

T2.1.9: CAPACITY OF TENDERER

Project title:	<i>CONSTRUCTION OF MSINSINI NEW POLICE STATION: KWAZULU NATAL PROVINCE</i>		
Tender number:	19/1/9/1/37 TB (25)	Closing date:	30 April 2026
Advertising date:	13 March 2026	Validity period:	90 days

1. Bidders **MUST complete** the attached Functionality Evaluation Criteria and also attach the necessary supporting documentation.

2. Failure to comply **WILL result** in the Bid being disqualified.

3. Only Tenderers that obtain a minimum Functionality Score of 60% and above, will be considered and further evaluated in terms of price and preference.

Name of Tenderer	Signature	Date

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FUNCTIONALITY AND DUE DILIGENCE CRITERIA

PROJECT NAME	CONSTRUCTION OF NEW MNSISINI POLICE STATION: KWAZULU-NATAL PROVINCE
TENDER NUMBER	19/1/9/1/37TB (25)

#	CRITERIA	EVALUATION INDICATORS	ALLOCATED POINTS		
1	RELEVANT BUILDING CONSTRUCTION WORKS EXPERIENCE ON PREVIOUS CONTRACTS OF SIMILAR NATURE, SCOPE AND/OR COMPLEXITY		40		
	<p>The bidder must submit signed appointment letters and signed practical completion certificates from previous projects completed in relation to building construction of a similar nature, in the last 10 years <i>must be attached</i>.</p> <p>It is a mandatory requirement to complete Tables 1A and 1B in full for the projects in this section. Failure to comply will result in a zero-point allocation.</p> <p>NB: Only brick and mortar projects will be considered.</p>	<p>Five (5) Building construction related projects of similar nature, scope, and complexity at R 30 million or higher</p> <p>(a) New Construction (8 points per project) (b) Repair and Upgrades (5 points per project) (c) None of the above (0 points per project)</p>	40		
	<p><i>Similar nature, scope and/or complexity refers to project typologies listed below:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> Purpose-built shops Office developments Garages/showrooms Department stores Shopping centres Food processing units Breweries Telecommunications/computer buildings High-risk research/production Research/development labs Radio/TV/recording studios Community centres Branch libraries Fire stations/ Ambulance Bus stations Railway stations Airports Police stations Prisons Postal buildings Broadcasting Civic centres Religious and crematoria Specialist libraries Museums and art galleries Courts of session </td> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> Concert halls High Court Secondary school University complexes University laboratories Assembly/machine workshops Purpose-built factories Clinics Health centres General hospitals Nursing homes Surgeries (Doctor's consulting rooms) Teaching hospitals Hospitals Laboratories Sports halls Leisure complexes Specialised complexes Dormitory/hostels State-Aided Housing Student housing Private Apartment blocks Hotels Housing for the frail and elderly Opera houses Theatres </td> </tr> </table>			<ul style="list-style-type: none"> Purpose-built shops Office developments Garages/showrooms Department stores Shopping centres Food processing units Breweries Telecommunications/computer buildings High-risk research/production Research/development labs Radio/TV/recording studios Community centres Branch libraries Fire stations/ Ambulance Bus stations Railway stations Airports Police stations Prisons Postal buildings Broadcasting Civic centres Religious and crematoria Specialist libraries Museums and art galleries Courts of session 	<ul style="list-style-type: none"> Concert halls High Court Secondary school University complexes University laboratories Assembly/machine workshops Purpose-built factories Clinics Health centres General hospitals Nursing homes Surgeries (Doctor's consulting rooms) Teaching hospitals Hospitals Laboratories Sports halls Leisure complexes Specialised complexes Dormitory/hostels State-Aided Housing Student housing Private Apartment blocks Hotels Housing for the frail and elderly Opera houses Theatres
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2	FINANCIAL CAPACITY		20
	Provide a valid bank rating from your banking institution stating A, B, C or D bank code /rating, not older than 3 months from tender closing date. In case of a Joint Venture, the Bank account indicated on the bank detail letter must be that of the JV or the Lead Partner of the JV or the same as the preferred bank account on the Joint CSD	Credit rating/code of D	5
		Credit rating/code of C	10
		Credit rating/code of B	15
		Credit rating/code of A	20
		No information provided	0
3	COMPETENCE OF KEY PERSONEL(S), PROFESSIONAL AND TECHNICAL PERSONNEL		40
3.1	Professional Construction Manager (registered with SACPCMP)		15
	Provide the following information for the Professional Construction Manager <ul style="list-style-type: none"> ▪ A detailed CV ▪ Proof of professional registration with SACPCMP as a Professional Construction Manager valid at time of bid closing date Professional Construction Project Manager will not be considered	2 or less years' post registration relevant construction experience as a Professional Construction Manager	5
		More than 2 but less than 6 years post registration relevant construction experience as a Professional Construction Manager	10
		6 or more years post registration relevant construction experience as a Professional Construction Manager	15
3.2	Construction Health and Safety Officer		15
	Please note that it is mandatory for the Construction Health and Safety Officer, whether acting as an Officer, Manager, or Agent to be formally registered with the South African Council for the Project and Construction Management Professions (SACPCMP). Provide the following information for the Construction Health and Safety Officer <ul style="list-style-type: none"> ▪ A detailed CV ▪ Proof of professional registration with SACPCMP as a Registered Construction Health and Safety Officer/ Manager/ Agent valid at time of bid closing date 	2 or less years post registration relevant construction experience as a Registered Construction Health and Safety Officer/ Manager /Agent	5
		More than 2 but less than 3 years post registration relevant construction experience as a Registered Construction Health and Safety Officer / Manager /Agent	10
		3 or more years post registration relevant construction experience as a Registered Construction Health and Safety Officer / Manager /Agent	15

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3.3	Site Agent		10
Provide the following information for the Site Agent <ul style="list-style-type: none"> A detailed CV showing experience as a site agent Copy of built-environment academic qualification (where applicable) 	2 or less years relevant building construction experience as site agent with built- environment academic qualification. <i>or</i>		3
	More than 2 but less than 6 years of relevant building construction experience as site agent without built-environment academic qualification		
	More than 2 but less than 5 years relevant building construction experience as site agent with built-environment academic qualification. <i>or</i>		6
	6 or more but less than 10 years relevant building construction experience as site agent without built-environment academic qualification		
	6 or more years relevant building construction experience as site agent with Built-environment academic qualification. <i>or</i>		10
	10 or more years relevant building construction experience as site agent without built-environment academic qualification		
TOTAL FUNCTIONALITY SCORE			100.00

Minimum functionality score to qualify for further evaluation	60.00
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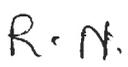
ABBREVIATIONS

SACPCMP - South African Council for the Project and Construction Management Professions
CV - Curriculum Vitae

DUE DILIGENCE

Bidders are notified that the due diligence of all submissions as well as physical verification shall be undertaken for all parameters on the functionality criteria





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F: RISK ASSESSMENT (DUE DILIGENCE) CRITERIA

	Project Name	CONSTRUCTION OF NEW MNSISINI POLICE STATION: KWA-ZULU NATAL PROVINCE
	Bid Number	19/1/9/1/37TB (25)

F.1 General

- F.1.1 The Employer reserves the right, at its sole discretion, to conduct any due diligence and verification procedures deemed necessary in relation to information, documentation, and representations submitted by Tenderers. This may include, but is not limited to, contacting third parties, verifying qualifications and registrations with statutory bodies, inspecting financial information with financial institutions, and confirming project references with previous clients or consultants.
- F.1.2 Submission of a bid shall be deemed as the Tenderer's consent to such due diligence checks. The Employer further reserves the right to disqualify any Tenderer and/or reject any submission found to contain misrepresentation, falsified documentation, or material inaccuracies, without incurring any liability towards the Tenderer.

F.2 Technical Risks:

Experience on comparable projects completed at least in the past 10 years

- F.2.1 Verification of the Tenderer's relevant experience on comparable projects completed, as demonstrated by signed appointment letters and signed practical completion certificates submitted in support of the functionality criteria.

Contractual commitment and quality of performance on comparable projects completed at least in the past 10 years

- F.2.2 Assessment of the Tenderer's adherence to contractual commitments and the quality of performance on comparable completed projects, as demonstrated in Table 1A: Previous Projects
- F.2.3 Tenderer to provide verifiable and contractually acceptable references.
- F.2.4 Aspects to be considered may include, but are not limited to the following:
- The degree to which previous projects have been completed within the contractual completion periods and/or extensions thereto, and the extent of penalties imposed;
 - Financial management: payment to suppliers and cash flow problems;
 - Quality of workmanship: extent of reworks and timeous attention to remedial works;

Contractual commitment and quality of performance on projects currently ongoing

- F.2.5 Assessment of the Tenderer's adherence to contractual commitments and the quality of performance on current projects, as demonstrated in Table 1B: Current Projects

Suitably qualified and appropriately experienced human resources

- F.2.6 Allocation of suitably qualified and appropriately experienced human resources, both in respect of principals and/or other staff (construction manager, site agent, construction health and safety officer) of the tenderer as stated in the functionality criterion including other professional, technical and/or administrative, as proof that the tenderer will be able to react/respond appropriately to the Services required herein.
- F.2.7 The Project Team Organogram with CV's and certified ID's of all key personnel stated in functionality criterion as well as proof of Professional Registration will be verified with relevant regulatory bodies. Current and future workload of the tenderer in relation to capacity and capability will also be considered.
- F.2.8 Evaluation of the proposed programme and implementation methodology.

F.3 Commercial Risk

- F.3.1 The financial tender evaluation report will be prepared by the appointed Professional Service Provider (PSP), i.e the quantity surveyor, to assess the extent of any commercial risk the tenderer may pose to the Employer.
- F.3.2 The report may include, but is not limited to, the following aspects:
- a) Discrepancies between the final summary of the bills of quantities and the Form of Offer and Acceptance.
 - b) Market reasonableness of the tendered price.
 - c) Identification of unduly low and/or high rates within the bills of quantities.
 - d) Arithmetic errors made by the tenderer in completing the pricing documents, and the impact thereof.
 - e) Omissions in the pricing of the bills of quantities.
 - f) Price and/or rate imbalances within the bills of quantities.
- F.3.3 Tenderers may also be requested to substantiate their pricing by submitting supporting documentation (e.g., rate breakdowns, quotations), which will be subject to further scrutiny by the PSP.
- F.3.4 A tenderer may be declared non-responsive and subsequently disqualified under the following circumstances:
- a. Failure to provide the requested supporting documentation, or a satisfactory explanation for its absence, within the timeframe stipulated by the Employer.
 - b. In the opinion of the Employer, the tenderer presents an unacceptable level of commercial risk.
 - c. Submission of fraudulent and/or misleading documentation.

F.4 Financial Risk

- F.4.1 Analyses of the Tenderer's financial stability , credit and risk history may include but not limited to:
- a. Verification of the tenderer's financial capability, including confirmation of the authenticity of the bank rating letter.
 - b. Audited financial reports demonstrating the tenderer's current liquidity

PARTICULARS OF COMMITMENTS WHICH THE TENDERER HAS PREVIOUSLY COMPLETED AND PRESENTLY ENGAGED WITH:

1.1. Table 1A: Previous Completed Projects (Not older than 10 years)

Project	Place (town)	Client Representative (Principal Agent/ Engineer) Contact Person	Client Representative (Principal Agent/ Engineer) Contact No.	Contract Amount	Contract Period	Date of Commencement	Date of Completion
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							

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1.2. Table 1B: Current Projects

Project	Place (town)	Client Representative (Principal Agent/ Engineer) Contact Name	Client Representative (Principal Agent/ Engineer) Contact No.	Contract Amount	Contract Period	Date of Commencement	Scheduled Date of Completion
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10							

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CONSTRUCTION OF MSINSINI NEW POLICE STATION: KWAZULU NATAL PROVINCE

BID19/1/9/1/37 TB (25)

**PART C:
CONTRACT**

**Part C1:
Agreements and contract data:**

C 1.1: FORM OF OFFER AND ACCEPTANCE

Tender* no: 19/1/9/1/37 TB (25)

OFFER

The employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of: **CONSTRUCTION OF MSINSINI NEW POLICE STATION: KWAZULU NATAL PROVINCE**

The tenderer, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorized, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the conditions of contract identified in the contract data.

THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE ADDED TAX IS:

Rand (in words):	
Rand (in figures):	R

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the contractor in the conditions of contract identified in the contract data.

SIGNED FOR THE TENDERER:

Signature	Capacity	Name and surname of representative	Date
Name and address of tenderer:			

WITNESSED BY:

Signature	Name and surname of witness	Date

Tender no: 19/1/9/1/37 TB (25)

ACCEPTANCE

By signing this part of this form of offer and acceptance, the employer identified below accepts the tenderer's offer. In consideration thereof, the employer shall pay the contractor the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the tenderer's offer shall form an agreement between the employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

- Part C1 Agreements and contract data, (which includes this agreement)
- Part C2 Pricing data
- Part C3 Scope of work.
- Part C4 Site information, drawings and documents or parts thereof, which may be incorporated by reference into the above listed Parts.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto as listed in the returnable schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this form of offer and acceptance. No amendments to or deviations from said documents are valid unless contained in this schedule.

The tenderer shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the contract data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect, on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now contractor) within five (5) working days of the date of such receipt notifies the employer in writing of any reason why he/she cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.

SIGNED FOR THE EMPLOYER:

Signature	Capacity	Name and surname of representative	Date
Name and address of employer:			

WITNESSED BY:

Signature	Name and surname of witness	Date

Tender no: 19/1/9/1/37 TB (25)

Schedule of Deviations

1.1.1. Subject:
Details:
1.1.2. Subject:
Details:
1.1.3. Subject:
Details:
1.1.4. Subject:
Details:
1.1.5. Subject:
Details:
1.1.6. Subject:
Details:

By the duly authorised representatives signing this agreement, the employer and the tenderer agree to and accept the foregoing schedule of deviations as the only deviations from and amendments to the documents listed in the tender data and addenda thereto as listed in the returnable schedules, as well as any confirmation, clarification or changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this agreement.

**C1.2: CONTRACT DATA**

JBCC SERIES 2000 PRINCIPAL BUILDING AGREEMENT (Edition 4.1 of March 2005)

Project : Construction of New Msinsini Police Station:KwaZulu-Natal Province

Employer : South African Police Service Reference : 19/1/9/1/37TB (25)

The Conditions of Contract are clauses 1 to 41 of the **JBCC** Series 2000 Principal Building Agreement (Edition 4.1 of March 2005) prepared by the Joint Building Contracts Committee.

Copies of these conditions of contract may be obtained through most regional offices of the Association of South African Quantity Surveyors, Master Builders Association, South African Association of Consulting Engineers, South African Institute of Architects, Association of Construction Project Managers, Building Industries Federation South Africa, South African Property Owners Association or Specialist Engineering Contractors Committee.

CONTRACT VARIABLES**THE SCHEDULE**

The **schedule** contains all variables referred to in this document and is divided into part 1: contract data completed by the **employer** and part 2: contract data completed by the **contractor**. Part 1 must be completed in full and included in the tender documents. Both the part 1 and part 2 form part of this **agreement**

Spaces requiring information must be filled in, shown as 'not applicable' or deleted but not left blank. Where choices are offered, the non-applicable items are to be deleted. Where insufficient space is provided the information should be annexed hereto and cross referenced to the applicable clause of the **schedule**. Key cross reference clauses are italicised in [] brackets

42.0

Part 1: Contract Data completed by the Employer:

42.1

CONTRACTING AND OTHER PARTIES

42.1.1

Employer:**Government of the Republic of South Africa in its South African Police Service**

Postal address:
Private Bag X254
Pretoria..
0001

Tel: **012 841 7000**Fax: **012 841 7495**

[1.2]

Physical address:
Supply Chain Management
117 Cresswell Rd
Silverton
0127

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42.1.2 [1.1, 5.1]	Principal Agent: Postal address: Tel: 0 Fax: <i>N/A</i>
[1.1]	Representative of the Employer: <i>Colonel Rivoningo Justice Mhlongo</i> Postal address: <i>Private Bag X254</i> <i>Pretoria</i> <i>0001</i> Tel: <i>012 845 8700</i> Fax: <i>086 403 0120</i>
42.1.3 [1.1, 5.2]	Agent (1) Agent's service: Postal address: Tel: Fax: <i>N/A</i>
42.1.4 [1.1, 5.2]	Agent (2) Agent's service: Postal address: Tel: Fax: <i>N/A</i>
42.1.5 [1.1, 5.2]	Agent (3) Agent's service: Postal address: Tel: Fax:


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42.1.6 [1.1, 5.2]	Agent (4) Agent's service: Postal address: Tel: Fax:
42.1.7 [1.1, 5.2]	Agent (5) Agent's service: Postal address: Tel: Fax: <i>N/A</i>
42.1.8 [1.1, 5.2]	Agent (6) Agent's service: Postal address: Tel: Fax:
42.1.9 [1.1, 5.2]	Agent (7) Agent's service: Postal address: Tel: Fax: <i>N/A</i>

42.2	CONTRACT DETAILS
42.2.1 [1.1]	Works description: Refer to document – Scope of Work.
42.2.2 [1.1]	Site description: Refer to document – Site Information.
42.2.4 [41.0]	Specific options that are applicable to a State organ only Where so :

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[1.1 #] [31.11.2 #] [31.12.2#]	1) Interest rate legislation: The interest rate applicable will be as determined by the Minister of Finance, from time to time, in terms of section 80(1)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
[11.2.#]	2) Lateral support insurance to be effected by the contractor:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
[31.4.2 #]	3) Payment will be made for materials and goods	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
[40.2.2.#]	4) Dispute resolution by litigation	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
[26.1.2 #]	5) Extended defects liability period applicable to the following elements: Mechanical and Electrical for 12 Months	
42.2.6 [15.3]	Period for the commencement of the works after the contractor takes possession of the site : One (1) working day .	
42.2.7 [24.3.1] [30.1]	For the works as a whole: The date for practical completion shall be Twenty-Four (24) months from the date on which possession of the site is given to the contractor and the penalty per calendar day shall be as per the Appendix A attached herein upon award .	
42.2.8 [24.3.1] [28.1]	For the works in sections : The date for practical completion from the date on which possession of the site is given to the contractor and the penalty per calendar day : Section 1: [N/A] Construction period: [N/A] Penalty: [N/A] Section 2: [N/A] Construction period: [N/A] Penalty: [N/A] Section 3: [N/A] Construction period: [N/A] Penalty: [N/A] Section 4: [N/A] Construction period: [N/A] Penalty: [N/A] Section 5: [N/A] Construction period: [N/A] Penalty: [N/A] Section 6: [N/A] Construction period: [N/A] Penalty: [N/A]	
42.2.9 [1.2]	The law applicable to this agreement shall be that of the: Republic of South Africa	



42.3	INSURANCES
42.3.1 [10.1 #, 10.2 # 12.1 #]	Contract works insurance to be effected by the contractor <input checked="" type="checkbox"/> To the minimum value of the contract sum plus 20% With a deductible not exceeding 10% of each and every claim Or <input type="checkbox"/> For the minimum sum of R [State amount, if applicable] With a deductible not exceeding 5% of each and every claim
42.3.2 [10.1 #, 10.2 #, 12.1 #]	Supplementary insurance is required: Yes To the minimum value of the contract sum plus 10 %
42.3.3 [11.1 #, 12.1 #]	Public liability insurance to be effected by the contractor <input checked="" type="checkbox"/> For the sum of R 5 million With a deductible not exceeding 5% of each and every claim Or <input type="checkbox"/> For the sum of R [State amount, if applicable] With a deductible not exceeding 5% of each and every claim
42.3.4 [11.2 #, 12.1 #]	Support insurance to be effected by the contractor For the sum of R [State amount, if applicable] With a deductible of R
42.4	DOCUMENTS
42.4.2 [3.7]	Three (3) copies of the construction documents will be supplied to the contractor free of charge
42.4.3	Bills of quantities / Lump sum document schedule of rates drawn up in accordance with: <input checked="" type="checkbox"/> Standard System of Measuring Building Work (seventh edition as amended) Or <input type="checkbox"/> Standard System of Measuring Building Work for Small or Simple Buildings 1999 Or <input type="checkbox"/> Other(Specify)
42.4.5 [3.4]	JBCC Engineering General Conditions are to be included in the contract documents: No



42.4.6 [31.5.3] [32.13]	<p>The contract value is to be adjusted using CPAP indices: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Where CPAP is applicable, the contract sum will be adjusted in accordance with the JBCC Contract Price Adjustment Provisions (CPAP) as set out in the CPAP Indices Application Manual as prepared by the JBCC Series 2000, code 2118, dated May 2005 and any amendments thereto:</p> <ol style="list-style-type: none">1) Glass etc. measured in specialist section Metalwork, will be adjusted in terms of the index for that work group unless specifically stated otherwise in the bills of quantities2) All electrical installations in buildings and power distribution systems shall be adjusted in terms of the index for Work Group 160 Electrical Installation. In case of uninterruptible power supplies, elevators, escalators and hoists, generating sets, motor-alternator sets and intercommunication systems shall be in accordance with Work Group 1703) With reference to Work Group 190 a proportion of the value related preliminaries pro rata to the amount of work excluded from adjustment, shall be excluded from Contract Price Adjustment Provisions, if Option A has been selected for the adjustment of preliminaries4) Further to clause 3.4.4 of the CPAP Indices Application Manual, the listing of additional items for exclusion by tenderers, will not be permitted5) Where V results in a negative amount after application of the formula in clause 8.3 of the CPAP Indices Application Manual the factor of 0,55 shall be substituted by 1,45 <p>Alternative Indices: Not Applicable</p>
42.4.7 [3.10]	<p>Details of changes made to the provisions of JBCC standard documentation</p> <p>Clause</p> <p>1.1 COMMENCEMENT DATE – means the date that the agreement, made in terms of the Form of Offer and Acceptance, comes into effect</p> <p>CONSTRUCTION GUARANTEE – means a guarantee at call obtained by the contractor from an institution approved by the employer in terms of the employer's construction guarantee form as selected in the schedule</p> <p>CONSTRUCTION PERIOD – means the period commencing on the date on which possession of the site is given to a contractor as stated in the schedule and ending on the date of practical completion</p> <p>CONSTRUCTION WORK PERMIT – means a document issued in terms of regulation 3 of the Construction Regulations, 2014 as published in Government Gazette No.40883 of 2 June 2017, as amended</p> <p>CORRUPT PRACTICE – means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the acquisition process or in contract execution</p> <p>FRAUDULENT PRACTICE – means a misrepresentation of facts in order to influence a acquisition process or the execution of a contract to the detriment of any tenderer, and includes collusive practice among tenderers (prior to or after the tender submission) designed to establish tender prices at artificial non-competitive levels and to deprive the tenderer of the benefits of free and open competition</p> <p>INTEREST – the interest rates applicable on this contract, whether specifically indicated in the relevant clauses or not, will be the rate as determined by the Minister of Finance, from time to time, in terms of section 80(1)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999)</p>



PRINCIPAL AGENT – means the person or entity appointed by the **employer** and named in the **schedule**. In the event of a **principal agent** not being appointed, then all the duties and obligations of a **principal agent** as detailed in the **agreement** shall be fulfilled by a representative of the **employer** as named in the **schedule**

SECURITY – means the form of security provided by the **employer** or **contractor**, as stated in the **schedule**, from which the **contractor** or **employer** may recover expense or loss

1.6 Any notice given may be delivered by hand, sent by prepaid registered post or telefax. Notice shall be presumed to have been duly given when:

1.6.4 No clause

3.2.1 A **construction guarantee** in terms of 14.0, where so elected in his tender

3.7 Add at the end thereof:

The **contractor** shall supply and keep a copy of the **JBCC Series 2000 Principal Building Agreement and Preliminaries** applicable to this contract on the **site**, to which the **employer**, **principal agent** and **agents** shall have access at all times.

3.10 Replace the second reference to "**principal agent**" with the word "**employer**"

4.3 No clause

5.1.2 under clause 41- Include reference to 32.6.3; 34.3; 34.4 and 38.5.8 in terms of which the **employer** has retained its authority and has not given a mandate to the **principal agent** and in terms of which the **employer** shall sign all documents

10.5 Add the following as 10.5

Damage to the works

(1) Without in any way limiting the **contractor's** obligations in terms of the contract, the **contractor** shall bear the full risk of damage to and/or destruction of the **works** by whatever cause during construction of the **works** and hereby indemnifies and holds harmless the **employer** against any such damage. The **contractor** shall take such precautions and security measures and other steps for the protection and security of the **works** as the **contractor** may deem necessary

(2) The **contractor** shall at all times proceed immediately to remove or dispose of any debris arising from damage to or destruction of the **works** and to rebuild, restore, replace and/or repair the **works**

(3) The **employer** shall carry the risk of damage to or destruction of the **works** and materials paid for by the **employer** that is the result of the excepted risks as set out in 10.6

(4) Where the **employer** bears the risk in terms of this contract, the **contractor** shall, if requested to do so, reinstate any damage or destroyed portions of the **works** and the costs of such reinstatement shall be measured and valued in terms of 32.0 hereof

10.6 Add the following as 10.6

Injury to Persons or loss of or damage to Properties

(a) The **contractor** shall be liable for and hereby indemnifies the **employer** against any liability, loss, claim or proceeding whether arising in common law or by statute, consequent upon personal injuries to or the death of any person whomsoever arising out of or in the course of or caused by the execution of the **works** unless due to any act or negligence of any person for whose actions the **employer** is legally liable



- (b) The **contractor** shall be liable for and hereby indemnifies the **employer** against any liability, loss, claim or proceeding consequent upon loss of or damage to any moveable, or immovable property or personal property or property contiguous to the **site**, whether belonging to or under the control of the **employer** or any other body or person, arising out of or in the course of or by reason of the execution of the **works** unless due to any act or negligence of any person for whose actions the **employer** is legally liable
- (c) The **contractor** shall upon receiving a **contract instruction** from the **principal agent** cause the same to be made good in a perfect and workmanlike manner at his own cost and in default thereof the **employer** shall be entitled to cause it to be made good and to recover the cost thereof from the **contractor** or to deduct the same from amounts due to the **contractor**
- (d) The **contractor** shall be responsible for the protection and safety of such portions of the premises placed under his control by the **employer** for the purpose of executing the **works** until the issue of the **certificate of practical completion**
- (5) Where the execution of the **works** involves the risk of removal of or interference with support to adjoining properties including land or structures or any structures to be altered or added to, the **contractor**, shall obtain adequate insurance and will remain adequately insured or insured to the specific limit stated in the contract against the death of or injury to persons or damage to such property consequent on such removal or interference with the support until such portion of the **works** has been completed
- (6) The **contractor** shall at all times proceed immediately at his own cost to remove or dispose of any debris and to rebuild, restore, replace and/or repair such property and to execute the **works**

10.7 Add the following as 10.7

HIGH RISK INSURANCE

In the event of the project being executed in a geological area classified as a "High Risk Area", that is an area which is subject to highly unstable subsurface conditions that might result in catastrophic ground movement evident by sinkhole or doline formation the following will apply:

10.7.1 Damage to the works

The **contractor** shall, from the date on which possession of the **site** is given to the **contractor** until the date of the **certificate of practical completion**, bear the full risk of and hereby indemnifies and holds harmless the **employer** against any damage to and/or destruction of the **works** consequent upon a catastrophic ground movement as mentioned above. The **contractor** shall take such precautions and security measures and other steps for the protection of the **works** as he may deem necessary

When so instructed to do so by the **principal agent**, the **contractor** shall proceed immediately to remove and/or dispose of any debris arising from damage to or destruction of the **works** and to rebuild, restore, replace and/or repair the **works**, at the **contractor's** own costs

10.7.2 Injury to persons or loss of or damage to property

The **contractor** shall be liable for and hereby indemnifies and holds harmless the **employer** against any liability, loss, claim or proceeding arising at any time during the period of the contract whether arising in common law or by statute, consequent upon personal injuries to or the death of any person whomsoever resulting from, arising out of or caused by a catastrophic ground movement as mentioned above

The **contractor** shall be liable for and hereby indemnifies the **employer** against any and all liability, loss, claim or proceeding consequent upon loss of or damage to any moveable, or



immovable property or personal property or property contiguous to the **site**, whether belonging to or under the control of the **employer** or any other body or person whomsoever arising out of or caused by a catastrophic ground movement, as mentioned above, which occurred during the period of the contract

10.7.3 It is the responsibility of the **contractor** to ensure that he has adequate insurance to cover his risk and liability as mentioned in 10.7.1 and 10.7.2. Without limiting the **contractor's** obligations in terms of the contract, the **contractor** shall, within twenty one (21) **calendar** days before commencement of the **works**, submit to the **employer** proof of such insurance policy, if requested to do so

10.7.4 The **employer** shall be entitled to recover any and all losses and/or damages of whatever nature suffered or incurred consequent upon the **contractor's** default of his obligations as set out in 10.7.1; 10.7.2 and 10.7.3. Such losses or damages may be recovered from the **contractor** or by deducting the same from any amounts still due under this contract or under any other contract presently or hereafter existing between the **employer** and the **contractor** and for this purpose all these contracts shall be considered one indivisible whole

14.0 Replace the entire clause 14.0 with the following:

14.0 SECURITY

14.1 In respect of contracts with a **contract sum** up to R1 million, the **security** to be provided by the **contractor** to the **employer** will be a payment reduction of five per cent (5%) of the value certified in the **payment certificate** (excluding VAT)

14.1.1 The payment reduction of the value certified in a **payment certificate** shall be *mutatis mutandi* in terms of 31.8(A)

14.1.2 The **employer** shall be entitled to recover expense and loss from the payment reduction in terms of 33.0 provided that the **employer** complies with the provisions of 33.4 in which event the **employer's** entitlement shall take precedence over his obligations to refund the payment reduction **security** or portions thereof to the **contractor**

14.2 In respect of contracts with a **contract sum** above R1 million, the **contractor** shall have the right to select the **security** to be provided in terms of 14.3, 14.4, 14.5, 14.6, or 14.7 as stated in the **schedule**. Such **security** shall be provided to the **employer** within twenty-one (21) **calendar days** from the **commencement** date. Should the **contractor** fail to select the **security** to be provided or should the **contractor** fail to provide the **employer** with the selected **security** within twenty-one (21) **calendar days** from the **commencement** date, the **security** in terms of 14.7 shall be deemed to have been selected.

14.3 Where the **security** as a cash deposit of ten per cent (10%) of the **contract sum** (excluding VAT) has been selected:

14.3.1 The **contractor** shall furnish the **employer** with a cash deposit equal in value to ten per cent (10%) of the **contract sum** (excluding VAT) within twenty-one (21) **calendar days** from the **commencement** date

14.3.2 Within twenty-one (21) **calendar days** of the date of **practical completion** of the **works** the **employer** shall reduce the cash deposit to an amount equal to three per cent (3%) of the **contract value** (excluding VAT), and refund the balance to the **contractor**

14.3.3 Within twenty-one (21) **calendar days** of the date of **final completion** of the **works** the **employer** shall reduce the cash deposit to an amount equal to one per cent (1%) of the **contract value** (excluding VAT) and refund the balance to the **contractor**

14.3.4 On the date of payment of the amount in the final **payment certificate**, the **employer** shall refund the remainder of the cash deposit to the **contractor**

14.3.5 The **employer** shall be entitled to recover expense and loss from the cash deposit in terms of 33.0 provided that the **employer** complies with the provisions of 33.4 in which event the

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employer's entitlement shall take precedence over his obligations to refund the cash deposit **security** or portions thereof to the **contractor**

- 14.3.6 The parties expressly agree that neither the **employer** nor the **contractor** shall be entitled to cede the rights to the deposit to any third party
- 14.4 Where **security** as a variable **construction guarantee** of ten percent (10%) of the **contract sum** (excluding VAT) has been selected:
- 14.4.1 The **contractor** shall furnish the **employer** with an acceptable variable **construction guarantee** equal in value to ten per cent (10%) of the **contract sum** (excluding VAT) within twenty-one (21) **calendar days** from the **commencement** date
- 14.4.2 The variable **construction guarantee** shall reduce and expire in terms of the Variable **Construction Guarantee** form included in the invitation to tender
- 14.4.3 The **employer** shall return the variable **construction guarantee** to the **contractor** within fourteen (14) **calendar days** of it expiring
- 14.4.4 Where the **employer** has a right of recovery against the **contractor** in terms of 33.0, the **employer** shall issue a written demand in terms of the variable **construction guarantee**
- 14.5 Where **security** as a fixed **construction guarantee** of five per cent (5%) of the **contract sum** (excluding VAT) and a five per cent (5%) payment reduction of the value certified in the **payment certificate** (excluding VAT) has been selected:
- 14.5.1 The **contractor** shall furnish a fixed **construction guarantee** to the **employer** equal in value to five per cent (5%) of the **contract sum** (excluding VAT)
- 14.5.2 The fixed **construction guarantee** shall come into force on the date of issue and shall expire on the date of the last certificate of **practical completion**
- 14.5.3 The **employer** shall return the fixed **construction guarantee** to the **contractor** within fourteen (14) **calendar days** of it expiring
- 14.5.4 The payment reduction of the value certified in a **payment certificate** shall be in terms of 31.8(A) and 34.8
- 14.5.5 Where the **employer** has a right of recovery against the **contractor** in terms of 33.0, the **employer** shall be entitled to issue a written demand in terms of the fixed **construction guarantee** or may recover from the payment reduction or may do both
- 14.6 Where **security** as a cash deposit of five per cent (5%) of the **contract sum** (excluding VAT) and a payment reduction of five per cent (5%) of the value certified in the **payment certificate** (excluding VAT) has been selected:
- 14.6.1 The **contractor** shall furnish the **employer** with a cash deposit equal in value to five per cent (5%) of the **contract sum** (excluding VAT) within twenty-one (21) **calendar days** from the **commencement** date
- 14.6.2 Within twenty-one (21) **calendar days** of the date of **practical completion** of the **works** the **employer** shall refund the cash deposit in total to the **contractor**
- 14.6.3 The payment reduction of the value certified in a **payment certificate** shall be *mutatis mutandi* in terms of 31.8(A)
- 14.6.4 Where the **employer** has a right of recovery against the **contractor** in terms of 33.0, the **employer** may issue a written notice in terms of 33.4 or may recover from the payment reduction or may do both



	<p>14.7 Where security as a payment reduction of ten per cent (10%) of the value certified in the payment certificate (excluding VAT) has been selected:</p> <p>14.7.1 The payment reduction of the value certified in a payment certificate shall be <i>mutatis mutandi</i> in terms of 31.8(B)</p> <p>14.7.2 The employer shall be entitled to recover expense and loss from the payment reduction in terms of 33.0 provided that the employer complies with the provisions of 33.4 in which event the employer's entitlement shall take precedence over his obligations to refund the payment reduction or portions thereof to the contractor</p> <p>14.8 Payments made by the guarantor to the employer in terms of the fixed or variable construction guarantee shall not prejudice the rights of the employer or contractor in terms of this agreement</p> <p>14.9 Should the contractor fail to furnish the security in terms of 14.2 the employer, in his sole discretion, and without notification to the contractor, is entitled to change the contractor's selected form of security to that of a ten per cent (10%) payment reduction of the value certified in the payment certificate (excluding VAT), whereafter 14.7 shall be applicable</p> <p>15.1.1 No clause</p> <p>15.1.2 The security selected in terms of 14.0</p> <p>15.1.4 Add 15.1.4 as follows:</p> <p style="padding-left: 40px;">An acceptable health and safety plan, required in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), within twenty-one (21) calendar days of commencement date</p> <p>15.2.1 Under 41: Amend to read as follows:</p> <p style="padding-left: 40px;">"Give the contractor possession of the site within forty (40) working days of the contractor complying with the terms of 15.1.4 where a construction work permit is required in terms of the works or within ten (10) working days where a construction work permit is not a requirement in terms of the works"</p> <p>17.1.11 Delete the words "and the appointment of nominated and selected subcontractors"</p> <p>20.1.3 No clause</p> <p>21.0 No clause</p> <p>26.1.2 Add # next to 26.1.2</p> <p>29.2.5 No clause</p> <p>31.5.2 Security adjustments in terms of 14.0 or 31.8</p> <p>31.8 Amend as follows:</p> <p style="padding-left: 40px;">31.8(A) Where a security is selected in terms of 14.1; 14.5 or 14.6, the value of the works in terms of 31.4.1 and of the materials and goods in terms of 31.4.2 shall be certified in full. The value certified shall be subject to the following percentage adjustments:</p> <p style="padding-left: 80px;">31.8(A).1 Ninety-five per cent (95%) of such value in interim payment certificates issued up to the date of practical completion</p> <p style="padding-left: 80px;">31.8(A).2 Ninety-seven per cent (97%) of such value in interim payment certificates issued on the date of practical completion and up to but excluding the date of final completion</p>
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- 31.8(A).3 Ninety-nine per cent (99%) of such value in interim **payment certificates** issued on the date of **final completion** and up to but excluding the final **payment certificate** in terms of 34.6
- 31.8(A).4 One hundred per cent (100%) of such value in the final **payment certificate** in terms of 34.6 except where the amount certified is in favour of the **employer**. In such an event the payment reduction shall remain at the adjustment level applicable to the final **payment certificate**.
- 31.8(B) Where security in a payment reduction in term of 14.7 has been selected the value of the **works** in terms of 31.4.1 and **materials and goods** in terms of 31.4.2 shall be certified in full. The value certified shall be subject to the following percentage adjustments:
- 31.8(B).1 Ninety per cent (90%) of such value in interim **payment certificates** issued up to the date of **practical completion**
- 31.8(B).2 Ninety-seven per cent (97%) of such value in interim **payment certificates** issued on the date of **practical completion** and up to but excluding the date of **final completion**
- 31.8(B).3 Ninety-nine per cent (99%) of such value in interim **payment certificates** issued on the date of **final completion** and up to but excluding the final **payment certificate** in terms of 34.6
- 31.8(B).4 One hundred per cent (100%) of such value in the final **payment certificate** in terms of 34.6 except where the amount certified is in favour of the **employer**. In such an event the payment reduction shall remain at the adjustment level applicable to the final **payment certificate**
- 31.12 Delete the following: "Payment shall be subject to the **employer** giving the **contractor** a tax invoice for the amount due."
- 32.5.1 Add the following to the end of each of these clauses: "...due to no fault of the
32.5.4 **contractor**"
and
32.5.7
- 34.1 Remove #
- 34.2 Add # next to 34.2
- 34.8 The **principal agent** shall certify one hundred per cent (100%) of the amount of the **final account** in the **final payment certificate**
- 34.13 Replace "seven (7) **calendar days**" with "twenty one (21) **calendar days**" and delete the words: "subject to the **employer** giving the **contractor** a tax invoice for the amount due"
- 36.1 Add the following clauses 36.1.3 to 36.1.5. under 36.1 to read as follows:
- 36.1.3 refuses or neglects to comply strictly with any of the conditions of contract
- 36.1.4 estate being sequestrated; liquidated or surrendered in terms of the insolvency laws in force within the Republic of South Africa
- 36.1.5 in the judgment of the **employer**, has engaged in **corrupt** or **fraudulent practices** in competing for or in executing the contract
- 36.3 Remove reference to "No clause", and replace "**principal agent**" with "**employer**"
- 36.7 Add the following: "Notwithstanding any clause to the contrary, on cancellation of this



	<p>37.5 agreement either by the employer or the contractor; or for any reason whatsoever, and the contractor shall on written instruction, discontinue with the works on a date stated</p> <p>38.7 and withdraw himself from the site. The contractor shall not be entitled to refuse to withdraw from the works on the grounds of any lien or right of retention or on the grounds of any other right whatsoever”</p> <p>37.3.5 Replace “ninety (90)” with “one hundred and twenty (120)” and 38.5.4</p> <p>39.3.5 Add the following words at the end thereof: “within one hundred and twenty (120) working days of completion of such a report”</p> <p>40.2.2 under clause 41 – Replace “one (1) year” with “three (3) years”</p> <p>40.6 under clause 41 – Remove reference to no clause</p> <p>40.7.1 Change “(10)” to “(15)”</p> <p>Add the following to the end thereof:</p> <p>Whether or not mediation resolves the dispute, the parties shall bear their own costs concerning the mediation and equally share the costs of the mediator and related costs.</p>
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42.4.8	CONTRACT PARTICIPATION GOALS AND CONTRACT SKILLS DEVELOPMENT GOALS
<p>The contractor shall achieve in the performance of the contract the following Contract Participation Goals (CPGs) and Contract Skills Development Goals (CSDG) as described in C3: Scope of Work and C2.1: Pricing Assumptions and in accordance with the feasibility study(where applicable), which forms part of the specifications in the CPG Section of the Specification of this contract.</p>	

(a)	<p>cidb BUILD Programme: Minimum Targeted Enterprise Development Contract Participation Goal in accordance with the cidb Standard for Indirect Targeting for Enterprise Development through Construction Works Contracts, No 36190 Government Gazette, 25 February 2013, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract. (Applicable to projects that require 7GB or 7CE cidb grading, i.e. R20 000 001 and above with a minimum 6 month construction period)</p>
(b)	<p>cidb BUILD Programme: Minimum Targeted Contract Skills Development Goal in accordance with the cidb Standard for Developing Skills through Infrastructure Contracts as published in the Government Gazette Notice No. 43495 of 3 July 2020, as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 as amended in cidb Best Practice Project Assessment Scheme Notice No. 43726 of 18 September 2020 – Condition of Contract. (Applicable to projects which require cidb Grade 7 and above for all class of works categories, i.e. R20 000 001 and above with minimum 12 month construction period)</p>
(c)	<p>Failing to achieve the minimum targeted Contract Skills Development Goal and/or minimum targeted Contract Skills Development Goal will result in a thirty percent (30%) penalty of the value of the portion not achieved, excluding VAT (see example in <i>Annexure B</i>)</p>



42.0	Part 2: Contract Data provided by the Contractor:
42.5	CONTRACT DETAILS
42.5.1	Contractor: Postal address: _____ _____ _____ Tel: _____ Fax: _____ TAX / VAT Registration No: _____ Physical address: _____ _____ _____
42.5.2	The accepted contract sum inclusive of tax is R _____ Amount in words: _____
42.5.3 [31.3]	The latest day of the month for the issue of an interim payment certificate : _____
42.5.4 [32.12]	The preliminaries amounts shall be paid in terms of: Alternative A <input type="checkbox"/> Alternative B <input type="checkbox"/>
42.5.5 [32.12]	The preliminaries amounts shall be adjusted in terms of: Alternative A <input type="checkbox"/> Alternative B <input type="checkbox"/>



<p>42.5.7 [14]</p>	<p>The security to be provided by the contractor:</p> <p>(a) in respect of contracts up to R1 million, the contractor will provide security in terms of 14.1</p> <p>(b) in respect of contracts above R1 million, the contractor will provide, as security, one of the following:</p> <p>(1) cash deposit of 10 % of the contract sum (excluding VAT) Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(2) variable construction guarantee of 10 % of the contract sum (excluding VAT) Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(3) payment reduction of 10% of the value certified in the payment certificate (excluding VAT) Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(4) cash deposit of 5% of the contract sum (excluding. VAT) and a payment reduction of 5% of the value certified in the payment certificate (excluding. VAT) Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>(5) fixed construction guarantee of 5% of the contract sum (excluding VAT) and a payment reduction of 5% of the value certified in the payment certificate (excluding VAT) Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>NB. Guarantees submitted must be issued by either an insurance company duly registered in terms of the Short-Term Insurance Act, 1998 (Act 35 of 1998) or by a bank duly registered in terms of the Banks Act, 1990 (Act 94 of 1990) on the pro-forma referred to above. No alterations or amendments of the wording of the pro-forma will be accepted.</p>
<p>42.5.8 [29.7.2]</p>	<p>The annual building holiday period after the commencement of the construction period:</p> <p>From: _____ to _____</p>

<p>42.6 42.6.1</p>	<p>DOCUMENTS</p> <p>Contract documents marked and annexed hereto:</p> <p>Priced bills of quantities: Yes <input type="checkbox"/> No <input type="checkbox"/> Document marked as: _____</p> <p>Lump sum document: : Yes <input type="checkbox"/> No <input type="checkbox"/> Document marked as: _____</p> <p>Guarantees: Yes <input type="checkbox"/> No <input type="checkbox"/> Document marked as: _____</p> <p>Contract drawings: Yes <input type="checkbox"/> No <input type="checkbox"/> Document marked as: _____</p> <p>Other documents: Yes <input type="checkbox"/> No <input type="checkbox"/> (<i>Attach additional pages if more space is required</i>)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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APPENDIX A
CALCULATION OF PENALTY

The following calculation of **penalty** will be based on the tendered amount (excluding **tax**) of the awarded **contractor** and it shall be carried forward to item 42.2.7 of the **schedule for works** to be completed as a whole and item 42.2.8 for **works** to be completed in **sections**.

CONSTRUCTION PERIOD	RATE PER R100 OF ESTIMATE
1 month	27,5 cents
1,5 months	22 cents
2 months	16,5 cents
2,5 months	13,5 cents
3 months	11 cents
3,5 months	9,5 cents
4 months	8,5 cents
4,5 months	7,5 cents
5 months	6,25 cents
6 months	5,75 cents
7 months	4,75 cents
8 months	4 cents
9 months	3,75 cents
10 months	3,5 cents
11 months	3 cents
12 months	2,75 cents
14 months	2,5 cents
15 months	2,25 cents
16 months	2 cents
18 months	1,75 cents
20 months	1,5 cents
21 months	1,5 cents
24 months	1,25 cents
30 months	1 cent
36 months	1 cent
42 months	1 cent

PENALTY PER DAY ROUNDED OFF AS FOLLOWS:

R 0 – R 500	nearest R 5
R 501 – R 1 000	nearest R 10
R 1 001 – R 5 000	nearest R 50
R 5 001 and above	nearest R 100

EXAMPLE

Contract sum	=	R2 500 000 (excluding tax)
Construction period	=	12 months
		R2 500 000 x $\frac{0.0275}{100}$
	=	R687.50/Calendar day
Therefore rounded off to the nearest R10.00	=	R690.00/Calendar day

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APPENDIX B
PENALTY FOR NOT ACHIEVING MINIMUM CPG AND CSDG EXAMPLE

1. Minimum Targeted Enterprise Development Contract Participation Goal

A.	Project Value	R	120 000 000,00
B.	Minimum 5% CPG Targeted Enterprise Development	R	6 000 000,00
C.	CPG Achieved*	R	4 000 000,00
D.	Shortfall	R	2 000 000,00
E.	Penalty applicable as per Contract Data (D x 30%)	R	600 000,00

*amount sub-contracted and/or amount for joint venture partner for targeted enterprise/s

2. Minimum Targeted Contract Skills Development Goal

A.	Contract amount (Excl. VAT and allowances)	R	95 000 000,00
B.	Minimum 0,5% CSDG (GB Contractor)	R	475 000,00
C.	CSDG Achieved*	R	400 000,00
D.	Shortfall	R	75 000,00
E.	Penalty applicable as per Contract Data (D x 30%)	R	22 500,00

* Actual CSDG training requirement value after award upon selecting method/s of training and appointment of beneficiaries

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**CONSTRUCTION OF MSINSINI NEW POLICE STATION: KWAZULU
NATAL PROVINCE**

BID: 19/1/9/1/37 TB (25)

PART C:

CONTRACT

Part C.2

Pricing data:



C2: PRICING DATA

JBCC Series 2000

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C2.1 PRICING ASSUMPTIONS

JBCC Series 2000

Project : Construction of the New Msinsini Police Station: KwaZulu - Natal Province

Employer : South African Police Service **Reference** :

C2.1.1 BILLS OF QUANTITIES

C2.1.1.1 The **bills of quantities** document forms part of and must be read and priced in conjunction with all the other documents forming part of the **contract documents**, the standard conditions of tender, scope of work, conditions of contract, specifications, drawings, and all other relevant documentation

C2.1.1.2 The prices and rates to be inserted by the tenderer in the **bills of quantities** shall be the full inclusive prices to be paid by the **employer** for the work described under the several items, and shall include full compensation for all costs and expenses that may be required in and for the completion and maintenance during the defects liability period of all the work described and as shown on the **contract drawings** as well as all overheads, profits, incidentals and the cost of all general risks, liabilities and obligations set forth or implied in the documents on which the tender is based

C2.1.1.3 Each item shall be priced and extended to the "total" column by the tenderer, with the exception of the items for which only rates are required, or items which already have **prime cost amount** or provisional sum affixed thereto. If the tenderer omits to price any items in the **bills of quantities**, then these items will be considered to have a nil rate or price

C2.1.1.4 The tenderer is cautioned against using any quantities appearing in these **bills of quantities** for the purpose of ordering material, it is done at its own risk and no liability whatsoever will be admitted by the **employer** or **agent** for the correctness of such quantities. Unless otherwise stated, items are measured net in accordance with the **contract drawings**, and no allowance is made for waste

C2.1.1.5 The prices and rates to be inserted by the tenderer in the **bills of quantities** shall be the full inclusive prices to be paid by the **employer** for the work described. Such prices and rates shall cover all costs and expenses that may be required in and for the execution of the work described, and shall cover the cost of all general risks, liabilities, and obligations set forth or implied in the documents on which the tender is based, as well as overhead charges and profit. Market-related prices shall be inserted as these will be used as a basis for the assessment of payment for additional work that may have to be carried out

C2.1.1.6 A price or rate is to be entered against each item with the unit stated in the **bills of quantities**, whether the quantities are stated or not. An item against which no rate is/are entered, or if anything other than a rate or a nil rate (for example, a zero, a dash, or the word "included" or abbreviations thereof) is entered against an item, it will also be regarded as a nil rate having been entered against that item, i.e. that there is no charge for that item. The tenderer may be requested to clarify nil rates or items regarded as having nil rates, and the **employer** may also perform a commercial risk analysis with regard to the reasonableness of such rates prior to the award of a tender



PART C2.1: PRICING ASSUMPTIONS

- C2.1.1.7 The tenderer shall fill in rates for all items where the words "rate only" appear in the "Total" column. "Rate Only" items have been included where:
- (a) variations of specified components in the make-up of a pay item may be expected; and
 - (b) no work under the item is foreseen at the tender stage but the possibility that such work may be required is not excluded
- C2.1.1.8 For 'Rate Only' items no quantities are given in the "quantity" column, but the quoted rate shall apply in the event of work under this item being required. The tenderer shall however note that in terms of the tender data, the tenderer may be asked to reconsider any such rates that the employer may regard as unbalanced
- C2.1.1.9 Descriptions in the **bills of quantities** are abbreviated and comply generally with those in the principles contained in the latest version of the Standard System for Measuring Building Work issued by the Association of South African Quantity Surveyors. It is the intention that the abbreviated descriptions be fully described when read with the applicable measuring system and the relevant preambles and/or specifications. However, should the full intent and meaning of any description not be clear, the tenderer shall, before submission of his tender, call for a written directive from the **principal agent**, failing which it shall be assumed that the **contractor** has allowed in his pricing for materials and workmanship in terms of national best practice
- C2.1.1.10 The quantities set out in these **bills of quantities** are approximate and do not necessarily represent the actual amount of work to be done. The quantities of work accepted and certified for payment will be used to determine payments due, not the quantities given in the **bills of quantities**
- C2.1.1.11 The tenderer shall be deemed to have inspected and examined the **site** and its surroundings and information available in connection therewith and to have satisfied himself before submitting his tender (as far as is practicable) as to:
- (a) the form and nature of the site and its surroundings, including subsurface conditions,
 - (b) the hydrological and climatic conditions,
 - (c) the extent and nature of work and materials necessary for the execution and completion of the works,
 - (d) the means of access to the site and the accommodation he may require
 - (e) and, in general, shall be deemed to have obtained all information (as far as is practicable) as to risks, contingencies, and all other circumstances which may influence or affect his tender"
- C2.1.2 CORRECTIONS OF ENTRIES**
- C2.1.2.1 Incorrect entries shall not be erased or obliterated with correction fluid but must be crossed out neatly. The correct figures must be entered above or adjacent to the deleted entry, and the alteration must be initialled by the tenderer
- C2.1.3 DISCREPANCIES IN PRICING DOCUMENT**
- C2.1.3.1 Descriptions referred to in these **bills of quantities** are intended for reference purposes only and where discrepancies between the **bills of quantities** items the drawings and the specification document occur, the drawings and specification shall take preference. Such discrepancies shall be brought to the attention of the **employer** and failure to do



PART C2.1: PRICING ASSUMPTIONS

so shall indemnify the **employer** and/or his **agents** against any additional costs, etc. resulting from such discrepancies

C2.1.4 CONTRACT PRICE ADJUSTMENT PROVISIONS – COST FLUCTUATIONS

C2.1.4.1 Where contract price adjustment provisions (CPAP) do not apply to this tender in terms of the **contract data**, the tenderer should make provision in the **pricing document** for possible price increases during the contract period. No additional claims for CPAP in this regard shall be entertained

C2.1.4.2 Where the contractor is required to import components and material the contractor is required to takeout forward cover insurance to mitigate the risk of exchange rate fluctuations associated with that purchase of imported items. In addition, the contractor is to include within its price all insurances required for importation of any equipment and materials outside South Africa.

C2.1.5 TRADE NAMES

C2.1.5.1 Tenderer's attention is drawn to the fact that wherever trade names or references to any catalogue have been made in these **bills of quantities**, it is purely to establish a standard for required material

C2.1.6 LABOUR-INTENSIVE WORK

If applicable as per paragraph C3.10 of part C3: Scope of Works;

C2.1.6.1 Labour intensive work is specified in the **bills of quantities** and indicated by "LI" either in a separate column or as a prefix or suffix against every item so designated, the **contractor** must price for and include in rates. **Contractors** are expected to use their initiative to identify additional activities that can be done labour-intensively to comply with the set minimum labour intensity target. Allowance must be made for submitting monthly reports illustrating the value of the **works** executed under labour-intensive works

C2.1.6.2 The items marked with the letters "LI" are not necessarily an exhaustive list of all the activities which must be done by hand, and this clause does not over-ride any of the requirements in the generic labour-intensive specification in the C3: Scope of Works

C2.1.6.3 Payment for items which are designated to be constructed labour-intensively (either in this schedule or in the C3: Scope of Works) will not be made unless they are constructed using labour-intensive methods. Any unauthorised use of plant to carry out work which was to be done labour-intensively will not be condoned and any **works** so constructed will not be certified for payment

C2.1.7 CONTRACT PARTICIPATION GOALS (CPG)

Minimum 30% Targeted Enterprise Development Goal Applicable: Yes No

If yes;

C2.1.7.1 The tenderer must, in the performance of this contract achieve the following Contract Participation Goals (CPGs) as indicated below

C2.1.7.2 Provision for pricing of compliance with the achieving the CPGs is made in the Project Assessment Scheme section of the **bills of quantities** and it is explicitly pointed out that all requirements in respect of the aforementioned are deemed to be priced thereunder and no additional claims in this regard shall be entertained



PART C2.1: PRICING ASSUMPTIONS

- C2.1.7.3 A provisional amount has been allowed for within the Project Assessment Scheme section in the **bills of quantities** for the Minimum Targeted Enterprise Development CPG in the execution of this project as described in part C3: Scope of Works. The provisional amount allowed is for the appointment of a development coordinator, mentor, training service providers, and training of the beneficiary enterprises
- C2.1.7.4 The tenderer shall price his/her profit and attendance, all inclusive of associated costs to the contractor for implementation. Allowance must be made for submitting reports to the employer's representative on a monthly basis in terms of monthly and accumulative targets achieved with audited supporting documentation
- C2.1.7.5 The cost of the mentor is deemed to be included in item 2 of the project assessment scheme section of the **bills of quantities**
- C2.1.8 CONTRACT SKILLS DEVELOPMENT GOALS (CSDG)**
- Minimum 0.5% Contract Skills Development Goal Applicable:** Yes No
- If yes;
- C2.1.8.1 The tenderer shall determine the CSDG as per Item 6 of the Project Assessment Scheme section of the **bills of quantities**, expressed in Rand, which shall be the "Sub-Total A¹" amount in the final summary multiplied by a 0.5% factor as stipulated in Table 2 of the Standard for Developing Skills through Infrastructure Contracts, published in Gazette Notice 48491 of 28 April 2023 as amended for the General Building (GB) class of construction works
- C2.1.8.2 Notwithstanding the type of training opportunity Method selected, the CSDG amount determined will be for the following items.
- (a) Stipends payable to the beneficiaries
 - (b) Appointment of training coordinator
 - (c) Appointment of mentor (subject to the method selected)
 - (d) Appointment of training service providers
- C2.1.8.3 The **contractor** shall price his profit and attendance (all-inclusive of associated costs to the **contractor** for implementation and reporting), based on the provisional amount in the Project Assessment Scheme section in the **bills of quantities**
- C2.1.8.4 The **contractor** shall complete a separate **bills of quantities** upon the award of the project and identification of the respective beneficiaries and the appointment of the training coordinator, mentor, and training service providers of which the cost will be offset against the allowance in Item 6 of the Project Assessment Scheme section in the **bills of quantities** in line with Table 3 of the Standard for Developing Skills through Infrastructure Contracts, published in Gazette Notice 48491 of 28 April 2023 as amended
- C2.1.9 PENALTIES FOR NON-COMPLIANCE TO CPG AND CSDG**
- C2.1.9.1 Penalties for non-compliance with CPGs and CSDG are stipulated in item 42.4.8(c) of part C1.2: Contract Data and will be included in the **JBCC recovery statement and payment certificate**

¹ "Sub-Total A" in the Final Summary is in line with the definition of **Sub-total** in the Standard for Developing Skills through Infrastructure Contracts, published in Gazette Notice 48491 of 28 April 2023



PART C2.1: PRICING ASSUMPTIONS

C2.1.10 UNITS OF MEASUREMENT

C2.1.10.1 The units of measurement indicated in the **bills of quantities** are metric units. The following abbreviations may appear in the **bills of quantities**:

mm	=	millimetre	No	=	number
m	=	metre	PerQ	=	Per Quarter
km	=	kilometre	PC	=	Prime Cost Amount
m ²	=	square metre	kg	=	kilogram
m ³	=	cubic metre	t	=	ton (1 000 kg)
kW	=	kilowatt	%	=	per cent



C2.2: BILLS OF QUANTITIES

In accordance with the ASAQS Standard System of Measuring Building Work 7th Edition as amended

Project : Construction of the New Msinsini Police Station: KwaZulu - Natal Province

Employer : South African Police Service

Tender No. : 19/1/9/1/37 TB(25)

Project Code : N/A

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Item No	Quantity	Rate	Amount
<p><u>SECTION NO. 1</u></p> <p><u>BILL NO. 1</u></p> <p><u>PRELIMINARIES</u></p> <p><u>CPAP WORK GROUP NO. 190 UNLESS OTHERWISE STATED</u></p> <p><u>MEANING OF TERMS "TENDER / TENDERER"</u></p> <p>Any reference to the words "Tender" or "Tenderer" herein and/or in any other documentation shall be construed to have the same meaning as the words "Bid" or "Bidder"</p> <p><u>PRELIMINARIES</u></p> <p>The JBCC Preliminaries Code 2103, May 2005 edition for use with the JBCC Principal Building Agreement Edition 4.1 Code 2101, March 2005 is taken to be incorporated herein. The tenderer is deemed to have referred to these documents for the full intent and meaning of each clause. These clauses are referred to by number and heading only. Where standard clauses or options are not applicable to the contract such modifications or corrections as are necessary are given under each relevant clause. Where an item is not relevant to this specific contract such item is marked. "N/A" signifying "Not Applicable".</p> <p><u>PRICING OF PRELIMINARIES</u></p> <p>Should Option A, as set out in clause B10.3.1 hereinafter be used for the adjustment of preliminaries then each item priced is to be allocated to one or more of the three categories Fixed, Value Related or Time Related and the respective amounts entered in the spaces provided under each item</p> <p>Items not priced in these Preliminaries shall be deemed to be included elsewhere in these Bills of Quantities.</p>			
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SECTION A: JBCC PRINCIPAL BUILDING AGREEMENT

DEFINITIONS

1 **A1 DEFINITIONS AND INTERPRETATION**

Clause 1.0 Clause

1.1 Definition of "**Commencement Date**" is added:

"**COMMENCEMENT DATE**" means the date that the **agreement**, made in terms of the Form of Offer and Acceptance, comes into effect

Clause 1.1 Definition of "**Construction Guarantee**" is amended by replacing it with the following:

"**CONSTRUCTION GUARANTEE**" means a guarantee at call obtained by the **contractor** from an institution approved by the **employer** in terms of the **employer's** construction guarantee form as selected in the **schedule**

Clause 1.1 Definition of "**Construction Period**" is amended by replacing it with the following:

"**CONSTRUCTION PERIOD**" means the period commencing on the commencement date and ending on the date of practical completion

Clause 1.1 Definition of "**Corrupt Practice**" is added:

"**CORRUPT PRACTICE**" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

Clause 1.1 Definition of "**Fraudulent Practice**" is added:

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<p>"FRAUDULENT PRACTICE" means a misrepresentation of facts in order to influence a procurement process in the execution of a contract to the detriment of any tenderer and includes collusive practice among tenderes (prior to or after the tender submission) designed to establish tender prices at artificial non-competitive levels and to deprive the tenderer of the benefits of free and open competition.</p> <p>Clause 1.1 Definition of "Interest" is amended by replacing it with the following:</p> <p>"INTEREST" means the interest rates applicable on this contract, whether specifically indicated in the relevant clauses or not, will be the rate determined by the Minister of Finance, from time to time, in terms of section 80(1)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).</p> <p>Clause 1.1 Definition of "Principal Agent" is amended by replacing it with the following:</p> <p>"PRINCIPAL AGENT" means the person or entity appointed by the employer and named in the schedule. In the event of a principal agent not being appointed, then all the duties and obligations of a principal agent as detailed in the agreement shall be fulfilled by a representative of the employer as named in the schedule.</p> <p>Clause 1.1 Definition of "Security" is amended by replacing it with the following:</p> <p>"SECURITY" means the form of security provided by the contractor, as stated in the schedule, from which the employer may recover expense or loss</p> <p>Clause 1.6 is amended by replacing the words "prepaid registered post, telefax or e-mail" with "prepaid registered post or telefax"</p> <p>Clause 1.6.4 is amended by replacing it with the following:</p> <p>No clause</p> <p>Fixed:..... Value related:..... Time related:.....</p>	Item	
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OBJECTIVE AND PREPARATION

A2 OFFER, ACCEPTANCE AND PERFORMANCE

Clause 2.0

Fixed:..... Value related:..... Time related:.....

Item

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2 A3 DOCUMENTS

Clause 3.0

Clause 3.2.1 is amended by replacing "14.1" with "14.0"

Clause 3.7 is amended by the addition of the following:

The **contractor** shall supply and keep a copy of the **JBCC Series 2000 Principal Building Agreement and Preliminaries** applicable to this contract on the **site**, to which the **employer, principal agent and agents** shall have access at all times

Clause 3.10 is amended by replacing the second reference to "**principal agent**" with the word "**employer**"

Fixed:..... Value related:..... Time related:.....

Item

3 A4 DESIGN RESPONSIBILITY

Clause 4.0

Clause 4.3 is amended by replacing it with the following:

No clause

Fixed:..... Value related:..... Time related:.....

Item

4 A5 EMPLOYER'S AGENTS

Clause 5.0

Clause 5.1.2 is amended to include clauses 32.6.3, 34.3, 34.4 and 38.5.8

Fixed:..... Value related:..... Time related:.....

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5	<p>A6 SITE REPRESENTATIVE</p> <p>Clause 6.0</p> <p>Fixed:..... Value related:..... Time related:.....</p>	Item	
6	<p>A7 COMPLIANCE WITH REGULATIONS</p> <p>Clause 7.0</p> <p>Note: A separate clause has been included in Section C : Specific Preliminaries of the bills of quantities / lump sum document for the contractor to have the opportunity to price for all the requirements of the Occupational Health and Safety Act, Construction Regulations and Health and Safety Specification</p> <p>Fixed:..... Value related:..... Time related:.....</p>	Item	
7	<p>A8 WORKS RISK</p> <p>Clause 8.0</p> <p>Fixed:..... Value related:..... Time related:.....</p>	Item	
8	<p>A9 INDEMNITIES</p> <p>Clause 9.0</p> <p>Fixed:..... Value related:..... Time related:.....</p>	Item	
9	<p>A10 WORKS INSURANCES</p> <p>Clause 10.0</p> <p>Clause 10.0 is amended by the addition of the following clauses:</p>		
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10.5 Damage to the Works

- (a) Without in any way limiting the **contractor's** obligations in terms of the contract, the **contractor** shall bear the full risk of damage to and/or destruction of the **works** by whatever cause during construction of the **works** and hereby indemnifies and holds harmless the **employer** against any such damage. The **contractor** shall take such precautions and security measures and other steps for the protection and security of the **works** as the **contractor** may deem necessary
- (b) The **contractor** shall at all times proceed immediately to remove or dispose of any debris arising from damage to or destruction of the **works** and to rebuild, restore, replace and/or repair the **works**
- (c) The **employer** shall carry the risk of damage to or destruction of the **works** and material paid for by the **employer** that is the result of the excepted risks as set out in 10.6
- (d) Where the **employer** bears the risk in terms of this contract, the **contractor** shall, if requested to do so, reinstate any damage or destroyed portions of the **works** and the costs of such reinstatement shall be measured and valued in terms of 32.0 hereof

10.6 Injury to Persons or loss of or damage to Properties

- (a) The **contractor** shall be liable for and hereby indemnifies the **employer** against any liability, loss, claim or proceeding whether arising in common law or by statute, consequent upon personal injuries to or the death of any person whomsoever arising out of or in the course of or caused by the execution of the **works** unless due to any act or negligence of any person for whose actions the **employer** is legally liable

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- (b) The **contractor** shall be liable for and hereby indemnifies the **employer** against any liability, loss, claim or proceeding consequent upon loss of or damage to any moveable or immovable or personal property or property contiguous to the **site**, whether belonging to or under the control of the **employer** or any other body or person, arising out of or in the course of or by reason of the execution of the **works** unless due to any act or negligence of any person for whose actions the **employer** is legally liable

- (c) The **contractor** shall, upon receiving a **contract instruction** from the **principal agent**, cause the same to be made good in a perfect and workmanlike manner at his own cost and in default thereof the **employer** shall be entitled to cause it to be made good and to recover the cost thereof from the **contractor** or to deduct the same from amounts due to the **contractor**

- (d) The **contractor** shall be responsible for the protection and safety of such portions of the premises placed under his control by the **employer** for the purpose of executing the **works** until the issue of the **certificate of practical completion**

- (e) Where the execution of the works involves the risk of removal of or interference with support to adjoining properties including land or structures or any structures to be altered or added to, the **contractor** shall obtain adequate insurance and will remain adequately insured or insured to the specific limit stated in the contract against the death of or injury to persons or damage to such property consequent on such removal or interference with the support until such portion of the **works** has been completed

- (f) The **contractor** shall at all times proceed immediately at his own cost to remove or dispose of any debris and to rebuild, restore, replace and/or repair such property and to execute the **works**

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	<p>10.7.3 It is the responsibility of the contractor to ensure that he has adequate insurance to cover his risk and liability as mentioned in 10.7.1 and 10.7.2. Without limiting the contractor's obligations in terms of the contract, the contractor shall, within twenty one (21) calendar days of the commencement date but before commencement of the works, submit to the employer proof of such insurance policy, if requested to do so</p> <p>10.7.4 The employer shall be entitled to recover any and all losses and/or damages of whatever nature suffered or incurred consequent upon the contractor's default of his obligations as set out in 10.7.1; 10.7.2 and 10.7.3. Such losses or damages may be recovered from the contractor or by deducting the same from any amounts still due under this contract or under any other contract presently or hereafter existing between the employer and the contractor and for this purpose all these contracts shall be considered one indivisible whole</p> <p>Fixed: _____ Value related: _____ Time related: _____</p>	Item	
10	<p>A11 LIABILITY INSURANCES</p> <p>Clause 11.0</p> <p>Fixed:..... Value related:..... Time related:.....</p>	Item	
11	<p>A12 EFFECTING INSURANCES</p> <p>Clause 12.0</p> <p>Fixed:..... Value related:..... Time related:.....</p> <p>A13.0 No clause</p>	Item	
12	<p>A14 SECURITY</p> <p>Clause 14.0</p> <p>Clauses 14.1 - 14.8 are amended by replacing them with the following:</p>		
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14.1 In respect of contracts with a **contract sum** up to R1 million, the **security** to be submitted by the **contractor** to the **employer** will be as a payment reduction of five per cent (5%) of the value certified in the **payment certificate** (excluding VAT)

14.1.1 The payment reduction of the value certified in a **payment certificate** shall be *mutatis mutandi* in terms of 31.8(A)

14.1.2 The **employer** shall be entitled to recover expense and loss from the payment reduction in terms of 33.0 provided that the **employer** complies with the provisions of 33.4 in which event the **employer's** entitlement shall take precedence over his obligations to refund the payment reduction **security** or portions thereof to the **contractor**

14.2 In respect of contracts with a **contract sum** above R1 million, the **contractor** shall have the right to select the **security** to be provided in terms of 14.3, 14.4, 14.5, 14.6, or 14.7 as stated in the **schedule**. Such **security** shall be provided to the **employer** within twenty one (21) **calendar days** from **commencement date**. Should the **contractor** fail to select the **security** to be provided or should the **contractor** fail to provide the **employer** with the selected **security** within twenty one (21) **calendar days** from **commencement date**, the **security** in terms of 14.7 shall be deemed to have been selected.

14.3 Where **security** as a cash deposit of ten per cent (10%) of the **contract sum** (excluding VAT) has been selected:

14.3.1 The **contractor** shall furnish the **employer** with a cash deposit equal in value to ten per cent (10%) of the **contract sum** (excluding VAT) within twenty one (21) **calendar days** from **commencement date**

14.3.2 Within twenty one (21) **calendar days** of the date of **practical completion** of the **works** the **employer** shall reduce the cash deposit to an amount equal to three per cent (3%) of the **contract value** (excluding VAT), and refund the balance to the **contractor**

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<p>14.3.3 Within twenty one (21) calendar days of the date of final completion of the works the employer shall reduce the cash deposit to an amount equal to one per cent (1%) of the contract value (excluding VAT) and refund the balance to the contractor</p> <p>14.3.4 On the date of payment of the amount in the final payment certificate, the employer shall refund the remainder of the cash deposit to the contractor</p> <p>14.3.5 The employer shall be entitled to recover expense and loss from the cash deposit in terms of 33.0 provided that the employer complies with the provisions of 33.4 in which event the employer's entitlement shall take precedence over his obligations to refund the cash deposit security or portions thereof to the contractor</p> <p>14.3.6 The parties expressly agree that neither the employer nor the contractor shall be entitled to cede the rights to the deposit to any third party</p> <p>14.4 Where security as a variable construction guarantee of ten percent (10%) of the contract sum (excluding VAT) has been selected:</p> <p>14.4.1 The contractor shall furnish the employer with an acceptable variable construction guarantee equal in value to ten per cent (10%) of the contract sum (excluding VAT) within twenty one (21) calendar days from commencement date</p> <p>14.4.2 The variable construction guarantee shall reduce and expire in terms of the Variable Construction Guarantee form included in the invitation to tender</p> <p>14.4.3 The employer shall return the variable construction guarantee to the contractor within fourteen (14) calendar days of it expiring</p> <p>14.4.4 Where the employer has a right of recovery against the contractor in terms of 33.0, the employer shall issue a written demand in terms of the variable construction guarantee</p> <p>14.5 Where security as a fixed construction guarantee of five per cent (5%) of the contract sum (excluding VAT) and a five per cent (5%) payment reduction of the value certified in the payment certificate (excluding VAT) has been selected:</p>			
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<p>14.5.1 The contractor shall furnish a fixed construction guarantee to the employer equal in value to five per cent (5%) of the contract sum (excluding VAT)</p> <p>14.5.2 The fixed construction guarantee shall come into force on the date of issue and shall expire on the date of the last certificate of practical completion</p> <p>14.5.3 The employer shall return the fixed construction guarantee to the contractor within fourteen (14) calendar days of it expiring</p> <p>14.5.4 The payment reduction of the value certified in a payment certificate shall be in terms of 31.8 (A) and 34.8</p> <p>14.5.5 Where the employer has a right of recovery against the contractor in terms of 33.0, the employer shall be entitled to issue a written demand in terms of the fixed construction guarantee or may recover from the payment reduction or may do both</p> <p>14.6 Where security as a cash deposit of five per cent (5%) of the contract sum (excluding VAT) and a payment reduction of five per cent (5%) of the value certified in the payment certificate (excluding VAT) has been selected:</p> <p>14.6.1 The contractor shall furnish the employer with a cash deposit equal in value to five per cent (5%) of the contract sum (excluding VAT) within twenty one (21) calendar days from commencement date</p> <p>14.6.2 Within twenty one (21) calendar days of the date of practical completion of the works the employer shall refund the cash deposit in total to the contractor</p> <p>14.6.3 The payment reduction of the value certified in a payment certificate shall be <i>mutatis mutandi</i> in terms of 31.8(A)</p> <p>14.6.4 Where the employer has a right of recovery against the contractor in terms of 33.0, the employer may issue a written notice in terms of 33.4 or may recover from the payment reduction or may do both</p> <p>14.7 Where security as a payment reduction of ten per cent (10%) of the value certified in the payment certificate (excluding VAT) has been selected:</p>			
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