

TRANSNET SOC LTD

[Registration No. 1990/000900/30]

REQUEST FOR PROPOSAL [RFP]

FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

RFP NUMBER: GSM/14/07/1105
ISSUE DATE: 25 NOVEMBER 2014
CLOSING DATE: 17 DECEMBER 2014
CLOSING TIME: 12:00
BID VALIDITY PERIOD: 90 days from Closing Date

COMPULSORY BRIEFING SESSION: 05 DECEMBER 2014
VENUE: JOHANNESBURG, 150 COMMISSIONER STREET
CARLTON CENTRE, PROCUREMENT OFFICES,
08TH FLOOR, ROOM 0809
STARTING TIME: 10:00

SCHEDULE OF BID DOCUMENTS

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APPENDIX (ii) TERMS AND CONDITIONS OF CONTRACT FOR THE PROVISION OF SERVICES TO TRANSNET

APPENDIX (iii) SUPPLIER DEVELOPMENT GUIDELINE DOCUMENT

APPENDIX (iv) NON DISCLOSURE AGREEMENT

APPENDIX (v) DPSA CONSULTANT FEES

RFP LIST OF ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
CD	Compact/computer disc
DAC	Divisional Acquisition Council
EME	Exempted Micro Enterprise
GBC	General Bid Conditions
ID	Identity Document
JV	Joint Venture
LOI	Letter of Intent
NDA	Non-Disclosure Agreement
OD	Transnet Operating Division
PPPFA	Preferential Procurement Policy Framework Act
PTN	Post-Tender Negotiations
QSE	Qualifying Small Enterprise
RFP	Request for Proposal
SD	Supplier Development
SME	Small Medium Enterprise
SOC	State Owned Company
TAC	Transnet Acquisition Council
TCO	Total Cost of Ownership
VAT	Value-Added Tax
ZAR	South African Rand

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 1: NOTICE TO BIDDERS

1 INVITATION TO BID

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

DESCRIPTION	PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS
BID FEE AND BANKING DETAILS	R200.00 [inclusive of VAT] per set. Payment is to be made as follows: Bank: Standard Bank Account Number: 00 237 3963 Branch: Braamfontein Branch code: 004805 Account Name: Transnet Limited Head Office Reference: GSM/14/07/1105 NOTE – This amount is not refundable. A receipt for such payment made must be presented when collecting the RFP documents and submitted thereafter with your Proposal.
INSPECT / COLLECT DOCUMENTS FROM	The Procurement Office, Room 805 8 th Floor Carlton Centre Commissioner Street Johannesburg
ISSUE DATE AND COLLECTION DATE DEADLINE	Between 09:00 and 15:00 from 25 November 2014 until 02 December 2014. Note: If a bid fee is applicable, payment must be effected prior to the deadline for collection. Pursuant to this requirement, should a third party [such as a courier] be instructed to collect RFP documents on behalf of a Respondent, please ensure that this person [the third party] has a "proof of payment" receipt for presentation to Transnet when collecting the RFP documents.
CLOSING DATE	12:00 on Wednesday 17 December 2014 Bidders must ensure that bids are delivered timeously to the correct address. As a general rule, if a bid is late or delivered to the incorrect address, it will not be accepted for consideration.

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

2 FORMAL BRIEFING

A formal briefing session will be held but should Respondents have specific queries they should email these to the Transnet employee(s) indicated in paragraph 6 [Communication] below:

A compulsory briefing session will be conducted at 150 Commissioner Street, Johannesburg, Carlton Centre, on the 08th Floor, Room 0809 on the **05th December 2014** at 10h00 for a period of ± 3 hours. [Respondents to provide own transportation and accommodation]. The briefing session will start punctually and information will not be repeated for the benefit of Respondents arriving late.

- 2.1 A Certificate of Attendance in the form set out in Section 14 hereto must be completed and submitted with your Proposal as proof of attendance is required for a **compulsory** RFP briefing.
- 2.2 Respondents failing to attend the compulsory RFP briefing will be disqualified.

3 PROPOSAL SUBMISSION

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

The Secretariat, Transnet Acquisition Council
RFP No: GSM/14/07/1105
Description: PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS
Closing date and time: 17 December 2014 at 12:00
Closing address: *[Refer to options in paragraph 4 below]*

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

4 DELIVERY INSTRUCTIONS FOR RFP

4.1 Delivery by hand

If delivered by hand, the envelope is must be deposited in the Transnet tender box which is located at the main entrance of the Office Block, Carlton Centre, 150 Commissioner Street, Johannesburg, and must be addressed as follows:

THE SECRETARIAT
TRANSNET ACQUISITION COUNCIL
CARLTON CENTRE
TENDER BOX
OFFICE BLOCK FOYER
150 COMMISSIONER STREET
JOHANNESBURG 2001

- a) The measurements of the "tender slot" are 400mm wide x 100mm high, and Respondents must please ensure that response documents or files are no larger than the above dimensions. Responses which are too bulky [i.e. more than 100mm thick] must be split into two or more files, and placed in separate envelopes, each such envelope to be addressed as required in paragraph 3 above.
- b) It should also be noted that the above tender box is located at the street level outside the main entrance in Commissioner Street and is accessible to the public 24 hours a day, 7 days a week.

4.2 Dispatch by courier

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

THE SECRETARIAT
TRANSNET ACQUISITION COUNCIL
48TH FLOOR
CARLTON CENTRE
OFFICE BLOCK
150 COMMISSIONER STREET
JOHANNESBURG

- 4.3 If responses are not delivered as stipulated herein, such responses will not be considered.
- 4.4 No email or faxed responses will be considered, unless otherwise stated herein.
- 4.5 The responses to this RFP will be opened as soon as possible after the closing date and time. Transnet shall not, at the opening of responses, disclose to any other company any confidential details pertaining to the Proposals / information received, i.e. pricing, delivery, etc. The names and locations of the Respondents will be divulged to other Respondents upon request.
- 4.6 Envelopes must not contain documents relating to any RFP other than that shown on the envelope.

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

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

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

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

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

5.1 B-BBEE Joint Ventures or Consortiums and sub-contracting

Respondents who would wish to respond to this RFP as a Joint Venture [**JV**] or consortium with B-BBEE entities, or who wish to subcontract to B-BBEE entities, must acquaint themselves with the requirements as stipulated in the General Bid Conditions and must state their intention to do so in their RFP submission.

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

5.2 Supplier Development Initiatives

Historically in South Africa there has been a lack of investment in infrastructure, skills and capability development which has resulted in inequality in the income distribution and wealth of a significant portion of the population. There have been a number of Government initiatives developed to address

these challenges. In particular, the New Growth Path [NGP] and New Development Plan [NDP] aligns and builds on previous policies to ensure the achievement of Government's development objectives for South Africa.

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

As a prequalification criterion to participate in this bid, Respondents are required to provide a commitment that the monetary value of all SD initiatives to be undertaken by them will not be less than 10% [Ten percent] of the contract value.

*All Respondents must refer to Section 18 for instructions and complete Section_18 [Declaration of Supplier Development Commitments] as this is a mandatory returnable document. In addition, Respondents are required to submit a Supplier Development Plan and SD Value Summary, **Annexure A, B and C** as these are required as essential returnable documents.*

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

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

6 COMMUNICATION

- 6.1 For specific queries relating to this RFP, an RFP Clarification Request Form should be submitted to [Mmusetsi Mohlomi] at mmusetsi.mohlomi@transnet.net (011) 308 2364 before **12:00 on 09th December 2014**, substantially in the form set out in Section 12 hereto. In the interest of fairness and transparency Transnet's response to such a query will then be made available to the other Respondents who have collected RFP documents. For this purpose Transnet will communicate with Respondents using the contact details provided to the Secretariat on issue of the bid documentation to the Respondent. Kindly ensure that you provide the Secretariat with the **correct** contact details, as Transnet will not accept responsibility for being unable to contact a bidder who provided incorrect contact details.
- 6.2 After the closing date of the RFP, a Respondent may only communicate with the Secretariat of the Transnet Acquisition Council, at telephone number 011 308 3528/3522, email TAC.SECRETARIAT@transnet.net or facsimile number 011 308 3967 on any matter relating to its RFP Proposal.
- 6.3 Respondents are to note that changes to its submission will not be considered after the closing date.
- 6.4 Respondents are warned that a Proposal will be liable to disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer or employee of Transnet in respect of this RFP between the closing date and the date of the award of the business. Furthermore, Respondents found to be in collusion with one another will be automatically disqualified and restricted from doing business with Transnet in the future.

7 INSTRUCTIONS FOR COMPLETING THE RFP

- 7.1 Proposals must be submitted in duplicate hard copies [1 original and 1 copy] and must be bound.
- 7.2 Sign one set of original documents [sign, stamp and date the bottom of each page]. This set will serve as the legal and binding copy. A duplicate set of documents is required. This second set must be a copy of the original signed Proposal.
- 7.3 Both sets of documents are to be submitted to the address specified in paragraph 4 above.
- 7.4 A CD copy of the RFP Proposal must be submitted. Please provide files in MS Word / Excel format, not PDF versions, noting that the signed original set will be legally binding.
- 7.5 **All returnable documents tabled in the Proposal Form [Section 4] must be returned with your Proposal.**
- 7.6 Unless otherwise expressly stated, all Proposals furnished pursuant to this RFP shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated.
- 7.7 Any additional conditions must be embodied in an accompanying letter. Subject only to clause 15 [Alterations made by the Respondent to Bid Prices] of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.

8 COMPLIANCE

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

9 DISCLAIMERS

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

- 9.1 modify the RFP's Services and request Respondents to re-bid on any such changes;
- 9.2 reject any Proposal which does not conform to instructions and specifications which are detailed herein;
- 9.3 disqualify Proposals submitted after the stated submission deadline [Closing Date];
- 9.4 not necessarily accept the lowest priced Proposal or an alternative bid;
- 9.5 reject all Proposals, if it so decides;
- 9.6 withdraw the RFP on good cause shown;
- 9.7 award a contract in connection with this Proposal at any time after the RFP's closing date;
- 9.8 award a contract for only a portion of the proposed Services which are reflected in the scope of this RFP;
- 9.9 split the award of the contract between more than one Service Provider; or
- 9.10 make no award of a contract.

In addition, Transnet reserves the right to exclude any Respondent from the bidding process who has been found guilty of a serious breach of law during the preceding 5 [five] years, including but not limited to

breaches of the Competition Act 89 of 1998. Respondents are required to declare such serious breach of law during the past 5 [five] years in Section 11 [*Breach of Law*].

Furthermore, Transnet reserves the right to visit the Respondent's place of manufacture and/or workshop and/or office premises during this RFP process.

Transnet reserves the right to undertake post-tender negotiations [PTN] with selected Respondents or any number of short-listed Respondents, such PTN to include, at Transnet's option, any evaluation criteria listed in this RFP document.

Transnet reserves the right to award the business to the highest scoring bidder/s unless objective criteria justify the award to another bidder.

Transnet reserves the right to lower the thresholds for Technical by **10%** [**ten** percent] if no Bidders pass the predetermined minimum thresholds in respect of the Technical Evaluation (including Presentation).

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

10 LEGAL REVIEW

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

**Transnet urges its clients, suppliers and the general public
to report any fraud or corruption to
TIP-OFFS ANONYMOUS : 0800 003 056**

SCOPE OF WORK LIST OF ACRONYMS

AC	Alternating Current
DC	Direct Current
DP	Distributed Power
FEL	Front End Loading
GFB	General Freight Business
GTK	Gross Ton Kilometre
MDS	Market Demand Strategy
Mtpa	Million tons per annum
NPV	Net Present Value
NTK	Net Ton Kilometre
OHTE	Overhead Traction Equipment
PLP	Project Lifecycle Process
RBCT	Richards Bay Coal Terminal
SOW	Scope of Work
TAT	Turnaround Time
TFR	Transnet Freight Rail
WDP	Wire Distributed Power

SPEC

SCOPE OF WORK LIST OF DEFINITIONS

Dual Voltage Locomotive	-	A locomotive that can operate under both types of overhead voltage (i.e. 25kV AC and 3kV DC)
Headway	-	The minimum time or distance between two trains on the same track travelling in the same direction. Headway is usually limited by electrical capacity or signal spacing.
Operational Slots	-	Theoretical slots * 65%
Operating efficiency	-	The ratio of actual throughput divided by the throughput that would be achieved if there were zero delays. An operating efficiency of 90% is expected on the TFR network and is an allowance for unexpected incidents.
Ruling gradient	-	The steepest inclining gradient along the route that is longer than two times the train length. This is considered the steepest incline on which the train will balance.
Single voltage locomotive	-	A locomotive that can operate under one type of overhead voltage only (i.e. 25kV AC or 3kV DC)
Theoretical Slots	-	The total number of slots available per day for despatching trains from a yard or terminal. The number of slots available is the lowest of the available infrastructure slots, electrical capacity and signalling capacity.
Traction Change	-	Changing the locomotives used to haul wagons. This could be done when changing between electric and diesel locomotives or when changing from different types of single voltage electric locomotives
Turnaround Time	-	The time between a train departing its origin as a loaded train and the time arriving back at the origin as an empty train (applicable to trains that have an empty leg)

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS

1. EXECUTIVE SUMMARY

The Coal Line is a vital asset to Transnet and South Africa. This rail network supports the export of Coal from the Mpumalanga and Waterberg Coal fields to RBCT as well as the transport of various general freight commodities.

The current design of the Coal Line between Ermelo and Richards Bay caters for 16 x 200 wagon coal train operational slots and 16 x general freight train operational slots (various lengths up to 100 wagons) per day. Assuming 80 tons per jumbo coal wagon, 340 operational days per year and a targeted 90% operating efficiency, the Coal Line should be able to transport 78Mtpa of export coal per year. However, due to a lower than optimal operating efficiency, the coal line has achieved a maximum throughput of slightly less than 70Mtpa, that equates to an operating efficiency of only about 80,4%. This resulted from rolling stock and infrastructure failures, yard congestion, rolling stock availability, crew logistics as well as some factors that are outside the control of Transnet such as delays at the mines and RBCT.

Increased operational efficiencies are normally a prerequisite to, and less costly than, infrastructure investments in order to increase network capacity. The Shongololo project aims to increase operational efficiency by modifying the operating model of the Coal Line so that dwell times and delays are reduced by the application of appropriate technologies and maintenance to meet the MDS targets. Although not directly increasing network capacity, it aims to significantly reduce rolling stock requirements and operational costs.

Infrastructure investments are envisaged in the Coal 97/Eskom 32 study which includes among others, doubling of the Overvaal tunnel, creating grade separations at Ilangakazi and Sikame, upgrading the electrical infrastructure and addressing the major bottleneck at Ermelo yard. These upgrades are currently in planning stage and will take several years to be realised.

The Shongololo operating model requires the operation of 200 wagon WDP trains in a 4 x 4 configuration, i.e. (4 x 19Es and 100 wagons) + (4 x 19Es and 100 wagons) with class 19E dual voltage locomotives. This type of a train configuration will allow trains to operate in both the AC section (south of Ermelo) and the DC section (north of Ermelo) without having to enter the Ermelo yard and perform time consuming shunting movements (only splitting and combining of some of the trains will be required, which can be done relatively quickly on the main line or in sidings). The dual voltage capability of the class 19E locomotive will also allow these trains to traverse seamlessly from AC to DC without needing to enter Ermelo yard and changing locomotives.

The purpose of this study is to analyse the benefits of project Shongololo in detail and to gain further insight on the required changes (Rolling stock, infrastructure, crew logistics, maintenance facilities, etc.) that will be required to fully support the project. The outcomes of this study will also be used to finalise the scope of work for the Coal 97 study which aims to further promote the use of Shongololo type trains.

As most trains operated on the Vryheid - Glencoe rail line has to conform to the same operating principles as those between Mpumalanga and Richards Bay, this line is included as part of the study.

2. INTRODUCTION

2.1 Purpose of the Scope of Work

The purpose of this document is to define the Scope of Work (SOW) for an FEL-2 (pre-feasibility) level study to determine the infrastructure, rolling stock and operational readiness requirements in order to implement the Shongololo operating methodology on the Coal Line.

The SOW describes the proposed Shongololo operating model and the deliverables that must be submitted as part of the FEL-2 study.

Transnet has already developed a phased approach to the implementation of project Shongololo. The service provider is therefore required to interrogate and confirm if the phases have been optimally developed and to confirm the changes in infrastructure, rolling stock and operational readiness requirements (as detailed in this scope of work) for each phase.

Although this document refers to 19E type dual voltage locomotives, 19Es, 21Es, 22Es or combinations thereof may be employed and the document must be interpreted accordingly.

2.2 Background

The 580 km coal line rail system has been in operation since 1976 and played a vital role in the coal export supply chain in Transnet. Due to the investments made in this economic sector, South Africa has now positioned itself amongst the top five coal exporting countries in the world. Most of the country's coal is mined from the Mpumalanga coal fields and transported to the Richards Bay Coal Terminal (RBCT) via the Coal Line rail system. The supply chain consists of approximately 48 privately-owned loading sites, Transnet-owned rail link, privately-owned export terminal, and Transnet-owned marine infrastructure and marine services.

The Coal Line rail system is separated into two operating spheres mainly due to the different type of overhead electrification used on either side. 3kV DC is used between the mines and Ermelo and 25kV AC is used between Ermelo and RBCT. Historically, the locomotives used on the Coal Line were single voltage locomotives and therefore a significant amount of time and resources were used to shunt locomotives and wagons in Ermelo yard in order to perform a traction change and to combine and split 100 and 200 wagon trains.

With the advent of dual voltage class 19E locomotives and the use of WDP, Transnet has identified the opportunity to operate trains directly from RBCT to the mines, eliminate the time consuming activities in Ermelo yard and thereby significantly reduce the turn around time (TAT) of locomotives and wagons.

2.3 Project Shongololo Objectives

Project Shongololo aims to increase operational efficiencies on the Coal Line and reduce operational costs. This can be done by reducing the rolling stock TAT, by eliminating dwell time at yards and by running more robust trains (higher redundancy) that are less susceptible to locomotive and wagon failures. All of these outcomes are possible by leveraging on WDP technology and dual voltage class 19E locomotives.

The proposed phased changes are aimed at optimising operational efficiency by ultimately operating a 200 wagon train using the dual voltage class 19E locomotives directly from RBCT to the mines (i.e. without changing locomotives at Ermelo) or compiling 100/200 wagon trains.

3. COAL LINE STATUS QUO

3.1 Current Infrastructure

The Coal rail system is a double line south of Ermelo, with the exception of the Overvaal tunnel which is a 3,9 km single track and the Ilangakazi and Sikame level grade crossings of the no 1 and no 2 lines respectively. The line can operate at 26 tons per axle. There are 7 deviations where only loaded trains can traverse with the 200 wagon train head end configuration (Dumbe, Mswaneni, Moolman, Iswepe, Umunywana, Ilangakazi, Engogweni).

North of Ermelo there is a dedicated line 3 from Blackhill to Broodsniersplaas to carry 26 tons per axle. The adjacent two lines can carry up to 20 tons per axle load. Ogies to Witbank can carry up to 20 tons per axle load. Single line feeder lines into the system are from Wonderfontein, Trichardt, Machadodorp, Hartebeesfontein and Majuba which is under construction. The loading sites served by the coal rail system are either equipped with a Rapid Load-out or a Front-end loading station and only 8 out of the 48 can currently accommodate 200 wagon trains with the rest only capable of receiving 100 wagons. The Richards Bay Coal Terminal is un-electrified and designed to off load wagons using an automated tipping system. RBCT owns diesel locomotives that are used to shunt the trains from the TFR yard to the tippler and back to the yard.

3.1.1 Main line

The main line is currently separated into two different operational regimes due to the different infrastructure designs north and south of Ermelo as follows:

Table 1: Line Design

	South of Ermelo	North of Ermelo
Locomotives	4 x 11E, 6 x 7E or 6 x 19E	4 x 19E or 4 x 10E
OHTE	25kV AC	3kV DC
Wagons	200	100
Axle loading	26tpa	26 tpa (some sidings are limited to 20 tpa)

Another contributing factor to the separation of the north and south sides of Ermelo is the different ruling gradients and related traction requirements. On the northern side of Ermelo, the ruling gradient is 1:100 and 4 x 19E or 10E locomotives are needed for a 100 wagon train. On the southern side, the ruling gradient in the loaded direction towards Richards Bay is a flatter 1:160 and 6 x 19E, 6 x 7E or 4 x 11E locomotives are required to haul a 200 wagon train.

3.1.2 Ermelo yard

The Ermelo yard is being used as a traction change over yard and for combining and splitting of trains from/to 200 wagon trains. The partial electrification of the yard imposes shunting challenges when the above activities are being executed. There are currently four yards and three balloon lines as depicted below.

Ermelo air brake yard has four 'yards' i.e.: A, B, C and D as shown in figure 1:

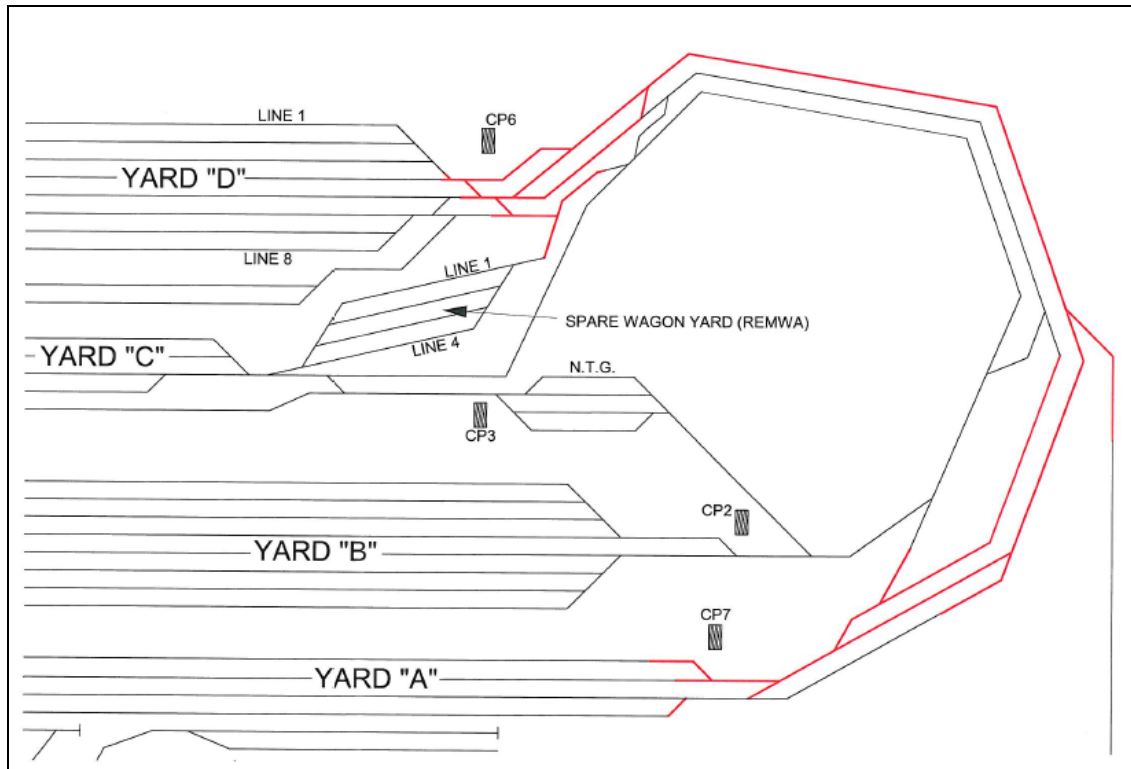


Figure 1: Ermelo yard

All lines in the Ermelo balloon are currently not electrified. The B yard is fully electrified with 25kV AC up to the balloon for trains entering Ermelo from RBCT. The D yard is fully electrified with 3kV DC up to the balloon for trains entering Ermelo from the mines.

There currently exists a static AC/DC changeover facility near the main line in Ermelo however this facility is not preferred for a crew change as a stabled train will block the main line and access to the Ermelo yard.

3.2 Current Operations

Currently coal export trains are split and combined at Ermelo air brake yard. From Ermelo, 100 wagon trains are operated north of Ermelo to domestic loading sites, and 200 wagon trains are operated South of Ermelo to RBCT using head end power.

Trains depart and proceed as follows in the Ermelo yard:

RBCT to loading sites

- 200 empty wagon Train departs from RBCT
- 200 Empty wagons arrive at Ermelo B yard and the AC locos are uncoupled
- Diesel locos are coupled and the 200 wagons are pulled around the balloon to the C yard where they are separated into 2 x 100 wagon sets
- DC locos are coupled to each 100 wagon set and both trains then depart to a mine for loading
- 100 wagons are loaded at sites using a Rapid load out station or with front end loaders

Loading sites to RBCT

- 100 loaded wagons depart loading sites
- First 100 loaded wagons arrive at Ermelo D yard and DC locos are uncoupled
- The second 100 loaded wagons arrive at Ermelo D yard, DC locos are removed and diesel locos coupled. The 2 x 100 wagon sets are combined into a single 200 wagon set and shunted around the balloon to the Ermelo A yard.
- The diesel locomotives are uncoupled, AC locomotives coupled and the 200 wagon train then departs to RBCT
- Train arrives at RBCT and split to two 100 wagons sets
- 100 loaded wagons enter terminal and are off-loaded

Slot Utilisation

AC section

There are 48 theoretical slots currently available on the coal line of which 24 are reserved for use by 200 wagon trains to haul Coal every 60 minutes south of Ermelo (the 60 minute limit is due to overhead electrical limitations). The other 24 slots are reserved for use by GFB trains, which currently use an average 13 slots/day. The international norm is to utilise a maximum of 65% of the theoretical slots available, this translates to 16 slots for 200 wagon trains and 16 slots for GFB trains. The number of slots is currently limited by the Overvaal tunnel (16 per direction per day). The electrical limit is to operate a 200 wagon train every 60 minutes (i.e. the electrical limit is 24 x 200 wagon trains per day). It is also believed that Ermelo yard can only handle 16 x 200 wagon trains per day. In order to increase slot capacity, either the Overvaal tunnel must be doubled (which means that 24 x 200 wagon trains can be run per day (the number of slots would then be limited by the electrical supply that can handle 1 x 200 wagon train per hour) or the electrical supply must be upgraded so that 200 wagon trains can be run in the GFB slots.

DC section

The minimum headway on the DC section based on train speed and signal spacing is 12 minutes, however the recommended minimum headway considering the overhead electrical constraints is 15 minutes. At a headway of 15 minutes, there are 96 theoretical and 62 operational slots available per day. These slots can be used by 100 wagon trains (loaded or empty) or 200 wagon empty trains. The DC electrical system cannot currently handle a 200 wagon loaded train although it may be possible to operate a 200 wagon loaded train with a mixed electric and diesel DP train. The axle loading constraints however must be considered in the simulation.

Turnaround time

The current operating model on the coal line is such that there is a 58 hour locomotive cycle time and a 62 hour wagon cycle time.

4. OBJECTIVES AND DELIVERABLES

The purpose of the FEL-2 study is to analyse the entire rail network, rolling stock and related systems to ensure that all requirements for the successful implementation of the Shongololo operating model are known, costed and scheduled for implementation. The study is required to provide a view on all requirements to reliably operate:

- 8 x Shongololo trains and 8 x conventional head end trains per day,
- 16 x Shongololo trains per day,
- 18 x Shongololo trains per day.

The service provider must investigate the infrastructure breakpoints to allow these trains per day to be operated and must also state the maximum number of trains that can be run with each investment (i.e. investments x and y may be required to run 16 x Shongololo trains per day however these investments actually allow TFR to run 22 trains per day – such insight must be provided)

The intention of the study is to analyse the requirements to implement project Shongololo as per the planned operating model however another outcome of the study should also be to recommend changes to the Shongololo operating model which will yield the same benefits that are desired by TFR but with an optimised capital and operating cost.

The following sections provide an overview of the Shongololo operating model, the current infrastructure work proposed by TFR and the scope of the study.

4.1 Overview of the Project Shongololo Operating Model

The end state of project Shongololo is aimed at operating a 200 wagon train between RBCT and the loading sites without changing the train configuration on the main lines (with an exception to those sites that can only receive 100 wagons, which will be accommodated by using a compilation yard north of Ermelo for the splitting and combining of trains). The GFB trains also operate on a 200 wagon coal train equivalent length.

The end state operational model is envisaged to be as follows:

RBCT to loading sites (200 wagons capable loading sites)

- 200 Empty wagon train departs from RBCT departure yard
- 200 Empty wagon train bypasses Ermelo yard via an on the fly AC/DC changeover. The backup route will be through an electrified balloon with an on the fly AC/DC changeover
- 200 Empty wagon train arrives at loading site for loading

Loading sites to RBCT (200 wagons capable loading sites)

- 200 Loaded wagon train departs loading site
- 200 Loaded wagon train bypasses Ermelo yard via on the fly AC/DC changeover. The backup route will be through an electrified balloon with an on the fly AC/DC changeover
- Train arrives at RBCT arrivals yard and split to two 100 wagons
- 100 loaded wagons enter tippler for off-loading

RBCT to loading sites (100 wagons capable loading sites)

- 200 Empty wagon train departs from RBCT departure yard

- 200 Empty wagon train bypasses Ermelo yard via on the fly AC/DC changeover on the main line. The backup route is via an electrified balloon with an on the fly AC/DC changeover
- Train arrives at a location of suitable grade to split into two 100 wagon trains
- 100 Wagon train departs to loading sites

Loading sites to RBCT (100 wagons capable loading sites)

- 100 Loaded wagon train departs loading site
- 100 Loaded wagon train bypasses Ermelo yard via on the fly AC/DC changeover on the main line. The backup route is via an electrified balloon with an on the fly AC/DC changeover.
- Two 100 loaded wagon trains arrive a location of suitable grade (possibly Camden)
- Two 100 wagon trains are combined into one 200 wagon train and departs
- Train arrives at RBCT arrivals yard and splits into two 100 wagons
- 100 Loaded wagons enter tippler for off-loading

4.2 TFR Phased Approach

4.2.1 Phased train operations approach

The planned phased DP trains operations approach for this project is as described below and will be further refined during the project.

Table 2: Phased train operations

Trains	Status
19E x 100 wagons + 19E x 100 wagons	Production
19E x 100 wagons + 34D x 100 wagons	Will be tested
43D x 100/150 wagons coking coal from Richards Bay to Newcastle	Short term production
19E/21E x 100 wagons + 19E/21E x 100 wagons	Will be tested
19E/21E x 100 wagons + 43D x 100 wagons	Production
22E x 100/150 wagons coking coal from Richards Bay to Newcastle	Longer term
22E x 100 wagons + 22E x 100 wagons	To be tested
22E x 100 wagons + 19E/21E x 100 wagons	To be tested

4.2.2 Phased work packages approach to enable phased train operations

Various initiatives were taken by TFR to facilitate the implementation of project Shongololo. These interventions still need to be refined by the service provider who will also determine the adequacy of these works packages for the planned trains operations approach referred to above.

The proposed interventions were phased as follows:

Phase 1: Work package at Richards Bay

- The electrification of line 20 in the departure yard for preparation of WDP trains. This has been completed.

The electrification of line 20 at Richards bay will enable Transnet to stage a 200 wagon train at the yard, thus minimising time consumed by shunting operations. The electrification is needed to keep the B consist powered before departure.

Phase 2: Work package at Ermelo

- Electrification of balloon 2 with on the fly switching technology
- Implementation of an on-the-fly switching technology on the mainline that is situated at the yard at Ermelo South

The electrification of Balloon 2 will enable Transnet to combine two loaded 100 wagons without the use of Diesel locomotives at Ermelo yard, with the on-the-fly switching on the mainline allowing a 200 wagon train to bypass Ermelo yard and go straight to a loading site.

Phase 3: Work package at Ermelo

- Electrification of balloons one and three
- Construction of a re-manning depot outside Ermelo yard
- Installation of four turn-outs at B-yard
- Full electrification of A-yard

Phase 3 work packages are aimed at providing flexibility at Ermelo and ease crew change over.

Phase 4: Work package at Richards Bay

- Move G-area 88 meters to the left of the bridge
- Installation of the slip-way at the departure
- Electrification of all out-going lines

The work packages at Richards Bay will allow multiple 200 wagons trains to be staged at the yard.

Phase 4: Work package at Ermelo

- Increase the overhead capacity between Ogies and Ermelo (convert from DC to AC)

The conversion from DC to AC will allow Transnet to run 200 loaded wagons north of Ermelo and ease operations at Ermelo yard.

5. SCOPE DELIVERABLES

5.1 Geographical Boundaries

The study boundaries comprise the capacity analysis of the whole coal line system, which include:

- The coal loading sites in Mpumalanga
- The railway line between the coal loading sites in Mpumalanga and RBCT
- The RBCT in Richards Bay
- The railway line between Vryheid and Glencoe

The boundary limits are depicted on the figure below:

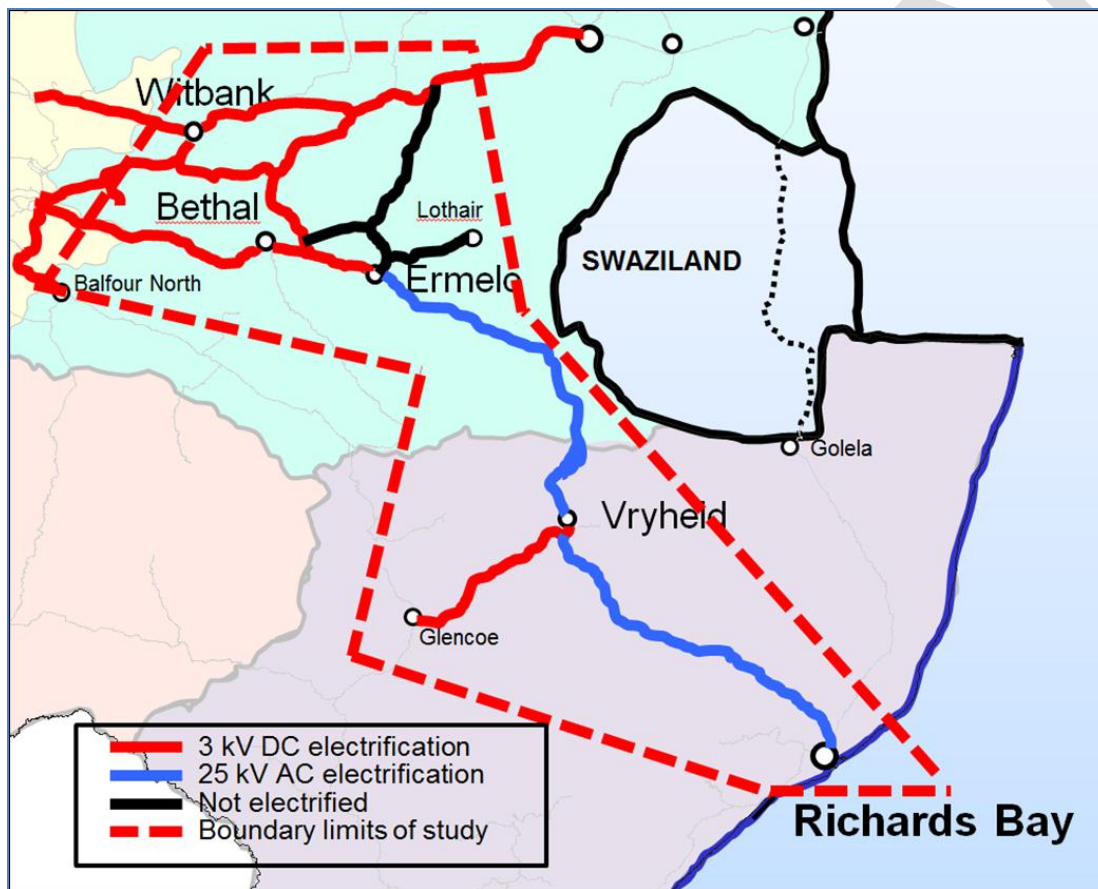


Figure 2: Geographical boundaries

5.2 Commodities

Coal is the primary commodity that will be railed with the Shongololo trains on the system. However, the study must also consider the current and future GFB traffic on the coal line. Further information will be provided about which GFB traffic and commodities can be run as Shongololo type trains.

5.3 Simulation of the Coal Line with the Shongololo Operating Model

A dynamic simulation of all main lines, yards and sidings shall be performed as part of the study for the permanent way and power supply that is linked to a train schedule. The purpose of the simulation is to:

- Determine areas where capacity will be constrained and to then recommend network upgrades to overcome such constraints in phases that must be linked to volume benefits and slots.
- Provide a view of the rolling stock fleet required to support the Shongololo operation.
- Perform a detailed analysis of all yards/loops needed to support the new operational plan.
- Clearly demonstrate the benefits of Shongololo trains compared with the existing method of working.

Special attention must be paid to the 3rd line north of Broodsnyersplaas which is essentially a single 26 ton per axle line with a few links to the other two 20 tons per axle lines. There are several loading sites branching off the 3rd line which introduces additional complexity and contra-flows. The network analysis to run Shongololo trains must focus on the signalling implications in this section and possible requirements to upgrade the two 20 tons per axle lines to 26 tons per axle if needed.

The simulation is to include the change in operating model as well any increase in traffic for the new Majuba rail link. The simulation of distributed power configuration on lateral forces must be an input into the operating methodology. The simulation is to consider the maintenance and expansion occupation requirements and be an input into the model. Routine maintenance is to be simulated as well as short term interventions proposed at the Overvaal tunnel. Options for occupation time required for slab repair must be evaluated in the schedule.

It is expected that the simulations will also provide a view on asset utilisation as well as other performance indicators such as Wagon and Loco TAT, GTKs, NTKs, etc.

Tenderers will quote separately for comprehensive training of Transnet personnel in the use of the simulation model used as well as for an all-inclusive license to use such simulation model for a period of 5 years. Such training will include theoretical and practical sessions as well as a comprehensive user manual. Transnet reserves the right to accept or reject such training and licence during the course of the contract at its own discretion and adjusting the contract costs accordingly.

5.4 Analysis of the Electrical Network North and South of Ermelo

The study shall include an analysis of the electrical supply both north and south of Ermelo and covering the entire battery limits of the study. The outcome of the study should be whether the existing network can handle the Shongololo trains according to the planned timetable and if not then to recommend upgrades to the electrical infrastructure. This analysis must be done for all stages of the Shongololo implementation up to operating the 200 wagon trains directly between RBCT and the mines. The electrical simulations must analyse both the TFR and Eskom networks and include the upgrades that are currently being done as part of the Coal 81 project from which the benefit of each project (or cluster of projects) should be quantified as tranches to achieve volume benefits.

The electrical analysis must also cover the design of the on the fly changeover sites at the yard and the impacts of the existing electro-mechanical interlocking around the Ermelo complex. The dynamic simulation must be linked to the perway simulation and the train schedule which should consider for example the time required for cooling at the substation by defining how many trains for example 1 empty 200 wagon train, 1 loaded 200 wagon train and 1 loaded GFB can traverse between 2 substations. Links to the signalling system must also be made as this should be a facilitator of the schedule implementation. The effects of a head-end train versus a distributed power train should be simulated to a proven accuracy of not less than 93%. A baseline of network failures should also be an input into the simulation. The limits to the supply should be identified in terms of risk where the contact wire is worn to a defined level where the supply required cannot be met.

Dependence on Eskom projects must be clear and alternates proposed based on the existing Eskom network.

5.5 Infrastructure Required to Support Project Shongololo

The study shall include an analysis of the existing infrastructure and provide a comprehensive view of the total infrastructure supply value chain from pit to port (e.g. yard modifications, network and sidings, etc.) that are required to support the Shongololo operating model. Inspection facilities are to be included based on the operating model proposed.

5.6 Maintenance Facilities Needed to Support the Shongololo Operating Model

The study shall include a FEL-2 level analysis of the maintenance facilities needed to effectively maintain the locomotives, wagons, infrastructure, signalling, condition assessment and all other maintenance intensive equipment. The study shall also provide a maintenance plan for each type of asset included in the maintenance study.

Early analysis indicates that most of the locomotive and wagon maintenance will need to be performed in Richards Bay (since Ermelo yard will be bypassed) and therefore there will be some requirements for workshops, access to Nseze depot, etc. that will need to be analysed.

5.7 Maintenance and Crew Logistics

The study shall include a detailed analysis on the crew logistics required to implement the Shongololo operating model sustainably. This includes a view on the optimal location to change crews while adhering to the the basic conditions of employment. A view on the Kombi fleet and staff required to relieve drivers must be provided (if applicable).

The study must also provide a view on the type of maintenance staff that will be required at different points in the supply chain. E.g. for the interim solution when 200 wagon trains will be split at the mines or at a compilation yard near the mine, what resources will be required to perform the necessary brake tests after the trains are combined.

5.8 Analysis of Existing Mine Sidings

A thorough analysis of all coal loading sites in the study area must be performed to determine which of the mines can currently handle the Shongololo type trains and also to identify loading sites that can be modified, and at what costs, to accommodate Shongololo type trains.

5.9 Proposals on the Optimal Future Use of Ermelo Yard

Ermelo yard is considered to be one of the main constraints on the Coal Line and cannot even handle 81Mtpa with the current operating philosophy (during the Coal 81 study, it was decided to invest in additional rolling stock and queue trains outside Ermelo yard rather than invest in increasing the yard capacity).

The Shongololo operating model eliminates the need to remove locomotives and shunt wagons with diesel locomotives (once the balloon is electrified and the on the fly AC/DC changeover section is built). This new operating model reduces the dwell time of rolling stock in Ermelo yard and therefore significantly increases the yard capacity beyond 81Mtpa. A detailed analysis of Ermelo yard shall be performed during the study and proposals of how best to utilise the yard together with the Shongololo operating model should be provided.

5.10 Richards Bay Coal Terminal

The study includes all infrastructure and operations requirements at the RBCT to accommodate all Shongololo trains

5.11 Vryheid – Glencoe Rail Line

The study includes all infrastructure and operations requirements on this line to accommodate all Shongololo and other trains. This includes related yard, signalling, train crew and maintenance infrastructure.

5.12 Detailed Operations Plan

The detailed operating plan for the entire coal line which is in line with the Shongololo operating principles must be developed and thoroughly documented during the study. The study must include a rolling stock balancing analysis to ensure that the correct type and amount of locomotives and wagons are at the right place at the right time. A model for Total Supply Value Chain Operation must be proposed.

5.13 Financial Analysis

The study shall analyse the cost implications of implementing project Shongololo in tranches linked to the volume benefits. A view on both the Capital and Operational costs must be provided. It is expected that the study will indicate the financial viability of the Shongololo project based on the costs and expected increase in operational efficiency (throughput).

5.14 Benefits Analysis

A comprehensive analysis of the benefits of implementing project Shongololo will be required as part of the study. The benefits include:

- Reduced rolling stock fleet required
- Reduced delays due to locomotive failures (improved redundancy south of Ermelo)
- Increased volumes
- Decreased turn around time
- Reduced Diesel fuel consumption in yards
- Total Operating System Improvement (including Network performance)

5.15 Business Case

A detailed business case shall be developed upon completion of the study. The business case must describe amongst others, the purpose of the project, the benefits in terms of capital savings, improvements in operational efficiency, increased revenue and the opportunity cost of not implementing the project.

5.16 Environmental Analysis

A basic environmental assessment of the recommended upgrade work shall be performed as part of the study. The study must identify all fatal flaws and indicate which upgrade work will require a full environmental impact assessment.

5.17 Risk Analysis

A detailed risk analysis must be performed, documented and submitted as part of the FEL-2 study. The risks must follow on from the risk assessment sessions that have already been completed by TFR. The study must also recommend methods to mitigate all risks identified.

5.18 Redundant Coal 81 Work Packages due to Project Shongololo

Transnet is currently in the FEL-4 (construction) phase of the Coal 81 programme (upgrade the Coal line to a sustainable 81Mtpa capacity). The new Shongololo operating model has an impact on Coal 81 in that some of the recommended work packages are no longer applicable (e.g. building maintenance facilities in Ermelo as the Shongololo trains will bypass Ermelo). It is required that the work packages in Coal 81 be reviewed as part of this study and a recommendation be made regarding which work packages should continue and which should be reconsidered.

5.19 Longer Train Scenarios

The base design is for 200 Jumbo wagon Shongololo trains from mine to port. However, to maximise network slot capacity and locomotive utilisation per train it may be prudent to design for longer than 200 Jumbo wagon trains without changing the train configuration along the way, thereby maximising available capacity.

The basis of such longer trains will be what can be handled with allocated locomotive capacity, but will require minimal additional expenditure over and above that required for 200 wagon Shongololo trains.

All deliverables indicated for 200 wagon trains will also be explored and estimates provided for such longer trains.

Appropriate locomotive traction and braking characteristics and operational requirements for this purpose will be provided.

The ability of mines to load these longer trains and yard and operations requirements of all relevant Transnet and private yards and networks will be analysed, as well as that of RBCT.

5.20 Assumptions

All assumptions used during this study must be defined upfront and signed off by the Steering committee before detailed analysis begins. All changes to the list of assumptions must be approved by the Steering Committee. Assumptions around the operating days, maintenance allowances, train timetable, etc. will be determined jointly between Transnet and the service provider.

5.21 Training

In addition to the training required in the use of the Simulation model described earlier in this document, (If this option is accepted by Transnet), the service provider will also be required to commit to training Transnet staff that will be seconded to this project on a full time basis.

The Transnet staff allocated to the project for training will work with the service provider's team on a daily basis. It is expected that these staff members will be active participants in the study and will work as part of the service providers team and even taking responsibility for certain work packages where deemed appropriate by the service provider. The service provider is therefore required to accommodate up to 5 Transnet employees at their premises to assist with tasks, join strategy sessions and work as part of the team.

Special individual development contracts will be developed in conjunction with the service provider at the start of the project and will detail the areas of expertise and expected development of the trainees.

5.22 Excluded from Scope

The study will not cover the development of the Swazi-link, the Waterberg existing line upgrades and the proposed new heavy haul line. From a demand perspective, the study will only focus on the upgrades required to run the specified number of trains and related train configurations.

6. DOCUMENTS AND REPORTS DELIVERABLES

All requirements outlined in this scope of work must be achieved during the course of the study. It is mandatory that detailed documentation be submitted to Transnet before conclusion of the contract (the submission of PowerPoint slides in place of detailed reports will not be accepted). The documentation provided must be detailed enough to allow a non participant in the study to fully understand the background, methodology used, analysis criteria and results of the study. All information gathered during the course of the study, all source documents and detailed annexures must form part of the detailed documentation submitted to Transnet including the simulation model inputs and outputs.

The service provider will determine the overall structure of the documents to be provided and submit them to Transnet for approval, however the following separate documents are required:

- Operations Plan
- A detailed document describing the operational requirements for operating the Shongololo type trains. The document must describe the train schedule and the movement of all trains throughout the network and include all changes to the train (e.g. crew changes, areas where trains are split/combined, pre-departure locomotive checks, wagon brake tests, etc.). A pit to port operating model must be proposed.
- Rolling stock requirements link to phased infrastructure investment
- A detailed view of the locomotive and wagon requirements for each phase of the project.
- Infrastructure upgrades required on the entire route
- A detailed view of all infrastructure (lines, yards, sidings, crew facilities, depots, etc.) and any changes to the signalling system that might be required.
- Maintenance regimes and facilities
- A comprehensive view on the facilities required for maintenance of infrastructure and rolling stock which is aligned with the Shongololo operating model.
- Train simulation report
- A simulation on the traffic on the Coal line is required to be part of the study. The report must fully describe the methodology used in detail, describe the evaluation criteria for different options and the final recommendations. The link to the operating model and schedule must be clear.
- Electrical supply analysis
- The results of the electrical simulation north and south of Ermelo to support the operation of Shongololo trains must be provided and integrated into the Simulation Report. The report must also fully describe the recommended electrical upgrades. The link to the operating model and schedule must be clear.
- All input, output and conversion files for the simulations must be handed over to Transnet to be able to re-run all the iterations independently.
- Capital estimates per phased intervention option (Tranches)
- A view on the Capital and Operating cost for each phase of project Shongololo must be provided.
- Construction schedule
- A project schedule including the sequencing and timing of each work package must be provided. Constructability must be considered in the volume projection benefits.
- Operational readiness plan
- A risk report

- A risk report and risk register based on the existing risk analysis that was performed by Transnet.
- An Environmental and Community interface report
- A report describing the results of the basic environmental assessment and upgrades that will require a water use licence, full environmental impact assessment or community engagement.
- Training progress reports.

7. SCHEDULE

It is expected that the study will be completed in seven months from the appointment of a suitable service provider.

8. GREEN ECONOMY / CARBON FOOTPRINT

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

9. GENERAL SERVICE PROVIDER OBLIGATIONS

- 9.1** The Service Provider(s) shall be fully responsible to Transnet for the acts and omissions of persons directly or indirectly employed by them.
- 9.2** The Service Provider(s) must comply with the requirements stated in this RFP.

10. EXCHANGE AND REMITTANCE

The attention of the Respondents is directed to clause 16 [*Exchange and Remittance*] of the General Bid Conditions appended hereto. If Transnet is requested by the Respondent to effect payment overseas direct to the Respondent's principal or service provider, which is not a registered South African Company please complete the details below, using the rate of exchange published by the South African Reserve Bank 7 [seven] calendar days before the closing date of this RFP:

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

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

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

10.4 Beneficiary details:

Name [*Account holder*] _____

Bank [*Name and branch code*] _____

Swift code _____

Country _____

10.5 _____ [*Applicable base date of Exchange Rate used*]

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

11 SERVICE LEVELS

- 11.1 An experienced national account representative(s) is required to work with Transnet’s procurement department. [No sales representatives are needed for individual department or locations]. Additionally, there shall be a minimal number of people, fully informed and accountable for this agreement.
- 11.2 Transnet will have quarterly reviews with the Service Provider’s account representative on an on-going basis.
- 11.3 Transnet reserves the right to request that any member of the Service Provider’s team involved on the Transnet account be replaced if deemed not to be adding value for Transnet.
- 11.4 The Service Provider guarantees that it will achieve a 95% [ninety-five per cent] service level on the following measures:
 - a) Random checks on compliance specifications
 - b) On-time deliverables
- 11.5 The Service Provider must provide a telephone number for customer service calls.
- 11.6 Failure of the Service Provider to comply with stated service level requirements will give Transnet the right to cancel the contract in whole, without penalty to Transnet, giving 30 [thirty] days’ notice to the Service Provider of its intention to do so.

Acceptance of Service Levels:

YES		NO	
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12 RISK

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

12.1 Quality of Services delivered:

12.2 Continuity of the provision of Services:

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

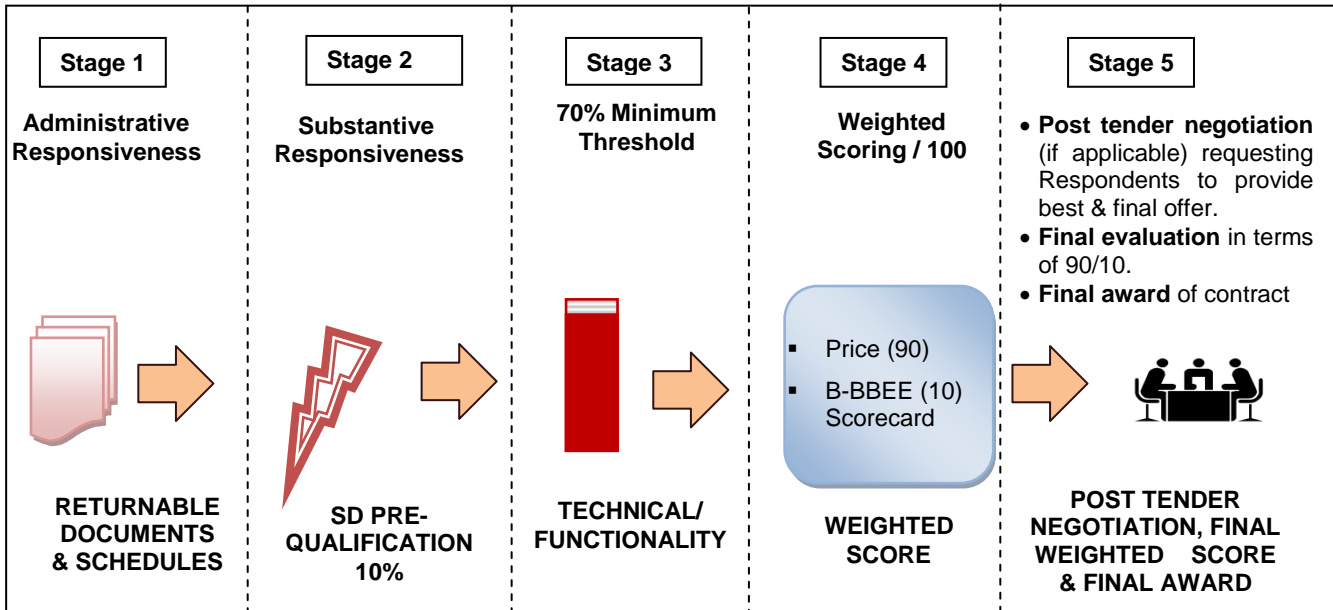
13 FINANCIAL STABILITY

Respondents are required to submit their audited financial statements for the past 3 years with their Proposal in order to enable Transnet to establish financial stability.

SPECIMEN

14 EVALUATION METHODOLOGY

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



14.1 STAGE ONE: Test for Administrative Responsiveness

The test for administrative responsiveness will include the following:

Administrative Responsiveness Check	RFP Reference
<ul style="list-style-type: none"> • Whether the Bid has been lodged on time 	<i>Section 1 paragraph 3</i>
<ul style="list-style-type: none"> • Whether all Returnable Documents and/or schedules [where applicable] were completed and returned by the closing date and time 	<i>Section 4</i>
<ul style="list-style-type: none"> • Verify the validity of all returnable documents 	<i>Section 4, page 40, 41 and 42</i>

The test for Administrative Responsiveness [Stage One] must be passed for a Respondent's Proposal to progress to Stage Two for Substantive Check

14.2 STAGE TWO: Test for Substantive Responsiveness to RFP

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

Check for Substantive Responsiveness	RFP Reference
<ul style="list-style-type: none"> • Whether any general pre-qualification criteria set by Transnet, have been met 	<p style="text-align: center;"><i>Section 1 paragraphs 5.2, Section 4 – validity period Appendix (i), General Bid Conditions clause 19 Sections 11 and 18</i></p>
<ul style="list-style-type: none"> • Whether the Bid contains a priced offer 	<p style="text-align: center;"><i>Section 3</i></p>
<ul style="list-style-type: none"> • Whether the Bid materially complies with the scope and/or specification given 	<p style="text-align: center;"><i>All Sections</i></p>
<ul style="list-style-type: none"> • Whether the Bid contains a commitment that the monetary value of all SD initiatives to be undertaken by the Respondent will not be less than 10 % [ten percent] of the contract value. 	<p style="text-align: center;"><i>Section 17</i></p>
<p>Clients signed written reference letters detailing the bidder’s experience in the following areas :</p> <ul style="list-style-type: none"> ○ Heavy haul freight rail planning in the South African context ○ Development and assessment of heavy haul freight rail operations models ○ Environmental impact assessments ○ Business case development 	
<ul style="list-style-type: none"> • CV’s showing relevant experience of key resources 	
<ul style="list-style-type: none"> • Company profile showing previous experience in similar projects 	
<ul style="list-style-type: none"> • Provide Project Programme showing delivery plan 	

The test for Substantive Responsiveness [Stage Two] must be passed for a Respondent’s Proposal to progress to Stage Three Technical Evaluation

14.3 STAGE THREE: Minimum Threshold 70% for Technical Criteria

Quality Criteria	Scoring Guideline	Weighting
<p>CVs of key resources detailing the years of <u>relevant</u> experiences of the project team.</p> <p>Scoring will be based on allocation of these key resources to the project</p> <p>(Bidder to provide CV's of key resources. Scoring will be based on average key resources of the team.)</p>	<ol style="list-style-type: none"> 0. No relevant experience in rail planning 1. 1-2 years of relevant experience in rail planning 2. 3-5 years of relevant experience in rail planning 3. 6-10 years of relevant experience in rail planning 4. >10 years of relevant experience in rail planning 	<p>40%</p>
<p>Previous heavy haul freight rail planning and environmental impact assessment experience</p> <p>(Bidder to provide company profile showing previous experience of projects of a similar nature)</p>	<ol style="list-style-type: none"> 0. No previous relevant project executed by the organisation 1. 1 to 2 relevant projects executed by the organisation 2. 3 to 5 relevant projects executed by the organisation 3. 6 to 10 relevant projects executed by the organisation 4. 10 relevant projects executed by the organisation 	<p>20%</p>
<p>Clients signed written reference letters detailing the bidder's experience in the following areas:</p> <ul style="list-style-type: none"> • Heavy haul freight rail planning in the South African context • Development and assessment of heavy haul freight rail operations models • Environmental impact assessments • Business case development <p>(Bidders to provide clients written signed reference letters)</p>	<ol style="list-style-type: none"> 0. Non-responsive 1. 1 reference letter with 1 to 2 details of the required services experience areas 2. 2 reference letters, each with details of 2 to 3 of the required services experience areas 3. reference letters, each with details of 3 to 4 of the required services experience areas 4. 4 reference letters, each with details of all the required services experience areas 	<p>10%</p>

<p>Programme execution plan including:</p> <ul style="list-style-type: none"> • Programme schedule • Major programme elements • Resource plan per major programme element <p>(Bidder to provide programme execution plan showing major elements. Example of major elements are:</p> <ul style="list-style-type: none"> • Operations plan • Train simulation report • Risk report • Etc. <p>Refer to complete list of major elements in section 6. Documents and Report Deliverables)</p>	<ol style="list-style-type: none"> 0. Non-responsive or programme execution plan not logical 1. Execution plan showing delivery of 1 to 2 major elements 2. Execution plan showing delivery of 3 to 5 major elements 3. Execution plan showing delivery of 6 to 7 major elements 4. Execution plan showing delivery of 8 or more major elements 	<p>30%</p>
<p>Total Points</p>		<p>100%</p>

The test for the Technical and Functional threshold will include the following:

The minimum threshold of 70% for technical/functionality [Stage Three] must be met or exceeded for a Respondent's Proposal to progress to Stage Four for weighted scoring on B-BBEE and Pricing evaluation

STAGE FOUR: Evaluation and Final Weighted Scoring

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

Evaluation Criteria	RFP Reference
<ul style="list-style-type: none"> • Commercial offer 	<p><i>Section 3</i></p>

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

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

Where:

Ps = Score for the Bid under consideration

Pt = Price of Bid under consideration

Pmin = Price of lowest acceptable Bid

b) **Broad-Based Black Economic Empowerment criteria** [Weighted score 10 points]

- B-BBEE - current scorecard / B-BBEE Preference Points Claims Form [Section 15]

- Preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table indicated in Section 15, paragraph 4.1:

14.4 SUMMARY: Applicable Thresholds and Final Evaluated Weightings

Thresholds	Minimum Percentage [%]
Technical / functionality	70%

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

15 STAGE FIVE: Post Tender Negotiations (if applicable)

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

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 3: PRICING AND DELIVERY SCHEDULE

Respondents are required to complete the table below for the provision of a fixed rate per hour. Consulting fees are subject to the National Treasury Instruction Note 01 of 2013/2014. Respondents are required to indicate the relevant category of rates to which their offer complies with in accordance with Appendix (iv): DPSA Consultant Fees.

3.1 Operations Plan					
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.2 Rolling Stock Requirements Link To Phased Infrastructure Investment					
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.3 Infrastructure Upgrades Required On The Entire Route					
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					

ESTIMATED TOTAL COST (Excl. VAT):					
3.4	Maintenance Regimes And Facilities				
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.5	Train Simulation Report				
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.6	Electrical Supply Analysis				
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.7 Capital Estimates Per Phased Intervention Option (Tranches)					
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.8 Construction Schedule					
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.9 A Risk Report					
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (Excl. VAT):					

3.10	An Environmental and Community Interface Report				
Item No	Resource Title	Resource Level of Seniority	Estimated Hours	Rate Per Hour	Total Fee (excl. VAT)
1					
2					
3					
4					
ESTIMATED TOTAL COST (excl. VAT):					

SUB TOTAL (Excl. VAT)	
DISCOUNT(s)	
TOTAL (Excl. VAT)	

Disbursements must be based on actual disbursements but shall not exceed 10% of the total cost for services proposed. Payment of actual disbursements shall be subject to Transnet's internal policies and the National Treasury Instruction Note 01 of 2014/2015.

Notes to Pricing:

- a) Prices must be quoted in South African Rand, exclusive of VAT
- b) Prices quoted must be held valid for a period of 90 days from closing date of this RFP
- c) To facilitate like-for-like comparison bidders must submit pricing strictly in accordance with this pricing schedule and not utilise a different format. Deviation from this pricing schedule could result in a bid being declared non responsive.
- d) Please note that should you have offered a discounted price(s), Transnet will only consider such price discount(s) in the final evaluation stage if offered on an unconditional basis.

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 4: PROPOSAL FORM

I/We _____

[name of entity, company, close corporation or partnership]

of *[full address]*

carrying on business trading/operating as _____
represented by _____

in my capacity as _____

being duly authorised thereto by a Resolution of the Board of Directors or Members or Certificate of Partners, as per Section 6 of this RFP (a certified copy of which is annexed hereto) hereby offer to supply the abovementioned Goods at the prices quoted in the schedule of prices in accordance with the terms set forth in the documents listed in the accompanying schedule of RFP documents.

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

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

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

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

I/We further agree that if, after I/we have been notified of the acceptance of my/our Proposal, I/we fail to enter into a formal contract if called upon to do so, or fail to commence the provision of Services within 4 [four] weeks thereafter, Transnet may, without prejudice to any other legal remedy which it may have, recover from me/us any expense to which it may have been put in calling for Proposals afresh and/or having to accept any less favourable Proposal.

I/We accept that any contract resulting from this offer will be for a period of two years only. Furthermore, I/we agree to a penalty clause/s to be negotiated with Transnet, which will allow Transnet to invoke a penalty against us for noncompliance with material terms of this RFP including the delayed delivery of the Goods due to non-performance by ourselves, failure to meet Supplier Development Commitments. A penalty of up to 100% of the outstanding portion of the Supplier Development commitment will be applied and Transnet reserves the right to set this off against any payment due to the Respondent. In addition, I/we agree that noncompliance with any of the

Respondent's Signature

Date & Company Stamp

material terms of this RFP, including those mentioned above, will constitute a material breach of contract and provide Transnet with cause for cancellation.

ADDRESS FOR NOTICES

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

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

Name of Entity: _____
Facsimile: _____
Address: _____

NOTIFICATION OF AWARD OF RFP

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

VALIDITY PERIOD

Transnet requires a validity period of 90 [ninety] days [from closing date] against this RFP.

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

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

- (i) Registration number of company / C.C. _____
- (ii) Registered name of company / C.C. _____
- (iii) Full name(s) of director/member(s) Address/Addresses ID Number(s)

CONFIDENTIALITY

All information related to this RFP is to be treated with strict confidence. In this regard Respondents are required to complete and return a signed copy of Certificate of Acquaintance with the Non-Disclosure Agreement [Appendix iv] appended hereto as **Section 16**. All information related to a subsequent contract, both during and after completion thereof, will be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Services, which is either directly or indirectly related to Transnet’s business, written approval to divulge such information must be obtained from Transnet.

DISCLOSURE OF PRICES TENDERED

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

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

PRICE REVIEW

The successful Respondent(s) [the Service Provider] will be obliged to submit to an annual price review. Transnet will be benchmarking this price offering(s) against the lowest price received as per a benchmarking exercise. If the Service Provider’s price(s) is/are found to be higher than the benchmarked price(s), then the Service Provider shall match or better such price(s) within 30 [thirty] days, failing which the contract may be terminated at Transnet’s discretion or the particular service(s) purchased outside the contract.

RETURNABLE DOCUMENTS

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

a) Mandatory Returnable Documents

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

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

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
SECTION 2 : Background, Overview and Scope of Requirements	
SECTION 3 : Pricing and Delivery Schedule	
SECTION 18 : Declaration of Supplier Development Commitments	
ANNEXURE A: Supplier Development Pre-Qualification	
ANNEXURE B : Supplier Development Value Summary	
Bidder to provide company profile showing previous experience in similar projects	

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
Clients written reference letters detailing the bidder's experience in the following areas: <ul style="list-style-type: none"> o Heavy haul freight rail planning in the South African context o Development and assessment of heavy haul freight rail operations models o Environmental impact assessments o Business case development 	
Bidder to provide project programme showing delivery plan	

b) **Essential Returnable Documents**

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

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

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

ESSENTIAL RETURNABLE DOCUMENTS & SCHEDULES	SUBMITTED [Yes or No]
SECTION 1 : Notice to Bidders	
Receipt for payment of RFP documents [paragraph 1]	
SECTION 4 : Proposal Form	
SECTION 5 : Vendor Application Form	
- Original cancelled cheque or bank verification of banking details	
- Certified copies of IDs of shareholder/directors/members [as applicable]	
- Certified copies of the relevant company registration documents from Companies and Intellectual Property Commission (CIPC)	
- Certified copies of the company's shareholding/director's portfolio	
- Entity's letterhead	
- Certified copy of valid VAT Registration Certificate	
- Valid and original B-BBEE Verification Certificate or certified copy thereof [Large Enterprises and QSEs] Note: failure to provide a valid B-BBEE Verification Certificate at the closing date and time of the RFP will result in an automatic score of zero for preference	
- Valid and original B-BBEE certificate/sworn affidavit or certified copy thereof from auditor, accounting officer or SANAS accredited Verification Agency [EMEs] Note: failure to provide a valid B-BBEE Verification Certificate at the closing date and time of the RFP will result in an automatic score of zero for preference	
- In the case of Joint Ventures, a copy of the Joint Venture Agreement or written confirmation of the intention to enter into a Joint Venture Agreement	

SECTION 6 : Signing Power - Resolution of Board of Directors	
SECTION 7 : Certificate of Acquaintance with RFP Documents	
SECTION 8 : Certificate of Acquaintance with General Bid Conditions – Services	
SECTION 9 : Certificate of Acquaintance with Terms and Conditions of Contract	
SECTION 10 : RFP Declaration Form	
SECTION 11 : Breach of Law Form	
SECTION 13 : Supplier Integrity Pact	
SECTION 14 : Certificate Of Attendance Of RFP Briefing	
SECTION 15 : B-BBEE Preference Points Claim Form	
SECTION 16: Certificate of Acquaintance with Non-disclosure Agreement	
Original and valid Tax Clearance Certificate [Consortia / Joint Ventures must submit a separate Tax Clearance Certificate for each party]	
ANNEXURE B : Supplier Development Value Summary	
ANNEXURE C : Supplier Development Plan	

CONTINUED VALIDITY OF RETURNABLE DOCUMENTS

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

By signing these RFP documents, the Respondent is deemed to acknowledge that he/she has made himself/herself thoroughly familiar with all the conditions governing this RFP, including those contained in any printed form stated to form part hereof, and Transnet SOC Ltd will recognise no claim for relief based on an allegation that the Respondent overlooked any such condition or failed properly to take it into account for the purpose of calculating tendered prices or otherwise.

SIGNED at _____ on this ____ day of _____ 20__

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name _____

2 _____

Name _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE:

NAME: _____

DESIGNATION: _____

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 5: VENDOR APPLICATION FORM

Respondents are to furnish the following documentation and complete the Vendor Application Form below:

1. **Original** cancelled cheque **OR** letter from the Respondent's bank verifying banking details [**with bank stamp**]
2. **Certified copy** of Identity Document(s) of Shareholders/Directors/Members [*where applicable*]
3. **Certified copies** of the relevant company registration documents from Companies and Intellectual Property Commission (CIPC)
4. **Certified copies** of the company's shareholding/director's portfolio
5. **Original** letterhead confirm physical and postal addresses
6. **Original** valid SARS Tax Clearance Certificate [RSA entities only]
7. **Certified copy** of VAT Registration Certificate [RSA entities only]
8. **A valid and original** B-BBEE Verification Certificate / sworn affidavit **or certified copy** thereof meeting the requirements for B-BBEE compliance as per the B-BBEE Codes of Good Practice; **Certified copy** of valid Company Registration Certificate [*if applicable*]

Note: *No contract shall be awarded to any South African Respondent whose tax matters have not been declared by SARS to be in order.*

Vendor Application Form

Entity's trading name						
Entity's registered name						
Entity's Registration Number or ID Number if a Sole Proprietor						
Form of entity [✓]	<input type="checkbox"/> CC	<input type="checkbox"/> Trust	<input type="checkbox"/> Pty Ltd	<input type="checkbox"/> Limited	<input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietor
How many years has your entity been in business?						
VAT number [if registered]						
Entity's telephone number						
Entity's fax number						
Entity's email address						
Entity's website address						
Bank name				Branch & Branch code		

Respondent's Signature

Date & Company Stamp

Account holder		Bank account number	
Postal address			
		Code	
Physical address			
		Code	
Contact person			
Designation			
Telephone			
Email			
Annual turnover range [last financial year]	< R5 m	R5 - 35 m	> R35 m
Does your entity provide	Products	Services	Both
Area of delivery	National	Provincial	Local
Is your entity a public or private entity	Public	Private	
Does your entity have a Tax Directive or IRP30 Certificate	Yes	No	
Main product or services [e.g. Stationery/Consulting]			

Complete B-BBEE Ownership Details:

% Black ownership		% Black women ownership		% Disabled Black ownership		% Youth ownership	
Does your entity have a B-BBEE certificate	Yes		No				
What is your B-BBEE status [Level 1 to 9 / Unknown]							
How many personnel does the entity employ	Permanent		Part time				

If you are an existing Vendor with Transnet please complete the following:

Transnet contact person	
Contact number	
Transnet Operating Division	

Duly authorised to sign for and on behalf of Entity / Organisation:

Name		Designation	
Signature		Date	

Respondent's Signature

Date & Company Stamp

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 6: SIGNING POWER – RESOLUTION OF BOARD OF DIRECTORS

NAME OF ENTITY: _____

It was resolved at a meeting of the Board of Directors held on _____ that

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

in his/her capacity as indicated above is/are hereby authorised to enter into, sign, execute and complete any documents relating to this Proposal and any subsequent Agreement for the provision of Services. A list of those person(s) authorised to negotiate on behalf of the abovementioned entity [if not the authorised signatories] is also submitted along with this Proposal together with their contact details.

FULL NAME _____

SIGNATURE CHAIRMAN

FULL NAME _____

SIGNATURE SECRETARY

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 7: CERTIFICATE OF ACQUAINTANCE WITH RFP DOCUMENTS

NAME OF ENTITY:

1. I/We

do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising this RFP and all conditions contained therein, as laid down by Transnet SOC Ltd for the carrying out of the proposed supply/service/works for which I/we submitted my/our Proposal.

2. I/we furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any RFP/contract condition or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.
3. I/We accept that an obligation rests on me/us to clarify any uncertainties regarding this bid which I/we may have, before submitting the bid. I/We agree that I/we will have no claim based on an allegation that any aspect of this RFP was unclear but in respect of which I/we failed to obtain clarity.
4. I/we understand that the accompanying Bid will be disqualified if this Certificate is found not to be true and complete in every respect.
5. For the purposes of this Certificate and the accompanying Bid, I/we understand that the word "competitor" shall include any individual or organisation, other than the Bidder, whether or not affiliated with the Bidder, who:
 - a) has been requested to submit a Bid in response to this Bid invitation;
 - b) could potentially submit a Bid in response to this Bid invitation, based on their qualifications, abilities or experience; and
 - c) provides the same Services as the Bidder and/or is in the same line of business as the Bidder
6. The Bidder has arrived at the accompanying Bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraph 5 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - a) prices;
 - b) geographical area where Services will be rendered [market allocation]

Respondent's Signature

Date & Company Stamp

- c) methods, factors or formulas used to calculate prices;
 - d) the intention or decision to submit or not to submit, a Bid;
 - e) the submission of a Bid which does not meet the specifications and conditions of the RFP;
or
 - f) bidding with the intention not winning the Bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the Services to which this RFP relates.
9. The terms of the accompanying Bid have not been, and will not be, disclosed by the Bidder, directly or indirectly, to any competitor, prior to the date and time of the official Bid opening or of the awarding of the contract.
10. I/We am/are aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, Bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and/or may be reported to the National Prosecuting Authority [**NPA**] for criminal investigation and/or may be restricted from conducting business with the public sector for a period not exceeding 10 [ten] years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

SIGNED at _____ on this _____ day of _____ 20____

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 8: CERTIFICATE OF ACQUAINTANCE WITH THE GENERAL BID CONDITIONS - SERVICES

[appended hereto as Appendix (i)]

NAME OF ENTITY:

I/We

_____ do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising the General Bid Conditions - Services as received on _____ *[insert date]* from Transnet SOC Ltd for the carrying out of the proposed Services for which I/we submitted my/our Proposal.

I/We furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any terms and conditions of the General Bid Conditions or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.

I/We confirm having been advised that a signed copy of this Schedule can be submitted in lieu of the entire General Bid Conditions as confirmation in terms of the Returnable Schedule.

SIGNED at _____ on this _____ day of _____ 20____

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 9: CERTIFICATE OF ACQUAINTANCE WITH THE TERMS AND CONDITIONS OF CONTRACT FOR THE PROVISION OF SERVICES TO TRANSNET

[appended hereto as Appendix (ii)]

NAME OF ENTITY:

I/We

_____ do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising the Terms and Conditions of Contract as received on _____ *[insert date]* from Transnet SOC Ltd for the carrying out of the proposed Services for which I/we submitted my/our Proposal.

I/We furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any Terms and Conditions of Contract or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.

I/We also note the obligations as set out in clause 19 [Terms and Conditions of Contract] of Transnet's General Bid Conditions [Appendix (i)] which reads as follows:

- 19.1 The Service Provider shall adhere to the Terms and Conditions of Contract issued with the Bid Documents, together with any schedule of "Special Conditions" or otherwise which form part of the Bid Documents.
- 19.2 Should the Respondent find any conditions unacceptable, it should indicate which conditions are unacceptable and offer alternatives by written submission on its company letterhead. Any such submission shall be subject to review by Transnet's Legal Counsel who shall determine whether the proposed alternative(s) are acceptable or otherwise, as the case may be.

I/We confirm having been advised that a signed copy of this Schedule can be submitted in lieu of the entire Terms and Conditions of Contract as confirmation in terms of the Returnable Schedule.

SIGNED at _____ on this _____ day of _____ 20__

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 10: RFP DECLARATION FORM

NAME OF ENTITY: _____

We _____ do hereby certify that:

1. Transnet has supplied and we have received appropriate responses to any/all questions [as applicable] which were submitted by ourselves for RFP Clarification purposes;
2. we have received all information we deemed necessary for the completion of this Request for Proposal [**RFP**];
3. at no stage have we received additional information relating to the subject matter of this RFP from Transnet sources, other than information formally received from the designated Transnet contact(s) as nominated in the RFP documents;
4. we are satisfied, insofar as our entity is concerned, that the processes and procedures adopted by Transnet in issuing this RFP and the requirements requested from Bidders in responding to this RFP have been conducted in a fair and transparent manner; and
5. furthermore, we declare that a family, business and/or social relationship **exists / does not exist** [delete as applicable] between an owner / member / director / partner / shareholder of our entity and an employee or board member of the Transnet Group including any person who may be involved in the evaluation and/or adjudication of this Bid.
6. In addition, we declare that an owner / member / director / partner / shareholder of our entity **is / is not** [delete as applicable] an employee or board member of the Transnet Group.
7. If such a relationship as indicated in paragraph 5 and/or 6 exists, the Respondent is to complete the following section:

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

ADDRESS:

Indicate nature of relationship with Transnet:

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

8. We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet [other than any existing and appropriate business relationship with Transnet] which could unfairly advantage our entity in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.
9. We accept that any dispute pertaining to this Bid will be resolved through the Ombudsman process and will be subject to the Terms of Reference of the Ombudsman. The Ombudsman process must first be exhausted before judicial review of a decision is sought.
10. We further accept that Transnet reserves the right to reverse an award of business or decision based on the recommendations of the Ombudsman without having to follow a formal court process to have such award or decision set aside.

SIGNED at _____ on this _____ day of _____ 20__

For and on behalf of _____ duly authorised hereto	AS WITNESS:
Name:	Name:
Position:	Position:
Signature:	Signature:
Date:	
Place:	

IMPORTANT NOTICE TO RESPONDENTS

Transnet has appointed a Procurement Ombudsman to investigate any material complaint in respect of RFPs exceeding R5,000,000.00 [five million S.A. Rand] in value. Should a Respondent have any material concern regarding an RFP process which meets this threshold, a complaint may be lodged with the Ombudsman for further investigation. The Ombudsman reserves the right to refer the complaint to an external service provider for investigation.

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

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

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

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

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 11: BREACH OF LAW FORM

NAME OF ENTITY: _____

I/We _____

do hereby certify that *I/we **have/have not been*** [delete as applicable] found guilty during the preceding 5 [five] years of a serious breach of law, including but not limited to a breach of the Competition Act, 89 of 1998, by a court of law, tribunal or other administrative body. The type of breach that the Respondent is required to disclose excludes relatively minor offences or misdemeanours, e.g. traffic offences.

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

NATURE OF BREACH:

DATE OF BREACH: _____

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

SIGNED at _____ on this _____ day of _____ 20__

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 12: RFP CLARIFICATION REQUEST FORM

RFP No: GSM/14/07/1105

RFP deadline for questions / RFP Clarifications: Before 12:00 on 09th December 2014

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

RFP Clarification No [to be inserted by Transnet]

REQUEST FOR RFP CLARIFICATION

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 13: SUPPLIER INTEGRITY PACT

Transnet's Integrity Pact requires a commitment from Service Providers and Transnet that they will not engage in any:

- Corrupt and fraudulent practices;
- Anti-competitive practices; and
- Act in bad faith towards each other.

The Integrity Pact also serves to communicate Transnet's Gift Policy as well as the remedies available to Transnet where a Respondent contravenes any provision of the Integrity Pact.

Respondents are required to familiarise themselves with the contents of the Integrity Pact which is available on the Transnet Internet site [www.transnet.net/Tenders/Pages/default.aspx] or on request.

NAME OF ENTITY:

I/We

do hereby certify that I/we have acquainted myself/ourselves with all the documentation comprising the Transnet Integrity Pact. I/We agree to fully comply with all the terms and conditions stipulated in the Transnet Supplier Integrity Pact.

I/We furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any terms and conditions of the Integrity Pact or failed to take it into account for the purpose of submitting my/our offer.

I/We confirm having been advised that a signed copy of this Schedule can be submitted in lieu of the entire Transnet Integrity Pact as confirmation in terms of the Returnable Schedule.

SIGNED at _____ on this _____ day of _____ 20__

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 14: CERTIFICATE OF ATTENDANCE OF RFP BRIEFING

It is hereby certified that –

1. _____

2. _____

Representative(s) of _____ *[name of entity]*
attended the RFP briefing in respect of the proposed Services to be rendered in terms of this RFP on
_____ 20____

TRANSNET'S REPRESENTATIVE

RESPONDENT'S REPRESENTATIVE

DATE _____

DATE _____

EMAIL _____

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 15: B-BBEE PREFERENCE POINTS CLAIM FORM

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

1. INTRODUCTION

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

2. GENERAL DEFINITIONS

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

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

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The Bidder obtaining the highest number of total points for the evaluation criteria as enumerated in Section 2 of the RFP will be awarded the contract, unless objective criteria justifies the award to another bidder.

- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.
- 3.3 Points scored will be rounded off to 2 [two] decimal places.
- 3.4 In the event of equal points scored, the Bid will be awarded to the Bidder scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more Bids have scored equal points including equal preference points for B-BBEE, the successful Bid will be the one scoring the highest score for functionality.
- 3.6 Should two or more Bids be equal in all respect, the award shall be decided by the drawing of lots.

SPECIMEN

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

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

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

- 4.2 Bidders who qualify as EMEs in terms of the 2007 version of the Codes of Good Practice must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EME's with B-BBEE Status Level Certificates.
- 4.3 Bidders who qualify as EMEs in terms of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928 are only required to obtain a sworn affidavit on an annual basis confirming that the entity has an Annual Total Revenue of R10 million or less and the entity's Level of Black ownership.
- 4.4 In terms of the 2007 version of the Codes of Good Practice, Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.5 In terms of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928, Bidders who qualify as QSEs are only required to obtain a sworn affidavit on an annual basis confirming that the entity has an Annual Total Revenue of R50 million or less and the entity's Level of Black ownership. Large enterprises must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.6 A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided that the entity submits its B-BBEE status level certificate.
- 4.7 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every

separate bid.

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

5. B-BBEE STATUS AND SUBCONTRACTING

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

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

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

- 5.2 **Subcontracting:**

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

If YES, indicate:

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

- 5.3 Declaration with regard to Company/Firm

(i) Name of Company/Firm.....

(ii) VAT registration number.....

(iii) Company registration number.....

- (iv) Type of Company / Firm
- Partnership/Joint Venture/Consortium
 - One person business/sole propriety
 - Close Corporations
 - Company (Pty) Ltd
- [TICK APPLICABLE BOX]

(v) Describe Principal Business Activities

.....

.....

.....

.....

- (vi) Company Classification
- Manufacturer
 - Supplier
 - Professional Service Provider
 - Other Service Providers, e.g Transporter, etc
- [TICK APPLICABLE BOX]

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

BID DECLARATION

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

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

WITNESSES:

1.

2.

SIGNATURE OF BIDDER

DATE:

COMPANY NAME:

ADDRESS:.....

.....

.....

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 16: CERTIFICATE OF ACQUAINTANCE WITH NON DISCLOSURE AGREEMENT

I/We

do hereby certify that I/we acquainted myself/ourselves with all the documentation comprising the Non Disclosure Agreement [Appendix iv] for the carrying out of the proposed supply for which I/we submitted my/our Proposal.

I/We furthermore agree that Transnet SOC Ltd shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any provisions of the Non Disclosure Agreement or failed to take it into account for the purpose of submitting my/our bid.

I/We confirm having been advised that a signed copy of this Schedule can be submitted in lieu of the Non Disclosure Agreement as confirmation in terms of the Returnable Schedule.

SIGNED at _____ on this _____ day of _____ 20____

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 17: SUPPLIER DEVELOPMENT INITIATIVES

1.1 Aim and Objectives

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

The key focuses of the NGP include:

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

Transnet, as a State Owned Company [**SOC**], plays an important role to ensure these objectives are achieved. Therefore, the purchasing of goods and services needs to be aligned to Government's objectives for developing and transforming the local supply base. Transnet's mission is to transform its supplier base by engaging in targeted supplier development initiatives to support localisation and industrialisation whilst providing meaningful opportunities for Black¹ South Africans with a particular emphasis on:

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

1.2 Supplier Development [SD]

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

¹ "Black" means South African Blacks, Coloureds and Indians, as defined in the B-BBEE Act, 53 of 2003

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

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

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

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

Category	Description
New Skills Development	Skills transfer & skills education which will occur as a result of the award of contract
Small Business Promotion	Encouragement for growth and the expansion of emerging local firms, through procurement and support mechanisms

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

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

Notes for completion of the SD Plan:

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

- (iii) Respondents are required to provide an electronic copy [CD] of the completed Annexure Bas part of the SD Plan submission.

1.3 Additional contractual requirements

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

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

- h) Failure to adhere to the milestones and targets defined in an Implementation Plan may result in the invocation of financial penalties, to be determined at Transnet's discretion, as well as providing Transnet cause to terminate the contract in certain cases where material milestones are not being achieved.

1.4 **Supplier Development Returnable Documents**

Attached herewith is the following documentation:

- **Declaration of Supplier Development Commitments – Section 18 [Mandatory]**
- **SD Pre-Qualification – Annexure A [Mandatory]**
- **SD Value Summary – Annexure B [Essential]**
- **SD Plan – Annexure C [Essential]**

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

RFP FOR THE PROVISION OF FEL-2 STUDY ON THE TECHNICAL AND OPERATIONAL REQUIREMENTS FOR THE SUSTAINABLE IMPLEMENTATION OF PROJECT SHONGOLOLO ON THE COAL LINE FOR A PERIOD OF SEVEN (7) MONTHS

Section 18: DECLARATION OF SUPPLIER DEVELOPMENT COMMITMENTS

I/We _____

hereby **agree/do not agree** to commit that not less than 10% of the contract value will be spent cumulatively on Supplier Development Initiatives. This pre-qualification criterion must be discharged against the following Supplier Development categories as outlined in the Supplier Development Value Summary [Annexure A]:

- New Skills Development
- Small Business Promotion

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

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

SIGNED at _____ on this _____ day of _____ 20____

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT