

ANNEXURE "MSM 12"

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Respondent’s Signature_____
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**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY
MARCH 2014**

Section 1: NOTICE TO RESPONDENTS

1 PROPOSAL REQUEST

Proposals are requested from interested persons, companies, close corporations or enterprises (hereinafter referred to as the **Respondent/s**) to supply the above-mentioned requirement(s) to Transnet SOC Ltd.

On or after the 6 December 2011 the RFP documents may be inspected at, and are obtainable from the office of the Secretariat, Room Inyanda No 1, Ground Floor, 21 Wellington Road Parktown, Johannesburg on payment of an amount of R 20,000.00 (inclusive of VAT) per set. Payment is to be made as follows:

Account Name: Transnet Freight Rail

Bank: Standard Bank

Account No: 203158598

Branch code: 004805

NOTES –

- a) This amount is not refundable.
- b) A receipt for such payment made must be presented when collecting the RFP documents and submitted with your Proposal.
- c) RFP documents will only be available until the 30 January 2012.

2 FORMAL BRIEFING

A compulsory pre-proposal briefing session will be conducted at Transnet Freight Rail on the 31 January 2012, at Inyanda House 2 for a period of \pm 3 hours. (Respondent to provide own transportation and accommodation).

- 2.1 A Certificate of Attendance in the form set out in Section 9 hereto must be completed and submitted with your Proposal.
- 2.2 Respondents failing to attend the compulsory briefing session will be disqualified.
- 2.3 Respondents without a valid RFP document in their possession will not be allowed to attend the briefing session.
- 2.4 The briefing session will start punctually at 10:00

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3 PROPOSAL SUBMISSION

Proposals in duplicate plus a CD copy must reach the Secretary, Transnet Acquisition Council before the closing hour on the date shown below, and must be in a form of a file which must be inscribed on the outside:

RFP No: HOAC-HO-7801
 Description: The 95 NEW ELECTRIC LOCOMOTIVES FOR
 THE GENERAL FREIGHT BUSINESS (GFB) BY
 MARCH 2014
 Closing date and time: Tuesday, 28 February 2012 at 10:00
 Closing address: Refer options in clause 4 below

4 DELIVERY INSTRUCTIONS FOR THIS RFP**4.1 Delivery by hand**

- 4.2 If delivered by hand, the envelope is to be deposited in the Transnet Freight Rail tender box which is located at Inyanda No 1, Ground Floor, 21 Wellington Road Parktown, and should be addressed as follows:

**THE CHAIRPERSON
 TRANSNET FREIGHT RAIL
 ACQUISITION COUNCIL
 GROUND FLOOR
 TENDER BOX
 Inyanda House 1
 21 Wellington Road
 Parktown**

- a) The measurements of the "tender slot" are 500mm wide x 100mm high, and Respondents must please ensure that response documents or files are not 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 inscribed as required in clause 3 above.
- b) It should also be noted that the above tender box is located at the street level outside the main entrance in 21 Wellington Road and is accessible to the public 24 hours per day, 7 days a week.
- 4.3 Despatch by courier**
- If despatched by courier, the envelope must be addressed as follows and delivered to the Office of The Chairperson, Transnet Freight Rail Acquisition Council and a signature obtained from that Office.

 Respondent's Signature

 Date & Company Stamp

**THE CHAIRPERSON
TRANSNET FREIGHT RAIL
ACQUISITION COUNCIL
GROUND FLOOR
21 WELLINGTON ROAD
PARKTOWN**

- 4.4 Please note that this RFP closes punctually at 10:00 on Tuesday, 28 February 2012.
- 4.5 If responses are not delivered as stipulated herein, such responses will not be considered and will be treated as "UNRESPONSIVE."
- 4.6 No email or facsimile responses will be considered, unless otherwise stated herein.
- 4.7 The responses to this RFP will be opened as soon as practicable after the expiry of the time advertised for receiving them.
- 4.8 Transnet SOC Ltd 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 location of the Respondents will, however, be divulged to other Respondents upon request.
- 4.9 Envelopes must not contain documents relating to any RFP other than that shown on the envelope. All envelopes must reflect the return address of the Respondent on the reverse side.
- 4.10 No slips are to be attached to the response documents. Any additional conditions must be embodied in an accompanying letter. Subject only to clause 18 (*Alterations made by the Respondent to Tendered Prices*) of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.

5 SUPPLIER DEVELOPMENT INITIATIVES

5.1 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) developed in 2010 aligns and builds on previous policies to ensure the achievement of Government's development objectives for South Africa.

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

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- 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 SOC Ltd's mission is to transform its supplier base by engaging in targeted supplier development (SD) initiatives to support localisation and industrialisation whilst providing meaningful opportunities for Black¹ South Africans with a particular emphasis on:

- Black Youth (16 to 35 year olds)
- Black women
- People with disabilities
- Small businesses
- Rural development and integration

5.2 Supplier Development

To facilitate the implementation of Supplier Development (SD) initiatives, Transnet SOC Ltd has adapted an existing framework from the Department of Public Enterprise (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 suppliers who are competitive through building capability and capacity. Hence the framework has been termed the Increased Competitiveness, Capability and Capacity Supplier Development Classification Matrix (IC³ Matrix). Currently there are four quadrants of SD initiatives for consideration according to the IC³ Matrix. This RFP has been identified as **strategic** (please refer to Appendix A for further information in terms of IC³ Matrix).

Accordingly, Transnet SOC Ltd requires all Respondents to submit a **Supplier Development Bid Document** demonstrating their commitment and support for the New Growth Path Policy and how an appointment in terms of this RFP would assist in achieving the NGP objectives.

- For a detailed understanding of the IC³ Matrix, the respective SD initiatives and their objectives, please refer to the "Guidelines for the Completion of a Supplier Development Bid Document" appended hereto as Annexure A.
- The following Supplier Development (SD) focus areas have been identified and are included in the prescribed evaluation criteria, namely:

Category	Description
Industrialisation *	Refers specifically to industrial capability building that will result in globally leading capabilities developed with South Africa
Localisation	Refers specifically to industrial capability building that focuses on value-add activities of

¹ "Black" means South African Blacks, Coloureds and Indians, as defined in the BBBEE Act

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	the local industry through manufacturing or serviced-relate functions
Technology and Intellectual Property Rights (IPR) Transfers/Sustainability	How will you transfer technology, IPR and methodology to small businesses
New Skills development	Skills transfer & skills education which will occur as a result of the award of contract
Job Creation/Preservation	Number of jobs created or preserved resulting from the award of contract
Small Business Promotion	Encouragement for growth and the expansion of emerging local firms, through procurement and support mechanisms
Rural Development and Regional Integration	How will you incorporate the use of rural labour and regional businesses to contribute to NGP objectives

* Whereas Industrialisation is not part of a strategic commodity we request that the Respondent includes industrialisation as part of its Supplier Development Bid Document submission.

- c) The Supplier Development Bid Document is to be submitted as a separate document, developed in line with the criteria set out in Annexure B1 appended hereto. The Supplier Development Bid Document is a detailed narrative document, which has no prescribed format, explaining the Respondent's Bid value set out in Annexure B1. However Respondents are at liberty to submit additional proposal/ information in support of their SD Bid in addition to Annexure B1. This SD Bid Document will represent a binding commitment on the part of the successful Respondent. The SD Bid Document should outline the type of activities you intend to embark upon should you be awarded the contract. This Bid Document should also provide an overview of what you intend to achieve, when this would be accomplished, and the mechanisms whereby you will achieve those objectives.
- d) Annexure B1 must be completed, indicating by cross-reference the detailed areas which have been addressed in your SD Bid Document for each of the evaluation criteria listed in point (b) above, together with the Value Indicators therefore. The Respondents are further required to complete the Generic Bill of Materials (BOM) template in Annexure G as part of the Supplier Development Bid document submission. Respondents should clearly indicate opportunity areas where there is potential for local component purchase or local supplier development as part of their Supplier Development Bid document in the areas of local purchase, fabrication, assembly repair and maintenance. Respondents must indicate Yes ("Y") or No ("N") in the appropriate box indicating whether a potential opportunity exists or not. The Respondent must indicate the corresponding National Value Add (ZAR) and a detailed description of the localisation potential in the comment box. Respondents are further requested to complete the Locomotive Tier 2 component manufacturing breakdown sections in Annexure G, and indicate the corresponding Imported and Local content as a percentage of the locomotive cost.

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- e) ***Transnet's expectation is that a minimum SD target of 60% (sixty per cent) of the Respondent's Bid value is offered as part of the Supplier Development (SD) Bid Document to be submitted.***
- f) Respondents are requested to provide an electronic copy ("CD") of the Completed Appendix G as part of the tender submission.

Notes for completion of SD Bid Document:

- (i) *Respondents are urged to pay careful attention to the compilation of the SD Bid Document (including Annexure B and G) since this will form an essential component of the evaluation of the Proposal.*
- (ii) *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.*
- (iii) *Please provide detailed calculations to illustrate how the Estimated Rand Values provided in Annexure B and G have been derived.*
- (iv) *Respondents are required to provide an electronic copy ("CD") of the completed Annexures B and G as part of the SD Bid document submission.*

5.3 Additional contractual requirements

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

- a) The Supplier will be required to submit a Supplier Development Plan within 30 (thirty) days from the signature date of a Letter of Award after which both parties must reach an agreement (signed by both parties) within 15 (fifteen) days. Transnet SOC Ltd reserves the right to reduce or increase the number of days in which the Supplier must submit its SD Plan if it is deemed reasonable, based on the degree of complexity of the SD initiative. This SD Plan represents additional detail in relation to the SD Bid Document providing an explicit breakdown of the nature, extent, timelines and monetary value of the SD commitments which the Supplier proposes to undertake and deliver during the term of the contract. Specific milestones, timelines and targets will be recorded to ensure that the SD Plan is in line with Transnet SOC Ltd's SD objectives and that implementation thereof is completed within the term of the contract.
- b) The contract will be conditional on agreement being reached by the parties on the SD Plan submitted by the Supplier. Therefore failure to submit or thereafter to agree to the SD Plan within the stipulated timelines will result in the cancellation of such a contract or termination thereof.
- c) The SD Plan may require certain additions or updates to the initial SD Bid Document in order to ensure that Transnet SOC Ltd is satisfied that development objectives will be met.

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- d) The Supplier will need to ensure that the relevant mechanisms and procedures are in place to allow for access to information in order to measure and verify the Supplier's compliance with its stated SD commitments.
- e) The Supplier will be required to provide:
- (i) monthly status updates to Transnet SOC Ltd for each SD initiative (Detailed requirements will be provided by Transnet SOC Ltd);
 - (ii) quarterly status reports for Transnet SOC Ltd and the DPE. (Detailed reporting requirements will be provided by Transnet SOC Ltd); and
 - (iii) a final Supplier Development report, to be submitted to Transnet SOC Ltd 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.
- f) All Information provided by the Supplier in order to measure its progress against its stated targets will be auditable.
- h) Failure to adhere to the milestones and targets defined in an SD Plan may result in the invocation of financial penalties based on an increasing percentage the SD value for each week that such failure continues (the details of which are specified in the draft contract appended hereto as Annexure E), or the termination of the contract. The Supplier will be required to provide an on-demand performance bond, in form and substance satisfactory to Transnet SOC Ltd, in respect of the Suppliers potential liability under this paragraph.

5.4 Supplier Development Documents

Your **SD Bid submission** (including Annexure B1 and G) is to be submitted as part of this RFP bid which will represent a binding commitment on the part of the successful Respondent.

Attached herewith the following documentation:

- SD Guideline Document – Annexure A
This document must be used as a guideline to complete the SD Bid submission document.
- SD Proposal Template – Annexure B1
This template must be completed as part of the bid which will represent a binding commitment on the part of the successful Respondent.
- Generic BOM – Annexure G
The Generic Bill of Materials (BOM) should be completed and must accompany your SD Proposal.

Failure to submit or submitting incomplete SD bid submissions which include all the required documentation as indicated in this Section will potentially result in disqualification.

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5.5 Socio-economic obligations for foreign Respondents

Foreign Respondents' socio-economic obligations under this procurement programme will fall under the associated Government initiative, namely, the Competitive Supplier Development Programme ("CSDP") as developed by the Department of Public Enterprises. CSDP requirements are included in the SD Bid document to be submitted as detailed above. Such CSDP requirements apply to procurement events to be concluded with Foreign Respondents where the estimated value of a subsequent contract shall be equal to or greater than USD 10 million.

Transnet's CSDP Focus Areas are the following:

- Transnet's CSDP objective is to influence multinational organisations toward initiatives that lead to the development of local downstream suppliers through large-scale SOE procurement in order to develop a competitive local supplier base focusing on Rolling Stock and Rail Infrastructure;
- Leveraging expanded maintenance and manufacturing initiatives;
- Skills development of scarce resources increasing the quality of jobs;
- Transfer of technology and innovation to local suppliers from foreign OEM's/companies; and
- Consideration of a CSDP strategy which should include localisation, sustainability and skills development as initiatives as a submission by the respondents.
- Foreign Respondents need to ensure that the Transnet focus areas are included into the SD Bid Document to be submitted as detailed above.

6 BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

Transnet SOC Ltd fully endorses and supports the Government's Broad-Based Black Economic Empowerment Programme and it is strongly of the opinion that all South African business enterprises have an equal obligation to redress the imbalances of the past.

Transnet SOC Ltd would therefore prefer to do business with local business enterprises who share these same values and who are prepared to contribute to meaningful B-BBEE initiatives (including, but not limited to subcontracting and Joint Ventures) as part of their tender responses. Transnet SOC Ltd will accordingly allow a "preference" in accordance with the 10%/20% (ten percent/20% percent) preference system, to companies who provide a B-BBEE Accreditation Certificate. All procurement and disposal transactions will be evaluated accordingly.

Consequently, when Transnet SOC Ltd invites prospective suppliers to submit tenders for its various capital expenditure programmes, it urges Respondents (Large Enterprises and QSE's - see below) to have themselves accredited in compliance with the Government Gazette No 34612, Notice No. 754 dated 23 September 2011. As from 1 October 2011 valid B-BBEE Accreditation Certificates must be issued by

- a) Verification Agencies accredited by the South African National Accreditation System [SANAS]; or
- b) Registered auditors approved by the Independent Regulatory Board of Auditors [IRBA], in accordance with the approval granted by the Department of Trade and Industry.

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A Verification Certificate issued must reflect the weighted points attained by the measured entity for each element of the scorecard as well as the overall B-BBEE rating.

6.2 B-BBEE Rating

Enterprises will be rated by Verification Agencies or registered auditors based on the following:

- a) **Large Enterprises** (i.e. annual turnover greater than R35 million):
 - Rating level based on all seven elements of the B-BBEE scorecard
- b) **Qualifying Small Enterprises – QSE** (i.e. annual turnover between R5 million and R35 million):
 - Rating based on any four of the elements of the B-BBEE scorecard
- c) **Exempted Micro Enterprises – EME** (i.e. annual turnover less than R5 million):
 - EME's are exempted from B-BBEE accreditation
 - Automatic rating of Level 4 B-BBEE irrespective of race or ownership, i.e. 100% B-BBEE recognition
 - Black ownership greater than 50% or Black Women ownership greater than 50% automatically qualify as Level 3 B-BBEE, i.e. 110% B-BBEE recognition
 - EME's should only provide documentary proof of annual turnover (i.e. audited financials) plus proof of Black ownership if Black ownership is greater than 50% or Black Women ownership is greater than 50%

Respondents will be required to furnish proof of the above to Transnet SOC Ltd. (i.e. a detailed scorecard as stipulated above in respect of Large Enterprises and QSE's, or proof of turnover in respect of EME's). *N.B. Failure to do so will result in a score of zero being allocated for B-BBEE.*

- a) Turnover: Kindly indicate your company's annual turnover for the past year
R_____
- b) If annual turnover is less than R5m, please attach audited financials
- c) If annual turnover is greater than R5m please attach an accreditation certificate issued by an Accreditation Agency, together with all the relevant score sheets pertaining thereto

6.3 Joint Ventures and Subcontractors

In addition to the above, Respondents who wish to enter into a Joint Venture or subcontract portions of the contract to B-BBEE companies must state in their RFP's, the percentage of the total contract value that will be allocated to such B-BBEE companies, should they be successful in being awarded any business. A rating certificate in respect of such B-BBEE JV-partners and / or subcontractor(s), as well as a breakdown of the distribution of the aforementioned percentage must also be furnished with the RFP response to enable Transnet SOC Ltd to evaluate / adjudicate all RFP's received on a fair basis.

Incorporated Joint Ventures must provide a B-BBEE certificate for the legal entity. Unincorporated Joint Ventures must submit a consolidated B-BBEE certificate.

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6.4 B-BBEE Registration

In addition to the accreditation certificate, Transnet SOC Ltd recommends that Respondents register their B-BBEE compliance and supporting documentation on the Department of Trade and Industry's (DTI) National B-BBEE IT Portal and Opportunities Network and provide Transnet SOC Ltd with proof of registration in the form of an official B-BBEE Profile issued by the DTI.

Transnet SOC Ltd would wish to use the DTI B-BBEE IT Portal as a data source for tracking B-BBEE compliance. For instructions for registration and obtaining a DTI B-BBEE Profile go to <http://eeat.dti.gov.za>

6.5 Further Recognition Criteria (FRC)

Whereas Respondents will be allocated points in terms of the 10/20% preference system for its B-BBEE rating, in addition to such scoring further points will be allowed to respondents based on the following "Further Recognition Indicators" on an ascending scale calculated on the extent to which the respondent meet or exceeds the transformation targets as indicated below.

Respondents are to insert their Further Recognition Criteria scores (percentages) to which they commit themselves on improving their score during the duration of the contract in the table below:

Further Recognition Criteria (FRC) Additional Information – (Forward Looking)			
Ownership Indicator	Required Responses	Compliance Target	Insert Company Scores (%)
A. Ownership :			
1. The percentage of the business owned by Black ² persons.	Provide a commitment based on the extent to which ownership in the hands of Black persons as a percentage of total ownership of the organisation will be increased over the contract period.	Score will be allocated for any score >50% to 100%, on a sliding scale	
2. The percentage of your business owned by Black women.	Provide a commitment based on the extent to which ownership in the hands of Black women as a percentage of total ownership of the organisation will be increased over the contract period.	Score will be allocated for any score >30% to 100%, on a sliding scale	
Management Control Indicator	Required Responses	Compliance Target	Insert Company Scores (%)
B. Board Participation :			
1. The percentage of Black Board members in relation to the total number of Board members.	Provide a commitment based on the extent to which the number of black Board members as a percentage of the total Board will increase over	Score will be allocated for any score	

² "Black" means South African Blacks, Coloureds and Indians, as defined in the BBBEE Act

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	the contract period.	>50% to 100%, on a sliding scale	
C. Management :			
2. The percentage of Black Senior Top Management involved in day to day management of the organisation, in relation to the total Top Management cadre.	Provide the percentage of Blacks that will be appointed by the Board and will be operationally involved in the day to day Top management of the business, with individual responsibility for overall and/or financial management of the business and actively involved in the development and implementation of overall strategy, over the contract period.	Score will be allocated for any score >40% to 100%, on a sliding scale	
3. The percentage of Black Middle Management involved in day to day management of the organisation, in relation to the total Middle Management cadre.	Provide the percentage of Blacks that will be appointed by the organisation in the middle management cadre and will be operationally involved in the day to day management of the business, with individual responsibility for a particular area within the business and actively involved in the day to day management of the organisation, over the contract period.	Score will be allocated for any score >63% to 100%, on a sliding scale	
4. The percentage of Black Junior Management involved in day to day management of the organisation, in relation to the total Junior Management cadre.	Provide the percentage of Blacks that will be appointed by the organisation in the junior management cadre and will be operationally involved in the day to day running of the business, with individual responsibility for a particular area within the business and actively involved in a supervisory role with regards to the day to day management of the organisation, over the contract period.	Score will be allocated for any score >68% to 100%, on a sliding scale	
Employment Equity Indicator	Required Responses	Compliance Target	Insert Company Scores (%)
D. Employment Equity :			
1. The percentage of Black disabled employees in relation to the total number of employees in the organisation.	Provide a commitment based on the extent to which the percentage of Black disabled employees in relation to the total of all employees in the organisation will increase over the contract period.	Score will be allocated for any score >2% to 10%, on a sliding scale	
2. The percentage of Black employees as a percentage of the total workforce i.e. of all employees in the organisation.	Provide a commitment based on the extent to which the number of Black employees will increase as a percentage of the organisation's total workforce, over the contract period.	Score will be allocated for any score >65% to 100%, on a sliding scale	
3. The percentage of Black women employees as a percentage of the total workforce.	Provide a commitment based on the increase in the number of Black women employees as a percentage of the organisation's total workforce, over the contract period.	Score will be allocated for any score >40% to 100%, on a sliding scale	
Preferential Procurement Indicator	Required Responses	Compliance Target	Insert Company Scores (%)
E. Preferential Procurement :			
1. B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition level as a percentage of total measured	Provide a commitment based on the extent to which B-BBEE spend will increase over the contract period.	Score will be allocated for any score >50% to	

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procurement spend		100%, on a sliding scale	
2. B-BBEE procurement spend from QSEs or from EMEs based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend.	Provide a commitment based on the extent to which B-BBEE spend from QSEs and EMEs will increase over the contract period.	Score will be allocated for any score >10% to 100%, on a sliding scale	
3. B-BBEE procurement spend from any of the following suppliers as a percentage of total measured procurement spend: <ul style="list-style-type: none"> • Suppliers who are more than 50% Black-owned • Suppliers who are more than 30% Black women-owned 	Provide a commitment based on the extent to which spend from suppliers who are more than 50% Black owned or 30% Black women owned will increase over the contract period.	Score will be allocated for any score >15% to 100%, on a sliding scale	
Enterprise Development Indicator	Required Response	Compliance Target	Insert Company Scores (%)
F. Enterprise Development :			
1. The organisation's annual spend on Enterprise Development as a percentage of Net Profit after Tax (NPAT).	Provide a commitment based on the increase in your organisation's annual spend on Enterprise Development initiatives as a percentage of its Net Profit after Tax over the contract period.	Score will be allocated for any score >3% of NPAT, on a sliding scale	

The Respondents are required to submit a Further Recognition Criteria (FRC) Document as a separate document, developed in line with the criteria set out in the table above and Annexure B2 hereto. The Further Recognition Criteria Document is a detailed narrative document explaining the Respondent's Further Recognition Criteria Score set out in the table above and in Annexure B2 hereto indicating the commitment on improving their score during the contract duration (period in years of this contract including the warranty period). All 6 (six) Indicators must be addressed separately in the Further Recognition Criteria Document as indicated by the table above and in Annexure B1.

There is no prescribed format for the Further Recognition Criteria document. This Further Recognition Criteria Document will represent a binding commitment on the part of the successful Respondent. The Further Recognition Criteria Document should outline the type of activities (including timelines) you intend to embark upon should you be awarded the contract on improving their score during the duration of the contract. This Further Recognition Criteria Document should also provide an overview of what you intend to achieve, when, and the mechanisms whereby you will achieve those objectives.

Annexure B2 must be completed, indicating by cross-reference the detailed areas which have been addressed in your Further Recognition Criteria Document for each of the 6 (six) indicators listed.

Respondent's Signature

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Failure to adhere to the milestones and targets defined in an Further Recognition Development document may result in the invocation of financial penalties based on an increasing percentage of the SD value, for each week such failure continues (the details of which are specified in the draft contract appended hereto as Annexure E), or the termination of the contract. The Supplier will be required to provide an on-demand performance bond, in form and substance satisfactory to Transnet SOC Ltd, in respect of the Suppliers potential liability under this paragraph..

7 COMMUNICATION

- 7.1 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 SOC Ltd in respect of this RFP between the closing date and the date of the award of the business.
- 7.2 For specific queries relating to this RFP, a Bid Clarification Request Form should be submitted two weeks before the tender closing date (Tuesday, 28 February 2012), substantially in the form set out in Section 14 hereto.
- 7.3 After the closing date of the RFP, a Respondent may communicate with the Secretary of the Transnet Freight Rail Acquisition Council, at telephone number 011 584 9486 or facsimile number 011-774-9760 on any matter relating to its RFP Proposal.

8 RFP SCHEDULE

Respondents will be contacted as soon as practicable with a status update. At this time short-listed Respondents may be asked to meet with Transnet Freight Rail representatives at a location to be agreed, for negotiation purposes.

9 INSTRUCTIONS FOR COMPLETING THE RFP

- 9.1 Sign one set of 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 can be a copy of the original signed Proposal.
- 9.2 Both sets of documents to be submitted to the address specified in clause 4 above.
- 9.3 A CD copy of the RFP Proposal must be submitted. Please provide in MS Word / Excel format, not PDF versions, noting that the signed original set will be legally binding
- 9.4 *All Returnable Documents listed in the Proposal Form (Section 4) must be returned with your Proposal*
- Separate sections for Technical, B-BBEE, SD/CSDP and Finance (Price) must be submitted as indicated herein.

10 COMPLIANCE

The successful Respondent (hereinafter referred to as the **Supplier**) shall be in full and complete compliance with any and all applicable National, Provincial and local laws and regulations.

Respondent's Signature

Date & Company Stamp

11 ADDITIONAL NOTES

- 11.1 All returnable documents as indicated in the Proposal Form (Section 4) must be returned with the response.
- 11.2 Respondents are to note that Proposals in which firm prices are quoted for the duration of any resulting contract may receive precedence over prices which are subject to adjustment.
- 11.3 Changes by the Respondent to its submission will not be considered after the closing date.
- 11.4 The person or persons signing the Proposal must be legally authorised by the Respondent to do so (Refer Section 5 – Signing Power, Resolution of the Board of Directors). A list of those person(s) authorised to negotiate on behalf of the Respondent (if not the authorised signatories) must also be submitted along with the Proposal together with their contact details.
- 11.5 Transnet SOC Ltd reserves the right to undertake post-tender negotiations with selected Respondents or any number of short-listed Respondents and may wish to visit the Respondent's place of manufacture (works) during this process.
- 11.6 Unless otherwise expressly stated, all Proposals furnished pursuant to this Request shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated. Transnet SOC Ltd reserves the right to reject any or all offers.

**FAILURE TO OBSERVE ANY OF THE AFOREMENTIONED REQUIREMENTS
MAY RESULT IN A PROPOSAL BEING REJECTED**

12 DISCLAIMERS

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

- 12.1 modify the RFP's Goods and request Respondents to re-bid on any changes;
- 12.2 reject any Proposal which does not conform to instructions and specifications which are detailed herein;
- 12.3 disqualify Proposals submitted after the stated submission deadline;
- 12.4 not necessarily accept the lowest priced Proposal;
- 12.5 reject all Proposals, if it so decides;
- 12.6 award a contract in connection with this Proposal at any time after the RFP's closing date;
- 12.7 award only a portion of the proposed Goods which are reflected in the scope of this RFP;
- 12.8 split the award of the contract between more than one Supplier;
- 12.9 make no award of a contract; or
- 12.10 withdraw this RFP at any point.

Respondent's Signature

Date & Company Stamp

In addition, Transnet SOC Ltd reserves the right to exclude any Respondent from the bidding process who has been found guilty by a court of Law, Tribunal or other administrative body of a serious breach of Law during the preceding 5 years. Such breaches include but are not limited to breaches of the Companies Act 89 of 1998. Respondents are required to indicate in Section 13 whether the bidding entity or any of its directors or members were found guilty of a serious breach of law during the past 5 years. Such breaches exclude relatively minor offences and/ or misdemeanours such as traffic offences etc.

This RFP contains a limited selection of key, indicative commercial, technical and legal terms on which Transnet SOC Ltd proposes to purchase the locomotives contemplated in this RFP. The decision by Transnet SOC Ltd to award the tender to a bidder through its internal processes and governance structures and any commitment from Transnet SOC Ltd is, in each case, subject to and will only be completed upon the signing of a set of mutually satisfactory procurement agreements between the parties (substantially in the form of the draft supply contract and supporting documents included in Section 8 of this RFP). In the absence of such signed agreements, Transnet SOC Ltd will not be bound by an interim step in the process (including but not limited to a decision by its Acquisition Council to appoint a bidder as the preferred bidder or to award such tender to a specific bidder, as the case may be).

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

13 PUBLIC FINANCE MANAGEMENT ACT (PFMA)

13.1 This RFP is subject to Section 54 (2) PFMA approval being obtained by Transnet SOC Ltd.

14 LEGAL REVIEW

Any Proposal submitted by a Respondent is subject to review by Transnet SOC Ltd's Legal Counsel.

Respondents to complete this section:

NAME OF RESPONDENT PHYSICAL ADDRESS

Respondent's Signature

Date & Company Stamp

Respondent's contact person

Name.....

Designation.....

Telephone.....

Cell Phone.....

Facsimile.....

Email.....

Website.....

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

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS

15 BACKGROUND

The South African railway network is operated by Transnet Freight Rail (TFR) which is an Operating Division of Transnet, a State Owned Company (SOC).

Estimates show that TFR has a shortage of both Heavy Haul as well as GFB type electric locomotives. In addition to this shortage, TFR intends to increase traffic through the main corridors within the next 5 (five) years.

TFR wishes to significantly modernise and upgrade its current fleet of electric locomotives. These locomotives, many of which have seen nearly 30 years of service, cannot guarantee the degree of reliability and availability needed to provide the level of customer service TFR is aspiring to deliver. Much of this fleet is therefore in need of replacement.

In addition, recent investment in the railway infrastructure in South Africa and improvements in operating efficiency has meant that the volume of freight traffic being carried by TFR has increased considerably and this trend looks to continue into the medium and longer term.

As a result of the above, TFR has a requirement to procure new locomotives in the short, medium and long term.

16 LOCOMOTIVE FLEET STRATEGY

The aim of this RFP is to elicit bids from locomotive suppliers for the proposal to supply electric locomotives (the **Locomotives**) in such a way so as to contribute sufficient tractive effort to support TFR's growing General Freight traffic projections in the most cost effective manner.

In the longer term it is Transnet SOC Ltd's intention to engage in a programmatic locomotive acquisition program.

17 EXECUTIVE OVERVIEW

Transnet SOC Ltd is seeking a partner(s) to provide solutions for its division. It also seeks to improve its current processes for providing these Goods to its end user community throughout its locations.

The selected Supplier(s) will share in the mission and business objectives of Transnet SOC Ltd. These mutual goals will be met by meeting contract requirements and new challenges in an environment of teamwork, joint participation, flexibility, innovation and open communications. In this spirit of partnership, Transnet SOC Ltd and its Supplier(s)

Respondent's Signature

Date & Company Stamp

will study the current ways they do business to enhance current practices and support processes and systems. Such a partnership will allow Transnet SOC Ltd to reach higher levels of quality, service and profitability.

Specifically, Transnet SOC Ltd seeks to benefit from this partnership in the following ways:

- 17.1 Transnet SOC Ltd must receive reduced cost of acquisition and improved service benefits resulting from the Supplier's economies of scale and streamlined service processes.
- 17.2 Transnet SOC Ltd must achieve appropriate availability that meets user needs while reducing costs for both Transnet SOC Ltd and the chosen Supplier(s).
- 17.3 Transnet SOC Ltd must receive proactive improvements from the Supplier with respect to supply of Goods and related processes.
- 17.4 Transnet SOC Ltd's overall competitive advantage must be strengthened by the chosen Supplier's leading edge technology and service delivery systems.
- 17.5 Transnet SOC Ltd end users must be able to rely on the chosen Supplier's personnel for service enquiries, recommendations and substitutions.
- 17.6 Transnet SOC Ltd must reduce costs by streamlining its acquisition of goods, including managed service processes on a Group basis.
- 17.7 Transnet SOC Ltd's overall Supplier Development (CSDP, ED) & BBBEE objectives must be achieved through innovative procurement strategies
- 17.8 Transnet SOC Ltd's objective is for respondents to enhance transformation through the Further Recognition Criteria

18 SCOPE OF REQUIREMENTS

This RFP is issued for the acquisition of 95, Electric Locomotives, to be delivered and fully operational according to the specification by March 2014. We are therefore requesting potential suppliers to provide us with their best solution to meet this aggressive delivery schedule. Detailed specifications are attached as per Annexure C.

Respondents are required to indicate their preferred major SD subcontractor responsible for assemble of Locomotive manufacturing of bogies, under frame and cabs. However, should respondents choose to use Transnet Rail Engineering (TRE) as a subcontractor a specimen contractor agreement is available on request.

In alignment with the requirements of the NGP to reduce the carbon intensity of the economy, respondents are required to provide a plan around how Transnet SOC Ltd can contribute to reducing the effects of climate change through these locomotives. This plan should include improvement items such as, but not limited to, increased energy efficiency of the locomotives, increased power regeneration abilities, the manner in which the respondent will develop the local supplier industry for green technologies and manners in which the power grid can be optimised etc.

Respondent's Signature

Date & Company Stamp

Transnet Freight Rail (TFR) develops and uses simulators at its School of Rail and at other geographical locations in South Africa. These simulators are designed to be exact replicas of the locomotive cabins in the locomotives that will be supplied by the successful Bidder. TFR appoints external companies to develop the various components that make up the simulator, such as the hardware and the software components. In order to do this, the external companies require information about every aspect of the locomotive being supplied, including but not limited to technical information, drawings, and characteristics of the locomotives in different operating conditions. This is in order to develop a simulator that simulates the locomotive supplied as far as is technologically possible and physically capable of being simulated.

It shall be a legally binding obligation of the successful Bidder to co-operate with and assist the simulator development companies appointed by TFR to develop the simulators by providing the necessary documentary information relating to the locomotive to them, its professional expert's time to advise on the various stages of development and whether the simulations developed are suited to the locomotives being supplied, and any other assistance that may be required to develop the simulator. This shall be at no extra charge to TFR, except for where travelling and subsistence are required, TFR shall bear the costs of these in terms of its prevailing policies and rates allowed for such travelling and subsistence. The successful Bidder shall provide all intellectual property that it has provided to TFR, to the simulator developers for the purposes of developing the simulator

18.1 GUIDING PRINCIPLES

The Respondents are to take the following guiding principles in consideration when compiling their responses:

- 18.1.1 The responses must be strictly in accordance with the technical specification.
- 18.1.2 Maximum standardisation is required of all sub-systems irrespective of the type of proposed locomotives. By implication, a common source of supply is preferred but shall be evaluated on a cost to TFR basis.
- 18.1.3 A long term (life of the fleet) localised service commitment from the successful Respondent is required for -
 - a. a guaranteed spares supply;
 - b. Continuous technological upgrades to constantly reduce costs and increase efficiencies. The design philosophy must thus cater for future technological changes;
 - c. The development of and continuous amendments to the maintenance plans to guarantee the performance requirements and thereby reduce costs; and
 - d. Continuous specialized training as required by Transnet SOC Ltd

Respondent's Signature

Date & Company Stamp

18.2 SPECIFICATIONS

Annexure C attached herewith outlines TFR's desired outcomes required from the locomotives and standardised technical requirements. These specifications and the additional worksheets are designed to assist the Respondents in choosing the best overall solution that will meet TFR's needs.

However, TFR recognises that Respondents may feel able to deliver a better overall solution that meets TFR's objectives without meeting all of the essential requirements. Failure to meet an essential requirement therefore may not lead to a response being deemed non-compliant and being rejected, provided that a satisfactory alternative is provided. Respondents should note that a failure to meet an essential requirement, without providing a satisfactory alternative, may attract a negative score in the evaluation process. Conversely, exceeding an essential requirement may have a positive score during evaluation.

18.3 INSTRUCTIONS TO COMPLETE SPECIFICATION (ANNEXURE C)

- Do not add extra columns rows in the spreadsheet.
- Do not change the clause wording.
- If fully compliant please use the words "Full Compliance" exactly, under the compliance level column.
- If partially compliant please use the words "Partial Compliance" exactly, under the compliance level column.
- If not compliant please use the words "Non Compliance" exactly, under the compliance level column.
- For all instances where the response is "non compliance", please provide comments.
- If there is a feature of the proposed solution that is not listed on the spreadsheet, please provide the details and potential benefits to TFR of the feature.

19 GENERAL INFORMATION

19.1 The Supplier(s) shall be fully responsible to Transnet SOC Ltd for the acts and omissions of persons directly or indirectly employed by them.

19.2 The Supplier(s) must provide the information requested and comply with the requirements stated in this RFP.

20 MANUFACTURERS

The Respondents must state hereunder the actual manufacturer(s) of the components used to build the required locomotives:

20.1 LOCAL MANUFACTURER(S):

ITEM NO.	NAME	ADDRESS (IN FULL)
_____	_____	_____

 Respondent's Signature

 Date & Company Stamp

20.2 FOREIGN MANUFACTURER(S):

ITEM NO.	NAME	ADDRESS (IN FULL)
_____	_____	_____
_____	_____	_____

A separate schedule should be submitted should the space above be inadequate.

21 SUPPLIER

The Respondents must state the actual name(s) and address/addresses of the suppliers of the Goods for inspection purposes only:

21.1 LOCAL MANUFACTURER(S):

ITEM NO.	NAME	ADDRESS (IN FULL)

21.2 FOREIGN MANUFACTURER(S):

ITEM NO.	NAME	ADDRESS (IN FULL)

22 IMPORTED CONTENT

The Respondents must state hereunder the value and percentage of the imported content of all the locomotive components (as per the Imported and Local content definitions in Annexure A, Glossary of Words) as well as the country of origin in respect of each item tendered for:

ITEM NO. / DESCRIPTION.	VALUE	% COST	COUNTRY OF ORIGIN

Respondent's Signature

Date & Company Stamp

Note: Where more than one country is applicable to one item, the Respondents must furnish this information separately.

23 EXCHANGE AND REMITTANCE

The attention of the Respondents is directed to clause 7 (*Exchange and Remittance*) of the General Tender Conditions Form CSSS. The Respondent is also to note that the particulars of the exchange rate/s on which the Respondent has based its tendered price(s) in respect of the imported portion, is/are to be stipulated hereunder, to enable Transnet SOC Ltd to calculate an overall Rand price

23.1 ZAR 1.00 (South African currency) being equal to _____ (foreign currency)

23.2 _____ % in relation to tendered price(s) to be remitted overseas by Transnet SOC Ltd

23.3 _____ (Name of country to which payment is to be made)

23.4 Beneficiary details:

23.5 Name (Account holder) _____

Bank (Name and branch code) _____

Swift code _____

Country _____

23.6 _____ (Applicable base date of Exchange Rate used)

Respondents should note that Transnet SOC Ltd's preferred form of remittance would be in Rands.

24 NATIONAL RAILWAY SAFETY REGULATOR ACT

In compliance with the National Railway Safety Regulator Act, 16 of 2002, the successful Respondent (**the Supplier**) shall ensure that the Goods to be supplied to Transnet SOC Ltd, under the terms and conditions of a contract between the parties, comply fully with the specifications as set forth in Section 10 (Specifications and Drawings) of this RFP, and shall thereby adhere to railway safety requirements and/or regulations (as applicable). Permission for the engagement of a subcontractor by the Supplier, as applicable, both initially and during the course of a contract, shall be subject to a review of the capability of the proposed subcontractor to comply with the specified railway safety requirements and/or regulations. The Supplier and/or its subcontractor shall grant Transnet SOC Ltd access, during the term of the contract, to review any safety-related activities, including the coordination of such activities across all parts of the organisation.

Accepted:

YES	
-----	--

NO	
----	--

Respondent's Signature

Date & Company Stamp

25 SERVICE LEVELS

- 25.1 The Respondent will make available experienced national account representative/s and technical representatives to work with Transnet SOC Ltd's sourcing/procurement and technical departments (no sales representatives are needed for individual department/locations). Additionally, there shall be a minimal number of people, fully informed and accountable for this agreement.
- 25.2 Transnet SOC Ltd will have quarterly reviews with the Supplier's account representative on an ongoing basis.
- 25.3 Transnet SOC Ltd expects a minimum availability of 95% and a maximum of 15 faults per million kilometres for the fleet
- 25.4 Transnet SOC Ltd reserves the right to request that any member of the Supplier's team involved on the Transnet SOC Ltd account be replaced if deemed not to be adding value for Transnet SOC Ltd.
- 25.5 Supplier must provide a toll-free number or alternative number for customer service calls.
- 25.6 Failure of the Supplier to comply with stated service level requirements will give Transnet SOC Ltd the right to cancel the contract in whole, without penalty, giving 30 (thirty) days' notice to the Supplier.

Acceptance of Service Levels:

YES	
-----	--

NO	
----	--

26 CONTINUOUS IMPROVEMENT INITIATIVES

- 26.1 Respondents shall indicate whether they would be committed, for the duration of any contract which may be awarded through this RFP process, to participate with Transnet SOC Ltd in its continuous improvement initiatives to reduce the overall cost of transportation services and related logistics provided by Transnet SOC Ltd's operating divisions within South Africa, to the ultimate benefit of all end-users.

Accepted:

YES	
-----	--

NO	
----	--

If "yes", please specify details in 27.2 below.

- 26.2 Respondents must briefly describe their commitment to the continuous improvement initiatives and give examples of specific areas and strategies where cost reduction initiatives can be introduced. Specific areas and proposed potential savings percentages should be included. Additional information can be appended to the Respondent's Proposal if there is insufficient space available.

.....

.....

.....

Respondent's Signature

Date & Company Stamp

28 REFERENCES

Please indicate below the company names and contact details of existing customers whom Transnet SOC Ltd may contact to seek third party evaluations of your current service levels:

Name of Company	Contact Person	Telephone Number

29 EVALUATION CRITERIA

Transnet SOC Ltd will utilise the following criteria in selecting a preferred Supplier, if so required:

29.1 STAGE ONE

- a) **B-BBEE Rating** *[Refer Section 1, clause 6]*
 - Evaluated according the B-BBEE Accreditation scorecard
- b) **Supplier Development Bid Document and SD Commitment** *[Refer Section 1, clause 5 plus Annexures A & B1/B2]*
 - Industrialisation
 - Localisation
 - Sustainability/ Technology and IPR transfers
 - New skills development
 - Job creation and/or preservation
 - Small business promotion
 - Rural development and regional Integration
 - Green economy and carbon reduction initiatives

 Respondent's Signature

 Date & Company Stamp

- Further Recognition [*Refer Section 1, sub-clause 6.4*]
 - Ownership
 - Management control
 - Employment equity
 - Enterprise Development
 - Preferential Procurement
 - Other SD Initiatives/ Interventions
- c) Green economy / carbon footprint: Whereas Transnet SOC Ltd cannot prescribe a Respondent's commitment to environmental issues; Transnet SOC Ltd would wish to have an understanding of your company's position in this regard.

An overall minimum threshold of 60% for Stage one evaluation criteria must be met or exceeded for a Respondent's proposal to progress to Stage Two (Technical Capabilities)

29.2 STAGE TWO

- d) **Technical Capabilities** [*Annexure C*]
- Technical specification - The extent to which the locomotives offered meet or exceed the specified technical requirements
 - Fleet Availability - refer to Annexure C for definition
 - Mission Reliability - Expressed in terms of failures per million km where a failure would result in the Locomotive not completing its mission.
 - Maintainability - Refer to maintainability requirements in Annexure C
 - Control measures to mitigate Transnet SOC Ltd's risk exposure [*Refer Section 2, clause 28 above*]

An overall minimum threshold of 80% for Stage Two (Technical Capabilities) evaluation criteria must be met or exceeded for a Respondent's proposal to progress to Stage Three (Price) .

29.3 STAGE THREE

- a) **Financial** [*Refer Section 3*]
- Commercial offer, as indicated in Section 3
 - Price per locomotive (excluding VAT) excluding any hedging costs and separate price per locomotive including hedging costs

Respondent's Signature

Date & Company Stamp

- Total Cost of Ownership (Lifecycle Cost) - Refer to requirements in Annexure I
 - Direct and indirect costs in acquiring, operating, maintaining and spares inventory, including the cost of software required for train driver training simulators.
 - Lifecycle cost must be based on fitment of new componentry. A detailed list and cost of components fitted at midlife interventions must be supplied.
- Company's financial stability
 - Proposed delivery schedule. The delivery time in weeks/ months for the first order of locomotives from the time of the official order placement until the last locomotive has arrived at the depot specified to commence commissioning, (not to exceed March 2014)
 - Proposed payment terms
 - Proposed Warranties & Guarantees. Expressed in number of months from hand over and includes time to repair defects under warranty
 - Contractual compliance (refer draft supply contract appended as Annexure E)
- b) **B-BBEE Rating** [Refer Section 1, clause 6] and **Future Recognition Indicators** [Refer Section 1, sub-clause 6.4 and Annexure B2]
- c) **Supplier Development Bid Document and SD Commitment** [Refer Section 1, clause 5 plus Annexures A & B1]

30 TECHNICAL DISQUALIFYING/UNRESPONSIVE "CRITERIA"

- An overall minimum threshold of 60% for Stage One (Supplier Development and BBEE) evaluation criteria must be met or exceeded for a Respondent's proposal to progress to Stage Three
- An overall minimum threshold of 80% for Stage Two (Technical capabilities) evaluation criteria must be met or exceeded for a Respondent's proposal to progress to Stage Three
- Non compliance to technical information requirements will be considered as a disqualifying response.
- 100% technical compliance is required for all mandatory items
- A 100% response is required for all technical essentials and desirables
- Respondents who's proposal do not meet required delivery date will be deemed to be unresponsive

 Respondent's Signature

 Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 3: FINANCIAL OFFER & OTHER PERTINENT INFORMATION

31 FINANCIAL OFFER

- 31.1 Locomotives must be on a delivered price basis in accordance with INCOTERMS 2010 DDP as per the draft Supply Agreement. RFP's for supply on any other basis of delivery are liable to disqualification. The delivery schedule provided by the Respondent must be inclusive of all non-working days or holidays, and of periods occupied in commissioning and formal acceptance of the locomotives.
- 31.2 Transnet SOC Ltd is anticipating a milestone structure of: 10% prepayment upon receipt of a confirmed delivery schedule and remaining payment per acceptance subject to retention. The Respondent will be required to secure an Advanced Payment Guarantee and Parent Company Guarantee. The issuer of the Advance Payment Guarantee must have at least a long term credit rating of A- (Fitch or equivalent) and the issuer should be pre-agreed with Transnet SOC Ltd.
- 31.3 Transnet SOC Ltd will require that the successful Respondent (the "Supplier") posts an "on-demand" Performance Bond(s) (on terms satisfactory to Transnet SOC Ltd and for such amount as Transnet SOC Ltd may agree) covering (i) the obligations of the Supplier in relation to the agreed "in-service" availability and reliability targets of the locomotives and (ii) the Supplier's obligations in relation to its Supplier Development commitments (as provided in its SD Plan) and its B-BBEE commitments (as provided in its Further Recognition Criteria Document). Transnet SOC Ltd may require the Supplier to provide one or more Performance Bonds in respect of the above commitments.
- 31.4 Transnet SOC Ltd requires that the Respondent provide an outline of performance guarantees (e.g., penalties) for the following
Events:
- (i) Pre-production delays
 - (ii) Post-production / shipment delays
 - (iii) Performance (Reliability / Availability)
 - (iv) Defect Liability
 - (v) Availability of Spares
 - (vi) Breach and Termination(100%cover)

Respondent's Signature

Date & Company Stamp

31.3 The Respondent should note that where the whole or a portion of the contract or order value is to be remitted overseas, TFR shall, if requested to do so by the Supplier, effect payment overseas direct to the principal or Supplier of such percentage of the contract or order value as may be stipulated by the Respondent in its RFP Documents and any variation in the amount to be so paid, which may arise as a result of fluctuations in the rate of exchange involved, may be for the account of the Respondent. Transnet SOC Ltd requires that the Respondent provide the following:

- (i) The manner in which the Respondent will address the risk of future movements in exchange rates, including a description of any exchange rate hedging strategy.
- (ii) The method for determining each projected exchange rate. All exchange rates included should be readily verifiable by TFR. The Respondent should identify the source information used in determining each projected exchange rate (which must be publicly available), and provide clear assumptions / calculations showing how the rate used has been derived.
- (iii) The same method used in the submission will be applied in determining exchange rates at Financial Close for each financing.
- (iv) Respondents must separately disclose the cost of any hedges included in the price offered

Respondents should note that Transnet SOC Ltd's preferred form of remittance would be in Rands.

31.4 Transnet SOC Ltd can if necessary establish with an export credit agency (ECA) an umbrella loan facility. The Respondent acknowledges the right of TFR to use ECA supported funding for this project. ECA funding will need to be executed in a manner acceptable to TFR. If, for whatsoever reason, ECA support is not in place in a timely manner, TFR reserves the right to make payments from other sources on the full understanding that any payments made by TFR will still be reimbursed from the Export Credit facility at a later point in time. Should the ECA require the Respondent to assist TFR in executing the funding application, the Respondent agrees to do so.

31.5 Transnet SOC Ltd reserves the right to use any other source of funding available in the market.

31.6 Alternately, in developing an optimal value for money solution, TFR will entertain a financing solution proposal from the Respondent. The Respondent may provide a description of any alternate finance solution noting the potential value for money benefits.

31.7 The costs of acquiring the software required for train driver training simulators must be quoted for separately or as a value add.

Respondent's Signature

Date & Company Stamp

32 General

Transnet Freight Rail (TFR) a division of Transnet SOC Ltd must procure locomotives to meet its obligations with regards to increased demand for rail traffic services from its clients.

This section gives an overview of the financial requirements in order to enable TFR to perform a rigorous financial assessment of the various Respondents' capabilities. Respondents are required to provide all the information set out in Sections A, B and C below. Should any information not be provided, it could lead to the Respondent's disqualification in the final analysis.

32.1 Instructions to the Respondents

- Complete the following document (Section A, B and C) to the best of your ability
- Cross reference all pertinent attachments
- Have the documents certified as true and accurate by your auditors
- Return with the bid documents

32.2 Financing and Level of Commitment

Respondents should be aware that due to the administrative and cost burden of advance payment guarantees (APGs), TFR would prefer a payment schedule that only requires an advance payment of 10% of the total contract price. Thus Respondents should provide for receipt of payment only on acceptance, with concomitant retentions in favour of TFR, including performance bonds and warranty provisions.

Should any Special Purpose Vehicle (SPV) be formed to execute the project, then such duties and obligations which would normally be incurred by the parent companies will become the onus of the SPV. In view of this it is imperative that the SPV's financial strength and viability be demonstrated through a rigorous completion of the information in the tables below as would be done for the parent companies.

32.3 Procurement price risk

As outlined in the bid background document, Respondents will be required to price in line with the following options:

- Fixed pricing
- Escalation based pricing.
- Indexation formulas used in pricing calculations

Note that TFR prefers a fixed price contract

Respondent's Signature

Date & Company Stamp

The following information is required to be supplied by all Respondents. Where the response is too large for the space provided, the table can be allowed to flow over to the next page or referenced attachments can be provided.

SECTION 3 -A: General

Section	Required Information	To be completed / provided as required
1	General Information:	
1.1	Contractors Name	
1.2	Registration Number	
1.3	Physical Address	
1.4	Postal Address	
1.5	Telephone Number(s)	
1.6	Telefax Number	
1.7	E-mail Address	
1.8	Web Page	
1.9	Years in Business	
1.10	Shareholders Details	
1.11	Company Structure(e.g. Holding Co. with subsidiaries etc)	
1.12	Organogram	
1.13	CV's of Key Staff	
1.14	Business & Marketing Strategy	
2	Facilities/Equipment/Software-indicate Owned or Leased:	
2.1	Offices	
2.2	Premises	
2.3	Landlord	
2.4	Computer Equipment	
2.5	Standard Software	
2.6	Customised Software	

 Respondent's Signature

 Date & Company Stamp

Section	Required Information	To be completed / provided as required
3	Financial:	
3.1	Bank	
3.2	Address	
3.3	Contact Person	
3.4	Permission for Bank Reference	
3.5	Aggregate Turnover last Three Years	
3.6	Annual Reports Available for Review	

Section	Required Information	To be completed / provided as required
3.7	Auditors	
3.8	Factor Accounts	
3.9	Debtors Book	
3.10	Bank Overdraft	
3.11	Present Borrowings	
3.12	Assets	
3.13	Liabilities	
3.14	Contingent Liabilities	
3.15	Legal Disputes	
3.16	Insurance	
3.17	Professional Indemnity	

SECTION 3-B: Measures

Respondents are required to complete the following table with the information requested. All information is compulsory and any information not provided will result in the Respondent being excluded from the process. The necessary supporting documentation must be cross referenced to the second column below

 Respondent's Signature

 Date & Company Stamp

Information to be provided

Attached Proposal
Reference**(a) Pertinent Financial Statements:**

1. All Respondents must provide all audited financial statements for the last three years and for any quarters subsequent to that, to enable TFR to run typical financial ratios and analyses	
2. Total revenue generated by Transnet SOC Ltd's business for each of the last three years	
3. List names and revenue generated by your top 5 customers for each of the last three years	
4. A copy of your latest rating report	

(b) Financing track record:

Respondents are required to -

1. Provide a complete breakdown of proposed financing structure	
---	--

Information to be provided

Attached
Proposal
Reference

2. Deliverability of Financing Structure 2.1. Show where a similar financing structure has previously been shown to be deliverable in similar circumstances; or 2.2. Explain why the financing plan is deliverable on this transaction.	
3. Highlight the risks to which Transnet SOC Ltd could be exposed in implementing this structure.	

(c) Strength of approvals:

Should any Special Purpose Vehicle (SPV) be formed the level of commitment should be demonstrated by providing the following documents:

1. Board minutes from all equity investors committing to subscribe equity, including third party equity investors, evidencing adequate funds are available and their willingness to provide funding on the terms set out in the Equity Documents required to be submitted	
2. Where any future injection of equity is to be guaranteed by the Respondent's parent company or a bank, a copy of the commitment from either the parent company/ bank stating that the necessary credit lines are available.	
3. Letters from the underwriting banks, monoline insurers and other financial institutions (if applicable) offering underwriting of the full debt facilities or financial guarantees to the Bidder on the basis of detailed term sheets and a detailed plan for achieving full underwriting of the whole financing in the next stage of the procurement and prior to the appointment of	

Respondent's Signature

Date & Company Stamp

preferred Bidder on the terms proposed.	
4. Evidence of credit committee approvals or financial guarantees for all forms of debt funding explicitly stating the extent to which and conditions on which funds are committed and indicating the level of completeness of financier due diligence and the extent of due diligence that will be carried out prior to the appointment of a Preferred Bidder, including the overall scope and timetable of financier due diligence up to appointment of a Preferred Bidder.	
5. A letter from the Respondent's financial advisors stating that the proposed funding structure is realistic and achievable and that the financing proposals are sufficient to enable the Bidder to meet its obligations under the attached proposal.	

Information to be provided	Attached Proposal Reference
In the event of contracting directly with the Respondent the following is required:	
1. Evidence of credit committee approvals or financial guarantees for all forms of debt funding explicitly stating the extent to which and conditions on which funds are committed and indicating the level of completeness of financier due diligence and the extent of due diligence that will be carried out prior to the appointment of a Preferred Bidder, including the overall scope and timetable of financier due diligence up to appointment of a Preferred Bidder.	
2. A letter from the Respondent's financial advisors stating that the proposed funding structure is realistic and achievable and that the financing proposals are sufficient to enable the Bidder to meet its obligations under the attached proposal.	

(d) Equity:

Respondents must submit the following information for each major type of equity -	
1. Identity and credit status of the investors with a shareholding greater than 10 percent.	
2. Amounts subscribed or to be subscribed by each investor.	
3. Timing of injection of equity.	
4. Where equity holders are a company, joint venture, trust, or other form of interposed entity, a description of the relationship of the beneficial interests to its holding company.	
5. A summary of the commercial terms attaching to the equity financing arrangements including: <ul style="list-style-type: none"> a. minimum return requirement for each class of risk capital and the basis of any IRR calculations; b. details of arrangement, management, directors and commitment fees; c. terms and conditions of the subscription; d. coupon rights attaching to the subscription; e. dividend rights attaching to the subscription; f. dividend policy; g. voting rights attaching to the subscription; h. any other rights attaching to the subscription; i. terms and any other agreements between the investors in their capacity as investors in the Bidder; 	
6. The length of time each class of risk capital will remain in the Respondent	
7. Equivalent information is required for quasi-equity.	

Respondent's Signature

Date & Company Stamp

Information to be provided

Attached
Proposal
Reference**(e) Debt finance:**

Respondents must submit the following information for each class of debt finance -

1. Identity of the financiers.	
2. Amounts to be provided by each financier.	
3. Term sheets detailing all terms and conditions attaching to the financing arrangements including:	
a. Interest rates and margins	
b. fees;	
c. financial ratios and covenants (base case, lock up and default) explicitly stating the basis of calculation;	
d. default clauses;	
e. conditions precedent;	
f. guarantee structure and security required	
g. reserve requirements or other conditions on distribution;	
h. working capital requirements and how this will be financed; and	
i. Residual value assumptions (and the basis of the calculation).	
4. To the extent that the proposed financing structure incorporates financing of any description outside of the Bidder (for example external financing for, or prepayment of, the residual value of the fleet) the financial submission and financial model should provide sufficient detail so that the arrangements for this financing are transparent and can be understood by TFR.	
5. A letter from Lender/ ECA confirming support and terms of funding	

(f) Foreign Exchange Hedging strategy:

Respondents must provide the following details -

1. The manner in which the Respondent will address the risk of future movements in exchange rates to convert the proposed funding to ZAR.	
2. Details of any financial instruments which will be used to provide protection against such exchange rate movements, and the cost of such protection. This information should include a term sheet, a pricing quote and supporting forward curve (as at 11.00 a.m. Central African Time (CAT) on 23 RD JANUARY 2012.	

Respondent's Signature

Date & Company Stamp

Information to be provided

Attached
Proposal
Reference**(g) Insurance:**

Respondents should ensure transparency. Respondents are required to provide detailed insurance premium calculations and full details of associated project insurance related costs (e.g. Insurance "risk contingencies").

Respondents must include in their Proposal -

- | | |
|--|--|
| 1. A mark up of the Insurance arrangements in the SLA clearly identifying where: | |
| a. there will be full compliance with TFR's insurance requirements | |
| b. the Bidder proposes alternative solutions to satisfy TFR's requirements | |
| c. there are points of clarification required | |
| 2. Completed Insurance Cost and Technical Proforma. | |
| 3. A letter from the Bidder's Insurance adviser stating that the insurance arrangements are achievable on the terms and prices included in the Respondents Proposal. | |

During post tender negotiations these rates will be compared to rates available to TFR and the Respondent will be requested to utilise the TFR facility should the rates prove to be more advantageous.

(h) Taxation:

Respondents must include in their Proposal -

- | | |
|---|--|
| 1. Advice from a specialist taxation advisor regarding the taxation implications of the proposal supported by adequate opinions and relevant precedents; especially with regards to Value added tax (VAT) and tax consequences of the proposed funding structure. | |
| 2. Strategy for obtaining the tax rulings required under the Import/Export Agreements if any; | |
| 3. Strategy for minimising the customs duty burden associated with the importation of components, parts or locomotives. TFR will not be responsible for the payment of any duties incurred by the preferred bidder as the onus is on the preferred bidder to ensure the locomotives are supplied duty free. | |
| 4. Setting up a bonded warehouse for spares | |

Respondent's Signature

Date & Company Stamp

SECTION 3-D: Financial projections

Respondents are required to submit in support of their submission the following:-

- a financial model for reflecting the Total Cost of Ownership (TCO) of the proposal (complete the attached excel spreadsheet model, Annexure I)
- a breakdown of base costs eg: set up costs, manufacturing costs etc.; and
- databook assumptions and instructions to support the financial model.

1. Financial model**1.1 Structure of financial model**

Respondents must submit financial models in accordance with the following requirements:

- (i) complete the attached excel spreadsheet model, Annexure I compatible with Microsoft Excel 2003;
- (ii) all amounts are to be in ZAR, rounded to the nearest 1 million ZAR;
- (iii) the financial model should be constructed in line with best practice, with the model constructed such that there is formula consistency across rows and columns where practical;
- (iv) redundant coding should be kept to a minimum;
- (v) the models must be dynamic i.e. contain and show all the formulae required to undertake all calculations;
- (vi) the models, together with all sheets and cells within the model should be unlocked (except where locked already by TFR) ;
- (vii) all model functions, formulae and linkages should be operational and no part of the model, including macros, should be password protected (unless the password is clearly provided for each level of protection), nor should any cells containing input or output data be hidden away from view in any way;
- (viii) separate financial projections should be provided for locomotive base costs and then separately the annual maintenance costs afterwards assuming year end of 30 March;
- (ix) cash flows are assumed to take place at the end of each period; and
- (x) in the event that there is a discrepancy between the financial model and the written Proposal the financial model will take precedence.

Respondent's Signature

Date & Company Stamp

1.2 Financial model inputs & outputs

Financial model inputs & outputs	Base Proposal Reference
As a minimum the financial models must include:	

(a) Investment data:

1. A monthly locomotive delivery and acceptance schedule (please use the spreadsheet provided, Annexure I)	
2. Analysis of bid costs (including professional fees) (please use the spreadsheet provided, Annexure I)	
3. Capital and operating cost assumptions (please use the spreadsheet provided, Annexure I)	
4. All and any assumptions (please use the spreadsheet provided, Annexure I)	
5. Non time based assumptions including financing costs, working capital, tax and accounting assumptions (please use the spreadsheet provided, Annexure I)	
6. The following nominal cash flows must be included (please use the spreadsheet provided, Annexure I) : a. Capital acquisition cost(separated into: (i) Base price ("off the shelf") (ii) Optional prices(to cater for functionalities not offered as part of base product) b. Maintenance cost (broken into constituent costs per intervention, e.g. labour, parts) based upon 14 million GTK's per month c. Engineering support cost d. Special tooling requirements e. Capital spares f. Consumables g. Energy costs (based upon 14 million GTK's per month and an electricity costs of 60 cents per kilowatt hour); and h. Any other relevant cost	
7. Fuel efficiency rates to be provided based on 14 million GTK's per month. Sensitivity to be provided based on varying work rate (notches 1-10 whichever applicable) and tonnages hauled. (please use the spreadsheet provided, Annexure I)	
8. Escalation formula used, where applicable to the operating costs (deviations from the requested South Africa CPT + 2%, and the reason therefore must be fully explained)	

(b) Funding data (where an alternate financing proposal is provided) (separately):

1. The Base Periodic Charge (Real)	
2. Assumptions on deposit and overdraft rates;	
3. Rates of Exchange used	
4. Taxation assumptions used	
5. Finance structure to cover a period of 20 years	

Respondent's Signature

Date & Company Stamp

Financial model inputs & outputs	Base Proposal Reference
(c) Financial model calculations:	
The financial model calculations must include the following, on a locomotive and aggregate basis -	
1. Nominal payments monthly until delivery into Transnet SOC Ltd service of the final locomotive and annually (please use the spreadsheet provided)	
2. Funding schedules for each form of finance setting out drawdown, repayment amounts, interest payments, distributions and timing (separately where a funding proposal is provided);	
(d) Financial model outputs:	
The financial models must produce outputs including the following -	
1. The lifecycle cost evaluation spreadsheet model;	
2. Any other ratios which are considered relevant to the proposed financial structure;	
3. Any other specific outputs considered appropriate by the Respondent.	

Financial model databook

Respondents are required to provide databook assumptions and instructions supporting the financial models.

Information to be provided	Base Proposal Reference
(a) Financial model databook assumptions:	
The databook assumptions should include the following details as a minimum:	
1. A table of all inputs to the financial models with the cell reference and source;	
2. An explanation of the methodology used to generate the financial projections;	
3. Copies of source documents (e.g. construction cashflow) or a clear indication where these may be found elsewhere in the Respondent's Proposal;	
4. Copies of relevant market related financial screens, that detail the interest rates and exchange rates used in the calculation of the Proposal are to be provided. This should include the date and time of day (as specified) and information relating to whether the rates are monthly, bi-monthly, quarterly, semi-annual, annual or longer, and all necessary supporting information to document clearly the basis for determinations of the interest and exchange rates (deviations from the requested South African CPI + 2 %, and the reasons therefore must be fully explained);	

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 4: PROPOSAL FORM

I/We _____

(name of company, close corporation or partnership)

of (full address) _____

carrying on business under style or title of (trading 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 the case may be, dated _____ a certified copy of which is annexed hereto, hereby offer to supply the above-mentioned Goods at the prices quoted in the schedule of prices in accordance with the terms set forth in the accompanying letter(s) reference _____ and dated _____ (if any) and the documents listed in the accompanying schedule of RFP documents (this "Proposal").

I/We accept that unless Transnet SOC Ltd should otherwise decide and so inform me/us in the letter of acceptance (the "Letter of Award"), I/we will be bound by this Proposal (and, if any, its covering letter and any subsequent exchange of correspondence).

I/We acknowledge that the RFP contains a limited selection of key, indicative commercial, technical and legal terms on which Transnet SOC Ltd proposes to purchase the locomotives contemplated in the RFP. The decision by Transnet SOC Ltd to award the tender to a bidder through its internal processes and governance structures and any commitment from Transnet SOC Ltd is, in each case, subject to and will only be completed upon the signing of a set of mutually satisfactory procurement agreements between the parties (substantially in the form of the draft supply contract and supporting documents included in Section 8 of the RFP) (the "**Supply Agreements**"). In the absence of such signed Supply Agreements, Transnet SOC Ltd will not be bound by an interim step in the process (including but not limited to a decision by its Acquisition Council to appoint a bidder as the preferred bidder or to award the tender to a specific bidder, as the case may be).

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 the Supply Agreements if called upon to do so, or fail to commence the supply of Goods within 4 (four) weeks thereafter, Transnet SOC Ltd may, without prejudice to any other legal remedy which it may have, and at its sole discretion decide either to enter into negotiations with the next best ranked (or any other) respondent or alternatively, to call for fresh proposals. I /we further agree that

Respondent's Signature

Date & Company Stamp

Transnet SOC Ltd may 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 until March 2013 only; and agree to a penalty clause to be negotiated with Transnet SOC Ltd, which will allow Transnet SOC Ltd to invoke a penalty (details to be negotiated) against us should the delivery of the Goods be delayed due to non-performance by ourselves.

Unless otherwise agreed by Transnet SOC Ltd, the law of the Republic of South Africa shall govern the Supply Agreements. 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 accredited agent in the Republic of South Africa who is empowered to sign each Supply Agreement and any other document 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 agreements and documents.

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 Supplier) will be informed of the acceptance of its Proposal. Unsuccessful Respondents will be advised in writing of the name of the successful Supplier 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 SOC Ltd desires a validity period of 6 (six) months (from closing date) against this RFP.

This RFP is valid until _____.

TAX (VAT) REGISTRATION NUMBER

The Respondent must state hereunder the registration number which is applicable to Value-Added Tax:

TAX CLEARANCE CERTIFICATE

Respondents are required to forward a valid copy of their company's Tax Clearance Certificate with their Proposal.

Indicate tax clearance certificate expiry date: _____

Respondent's Signature

Date & Company Stamp

BANKING DETAILS

BANK: _____
BRANCH NAME / CODE: _____
ACCOUNT HOLDER: _____
ACCOUNT NUMBER: _____

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
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

REGISTRATION CERTIFICATE

Respondents must submit a certified copy of their company's Registration Certificate with their Proposal.

CONFIDENTIALITY

All information related to any Supply Agreement, both during and after completion, is to be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Goods, which is either directly or indirectly related to Transnet SOC Ltd's business, written approval to divulge such information must be obtained from Transnet SOC Ltd.

DISCLOSURE OF PRICES TENDERED

Respondents must indicate here whether Transnet SOC Ltd may disclose their tendered prices and conditions to other Respondents:

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

PRICE REVIEW

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

Respondent's Signature

Date & Company Stamp

RETURNABLE DOCUMENTS

Respondents are required to submit the following returnable documents with their responses (see √). All returnable documents must be submitted in duplicate plus a CD copy. All Sections, as indicated in the footer of each page, must be signed, stamped and dated by the Respondent:

Notice to Respondents – Section 1	√
Background overview – Section 2	√
Financial Offer & Other Pertinant Information – Section 3	√
Proposal Form – Section 4	√
Resolution of Board of Directors (Respondent's Representative) – Section 5	√
Certificate of Acquaintance with RFP Documents – Section 6	√
General Bid Conditions, Form CSS5 – Section 7	√
Draft Conditions of Contract – Section 8	√
Audited Financials for previous 3 years	√
Valid Tax Clearance Certificate	√
VAT and Company Registration Certificates	√
B-BBEE Accreditation Certificate	√
Vendor Application Form (VAF) – Annexure H	√
Certificate of attendance of Briefing Session – Section 9	√
Specifications and Drawings – Section 10	√
Non-Disclosure Agreement – Section 11 – Annexure F	√
RFP Declaration Form – Section 12	√
Breach of Law – Section 13	√
Annexure B 1 – Response to Supplier Development Questions	√
Annexure B2 – Further recognition development document	√
Annexure G – Bill of Material (BOM)	√
Annexure I - Financial TCO model	√
Reduction in carbon intensity plan	√

CONTINUED VALIDITY OF RETURNABLE DOCUMENTS

- The successful Respondents will be required to ensure that all returnable documents, including but not limited to its Tax Clearance Certificate and B-BBEE Accreditation Certificate, for the duration of any contract emanating from this RFP are valid.
- A failure by the Respondent to present Transnet SOC Ltd with renewals of such documents/certificates as and when they become due, may, in addition to any other rights and remedies of Transnet SOC Ltd, result in the termination of the Supply Agreements.
- Failure to furnish ALL returnable documents may lead to the disqualification.

Respondent's Signature

Date & Company Stamp

By signing the 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 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 _____ 2011

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name _____

2 _____

Name _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE:

NAME: _____

DESIGNATION: _____

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 5: SIGNING POWER – RESOLUTION OF BOARD OF DIRECTORS

NAME OF COMPANY: _____

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 Tenders, Proposals and/or Agreements for the supply of Goods.

FULL NAME _____
SIGNATURE CHAIRMAN

FULL NAME _____
SIGNATURE SECRETARY

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 6: CERTIFICATE OF ACQUAINTANCE WITH RFP DOCUMENTS

NAME OF COMPANY:

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 response.

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.

SIGNED at _____ on this _____ day of _____ 2011

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 7: GENERAL TENDER CONDITIONS - GOODS

Refer General Tender Conditions attached hereto as Annexure D

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

**Section 8 DRAFT SUPPLY CONTRACT AND SUPPORTING DOCUMENTS
FOR THE SUPPLY OF GOODS TO TRANSNET SOC LTD**

Refer Draft Supply Contract attached hereto as Annexure E

**Respondents should note the obligations as set out in
clause 24 (*Terms and Conditions of Tender*)
of the General Tender Conditions (RFP Section 7) which reads as follows:**

"The Supplier shall adhere to the Draft Supply Contract, a copy of which is attached hereto. Should the Respondent find any conditions unacceptable, it should indicate which conditions are unacceptable and offer alternatives. Please note that any alternative offered shall be compared with acceptance of the draft supply contract conditions or alternatives offered by other Respondents, except penalties for late deliveries, the exclusion of which may disqualify the RFP, save where indicated otherwise by Transnet SOC Ltd."

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 9: CERTIFICATE OF ATTENDANCE OF BRIEFING SESSION

It is hereby certified that –

- 1. _____
- 2. _____

Representative(s) of _____ (name of company)
attended the briefing session in respect of the proposed Goods to be rendered in terms of this RFP on
_____ 2012

TRANSNET SOC LTD'S REPRESENTATIVE

RESPONDENT'S REPRESENTATIVE

DATE _____

DATE _____

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 10: TECHNICAL SPECIFICATIONS & DRAWINGS

[See Annexure C]

Note that Drawings are only provided in soft copy & these drawings are included in the CD issued with this RFP

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 11: NON-DISCLOSURE AGREEMENT (NDA)

Complete and sign the Non-Disclosure Agreement attached hereto as Annexure F

Respondent's Signature

Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 12: RFP DECLARATION FORM

NAME OF COMPANY: _____

We _____ do hereby certify that:

- 1 Transnet SOC Ltd has supplied and we have received appropriate responses to any/all questions (as applicable) which were submitted by ourselves for bid 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 SOC Ltd sources, other than information formally received from the designated Transnet SOC Ltd contact(s) as nominated in the RFP documents;
- 4 we are satisfied, insofar as our company is concerned, that the processes and procedures adopted by Transnet SOC Ltd in issuing this RFP and the requirements requested from respondents in responding to this RFP have been conducted in a fair and transparent manner; and
- 5 furthermore, we declare that a direct family, business or social relationship exists between a family member and/or an owner / member / director / partner / shareholder/ senior manager of our company and an employee or board member of the Transnet SOC Ltd Group as indicated below: *[Respondent to delete this section if not applicable]*

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

ADDRESS:

Indicate nature of relationship with Transnet SOC Ltd:

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

Respondent's Signature

Date & Company Stamp

- 6 We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet SOC Ltd (other than any existing and appropriate business relationship with Transnet SOC Ltd) which could unfairly advantage our company in the forthcoming adjudication process, we shall notify Transnet SOC Ltd immediately in writing of such circumstances.
- 7 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. (Refer "Important Notice to Respondents" overleaf).
- 8 We further accept that Transnet SOC Ltd reserves the right to reverse a tender award 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 _____ 2011

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

Respondent's Signature

Date & Company Stamp

IMPORTANT NOTICE TO RESPONDENTS

- **Transnet SOC Ltd has appointed a Procurement Ombudsman to investigate any material complaint in respect of RFPs exceeding R5, 000,000.00 (five million S.A. Rands) in value. Should a Respondent have any material concern regarding an RFP process which meets this value threshold, a complaint may be lodged with Transnet SOC Ltd's Procurement Ombudsman for further investigation.**
- **It is incumbent on the Respondent to familiarise himself/herself with the Terms of Reference for the Transnet SOC Ltd Procurement Ombudsman, details of which are available for review at Transnet SOC Ltd'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 R5, 000,000.00 (five million S.A. Rand) threshold, a complaint may be lodged with the Chief Procurement Officer of the relevant Transnet SOC Ltd Operating Division.**
- **All Respondents should note that a complaint must be made in good faith. If a complaint is made in bad faith, Transnet SOC Ltd reserves the right to place such a bidder on its List of Excluded Respondents.**

Respondent's Signature_____
Date & Company Stamp

**RFP FOR THE SUPPLY OF
95 NEW ELECTRIC LOCOMOTIVES FOR THE GENERAL FREIGHT BUSINESS (GFB) BY MARCH 2014**

Section 13: CONTRAVENTION OF LAW

NAME OF COMPANY: _____

I/We _____

do hereby certify that *I/we have/have not been* found guilty by a court of law, Tribunal or other administrative body of a serious breach of law during the preceding 5 (five) years. Such breaches include but are not limited to breaches of the Companies Act, 89 of 1998.

Where found guilty of such a material contravention, please disclose:

NATURE OF MATERIAL CONTRAVENTION:

DATE OF MATERIAL CONTRAVENTION: _____

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

SIGNED at _____ on this _____ day of _____ 2011

SIGNATURE OF WITNESS

SIGNATURE OF RESPONDENT

