accompanied by a mitigation. – 5 risks and its mitigation factors identified – 25 points – 4 risks and its mitigation factors identified – 20 points – 3 risks and its mitigations identified – 15 points – 2 risks and its mitigation factors identified – 10 points – 1 risk and its mitigation factor identified – 5 points – 0 risk and mitigation factor identified – 0 points	25					
	Functionality		Score								
Risk management plan with risks identified and its mitigation factors (5 points for each risk and its mitigation factor) mentioned for the project. Each risk identified for a project must be accompanied by a mitigation. – 5 risks and its mitigation factors identified – 25 points – 4 risks and its mitigation factors identified – 20 points – 3 risks and its mitigations identified – 15 points – 2 risks and its mitigation factors identified – 10 points – 1 risk and its mitigation factor identified – 5 points – 0 risk and mitigation factor identified – 0 points	25										
TOTAL		100									

Each of the criteria will be assessed and scored on the evaluation sheet using the above weights. Bidders who score less than 70 points on functionality will not be considered for this tender.

9. PRICE AND PREFERENCE POINTS (90/10)

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 DBE specific goals. (Refer to attached SBD 6.1 form).

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

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

P_s = Points scored for price of bid under consideration

P_t = Rand value of acceptable bid under consideration

P_{min} = Rand value of lowest bid

Points Awarded for Specific Goals

A maximum of 10 points will be awarded to a tenderer for the specific goals of people who were historically disadvantaged by unfair discrimination on the basis of being Black, Women, Living with disability, or Youth.

Note to Bidders:

- 1. The Bidder must indicate how they claim points for each preference point system.***
- 2. Allocation of points will be prorated as per percentage of ownership of each goal. In case of a Joint Venture or a Consortium, the points will be averaged.***
- 3. DBE will verify the ownership percentage using CSD report, should there be discrepancies CSD report takes precedence.***
- 4. Specific goals for the tender and points claimed are indicated per the table below:**

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system)	Documents required as proof of claim to validate points claimed:	Number of points claimed (90/10 system) (To be completed by the Bidder)	Percentage (%) ownership per specific goals
Black People	3	DBE will utilise CSD Report to validate points claimed		
Women	3	DBE will utilise CSD Report to validate points claimed		
Disability	1	Submit any of the documents below: • Proof of registration with National Council for Persons with Physical Disability in South Africa registration (NCPDSA); OR • Medical Certificate		
Youth	3	DBE will utilise CSD Report to validate points claimed		
Total Points	10			

10. PAYMENT

Payment shall be effected proportionately on completion of each phase of the project within 30 days of receipt of valid original invoices.

11. MONITORING AND REPORTING

The DBE will monitor the performance of the service provider in terms of the stipulated deliverables and timeframes. A Steering Committee, appointed by the Director-General, will regularly meet to monitor deliverables. These meetings will be added to regular project meetings that will focus on the operational aspects of the project. Formal meeting procedures will be followed and approved and signed minutes will be kept by the DBE as official meeting records.

12. CONDITIONS

- 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.
- 12.4 These Terms of Reference are developed such that that additional provinces may be included over the three-year duration of the tender, if that materialises, all applicable prescripts and procedures will be followed to the latter.

- 12.5 All products should be sourced in South Africa.
- 12.6 Material compiled for and by the Department of Basic Education (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 submit to the DBE a written motivation for such use.
- 12.7 The DBE will request approval from the designated officer to whom copyright vests. Only once the designated officer has granted written approval will the DBE convey such written approval to the service provider, and will the service provider have permission for such usage.
- 12.8 In the case of 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.
- 12.9 The Service Provider will be expected to complete all phases of the project and adhere strictly to the deadlines specified. A written report on completion of each phase is mandatory.
- 12.10 The Service Provider is expected to demonstrate credibility and perform the services as described in this document.
- 12.11 DBE will confine its contractual dealings with the primary service provider in a case where there is a consortium.
- 12.12 The Service Provider shall undertake to avoid any activity of whatsoever nature that may be detrimental to the Department's interest, goodwill, and reputation.
- 12.13 The DBE reserves the right to change the Terms of Reference prior to the closing of the bid.
- 12.14 The Department reserves the right not to award the tender and will not be held liable for the preparation of the bid documents by the Bidders.
- 12.15 The DBE reserves the right to terminate the contract with the service provider at any point during the contract period should the performance of the service provider not meet the satisfactory requirements of the stipulated deliverables.

12.16 **TERMINATION FOR DEFAULT:** The Department, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, reserves the right to terminate this contract with the appointed service provider, in accordance with clause 23 of the General Conditions of Contract, should challenges be experienced with the service delivery and customer service to the Department.

12.17 The Bidder/s must submit proof of registration with the National Treasury's Central Supplier Database (CSD).

12.18 Consortia that possess all the functional knowledge and experience will be considered for this proposal, but proposals must clearly indicate the organization that will be the lead agency, which will take full managerial and technical accountability for the outcomes of this proposal.

13. CONTRACT PRICE ADJUSTMENTS

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).

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

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	
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

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

Adjustment	End Index Date	CPA application to reach the office at the following dates	Dates from which adjusted prices will become effective
1 st Adjustment	March 2028	30 April 2028	1 May 2028
2 nd Adjustment	March 2029	N/A	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.

14. COMMUNICATION

14.1 The DBE Supply Chain Management (SCM) Unit shall communicate with Bidders where clarity is sought after the closing date, and no other communication to any DBE official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid may be entered into.

14.2 All communication between the Bidder and the DBE must be in writing and addressed to the SCM Office at Tenders@dbe.gov.za

15. CONTACT DETAILS

Bid Enquiries

Department of Basic Education: Supply Chain Management, Tel:
(012) 357 3134

E-mail: Tenders@dbe.gov.za

Enquiries must be made at least twelve (12) days before the closing date of the bid.