

Physical Address: No. 01 Seller Street | Nqanqarhu | 5480

Postal Address: P.O. Box 1 | Nqanqarhu | 5480

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ELUNDINI LOCAL MUNICIPALITY
TENDER NOTICE AND INVITATION TO TENDER

The Municipality seeks to go into a Framework contract with three (3) to five (5) service providers in each of the categories listed below over a period of three (3) years without a guarantee of the quantum of work:

PROJECT NAME	Contract Number	CIDB Grading	Compulsory Briefing
Framework Contract for Project and contract management services for Civil SMME development	ELM-3/016/2022-2023	Valid Grade 7 CE and above	Town: Nqanqarhu Venue: Town Hall Date: Friday, 26 August 2022 Time: 11H00
Project and contract management services for Building SMME development	ELM-3/017/2022-2023	Valid Grade 7 GB and above	Town: Nqanqarhu Venue: Town Hall Date: Friday, 26 August 2022 Time: 11H30
RE-ADVERTISEMENT			
Framework contract for Professional Services: Architectural	ELM-3/021/2021-2022	N/A	
Framework contract for Professional Services: Land Surveying	ELM-3/022/2021-2022	N/A	
Framework contract for Professional Services: Geotechnical	ELM-3/023/2021-2022	N/A	

1. The Municipality intend to enter into Framework contract with three (3) to five (5) contractors to provide all required personnel, materials, equipment and plant required for the construction of unpaved roads, building works and associated works over a three (3) year term, as and when the specific package order is issued to the service provider.

RE-ADVERTISEMENT:

At least one (1) member of the tendering entity directors or members be professionally registered in the designated statutory councils as follows:

Project No.	Service area	Key person must be registered with the relevant Statutory Council as follows:
1.	Architectural	Registered in a professional category of registration in terms of the Architectural Profession Act or the Landscape Architectural Profession Act or the Project and Construction Management Professions Act
2.	Land Surveying	Registered Land Surveyor with the South African Geomatics Council (SAGC) in terms of the Geomatics Profession Act (for those bidding on Land Surveying component) and be legally eligible to work in the Republic of South Africa
3.	Geotechnical	Registered in a professional category of registration in terms of the Architectural Profession Act or the Landscape Architectural Profession Act or the Project and Construction Management Professions

Bid ELM-3/016/2022-2023 and ELM-3/017/2022-2023 Contracts will be based on the NEC 3 Engineering and Construction Contract (Option F) **RE-ADVERTISEMENTS** Contracts will be based on the NEC 3 Professional Services Contract - Option G

Tender documents may be obtained from the Elundini Local Municipality SCM Unit upon payment of a non-refundable amount of R250 (two hundred and fifty Rand), either paid in cash or by means of electronic funds transfer (EFT) to the Elundini Local Municipality. The cash amount is to be paid at the cashier's office between the hours of 08:00 and 16:00, prior to the collection of the tender documents from the SCM unit. The tender documents will be available from **Monday, 22 August 2022.**

NB: For EFT payment deposit at ELM FNB cheque account No: 62159933772 and use this reference No. 020114350000. Proof of payment to be sent to: kwaneles@elundini.gov.za upon receiving proof payment, Elundini Municipality will email the tender document to the service providers who are unable to make collections.

Stage 1 of Evaluation: Eligibility Criteria will be available on Tender Data that will be uploaded on ELM Website. www.elundini.gov.za and will be also attached in the tender document

Stage 2 of Evaluation – Quality criteria and maximum score in respect of each of the criteria are as follows:

ELM-3/016/2022-2023 and ELM-3/017/2022-2023		ELM-3/021/2021-2022, ELM-3/022/2021-2022 and ELM-3/022/2021-2022	
Quality Criteria	Maximum number of points	Quality Criteria	Maximum number of points
Experience of the tenderer	20	Experience of the tenderer	20
Relevant Expertise	30	Relevant Expertise	60
Company Resources (Plant and Equipment)	30	Approach Paper	20
Company Quality Management System	20		
Maximum possible score for quality (Ms)	100	Maximum possible score for quality (Ms)	100

The minimum number of evaluation points for quality will be 70 points

The Tender Data, Detailed breakdown Quality Criteria, Detailed Scheduled with minimum threshold for Local Content, scope of work including mandatory documents (eligibility criteria) and bid conditions will be uploaded on ELM Website. www.elundini.gov.za and will be also attached in the tender document. Queries relating to the issue of these documents may be addressed to Ms S. Sako, Tel No. 045 932 8216 or email: sisekhos@elundini.gov.za

Completed bid documents and CD or Memory-Stick of the whole tender submission converted into PDF format and supporting documentation must to be placed in a sealed envelope endorsed with **RELEVANT PROJECT NAMES AND BID NUMBERS**: must be delivered to the **Elundini Local Municipality, at No. 1 Seller Street, Nqanqarhu, Finance Department, Cashier's reception area, and placed in the Tender Box not later than 12H00 Noon on Tuesday, 27 September 2022** for this bids at which time the tenders will be opened in public. Failure to adhere to the above conditions shall deem a bidder non-responsive.

Telegraphic, telephonic, telex, facsimile, e-mail and late tenders will not be accepted. Tenders may only be submitted on the tender documentation that is issued. Requirements for sealing, addressing, delivery, opening and assessment of tenders are stated in the Tender Data.


JACK MDANI
MUNICIPAL MANAGER

T1.2 Tender Data

The conditions of tender are the latest edition of SANS 10845-3, *Construction Procurement – Part 3: Standard conditions of tender*.

SANS 10845-3 makes several references to the Tender Data for details that apply specifically to this tender. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the provisions of SANS 10845-3.

Each item of data given below is cross-referenced to the clause in SANS 10845-3 to which it mainly applies.

3.1	The Employer is the Elundini Local Municipality
3.2	The Tender Documents issued by the Employer comprise the documents listed on the contents page.
3.4	<p>The employer's representative for Technical Queries: Name: Ms. Sisekho Sako Elundini Local Municipality 1 Seller Street, Nqanqarhu, 5480. Tel No.: 045 932 8216 Fax No.: 045 932 1094 E-mail: sisekhos@elundini.gov.za</p> <p>The employer's representative for SCM Processes: Name: Ms. Hlubikazi Mduzulwana Elundini Local Municipality 1 Seller Street, Nqanqarhu, 5480. Tel No.: 045 932 8225 Fax No.: 045 932 1094 E-mail: hlubikazi@elundini.gov.za</p>
F.2. 18	The tenderer must submit to the Employer the names of all management and supervisory staff that will be employed to supervise the labour-intensive portion of the works together with satisfactory evidence that such staff members satisfy the eligibility requirement.

F.3.8	<p>Test for responsiveness This serves as part of the returnable document: Each tender offer must be submitted as an original and CD or Memory- Stick of the whole tender submission converted into PDF format. Failure to adhere to this condition shall deem a bidder non-responsive</p> <p>F.3.8.1 Determine, after opening and before detailed evaluation, whether each tender offer properly received:</p> <ul style="list-style-type: none"> a) complies with the requirements of these Conditions of Tender, b) has been properly and fully completed and signed, and c) is responsive to the other requirements of the tender documents. <p>F.3.8.2 A responsive tender is one that conforms to all the terms, conditions, and specifications of the tender documents without material deviation or qualification. A material deviation or qualification is one which, in the Employer's opinion, would:</p> <ul style="list-style-type: none"> a) detrimentally affect the scope, quality, or performance of the works, services or supply identified in the Scope of Work, b) significantly change the Employer's or the tenderer's risks and responsibilities under the contract, or c) affect the competitive position of other tenderers presenting responsive tenders, if it were to be rectified. <p>Reject a non-responsive tender offer, and not allow it to be subsequently made responsive by correction or withdrawal of the non-conforming deviation or reservation</p>
4.1	<p>Only those tenderers who have been represented by one of their full time employees at the compulsory clarification meeting, who satisfy the following eligibility criteria and who provide the required evidence in their tender submissions are eligible to submit tenders and have their tenders evaluated:</p> <p>1. The tenderer:</p> <ul style="list-style-type: none"> a) Is registered in terms of the Companies Act, 2008 (Act 71 of 2008) or Close Corporation Act, 1984, (Act No. 69 of 1984) or, if a partnership, has in place a partnership agreement that enables the partnership to continue to function in the event of a death or withdrawal of one of the partners; b) JV Eligibility requirements: <ul style="list-style-type: none"> - A Joint venture must submit a consolidated valid original or certified copy of B-BBEE certificate must be submitted with the bid OR a valid original or certified copy of a Sworn Affidavit attested by a Commissioner of Oaths prepared and issued in terms of the amended B-BBEE Construction Sector Codes (CSC000) must be submitted in order to qualify for preference points for B-BBEE. Failure to comply with this, will automatically results in the non-awarding of points for B-BBEE.(This will not disqualify bidders but points for B-BBEE will not be allocated) - Submit Joint Venture agreement in the case of joint venture. - Fully completed Compulsory Returnable Document for JV <p>2. The tenderer is registered with and active on the Construction Industry Development Board (CIDB) for Grading 7 GB and above</p> <p>3. The Tenderer can demonstrate that he will have in his employ during the contract period the necessary personnel satisfying the requirements of the Scope of Work for labour-intensive competencies for management and supervisory personnel.</p>

	<p>a. Building expert with a professional registration as an Professional Quantity Surveyor with the South African Council for The Quantity Surveying Profession</p> <p>b. Supporting team with team member having:</p> <ul style="list-style-type: none"> i. NQF level 7 "Manage Labour-Intensive Construction Processes" Building engineering or equivalent Quality Council for Trades and Occupations (QCTO) Building engineering qualifications at NQF level 7, or ii. NQF level 5 "National Certificate: Supervision of Building Engineering Construction Processes" <p>4. The Tenderer can provide proof that he is in good standing with respect to duties taxes, levies and contributions required in terms of legislation applicable to the work in the contract. Proof of good standing with the Compensation for Occupational Injuries and Diseases (COID)</p> <p>5. The tenderer can provide at least three contactable client references for the provision of construction services relating to the category of works tendered which generated a cumulative fee income of at least R20 Million including VAT.</p> <p>The municipality may conduct an intense due diligence which may include inspection of the claimed experience of the two (2) highly preferred bidders</p> <p>6. The tenderer has demonstrated the availability of the required plant as per the requirements of the tender. Proof of ownership or leasing agreement is mandatory to satisfy requirements.</p> <p>7. Directors or company is not in the Treasury's database of restricted suppliers</p>
4.2	The tenderer accepts that, unless otherwise stated in the tender data, the employer does not compensate the tenderer for any costs incurred in the preparation and submission of a tender offer, including the costs of any testing necessary to demonstrate that aspects of the offer comply with requirements.
4.3	It is the responsibility of the tenderer to check the tender documents on receipt for completeness and notify the employer of any discrepancy or omission.
4.4	Treat as confidential all matters arising in connection with the tender. Use and copy the documents issued by the employer only for the purpose of preparing and submitting a tender offer in response to the invitation.
4.5	The tenderer shall obtain, as necessary for submitting a tender offer, copies of the latest versions of standards, specifications, conditions of contract and other publications, which are incorporated into the tender documents by reference.
4.6	Acknowledge receipt of addenda to the tender documents, which the employer may issue, and, if necessary, apply for an extension to the closing time stated in the tender data, in order to take the addenda into account.

4.7	<p>There will be a compulsory clarification meeting on: Town: Nganqarhu Venue: Town Hall Date: Friday, 26 August 2022 Time: 11H30</p> <p>Tenderers must complete the sales register with the following: Company Name Contact Person Address, Telephone, Fax, Cell, numbers and E-mail address</p> <p>Tenderers who will be sending proof of payment must also send all of the above company details Tenderers must sign the attendance list in the name of the tendering entity. Addenda will be issued to and tenders will be received only from those tendering entities appearing on the attendance list.</p>
4.8	<p>Request clarification of the tender documents, if necessary, by notifying the employer at least 5 (Five) working days before the closing time stated in the tender data</p>
4.10	<p>Tenderers are required to state the rates and currencies in Rands. Include in the rates, prices, and the tendered total of the prices (if any), all duties, taxes which the law requires to be paid [except value added tax (VAT)], and other levies payable by the successful tenderer, that are applicable 14 days before the closing time stated in the tender data. Show the VAT payable by the employer separately as an addition to the tendered total of the prices. Provide rates and prices that are fixed for the duration of the contract and not subject to adjustment except as provided for in the conditions of contract identified in the contract data. State the rates and prices in monetary value of the contract unless otherwise instructed in the tender data</p>
4.10(a)	<p>If after the commencement of the Contract, the cost or duration of the services is altered as a result of changes in, the amount of the main Consultant or contract amount from which estimate were based, or amounts or additions to, any statute, regulation or by-laws, or the requirements of any authority having jurisdiction over any matter in respect of the Project, then the Contract Price and time for completion shall be adjusted in order to reflect the impact of those changes, provided that, within 90 days of first having become aware of the change, the Consultant furnished the Employer with detailed justification to the Price or Period of the Performance (or both).</p>
4.11	<p>Alterations to the documents Do not make any alterations or additions to the tender documents, except to comply with instructions issued by the employer or to correct errors made by the tenderer and ensure that all signatories to the tender offer initial all such alterations. Do not make erasures using masking fluid.</p>
4.12	<p>No alternative tender offers will be considered</p>
4.13.1	<p>Parts of each tender offer communicated on paper shall be submitted as an original. No copies are required</p>
4.13.2	<p>Sign the original and all copies of the tender offer where required in terms of the tender data. NOTE The employer holds all authorized signatories liable on behalf of the tenderer.</p>
4.13.4	<p>The tenderer is required to submit with his tender the following certificates:</p> <ol style="list-style-type: none"> 1) a copy of the CSD report showing, amongst other things, that tax matters of the service provider are in order with the South African Revenue Services. 2) Engineer registration with ECSA 3) COID 4) CIDB Grade 7GB

4.13.5 4.15	<p>The employer's details and address for delivery of tender offers and identification details that are to be shown on each tender offer package are:</p> <p>Location of tender box: Elundini Municipality Cashier's reception area Finance Department</p> <p>Physical address: 1 Seller Street NQANQARHU 5480</p> <p>Identification details: Tender no, Title of Tender and the closing date and time for tenders</p> <p>Closing Date: Tuesday, 27 September 2022</p> <p>Closing Time: 12:00</p> <p>The tender box is only open on weekdays between 08:00 and 16:00</p>
4.13.6	Telephonic, telegraphic, telex, facsimile or e-mailed tender offers will not be accepted.
4.15	The closing time for submission of tender offers is as stated in the Tender Notice and Invitation to Tender.
4.16.1	The tender offer validity period is 8 weeks.
5.1	The Employer will respond to requests for clarification received up to 3 working days before the tender closing time.
5.4	Tenders will be opened immediately after the closing time for tenders.
5.6	Do not disclose to tenderers, or to any person not officially concerned with such processes, information relating to the evaluation and comparison of tender offers, the final evaluation price and recommendations for the award of a contract, until after the award of the contract to the successful tenderer
5.8	<p>Determine, after opening and before detailed evaluation, whether each tender offer that was properly received</p> <p>a) complies with the requirements of the standard conditions of tender in this part of SANS 10845-3:2015</p> <p>b) has been properly and fully completed and signed, and</p> <p>c) is responsive to the other requirements of the tender documents.</p> <p>A responsive tender is one that conforms to all the terms, conditions, and scope of work of the tender documents, without material deviation or qualification. A material deviation or qualification is one which, in the employer's opinion, would</p> <p>d) detrimentally affect the scope, quality, or performance of the works, services or supply identified in the scope of work,</p> <p>e) significantly change the employer's or the tenderer's risks and responsibilities under the contract, or</p> <p>f) affect the competitive position of other tenderers presenting responsive tenders if it were to be rectified.</p> <p>Reject a non-responsive tender offer, and do not allow it to be subsequently made responsive by correction or withdrawal of the non-conforming deviation or reservation.</p>

5.9	<p>Check responsive tenders for discrepancies between amounts in words and amounts in figures. Where there is a discrepancy between the amounts in figures and the amount in words, the amount in words shall govern.</p> <p>For Vat related discrepancies, National and Provincial Treasury prescripts in relation to VAT procedures apply.</p>
5.11.1	<p>Evaluation of tender offers</p> <p>The procedure for the evaluation of responsive tenders is Method 4: Financial offer, quality and preferences</p> <p>STAGE ONE: RESPONSIVENESS TO THE BID REQUIREMENTS AND RULES</p> <p>Bidders' proposals must meet the following minimum requirements and supporting documents must be submitted with the completed bid document in a sealed envelope in the bid box at the closing date and time. Failure to comply will automatically eliminate the bid for further consideration.</p> <ol style="list-style-type: none"> 1. Bid Document (This Document) must be submitted in its original format. 2. Each tender offer must be submitted as an original and a CD or Memory-Stick of the whole tender submission converted into PDF format. Failure to adhere to this condition shall deem bidder non-responsive. 3. Bids which are late, incomplete, unsigned or submitted by facsimile or electronically, will not be accepted. 4. Proof of good standing with the Compensation for Occupational Injuries and Diseases (COID) 5. A copy of valid Construction Industry Development Board (CIDB) for Grading 7 GB and above 6. A copy of the CSD report showing, amongst other things, that tax matters of the service provider were in order with the South African Revenue Services. 7. JV Eligibility requirements: <ul style="list-style-type: none"> • A Joint venture must submit a consolidated valid original or certified copy of B-BBEE certificate must be submitted with the bid OR a valid original or certified copy of a Sworn Affidavit attested by a Commissioner of Oaths prepared and issued in terms of the amended B-BBEE Construction Sector Codes (CSC000) must be submitted in order to qualify for preference points for B-BBEE. Failure to comply with this, will automatically results in the non-awarding of points for B-BBEE.(This will not disqualify bidders but points for B-BBEE will not be allocated) • Submit Joint Venture agreement in the case of joint venture. • Fully completed Compulsory Returnable Documents for JV 8. Form of offer and Acceptance (fully completed and signed) 9. Invitation to bid must be completed and signed. 10. Declaration of Interest (fully completed and signed) 11. Preference Points Claim form in terms of the Preferential Procurement Regulations 2017 (fully completed and signed) 12. Declaration of Bidder's past Supply Chain Management Practices. (Completed and signed) 13. Certificate of Independent Bid Determination. (Completed and signed) 14. Compulsory Enterprise Questionnaire (Completed and signed) 15. Proof of Authority of Signatory 16. Declaration of Employees of the State or other State Institutions. 17. A valid original or certified copy of B-BBEE certificate must be submitted with the bid OR a valid original or certified copy of a Sworn Affidavit attested by a Commissioner of Oaths prepared and issued in terms of the amended B-BBEE Construction Sector Codes (CSC000) must be submitted in order to qualify for preference points for B-BBEE. Failure to comply with this, will automatically results in the non-awarding of points for B-BBEE. (This is not an Elimination factor).

18. This tender will be awarded as a whole. All Items listed in the Bills of Quantities or Pricing schedule must be priced for (except provisional sums and allowances which must also be added to the total), failure to do so will increase commercial risk of the bid and may lead to elimination or passing over of the bidder.
19. If the offer (any of the items quoted for) is "Vat Inclusive", the VAT registration number of service provider must be indicated. Bidders are not entitled to claim the VAT if they are not VAT registered
20. By initialling and signing the bid document you agree to the terms and conditions of this bid and you understand that the ELM is administered by ELM Supply Chain Management Policy, MFMA Act 56 of 2003 and MFMA SCM Regulations and shall act in accordance with the said legislative prescripts

STAGE THREE: EVALUATION OF QUALITY

The quality criteria and maximum score in respect of each of the criteria in accordance with 5.11.9 are as follows:

EVALUATION CRITERIA

The quality criteria and maximum score in respect of each of the criteria are as follows:

- Schedule 1: Experience of the tenderer – **20 points**
- Schedule 2: Relevant Expertise - **30 points**
- Schedule 3: Company Resources – **30 Points**
- Schedule 4: Quality Management Plan– **20 Points**

A minimum number of evaluation points for quality is **70**.

STAGE THREE: EVALUATION POINTS ON PRICE AND B-BBEE REGULATIONS OF 2017

The **80/20 preference point system** shall be applied for the purposes of this bid as per the requirements of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and B-BBEE/ PPPFA Regulations of 2017

Criteria	Points
Points on Price	80
B-BBEE	20
TOTAL	100

The 80/20 preference point system for acquisition of services, works or goods up to Rand value of R 50 million:

The following formula must be used to calculate the points for price in respect of tenders (including price quotation) with a Rand value equal to, or above R 30 000 and up to Rand value of R 50 000 000 (all applicable taxes included):

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20

or

90/10

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

or

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

5.11.5

The financial offer derived from the bill of quantities will only be used for comparative basis.

5.11.9	<p>The procedure for the evaluation of responsive tenders is Method 4</p> <p>The total number of tender evaluation points (T_{EV}) shall be determined in accordance with the following formula.</p> $T_{EV} = 0,6 (N_{FO} + N_P) + 0,4 N_Q$ <p>N_{FO} is the number of tender evaluation points awarded for the financial offer made in accordance with 5.11.7 where the score for financial offer is calculated using Formula 2 and W_1 equals 80.</p> <p>N_P is the number of tender evaluation points awarded for preferences claimed in accordance with the Preferencing Schedule</p> <p>N_Q is the number of tender evaluation points awarded for quality offered in accordance with 5.11.9 where $W_2 = 100$</p> <p>Up to 100 minus W_1 tender evaluation points will be awarded to tenderers who complete the preferencing schedule and who are found to be eligible for the preference claimed.</p> <p><u>EVALUATION CRITERIA</u></p> <p>Each evaluation criteria will be assessed in terms of five indicators – no response, poor, satisfactory, good and very good. Scores of 0, 40, 70, 90 or 100 will be allocated to no response, poor, satisfactory, good and very good, respectively. The scores of each of the evaluators will be averaged, weighted and then totalled to obtain the final score for quality.</p> <p>The minimum number of evaluation points for quality is 70.</p>
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Evaluation Criteria	Documentation / Evidence	Sub-Points	Total Points
1. Company Experience			20
Provide Letters of Appointments and Reference letters on client's letter heads with the same project number.	Building Engineering Experience: The organisation should have implemented at least 3 roads projects of similar nature with a CUMULATIVE value of not less than R 20 Million.		
(Failure to submit documents which clearly indicate the requirements listed under sub criteria will result in the PSP getting zero points)	Previous experience in the form of an appointment letter as well as signed reference letters or completion certificates 4 or more appointment letters as well as reference letters of the same project = 20 points	20	
	3 Appointment letters as well as 3 reference letters or 3 completion certificates of the same project =15 points	15	
	2 Appointment letters as well as 2 reference letters or 2 completion certificates of the same project =10 points	10	
	1 Appointment letter as well as 1 reference letter or 1 completion certificate of the same project =5 points	5	

Evaluation Criteria	Documentation / Evidence	Sub-Points	Total Points
	Total of 20 points for the tenderer's experience		
2. Technical competency of key person and relevant experience in similar projects	Team Leader : Construction Manager CVs and qualifications with proposed organogram showing key person 11 - 15 years and above = 10 points 6- 10 years = 5 points 5 years or less = 0 points ECSA registration as Engineer / Technologist = 5 points ECSA Registration as Technician or Candidate = 0 points Total of 15 points for the key person	10 5 0	15
	Supporting Team Additional team members with suitable qualifications and experience must be provided in line with the company organogram. At least one team member NQF level 7 "Manage Labour-Intensive Construction Processes" Building engineering or equivalent Quality Council for Trades and Occupations (QCTO, Another team member having NQF level 5 "National Certificate: Supervision of Building Engineering Construction Processes", Another team member holding a National Diploma Building = 15 points (5 points for each requirement met)	15	15
	At least one team member NQF level 7 "Manage Labour-Intensive Construction Processes" Building engineering or equivalent Quality Council for Trades and Occupations (QCTO, Another team member having NQF level 5 "National Certificate: Supervision of Building Engineering Construction Processes" = 10 points (5 points for each requirement met) At least one team member NQF level 7 "Manage Labour-Intensive Construction Processes" Building engineering or equivalent Quality Council for Trades and Occupations (QCTO) or having NQF level 5 "National Certificate: Supervision of Building Engineering Construction Processes", Another team member holding a National Diploma Building = 5 points (5 points for either requirement having met)	10 5	

Evaluation Criteria	Documentation / Evidence	Sub-Points	Total Points																																								
3. Company Resources (Plant and Equipment)	<p>The tenderer must provide the list of plant to be used for the successful completion of the project. Highlight your understanding of the project by providing relevant plant and equipment required specifically for this project: 30 points maximum.</p> <p>Bidders must provide proof of ownership or intent to lease from the plant hire firm. The ownership must be provided in a form of licencing registration documents or certificates.</p> <table border="1"> <thead> <tr> <th>Plant Description</th><th>Quantity</th><th>Own Plant</th><th>Hired Plant</th></tr> </thead> <tbody> <tr> <td>Concrete mixer</td><td>1</td><td>2</td><td>1</td></tr> <tr> <td>10m³ Tipper Trucks</td><td>3</td><td>6</td><td>3</td></tr> <tr> <td>TLB</td><td>1</td><td>2</td><td>1</td></tr> <tr> <td>8 Ton Truck</td><td>2</td><td>4</td><td>2</td></tr> <tr> <td>Excavator</td><td>2</td><td>4</td><td>2</td></tr> <tr> <td>LDV</td><td>2</td><td>4</td><td>2</td></tr> <tr> <td>Grader</td><td>2</td><td>4</td><td>2</td></tr> <tr> <td>Roller</td><td>2</td><td>4</td><td>2</td></tr> <tr> <td>Total</td><td>15</td><td>30</td><td>15</td></tr> </tbody> </table> <p>2 points for 1 unit in the description</p> <p>Total claimable points for plant and equipment is 30</p>	Plant Description	Quantity	Own Plant	Hired Plant	Concrete mixer	1	2	1	10m ³ Tipper Trucks	3	6	3	TLB	1	2	1	8 Ton Truck	2	4	2	Excavator	2	4	2	LDV	2	4	2	Grader	2	4	2	Roller	2	4	2	Total	15	30	15		30
Plant Description	Quantity	Own Plant	Hired Plant																																								
Concrete mixer	1	2	1																																								
10m ³ Tipper Trucks	3	6	3																																								
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Excavator	2	4	2																																								
LDV	2	4	2																																								
Grader	2	4	2																																								
Roller	2	4	2																																								
Total	15	30	15																																								
4. Company Quality Management System	<p>Methodology must address quality management system, administration system for reporting, programming and cost management. Reflection on construction methodology to reflect management for site activities. The plan must also reflect how OHS Compliance will be ensured. Draft project plan coupled with Gantt chart to undertake the works. Five(No5) components must be stated in writing/or be visible on the project plan and cash flow spreadsheet;</p> <p>(1) Methodology for subcontracting – 4 points; (2) Critical Path and Milestones (Gantt Chart) - 4points; (3) Resource allocation - 4 points; (4) Testing and quality assurance – 4 points (5) Monthly project cash flow, (cash flow must be in-line with the project cost and programme of works) - 4 points</p>		20																																								

Evaluation Criteria	Documentation / Evidence	Sub-Points	Total Points

The above will be subject to due diligence and verification, which may include visiting the employers to verify claimed experience.

The minimum number of evaluation points for quality will be 70 points

5.13

Tender offers will only be accepted if:

- a) Submits a valid SARS Tax Clearance Certificate or/and a tax compliance status document reflecting the pin for the Employer to verify that the tenderer is in good standing.
- b) The tenderer is registered with and active on the Construction Industry Development Board (CIDB) for **Grading 7 GB** and above
- c) Submits a proof of good standing with the Compensation for Occupational Injuries and Diseases (COID)
- d) The tenderer has completed the declaration certificate for local production (MBD 6.2) and content for designated sectors and Annexure C
- e) the Joint Venture has attached the following :
 - f) the agreement, original or certified copy of consolidated BBBEE certificate and the letter of signatory and fully complete the compulsory returnable documents for JV
 - g) the tenderer is registered on the Central Supplier Database (CSD) for the South African government (see <https://secure.csd.gov.za/>) unless it is a foreign supplier with no local registered entity
 - h) Prospective bidders must register on CSD prior submitting bids (open tenders). Any prospective bidder found to have Tax matters not in order with SARS (verified through CSD) during the evaluation process (after being given an opportunity to rectify tax matters) will be eliminated and not be considered further in the process. Preferred bidder/s will be afforded an opportunity to rectify their tax affairs within 7 days. A bidder that fails to rectify its tax matters with SARS will be eliminated.
 - i) the tenderer or any of its directors/shareholders is not listed on the Register of Tender Defaulters in terms of the Prevention and Combating of Corrupt Activities Act of 2004 as a person prohibited from doing business with the public sector.
 - j) the tenderer has not:
 - i) abused the Employer's Supply Chain Management System; or
 - ii) failed to perform on any previous contract and has been given a written notice to this effect; and
 - k) the tenderer has completed the Compulsory Enterprise Questionnaire and there are no conflicts of interest which may impact on the tenderer's ability to perform the contract in the best interests of the employer or potentially compromise the tender process and persons in the employ of the state are permitted to submit tenders or participate in the contract;
 - l) the tenderer is not more than three months in arrears in its municipal rates and taxes or municipal service charges, if applicable. Proof of payment to be supplied. Where no municipal rates are applicable, a proof of residence from the Councillor and a Sworn Affidavit from the SAPS stating that the tenderer is not liable for municipal rates must be supplied.
 - m) NOTE: The amount reflected on the Form of Offer and Acceptance takes precedence over any other total amount indicated elsewhere in bidder's tender submission. If the Form of Offer and Acceptance has no value or figure, the bidder will be regarded as having made no offer.
 - n) the tender has offered a market related offer. If the offer is believed not to be market related, the Municipality through its Supply Chain Management bid committees will attempt to negotiate the offer with identified bidder/s to a reasonable amount. Bidders are not allowed to increase their tender offers during this process.
 - o) A Resolution of signatory form has been completed and signed by director/s or a letter bearing a letterhead of the tenderer has been attached (specific to this bid) to the bid submission; it must be duly signed by all directors and submitted the bid. Only a duly authorized official can sign the bid.
 - p) The Municipality reserves the right not to award the bid to the most favourable tenderer, if any of the situations occur:
 - if it is not assisting in the advancement of designated groups.
 - the bidder has been awarded a considerable number of projects by the Municipality.
 - has performed unsatisfactorily in the past.

5.17	The number of paper copies of the signed contract to be provided by the employer is one.
5.18	By initialling and signing the bid document you agree to the terms and conditions of this bid and you understand that the ELM is administered by ELM Supply Chain Management Policy , MFMA Act 56 of 2003 and MFMA SCM Regulations and shall act in accordance with the said legislative prescripts.

Schedule 2.1: Experience of Construction Manager (If this person is changed during the course of the contract, the bidder will have to make suitable replacement with equal or superior qualified person)

The experience of the Construction Manager (Key person whose name is stated as such in Part 2 of the Contract Data) will be evaluated i.e. the person who will provide the services or under whose direction the services is to be provided (see scope of work).

This will be undertaken in relation to:

- 1) Professional profile: general experience (total duration of professional activity), level of education and training and positions held which have a bearing on the required service.
- 2) Experience in relation to the required services

A CV of the Key Person must be attached to this schedule. Each CV should be structured under the following headings:

- 1 Personal particulars
 - name
 - date and place of birth
 - place (s) of tertiary education and dates associated therewith
 - professional awards
- 2 Qualifications (degrees, diplomas, grades of membership of professional societies and professional registrations)
- 3 Name of current employer and position in enterprise
- 4 Overview of post graduate experience (year, organization and position / responsibilities)
- 5 Outline of assignments / experience that has a bearing on the required services giving dates, nature and scope of that has been undertaken including the level of responsibility
- 6 Professional activities which have a bearing on the service

Certificates / suitable proof of membership must be attached to this schedule

The scoring will be as follows:

	General experience and qualifications in relation to the service	Adequacy for the contract
Poor (score 0)	Key person has reasonable levels of general experience (5 years' or less experience in tendered category of works) 0 points	Key person has reasonable levels of project specific education, training and experience that are pertinent to the scope of work (No registration) 0 points
Good (score 5)	Key person has extensive levels of general experience (6 - 10 years' or less experience in tendered category of works) 5 points	Key persons has extensive levels of project specific education, training and experience that are pertinent to the scope of work (ECSA Registration as Candidate or Technician) 0 points
Very good (score 15)	Key person has outstanding levels of general experience(11 - 15 years' or less experience in tendered category of works) 10 points	Key person has outstanding levels of project specific education, training and experience that are pertinent to the scope of work (ECSA Registration as Technologist or Engineer) 5 points

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the tendering entity, confirms that the contents of this schedule are within my personal knowledge and are to the best of my belief both true and correct.

Signed

Date

Name

Position

Tenderer

Schedule 2.2: Experience of Support team (A project organogramme and CV's with qualification of team must be provided)

The experience of the support team will be evaluated. This will be undertaken in relation to:

- 1) Professional profile: general experience (total duration of professional activity), level of education and training and positions held which have a bearing on the required service.
- 2) Experience in relation to the required services

A CV's and qualifications of the support team must be attached to this schedule. Each CV should be structured under the following headings:

- 1 Personal particulars
 - name
 - date and place of birth
 - place (s) of tertiary education and dates associated therewith
 - professional awards
- 2 Qualifications (degrees, diplomas, grades of membership of professional societies and professional registrations)
- 3 Name of current employer and position in enterprise
- 4 Overview of post graduate experience (year, organization and position / responsibilities)
- 5 Outline of assignments / experience that has a bearing on the required services giving dates, nature and scope of that has been undertaken including the level of responsibility
- 6 Professional activities which have a bearing on the service

Certificates / suitable proof of membership must be attached to this schedule

The scoring will be as follows:

General experience and qualifications in relation to the service	
Score 0	
Fair (score 5)	At least one team member NQF level 7 "Manage Labour-Intensive Construction Processes" Building engineering or equivalent Quality Council for Trades and Occupations (QCTO) or having NQF level 5 "National Certificate: Supervision of Building Engineering Construction Processes", Another team member holding a National Diploma Building = 5 points (5 points for either requirement having met)
Good (score 10)	The support team has reasonable levels of general experience At least one team member NQF level 7 "Manage Labour-Intensive Construction Processes" Building engineering or equivalent Quality Council for Trades and Occupations (QCTO) and Another team member having NQF level 5 "National Certificate: Supervision of Building Engineering Construction Processes" = 5 points (5 points for each requirement met)
Very good (score 15)	The support team has reasonable levels of general experience At least one team member NQF level 7 "Manage Labour-Intensive Construction Processes" Building engineering or equivalent Quality Council for Trades and Occupations (QCTO, Another team member having NQF level 5 "National Certificate: Supervision of Building Engineering Construction Processes", Another team member holding a National Diploma Building = 5 points (5 points for each requirement met)

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the tendering entity, confirms that the contents of this schedule are within my personal knowledge and are to the best of my belief both true and correct.

Signed

Date

Name

Position

Tenderer

Evaluation Schedule 3: Plant and Equipment

The value added by the tenderer in delivering the service will be evaluated i.e. the answer to the question as to why the Employer will derive better value for money by contracting with the tenderer rather than with any other tenderer.

The tenderer must provide the list of plant to be used for the successful completion of the project. Highlight your understanding of the project by providing relevant plant and equipment required specifically for this project: 30 points maximum.

Bidders must provide proof of ownership or intent to lease from the plant hire firm. The ownership must be provided in a form of licencing registration documents or certificates.

Plant Description	Quantity	Own Plant	Hired Plant
Concrete mixer	1	2	1
10m ³ Tipper Trucks	3	6	3
TLB	1	2	1
8 Ton Truck	2	4	2
Excavator	2	4	2
LDV	2	4	2
Grader	2	4	2
Roller	2	4	2
Total	15	30	15

2 points for 1 unit in the description. Total claimable points for plant and equipment is 30

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the enterprise, confirms that the contents of this schedule are within my personal knowledge and are to the best of my belief both true and correct.

Signed

Date

Name

Position

Tenderer

Evaluation Schedule 4: Value add by tenderer

The tenderer must briefly outline the value add offered in not more than four pages and attach this to this page. The tenderer should also state what value add other staff members will provide to the service.

The approach paper must respond to the scope of work, the nature of the contract, the required resources and outline the proposed approach /methodology including that relating to the programming and management of key processes. The approach paper as such needs to:

- Outline the proposed methodology and systems which will be employed.
- Articulate what value add the tenderer will provide in achieving the stated and implied objectives for the project including the secondary (developmental) objectives.

The tenderer should as such explain his / her understanding of the objectives of the project, highlight the issues of importance and explain the strategic approach they would adopt to address them. The approach paper should explain the methodologies which are to be adopted, demonstrate the compatibility of those methodologies with the proposed approach. The approach should also include a high level quality plan which outlines processes, procedures and associated resources, applied by whom and when, to meet the requirements and indicate how risks will be managed and what contribution can be made regarding value management.

The approach paper will be evaluated in relation to the scope of work from the approach to delivering projects. Methodology must address quality management system, administration system for reporting, programming and cost management. Reflection on construction methodology to reflect management for site activities. The plan must also reflect how OHS Compliance will be ensured

Methodology must address quality management system, administration system for reporting, programming and cost management. Reflection on construction methodology to reflect management for site activities. The plan must also reflect how OHS Compliance will be ensured. Draft project plan coupled with Gantt chart to undertake the works. Five(No5) components must be stated in writing/or be visible on the project plan and cash flow spreadsheet. The scoring of the tenderer's value added will be as follows:

- (1) Methodology for subcontracting – 4 points;
- (2) Critical Path and Milestones (Gantt Chart) - 4points;
- (3) Resource allocation - 4 points;
- (4) Testing and quality assurance – 4 points
- (5) Monthly project cash flow, (cash flow must be in-line with the project cost and programme of works) - 4 points

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the enterprise, confirms that the contents of this schedule are within my personal knowledge and are to the best of my belief both true and correct.

Signed

Date

Name

Position

Tenderer

C3: Scope of work

The Employer intends entering into a framework contract with a single Contractor, following a competitive selection process (qualified procedure). The NEC3 Engineering and Construction Contract (ECC), Option F: Management contract will form the basis of the framework contract entered into with the Employer. The management Contractor's responsibilities for construction work are the same as those of a Contractor working under one of the other options provided in the NEC3 ECC. However, the management Contractor performs only a limited amount of construction works typically relating to site establishment and de-establishment. The remainder of work will be contracted from local sub-contractors and suppliers who will be subcontracted through direct contracts with the Main Contractor, who acts as a Management Contractor.

The management Contractor tenders his Fee and is paid on a cost reimbursable basis i.e. Defined Cost uplifted by his Fee percentage. Defined Cost includes sub-contract amounts and the prices of the work done by the Contractor himself (construction management) less Disallowed Cost. Disallowed Cost includes costs not justified by accounts and record, costs not in accordance with a sub-contractor's contract, costs incurred because procedures were not followed and payment to a sub-contractor for work which the Contractor is to do himself and the Contractor's management.

The Management Contractor is responsible for supplying management services. The Management Contractor's Fee will increase if sub-contractors' prices (part of Defined Cost to the Contractor) increase due to compensation events. However, he will not receive separate payment for his work in dealing with compensation events and he will not receive any additional Fee for work on compensation events which does not lead to an increase in sub-contractors' prices.

Respondents who are invited to submit tenders will be evaluated on the basis of financial offer, preference and quality. Tenderers will be required to tender their direct fee percentage and sub-contracted fee percentages. These parameters will be reduced to a comparative offer in terms of a tender assessment schedule. A framework contract will be entered into with the highest scoring tenderer.

C3: Scope of work

1 Background

1.1 Project overview

The Elundini Municipality's Construction Procurement Strategy is intended to achieve the following objectives:

1. **Primary procurement objectives** that seeks to ensure that delivery services falling within the Elundini Local Municipality's mandate is:
 - a) in a sustainable manner which minimises dealing with "middlemen";
 - b) at minimum or no cost premium;
 - c) in a manner such that the time between taking a decision to implement a project and to deliver the completed project is minimised;

To also ensure that the Elundini Municipality deliver projects:

- a) within the agreed contract price;
- b) that are fit for purpose;
- c) that are of such a quality that maintenance and life cycle costs are minimised; and
- d) within the agreed time frames inferred from the MTEF years.

2. Secondary procurement objectives

- 1) promote broad based black economic empowerment;
- 2) promote local employment (temporary and permanent) through the delivery of the works;
- 3) develop small enterprise capacity to undertake the portions of the work as subContractors and the maintenance of the completed works;
- 4) retain as much of the project expenditure within the Elundini Local Municipality; and

support skills development by increasing the number of people who have part qualifications, national qualifications and professional designations awarded by statutory councils

1.2 Procurement and delivery management objectives

The Employer's primary procurement objectives are to:

- 1) deliver the required infrastructure on time, within budget and to the required quality;
- 2) expend budgets allocated to a financial year within the financial year; and
- 3) deliver infrastructure of such a quality that maintenance costs are minimised.

The secondary (developmental) procurement objectives of the Employer are to:

- 1) promote broad based black economic empowerment;
- 2) promote local employment (temporary and permanent) through the delivery of the works;
- 3) develop small enterprise capacity to undertake portions of the work as subContractors and the maintenance of the completed works;
- 4) retain as much of the project expenditure within the Elundini Local Municipality; and
- 5) support skills development by increasing the number of people who have part qualifications, national qualifications and professional designations awarded by statutory councils.

1.3 Procurement and delivery management arrangements

The Employer intends entering into a framework contract with a single Contractor, following a competitive selection process (qualified procedure). The NEC3 Engineering and Construction Contract (ECC), Option F: Management contract will form the basis of the framework contract entered into with the Employer. The management Contractor's responsibilities for construction work are the same as those of a Contractor working under one of the other options provided in the NEC3 ECC. However, the management Contractor performs only a limited amount of construction works typically relating to site establishment and de-establishment. The remainder of work will be contracted from local sub-Contractors and suppliers who will be subcontracted through direct contracts with the Contractor, who acts as a management Contractor.

The management Contractor tenders his Fee and is paid on a cost reimbursable basis i.e. Defined Cost uplifted by his Fee percentage. Defined Cost includes subcontract amounts and the prices of the work done by the Contractor himself less Disallowed Cost. Disallowed Cost includes costs not justified by accounts and record, costs not in accordance with a SubContractor's contract, costs incurred because procedures were not followed and payment to a SubContractor for work which the Contractor is to do himself and the Contractor's management.

The management Contractor is responsible for supplying management services. The management Contractor's Fee will increase if subContractors' prices (part of Defined Cost to the Contractor) increase due to compensation events. However, he will not receive separate payment for his work in dealing with compensation events and he will not receive any additional Fee for work on compensation events which does not lead to an increase in subContractors' prices.

Respondents who are invited to submit tenders will be evaluated on the basis of financial offer, preference and quality. Tenderers will be required to tender their direct fee percentage and subcontracted fee percentages. These parameters will be reduced to a comparative offer in terms of a tender assessment schedule. A framework contract will be entered into with the highest scoring tenderer.

1.4 Overview of scope of engineering and construction works

1.4.1 Vision

To have a panel of service providers for a period of time without a quantum of works, this will provide efficient turnaround time in attending to infrastructure.

1.4.2 Mission

- ☐ To promote broad based black economic empowerment;
- ☐ To promote local employment (temporary and permanent) through the delivery of the works;
- ☐ To develop small enterprise capacity to undertake the portions of the work as subcontractors and the maintenance of the completed works;
- ☐ To retain as much of the project expenditure within the Elundini Local Municipality; and,
- ☐ To Support skills development by increasing the number of people who have part qualifications, national qualifications and professional designations awarded by statutory councils.

1.4.3 Objectives

- ☐ The Employer's primary objective in entering into this framework contracts over a 3 year framework term for Construction of Unpaved Roads within the Elundini Municipal area of jurisdiction, on an as and when instructed basis without a commitment to a quantum of work, is to secure the services of a limited number of suitably qualified contractors to serve the Employer's current and emerging needs.
- ☐ The secondary or developmental objectives of the Employer are to provide employment and business opportunities to persons residing or located within the Elundini Municipal area.

1.4.4 Specific

- ☐ The Contractor is required to provide all required personnel, materials, equipment and plant required for the construction of unpaved roads and associated works as instructed through a Package Order issued by the Elundini Local Municipality.

□ The Contractor will furthermore be required to subcontract up-to 100% of the Actual Construction Works to local businesses in order to develop them over the framework period to enable them to rise their CIDB grading.

□ Each Package Order will specify its own Works Information with the necessary details applicable for the construction of that Work Package. This will include but not limited to reporting, invoicing, technical details, drawings, location, Site Information as well as people employment requirements.

The envisaged scope in Table 1. The anticipated expenditure over the next three financial years is expected to be as indicated.

The high level scope of work of the management Contractor will be as follows:

- The Contractor will be required to manage all aspects of the design and construction monitoring of a Work Package which may involve buildings, social amenities- including as necessary the design of the works included in a Work Packages and the handover to the end user.
- The Contractor will develop together with the Employer a strategy to achieve the ELM secondary (development) procurement objectives through the delivery of Work Packages and monitor and report on the progress made in achieving such objectives,
- The Contractor will subcontract the execution of construction activities of the works associated with a Work Package to suitably qualified CIDB local Contractors.

2 Employer's objectives

The Employer's objective in entering into a framework contract over a three-year term, on an as and when instructed basis, is to secure the services of a professional project and construction management service provider to serve the Employer's needs and requirements in delivering the programme as this project unfolds. The municipality will on an annual basis identify projects to be carried out through the subcontracting approach and subsequently cause for package orders to be issued in this regard.

- 2.2 The municipality in its budget for infrastructure related projects will allocate approximately 50% of budget excluding professional fees towards the Local SMMEs.
- 2.3 The Municipality will appoint 3 – 5 Contractors on a framework agreement so that when the Contractor fails to meet the contractual obligations in terms of performance, the municipality issues a package order to the next Contractor within the framework without having to start over the lengthy SCM processes.
- 2.4 Managing Contractor will be appointed for supervision and monitoring of the SMMEs.
- 2.5 The municipality should align the set criteria to the applicable regulations of construction procurement.
- 2.6 Provisional sums for main Contractors should be based on local market related rates.
- 2.7 Apart from the services that are rendered by the Contractor, additionally there should be an allowance for mentoring within the appointment to ensure that secondary objectives are met. That component should also be responsible for reporting.
- 2.8 The SMME's may be assisted by way of organising financial backing.
- 2.9 Training is imperative for SMME development.
- 2.10 To curb the challenge of under-pricing, an analysis should be made between lowest bidder and the market related rates, further interaction should be undertaken when necessary.
- 2.11 Functionality should be considered when calculating the final points/scoring that determine the successful bidder.
- 2.12 The municipality will appoint a managing Contractor who will be doing project monitoring without necessarily doing the construction work so as to give the SMME chance to grow and mentor the SMME.
- 2.13 Training will be offered to the SMMEs so as to improve the shortcomings.

3 Framework agreements

3.1 A framework agreement is an agreement between an organ of state and one or more Contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. An order, on the other hand, is an instruction to provide goods, services or any combination thereof under a framework agreement. Framework agreements enable the Employer to procure on an as-instructed basis (call offs) over a set term without necessarily committing to any quantum of work.

3.2 The Employer will issue Task Orders in accordance with the desired project objectives

4 Description of the services

The services over the term of the contract include:

- the management and integration of projects within infrastructure programme from their conception to their completion in support of the Employer's objectives and aspirations;
- the management of the NEC3 Engineering and Construction Contract (Option F) entered into between the successful tenderer and the Employer including the drafting and issuing of Package Orders;
- the reviewing of end of stage deliverables developed and advising the Employer on their acceptability;
- the gathering of data and the drafting of reports required by the Office of the Premier, the Elundini Local Municipality and Others including progress reports on initiatives to attain secondary procurement objectives;
- the management of the schedule for the programme and cash flows including the setting of control budgets and financial reporting.
- the provision as necessary of suitably qualified personnel who can undertake construction monitoring duties;
- the management of documents associated with the programme; and
- the management of the development of subcontract documents and the procurement process from the advertisement of tenders to the award of the subcontracts.

Three year framework contracts will be entered into with a panel of Contractors for all the framework contracts. The advantage is that a panel enables the municipality to re allocate work package to another Contractor within the panel without going back to procurement processes. There are considerable benefits to be derived from long term relationships. Framework contracts will also be more attractive to regional Contractors as they will provide continuity of work and enable additional funds to be spent quickly should such funds become available.

4.1.1 Programme for social infrastructure (sports fields and community halls)

- 4.1.1.1 The likely CIDB Contractor grading designation requirements for the community hall projects will be a grade 3 / 4 or higher. The community halls are likely to be very similar in nature and value.
- 4.1.1.2 The sports field construction will require Contractors having a Contractor grading designation of 4 or 5 or higher. The sports fields vary in size and nature. Each project within the programmes for sport fields will be implemented as an individual contract.
- 4.1.1.3 *Framework contracts will enable the municipality to retain the services of various Contractors with the ability to deliver infrastructure projects, and thereby shortening the procurement process. There are considerable benefits to be derived from long term relationships. Framework contracts*

- will also be more attractive to regional Contractors as they will provide continuity of work. They will furthermore reduce the administrative burden as the contracts will be similar.*
- 4.1.1.4 Three-year framework contracts will be entered into with three to five Contractors to construct the community halls and sports fields. The municipality will use its own discretion within the legislative framework to appoint a Contractor in the panel to execute a project during that particular financial year.

4.1.2 Programme for municipal Buildings

- 4.1.2.1 Framework contracts with three to five Contractors will provide the Elundini Local Municipality with sufficient capacity to meet its needs in a flexible manner. It will: increase the efficiency of Contractors by providing work based on previous performance; enable additional funds to be spent quickly should such funds become available; and
- 4.1.2.2 offer flexibility in attaining secondary objectives as requirements can be adjusted from one package order to another based on learnings gained in the delivery of a package or changing socio-economic dynamics, thus allowing new key performance indicators to be introduced or key performance to be improved upon over time
- 4.1.2.3 Ensure continued service delivery and timeous project completion as projects can run concurrently.
- 4.1.2.4 Newly constructed municipal roads needs to be maintained. Firstly, defects liability should be covered in the contract. Maintenance beyond this period falls within the roads maintenance unit which can outsource to SMME Contractors developed during the project implementation.
- 4.1.2.5 Three year framework contracts will be entered into with three to five Contractors for municipal roads. The municipality will use its own discretion within the legislative framework to appoint a Contractor in the panel to execute a project during that particular financial year.

Contracting arrangements¹

4.1 Risk allocations for packages

4.1.3 Programme for social infrastructure (sports fields and community halls)

- 4.1.3.1 The design of each of the sports fields although being fairly standard can vary in scope from project to project. Such projects nevertheless require community inputs which are best managed by the Elundini Local Municipality technical staff. The design by employer contracting strategy enables the client to closely control the design process. Accordingly, the design by employer contracting strategy will be applied to projects involving sports fields.
- 4.1.3.2 A price list pricing strategy² is a suitable strategy for the sports fields as there will be a mixture of civil engineering works and small buildings and the scope of work will be known save for uncertainty on the actual quantity of earthworks at the time that tenders are invited to provide the works.
- 4.1.3.3 The design of a community hall requires inputs from a number of different design professions whose inputs need to be closely managed and integrated during the detailed design stage and the works stage. The Elundini Local Municipality does not have capacity to do so. Furthermore, the municipality will employ suitable qualified Contractors to project monitoring and minor design

¹ See Annexure A for a description of the available options

² A bill of quantities and a price list are similar in concept in that the Contractor is paid for work done, based on the lump sums and rates quoted in these documents. Bills of quantities are, however, based on a standard system of measurement in terms of which the bill of quantities is amended should items that in terms of such system of measurement are omitted or where errors in applying the system are made. Price lists, on the other hand, are not based on any system of measurement and break down a lump sum for the work into discrete items for interim payment purposes only. The price list is not adjusted for omissions as work covered by such omissions is deemed to be included. The only adjustment to the lump sum price is made where the stated quantities change.

- alterations. Accordingly, the design by employer constructing strategy will apply making use of designs previously undertaken for community halls.
- 4.1.3.4 A price list pricing strategy is an appropriate strategy for not only a design by employer contract but also for implementing framework agreements. Accordingly, such a strategy will be used for projects involving community halls.
- 4.1.3.5 The NEC3 forms of contract are well suited to framework agreements.³ The NEC3 Engineering and Construction Short Contract (ECSC) provides for payment on the basis of a price list and is suitable for the design by employer contracting strategy. This form of contract will be used on all projects within the social infrastructure programme.⁴
- 4.1.3.6 30% beneficiation policy will apply.

4.1.4 Professional service contracts - Requirements for outsourced professionals

4.1.4.1 The following primary professional services are required:

- Building engineering: design, contract administration, contract administration and construction monitoring services for the sports fields and access roads (stages 4 to 9 – see Annexure C.)
- Electrical engineering services: design, contract administration and construction monitoring services for the electrification of rural households (stages 4 to 9 – see Annexure C.)
- Architectural services relating only to the planning and design development of the community halls (stages 3 to 5 – see Annexure C.)
- Cost consulting services⁵ relating to the planning and design development of the community halls (stages 3 to 5 – see Annexure C.)
- Occupational health and safety services (stages 3 to 9 – see Annexure C.).⁶

Provision can be made in the professional service contracts entered into with the Contractors providing the primary services identified in 4.2.1.2 to obtain quotes and to appoint specialists to provide inputs outside of

³ A key consideration in entering into a framework agreement is to decide on how Contractors are to be paid for broadly defined work which is usually not sufficiently scoped to enable it to be priced at the time when the agreement is entered into. This requires the use of price lists with a transparent methodology to determine the price of items that are not included in the price list at the time of tender or cost based pricing strategies. It should be noted that the FIDIC, JBCC and SAICE forms of contract for works do not make provision for cost based pricing strategies and don't provide a transparent means for determining the price of items that are not included in the price list at the time of tender. The NEC3 family of contracts addresses both these requirements and more. The NEC3 family of contracts facilitates the implementation of sound project management principles and practices as well as defining legal relationships. It is drafted on a relational contracting basis based on the belief that collaboration and teamwork across the whole supply chain optimises the likely project outcomes and is therefore based on "discussion at the time" rather than "argument later." It contains clear procedures with defined time limits for actions to be taken and provides for effective control of change, speedy agreement of time, quality and cost impacts of change, improved forecasting of end costs and end dates. It also includes requirements for the parties to issue to each other early warnings of risks relating to time, cost and quality. It assesses compensation events (events for which the Employer is at risk) which entitle the Contractor to more money on the basis of cost as defined in terms of the contract uplifted by any percentages for overheads and profit or fees provided for in the contract for work already done or a forecast for the work not yet done. The NEC3 family of contracts is accordingly well suited to framework agreements.

⁴ SAICE's General Conditions of Contract for Construction Works can also be effectively used on projects involving sports fields. It is however better practice to standardise on one system of contracts rather than to run two different systems with different procedures within the same department or municipality.

⁵ Cost consulting services are provided by professionally registered quantity surveyors.

⁶ The Construction Regulations 2014 require the client to prepare a baseline risk assessment and a site specific health and safety specification for each project. After 6th August 2015 clients need to apply for a construction permit where the works exceeds 180 days, involves more than 1800 person hours of construction or the works exceeds R13 million. The client is required to appoint an agent who is registered with the South African Council for the Project and Construction Management Professions (SACPCMP) where a construction permit is required.

their profession or discipline into their work e.g. geotechnical engineers to provide the necessary services or, in the case of the architectural services to provide the necessary structural engineering stage 4 and 5 inputs.

4.1.5 Packaging of professional service contracts

Three year framework contracts will also apply to professional services where the municipality will have three to five professionals. The advantage is that the municipality could allocate work package to another professional within the responsive tenderers without going back to procurement processes. Re issue of another package order to a professional will be performance based. There are considerable benefits to be derived from long term relationships. Framework contracts will also be more attractive to regional professionals as they will provide continuity of work and enable additional funds to be spent quickly should such funds become available. This can enable the municipality to appoint developing professionals who can be allocated work of a small value with minimal risk.

4.1.5.1 Professional services for the primary services identified in 4.2.1.2 will be most efficiently provided through a framework agreement over a three year term. This will enable learnings and refinements from one project to be carried through and implemented on the next project. It will also provide sufficient scale to enable professional service providers to contribute to skills development in a meaningful way as there will be continuity of work.

4.1.5.2 There is merit in combining the Building/electrical/architectural, Health and safety and cost consulting services in to a single contract so that the service providers are located in close proximity to each other.⁷

4.1.5.3 Three-year framework agreements will be entered into to provide the professional services identified in 4.2.2.1 with the Building/electrical/architectural which will include Occupation health and safety and cost consulting services being combined into a single service and combined appointments being made for each project.

4.1.6 Allocation of risks for professional service contracts

The two forms of contract endorsed by the CIDB are the NEC3 Professional Service Agreement and CIDB Standard Professional Services Contract. The NEC3 Professional Service Contract can be used as a framework contract as it contains a standard option for task orders, based on a mixture of priced items and time based items.

5 Requirements

5.1 General

⁷ A multidisciplinary consultancy can provide the complete service. Alternatively, an architectural and a quantity surveying practice can form a joint venture or an architectural practice can subcontract the cost consulting services to a quantity surveying practice.

5.1.1 The Contractor shall in the provision of the services observe all relevant statutes, by-laws and associated regulations, the provisions of standards of professional conduct and industry norms established in relevant South African national standards published in terms of the Standards Act of 2008 or standards recommended by professional associations

5.1.2 The Contractor shall provide the services in accordance with the relevant provisions of the *Standard Scope of Professional Services associated with the delivery of a Package* (see Annexure 2) as a project manager, procurement leader, project leader, contract manager and, if necessary, the supervising agent.

5.1.3 The Contractor shall prepare in a format acceptable to the Employer progress reports for tabling at fortnightly project meetings and to accompany invoices for payment.

5.1.4 The Contractor shall attend regular design and / or site co-ordination meetings with the Employer's project management team as well as adhoc meetings convened to deal with specific issues that may arise.

5.1.5 The Contractor shall promptly provide information required for the reports which the Employer and / or the project management team are required to prepare e.g. quarterly Presidential Infrastructure Co-ordinating Committee reports on key performance indicators.

5.2 Production information requirements

5.2.1 Construction requirements shall be described in terms of South African national standards published by the South African Bureau of Standards where such standards exist and their scope covers such requirements.

5.2.2 Construction requirements shall not be described in terms of a part of SANS 1200, *standardised specification for Building engineering construction*, if such requirements fall within the scope of a part of SANS 2001, *construction works*.

5.2.3 Construction requirements for buildings and structures which are required to comply with the requirements of National Building Regulations shall be described in terms of a part of SANS 2001, *construction works*, where such standards exist.

5.2.4 A bill of quantities shall not be used as a substitute for production information.

Note: The National Treasury Standard for Infrastructure Procurement and Delivery Management defines production information as *information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction*.

6 Facilities and equipment to be provided by the Employer

No facilities or equipment are provided by the Employer.

7 Skills development requirements

The Contractor shall achieve in the execution of a Task Order whose value exceeds R2,0 million and which has a duration in excess of 12 months the contract skills development goal established in the *Specification for developing skills that result in nationally accredited outcomes through infrastructure contracts* (Annexure 4).

8 Procurement of specialist studies, inputs, advice and tests

The Contractor shall:

- a) obtain the Employer's prior permission to procure specialist studies, inputs, advice, tests and construction monitoring services; and

- b) either obtain three quotes for studies, inputs and tests and award a contract to the service provider offering the best value for money or, if acceptable to the Employer, engage a sole provider at open market rates.

9 Facilities and equipment to be provided by the Contractor

The Contractor shall provide all equipment and facilities required to Provide the Services.

10 Communications

All communications with the Employer which are made in terms of the contract should be made using the standard templates provided by the Employer. Reference to the Framework Agreement description shall at all times precede any project related communication.

11 Document management system

11.1 The Contractor shall provide documents in accordance with the requirements established by the project leader which shall be compatible with the Synergy Document Control System.

11.2 The status of any drawings uploaded on this system shall be clearly indicated on the drawings in accordance with the provisions of the Standard Scope of Professional Services associated with the delivery of a Package,

12 Invoices

Invoices submitted by the Contractor to the Employer shall

- a) be VAT invoices,
- b) be headed with the Employer's project number, title of the services provided in terms of the contract and the Employer supplied Purchase Order No;
- c) indicate, if relevant. the Stage of work completed to date
- d) be accompanied by a daily activity sheet covering the time charges that are invoiced together with a brief explanation as to what the time covered,
- e) a full breakdown of expenses to which receipts relate in relation to a Task Order,
- f) contain amounts in a tabulation form which, identify in respect of each Task Order that is issued;
 - i) the total of the Prices for Services Proved previous claimed;
 - ii) the current invoice amount;
 - iii) the total of the Prices for the Services to Date claimed; and
 - iv) the remaining amount in the Task Order (i.e. the difference between the total of the Prices and the total of the Prices for the Services to date claimed;
- g) show how the amounts due have been assessed.

13 Vendor registration

The Contractor shall complete vendor registration forms before the first assessment date. Such forms and the submission requirements shall be obtained from the Employer.