



TENDER DOCUMENT

BID NUMBER: NKO 78/2022

NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

ISSUED BY	PREPARED BY
MUNICIPAL MANAGER	EMPLOYER'S AGENT
NKOMAZI LOCAL MUNICIPALITY Private Bag X 101 Malelane 1320 Tel: 013 790 0245 Fax: 013 790 1476	LUBISI CONSULTING <small>A NEW PERSPECTIVE TO ENGINEERING CONSULTING</small> 20 Brander Street Mbombela 1200 Tel: 013 752 6416 Fax: 013 752 6418

CIDB GRADING: 4CE or HIGHER

REGISTERED NAME OF TENDERER: _____

TENDERED AMOUNT (Incl Vat): _____

CLOSING DATE: 20 DECEMBER 2022

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9 Park Street - Malalane
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Malalane,
1320

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www.nkomazi.gov.za

TENDER NOTICE AND INVITATION TO TENDER

Nkomazi Sanitation project (200 toilets in Block A, Block B, Ericsville and Dladluma villages) Tender No. NKO 78/2022

Nkomazi Local Municipality cordially invites interested parties to tender/bid for the Nkomazi Sanitation project (Construction of 200 toilets in Block A, Block B, Ericsville and Mdladla villages). In terms of Section 110 of the Municipal Finance Management Act, 2003 (No. 56 of 2003). Tenders will be evaluated on 80/20 points system in line with Nkomazi Local Municipality Supply Chain Management Policy. Part of the conditions of this tender is that service provider's attention is drawn towards the requirement of MBD 6.2 (Local Content) as per attached Annexure in the tender document: Steel products 100% locally manufactured.

Tenderers should have a minimum CIDB Grading of 4CE or Higher.

Tender documents with complete details are available upon payment of non-refundable amount of R1425.73 on each tender document or can be downloaded for free from e-Tender or Nkomazi website. Tender documents will be available from **07/12/2022** and can be obtained at Nkomazi Local Municipality: Budget and Treasury (Old Taxi Rank) Impala Street from the Cashiers desk from 0745 to 1530 (Monday to Friday).

An optional or non-compulsory tenderer and site briefing session will be held on **09/12/2022** at 10:00 at the Municipal Town Hall, it is advisable that bidders attend the informative meeting as it clarifies matters and also provides an opportunity to ask questions and get more clarity on all matters pertaining to the tender.

Complete Bid document must be deposited in the tender box at the office of the Nkomazi Local Municipality, 9 Park Street, Malelane, not later than 12h00 on/before the closing date of **20/12/2022**. Tenders/Bids must be submitted in a sealed envelope or container on which the tender bid number and addressee is clearly marks. No bids transmitted by fax or email will be accepted. It must be noted that the municipality is not bound to accept the lowest or any tender.

Tender/bid documentation which is incomplete or filled incorrectly or not filled in on the official bid documentation or which is received after the close of bids will be ignored. It must be noted the tender submitted in a wrong tender box will not be considered. Nkomazi Local Municipality supports empowerment of the previously disadvantaged and SSMEs.

For Supply Chain enquiries contact Mr R. Mabuza at 013 7900386 and for technical support contact Mrs. D.L Sifunda at 013 790 0886.

Mr. C Lisa
Municipal Manager
Nkomazi Local Municipality
Private Bag X101
Malelane, 1320

30/11/2022
Date

The following conditions must be complied with:

Failure to comply with the following will render the tenderer liable to rejection:

- All pages must be completed, and all pages form part of the tender document, therefore no page removal is allowed.
- Scratching out / painting over rates / use of correcting fluid is not allowed.
- Failure to attend compulsory site inspections / compulsory briefing sessions in case is required.
- Failure to submit documents required in this document
- Form of tender not filled and signed and all pages of bid documents not initialed.
- Enterprise particulars not provided.
- The bid has been submitted after the closing date and time.
- Failure to initial or sign all Pages of the Tender documents

Compulsory returnable Documents: failure to return documents below is an automatic disqualification with the exception of the BBBEE Status Certificate

- Attach Copy of SARS Tax Pin or tax clearance certificate
- Copy of Central Supplier Database Registration Report
- Certified copy of Company Registration (CK)
- A certified BBBEE Status certificate that is accredited by South African Accreditation Systems (SANA) or sworn affidavit must be attached for the tenderer to claim the
- Preferential points
- All declarations and authorisations must be duly signed.
- All returnable schedules must be completed
- Attach proof of rates and taxes not later than 3 months/Proof of Residence
- Copy of Authority for signatory (Must be in the company letter head)
- Certified Copy of CIDB grading

Every bid will be scored and awarded points out of a maximum of 100 points.

A fixed 10 points of the maximum of 100 points is allocated to calculate preference in terms of the BBBEE status.

A bidder must not be awarded the points claimed for BBBEE status level of contribution if it is indicated in the bid documents that such a bidder intends sub-contacting more than 25% of the contract value to any other enterprise that does not qualify for a least the same number of points that the bidder qualifies for, unless the intended sub-contractor is and EME that has the capacity and ability to execute the sub-contract.

A contractor is not allowed to sub-contract more than 25% of the contract value to another enterprise that does not have equal or higher B-BBEE status level, unless the intended sub-contractor is an EME that has the capacity and ability to execute the sub-contract

In relation to a designated sector, a contractor must not allow to sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

Any contract awarded on false information furnished by the bidder, may, without derogating from other remedies available to Nkomazi Local Municipality, be cancelled at the sole discretion of Nkomazi Local Municipality.

PART T1
TENDERING PROCEDURES

CONTRACT No: NKO 78/2022

PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

MBD1

PART A: T1.1 TENDER NOTICE AND INVITATION TO TENDER

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NKOMAZI LOCAL MUNICIPALITY					
BID NUMBER:	NKO 78/2022	CLOSING	20 DEC 2022	CLOSING TIME:	12:00
BID DESCRIPTION	NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK C, ERICSVILLE AND DLUDLUMA VILLAGES)				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7) or SERVICE LEVEL AGREEMENT OF NKOMAZI LOCAL MUNICIPALITY.					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT Nkomazi Local Municipality, 9 Park Street Civic Centre, Malalane, 1320 not later than 12:00 on 20 December 2022.					
An official and compulsory clarification meeting will be held on 09 December 2022 at 10:00am Bidders are requested to meet at Nkomazi Local Municipality Kobwa hall in Malelane in Malelane, Fish Eagle.					
The Bid box is generally open from 8am to 16:00, on working days					
Completed Bid document, fully priced and signed must be sealed in an envelope marked: NKO 78/2022. NKOMAZI SANITATION PROJECT 200 TOILETS BLOCK A. BLOCK B, ERICSVILLE & DLUDLUMA VILLAGES)					
Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL NUMBER	-----		TOTAL BID PRICE		R
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL		<input type="checkbox"/> Yes <input type="checkbox"/> No
			SWORN AFFIDAVIT		
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

**PART T1
TENDERING PROCEDURES**

CONTRACT No: NKO 78/2022

PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
MINIMUM WORK OPPORTUNITIES TO BE CREATED	50	CIDB GRADING	4CE OR HIGHER
SIGNATURE OF BIDDER	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
MUNICIPALITY	NKOMAZI	THE PROJECT MANAGEMENT UNIT MANAGER	Mrs. D.L Sifunda
CONTACT PERSON	Mr R. Mabuza	TELEPHONE NUMBER	013 790 0245
TELEPHONE NUMBER	013 790 0386	FACSIMILE NUMBER	013 790 1746
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS		Client Representative Company: Lubisi Consulting Engineers Contact: Mr. James Mhanda Pr. Tech Eng Tel: 013 752 6416 email: info@lubisi.co.za	

PART T1
TENDERING PROCEDURES

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PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

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PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RETYPED) OR ONLINE**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B: 3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

PART T1
TENDERING PROCEDURES

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3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

☐ YES ☐ NO

3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?

☐ YES ☐ NO

3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA

☐ YES ☐ NO

3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

☐ YES ☐ NO

3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION

☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE

N B: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

DATE:

.....

PART T1
TENDERING PROCEDURES

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T1.2 TENDER DATA

The Conditions of tender are the standard conditions of tender as contained in annex F of SANS 294: 2004, published by Standards South Africa, Private Bag X191, Pretoria 0001, Tel 012 428 7911.

The standard conditions of tender for procurements make several references to the Tender Data. The Tender Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the standard conditions of tender.

Where applicable, items of data given here below are cross-referenced to the sub clause in the standard conditions of tender to which it applies.

Sub-clause	Data
F.1.1	<p>The employer is</p> <p><i>Project Name:</i> Nkomazi Sanitation project (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)</p> <p>.....</p> <p><i>Contract No:</i> NKO 78/2022</p> <p><i>CIDB Grading:</i> 4CE or Higher</p> <p><i>Client Name:</i> The Municipal Manager, Nkomazi local Municipality</p>
F.1.2	<p>The Project Document issued by the employer consists of the following:</p> <p>The Bid</p> <p>Part T1: Tendering procedures:</p> <p style="padding-left: 40px;">T1.1 Tender notice and invitation to tender</p> <p style="padding-left: 40px;">T1.2 Tender Data</p> <p>Part T2: Returnable documents</p> <p style="padding-left: 40px;">T2.1 Forms Certificates and Schedules required for Evaluation.</p> <p style="padding-left: 40px;">T2.2 Other Forms, certificates and Schedules that will be incorporated into the contract</p> <p style="padding-left: 40px;">T2.3 Returnable Schedules that will be incorporated into the Contract</p> <p style="padding-left: 40px;">T2.4 Other Schedules and Documents that will be Incorporated into the Contract</p> <p>THE CONTRACT</p> <p>Part C1: Agreements and Contract Data</p> <p style="padding-left: 40px;">C1.1 Safety Agreement</p> <p style="padding-left: 40px;">C1.2 Guarantee</p> <p style="padding-left: 40px;">C1.3 Agreement with Adjudicator</p> <p style="padding-left: 40px;">C1.4 Contract Data</p> <p>Part C2: Pricing Instruction and Summary of Bill of Quantities</p> <p style="padding-left: 40px;">C2.1 Pricing instructions</p> <p style="padding-left: 40px;">C2.2 Bill of Quantities and Summary of Bills of Quantities</p>

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Sub-clause	Data
	<p>Part C3: Scope of Work</p> <p>C3.1 Description of Works</p> <p>C3.2 Engineering</p> <p>C3.3 Construction</p> <p>C3.4 Management</p> <p>Part C4 : Site Information</p> <p>C4.1 Site Information</p> <p>C4.2 Locality Plan</p> <p>Part C5: Annexures</p> <p>C5.1 Proforma Documents</p> <p>C5.2 Guidelines for the implementation of labour-intensive infrastructure projects under the expanded public works programme</p> <p>C5.3 Contract Drawings</p>
F.1.4	<p>The employer's agent</p> <p>Name: Lubisi Consulting Engineers</p> <p>Physical Address: 20 Brander Street, Nelspruit 1200</p> <p>Tel: 013 752 6416</p> <p>E-mail: info@lubisi.co.za</p>
F.2.1	<p>Eligibility</p> <p>A contract will only be entered into with a tenderer who has in his employ management and supervisory staff satisfying the requirements of the scope of work for labour intensive competencies for supervisory and management staff</p>
F.2.7	<p>Site Visit and Clarification Meetings</p> <p>The arrangements for a compulsory clarification meeting are:</p> <p>Location: Nkomazi Local Municipality Kobwa hall in Malelane in Malelane, Fish Eagle.</p> <p>Date: 09 December 2022 @ 10H00</p>
F.2.9	<p>Insurance</p> <p>No insurance cover will be provided by the Employer</p>
F.2.12	<p>Alternative Tender Offer</p> <p>Unless anything to the contrary has been determined in the Contract Data, a Tenderer may, together with his tender for the original designs contained in the contract documents, submit alternative designs and tender offers for consideration. All designs, calculations,</p>

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Sub-clause	Data
	<p>drawings and Operation and Maintenance manuals shall be fully endorsed by a third party registered engineer, accomplished in such specific field of practice and the cost thereof shall be borne solely by the Contractor. Such alternative designs and offers shall be subject to the following conditions and requirements:</p> <p><u>Tenders</u></p> <p>An alternative offer or design will be considered only if the tender for the original items has been fully priced and completed. The alternative tender offer is to be submitted in the same envelope as the main tender offer, together with a schedule that compares the requirements of the tender documents with the alternative requirements the Tenderer proposes. No alternative tender will be considered unless a tender free from qualifications is also submitted.</p> <p>Unless the alternative offer stipulates to the contrary, it shall be assumed that the period for completion of the Works shall be the same as for the original design.</p> <p>Designs, calculations, drawings and a modified schedule of quantities (as determined hereafter) in respect of each alternative offer or design shall accompany the alternative tender offer and shall be endorsed fully by a third party registered engineer, accomplished in such specific field of practice.</p> <p><u>Preliminary calculations</u></p> <p>Preliminary calculations for an alternative design shall be submitted with the tender. Such calculations shall give adequate details so as to enable an assessment to be made of the general efficacy of the design and of its principal elements, also of the degree to which the design prescriptions and codes of the Employer are being complied with. The calculations shall be clear and in a logical sequence and shall clearly reflect all the design assumptions.</p> <p><u>Preliminary drawings</u></p> <p>Preliminary drawings of the alternative designs shall also be submitted with the tender. These drawings shall comprise adequate layout plans, elevations and sections and shall clearly illustrate the general efficacy of the design and its principal elements.</p> <p><u>Quantities</u></p> <p>Each alternative offer shall be accompanied by a modified priced schedule of quantities compiled in accordance with the specifications, in so far as it is applicable, which clearly shows the manner in which the price for the alternative offer has been determined and the items in the original schedule of quantities which fall away or are being changed. In addition to the schedule of quantities, a set of calculations shall be supplied to show how the quantities have been determined. All assumptions in regard to factors which will</p>

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Sub-clause	Data
	<p>determine quantities shall be clearly and conspicuously marked by underlining or colouring and shall indicate whether or not the assumptions have been based on information furnished in the Contract Data (with the necessary references).</p> <p><u>Further details</u></p> <p>Should the Employer's Agent find that the calculations and drawings submitted for alternative designs are not complete enough for proper adjudication of the alternative designs, the Employer reserves to itself the right to call on the Tenderer to submit such further calculations and drawings as may be required. If such further details are not submitted within ten days of having been requested, the alternative designs will not be given further consideration.</p> <p><u>Preliminary adjudication of alternative designs</u></p> <p>The Employer's Agent will undertake a preliminary scrutiny of any alternative designs for compliance with the specified requirements of the Employer. Should he find any mistakes or unsatisfactory aspects, he may afford the Bidder the opportunity to rectify them within a period to be determined by the Employer's Agent. However, it is emphasized that the preliminary scrutiny of the design and tender by the Employer's Agent, by its very nature, cannot be comprehensive, and no guarantee can be given in this regard that all the mistakes made by the Bidder will in fact be detected. Any correction of such mistakes shall be made with the tender price of the bidder being retained, and, wherever necessary, the priced schedule of quantities for the alternative design shall be adjusted accordingly.</p> <p><u>Acceptance of alternative design</u></p> <p>The Bidder shall note that the acceptance of a tender which includes alternative designs shall mean that the alternative designs have been approved in principle only. If the final calculations, drawings and details do not comply with the specified requirements, such alternative designs may be rejected, unless they are suitably amended by the Bidder so as to be acceptable to the Employer.</p> <p><u>Final drawings and calculations and the priced schedule of quantities</u></p> <p>Where a tender with an alternative design has been accepted, the Contractor shall, not less than two months before he intends starting with the construction of such design, submit to the Employer's Agent a complete set of working drawings, detailed calculations and a complete schedule of quantities, for approval. The schedule of quantities shall be based on the preliminary schedule of quantities, but with the necessary adjustments in quantities and prices and with the tendered price for the alternative design being retained.</p> <p>Within three weeks of having received the above, the Employer's Agent will indicate which drawings, calculations, quantities, prices and other particulars are acceptable to him and</p>

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Sub-clause	Data
	<p>which not, with reasons furnished. The Contractor shall then submit to the Employer's Agent in good time any modified drawings and other particulars for approval, for which he will require two weeks. Any delay arising from the fact that the amended particulars do not meet the requirements shall be the responsibility of the Contractor.</p> <p>No work which will be affected by an alternative design may be commenced, unless the drawings, schedule of quantities and prices for such alternative design have been approved. Should the Contractor fail to modify any drawings, calculations, quantities, prices or any other particulars to the satisfaction of the Employer's Agent, the alternative design will be rejected, and the original design shall be constructed for the same amount as has been tendered for the alternative design.</p> <p><u>Responsibility for alternative design</u></p> <p>The approval of a design by the Employer's Agent shall not in any way relieve the Bidder of his responsibility to produce a design which conforms in all respects to all the specified requirements, and which will be suitable for the purpose envisaged.</p> <p>Should it appear later during construction or during the maintenance period that the design does not conform to the specified requirements, the Contractor only, shall be liable for any damage arising there from and he shall, at his own expense, do all the necessary work to ensure that the Works conforms to all the specified requirements.</p> <p><u>Indemnity</u></p> <p>Once the alternative design has been approved, the Contractor shall indemnify and hold harmless the Employer, its agents and assigns, against all claims howsoever arising out of the said design whether in contract or delict</p>
F2.13.1	<p>Whole of Works</p> <p>Tenderers shall offer to provide for the whole of the Works identified.</p>
F.2.13.5	<p>The employer's address for delivery of tender offers and identification details to be shown on each tender offer package are:</p> <p>Location of tender box: Nkomazi Local Municipality, 9 Park Street Civic Centre, Malalane, 1320.</p>
F.2.13. & F.3.5	<p>A two-envelope procedure will not be followed.</p>
F.2.15	<p>Closing time for submission of tender offers is 20 December 2022 at 12H00</p>
F.2.15	<p>Telephonic, telegraphic, telex facsimile or e-mailed tender offers will not be accepted.</p>
F.2.16	<p>The tender offer validity period is 90 days.</p>

PART T1
TENDERING PROCEDURES

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Sub-clause	Data
F.2.17	The tendered lump sums and rates shall be final and binding irrespective of the total tender price.
F.2.23	<p>Certificates</p> <p>The following certificates are to be provided with this tender:</p> <ul style="list-style-type: none">• Record of Addenda to Tender Documents• Certificate of Authority of Joint Ventures/ Close corporations/ Partnership/ Company/ Sole proprietor (Certified Copies of the Identity Documents in the Case of sole proprietor)• Registration Certificates of Entities – Joint Ventures/ Close corporations/ partnership/ Company/ Sole Proprietor• Compulsory Enterprise Questionnaire• Schedule of Tenderer's Experience (Certified copies of Appointment letters & completion certificates of similar projects)• Schedule of Key Personnel• Format of Curriculum Vitae (CV) and certified copies of qualifications• Proposed Amendments, Qualifications and Alternatives• Schedule of Sub-Contractors• Schedule of plant and equipment• Copy of Workmen's Compensation Registration Certificate (or proof of payment of contributions in terms of the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993)• South African Revenue Services tax pin• BBBEE Certificate (certified)• Contractor's health and safety declaration• Profoma notification form in terms of the Occupational Health and Safety Act 1993, Construction Regulations, 2003• Form of offer <p>A minimum grading of 4CE or Higher is required.</p> <p><u>Important Note:</u></p> <p>Failure to provide the required particulars as per the above-listed certificates implies a non-responsive tender and may warrants rejection of the tender on account of non-compliance with the requirements of the Tender Data.</p>

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Sub-clause	Data
F.3.4	<p><u>Opening of tender submissions</u></p> <p>The time and location for opening of the tender offers is 20 December 2022 @ 12:00.</p> <p>Location: Nkomazi Local Municipality, 9 Park Street Civic Centre, Malalane, 1320</p>
F.3.9.1	<p><u>Arithmetical errors</u></p> <p>Check responsive tender offers for arithmetical errors, correcting them in the following manner:</p> <ul style="list-style-type: none">a) Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern.b) If bills of quantities (or schedule of quantities or schedule of rates) apply and there is an error in the line item total resulting from the product of the unit rate and the quantity, the line item total shall govern and the rate shall be corrected. Where there is an obviously gross misplacement of the decimal point in the unit rate, the line item total as quoted shall govern, and the unit rate shall be corrected.c) Where there is an error in the total of the prices either as a result of other corrections required by this checking process or in the tenderer's addition of prices, the total of the prices shall govern and the tenderer will be asked to revise selected item prices (and their rates if bills of quantities apply) to achieve the tendered total of the prices.
F3.13.1	<p>Tender offers will only be accepted on condition that:</p> <ul style="list-style-type: none">a) The tenderer is registered with the Construction Industry Development Board in an appropriate contractor grading designation;b) The tenderer or any of its directors is not listed in 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; andc) The tenderer has not over the last five years failed to satisfactorily perform a contract for the employer and has been issued with a written notice to this effect.
F.3.18	<p>Parts of each Bid offer communicated on paper shall be submitted as original, plus 2 copies.</p>

Each item of data given below is cross-referenced to the sub-clause in the Standard Conditions of Tender to which it mainly applies.

SUPPLY CHAIN MANAGEMENT
EVALUATION PROCESS AND CRITERIA

The following evaluation process and criteria will be used to evaluate all bids submitted:

Standard Conditions of Bid

F.1 General

F.1.1 Actions

The employer and each Bidder submitting a Bid offer shall comply with these conditions of Bid. In their dealings with each other, they shall discharge their duties and obligations as set out in F.2 and F.3, timeously and with integrity, and behave equitably, honestly and transparently.

F.1.2 Bid Documents

The documents issued by the employer for the purpose of a Bid offer are listed in the Bid data. This document in which are bound the Tendering Procedures, Returnable Documents, Agreements and Contract Data, Pricing Data and Scope of Work. Tenderers are reminded that irrespective of any other provision or requirement contained in this tender, the only mandatory required documents to be submitted with this tender are listed in Part T2 of the Returnable Documents.

F.1.3 Interpretation

F.1.3.1 The Bid data and additional requirements contained in the Bid schedules that are included in the returnable documents are deemed to be part of these conditions of Bid.

F.1.3.2 These conditions of Bid, the Bid data and Bid schedules which are only required for Bid evaluation purposes, shall not form part of any contract arising from the invitation to Bid.

F.1.3.3 For the purposes of these conditions for the calling for expressions of interest, the following definitions apply:

- a) **Comparative offer** means the Bidder's financial offer after the factors of non-firm prices, all unconditional discounts and any other Bided parameters that will affect the value of the financial offer have been taken into consideration
- b) **Corrupt practice** means the offering, giving, receiving or soliciting of anything of value to influence the action of the employer or his staff or agents in the Bid process; and
- c) **Fraudulent practice** means the misrepresentation of the facts in order to influence the Bid process or the award of a contract arising from a Bid offer to the detriment of the employer, including collusive practices intended to establish prices at artificial levels

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- d) **Quality (functionality)** means the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.
- F.1.3.4** *The Tender documents have been drafted in English. The contract arising from the invitation of tender shall be interpreted and construed in English."*

F.1.4 Communication and employer's agent

Each communication between the employer and a Bidder shall be to or from the employer's agent only, and in a form that can be read, copied and recorded. Writing shall be in the English language. The employer shall not take any responsibility for non-receipt of communications from or by a Bidder. The name and contact details of the employer's agent are stated in the Bid data.

F.1.5 The employer's right to accept or reject any Bid offer

- F.1.5.1** *The employer may subsequent to the cancellation or abandonment of a tender process or the rejection of all responsive tender offers re-issue a tender covering substantially the same scope of work.*

F.1.6. Evaluation and award of the tender.

- F1.6.1 The Nkomazi municipality reserves the right to accept the whole or any portion of a tender.

F.2 Bidder's obligations

F.2.1 Eligibility

Submit a Bid offer only if the Bidder complies with the criteria stated in the Bid data and the Bidder, or any of his principals, is not under any restriction to do business with employer.

F.2.2 Cost of Bidding

Accept that the employer will not compensate the Bidder for any costs incurred in the preparation and submission of a Bid offer, including attending interviews in the office of the employer or employer's agent and the costs of any testing necessary to demonstrate that aspects of the offer satisfy requirements.

F.2.3 Check documents

Check the Bid documents on receipt for completeness and notify the employer of any discrepancy or omission.

F.2.4 Confidentiality and copyright of documents

Treat as confidential all matters arising in connection with the Bid. Use and copy the documents issued by the employer only for the purpose of preparing and submitting a Bid offer in response to the invitation.

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F.2.5 Reference documents

Obtain, as necessary for submitting a Bid offer, copies of the latest versions of standards, specifications, conditions of contract and other publications, which are not attached but which are incorporated into the Bid documents by reference.

F.2.6 Acknowledge addenda

Acknowledge receipt of addenda to the Bid documents, which the employer may issue, and if necessary apply for an extension to the closing time stated in the Bid data, in order to take the addenda into account.

F.2.7 Clarification meeting

Attend **compulsory clarification meeting** at which Bidders may familiarize themselves with aspects of the proposed work, services or supply and raise questions. Details of the meeting(s) are stated in the Bid data. *Where applicable, details of the compulsory clarification meeting with a representative of the Employer are stated in the Tender Notice and Invitation to Tender. Confirmation of attendance will be recorded in the attendance register to be signed by all tenderers. Tender documents will not be made available at the clarification meeting.*

F.2.8 Seek clarification

Request clarification of the Bid documents, if necessary, by notifying the employer *in writing* at least seven working days before the closing time stated in the Bid data.

F.2.9 Insurance

Be aware that the extent of insurance to be provided by the employer (if any) may not be for the full cover required in terms of the conditions of contract identified in the contract data. The Bidder is advised to seek qualified advice regarding insurance.

F.2.10 Pricing the Bid offer

F.2.10.1 Include in the rates, prices, and the Bided total of the prices (if any) all duties, taxes (except Value Added Tax (VAT), and other levies payable by the successful Bidder, such duties, taxes and levies being those applicable 14 days before the closing time stated in the Bid data.

F2.10.2 Show VAT payable by the employer separately as an addition to the Bided total of the prices.

F.2.10.3 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.

F.2.10.4 State the rates and prices in Rand unless instructed otherwise in the Bid data. The conditions of contract identified in the contract data may provide for part payment in other currencies.

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F.2.10.5 “If no offer is made for an item, a line must be drawn through the space in pen. All prices and details must be legible/readable to ensure the tender will be considered for adjudication.”

F.2.11 Alterations to documents

Not make any alterations or additions to the Bid documents, except to comply with instructions issued by the employer, or necessary to correct errors made by the Bidder. All signatories to the Bid offer shall initial all such alterations. Erasures and the use of masking fluid are prohibited.

“In the event of a mistake having been made on the price schedule, it shall be crossed out in ink and be accompanied by an initial at each and every price alteration.”

If correction fluid has been used on any specific item price, such item will not be considered. Corrections in terms of price may not be made by means of correction fluid such as Tippex or similar product. No correction fluid may be used in a Price Schedule where prices are calculated to arrive at a total amount. If correction fluid has been used, the tender as a whole will not be considered.

The Municipality will reject the bid if corrections are not made in accordance with the above.”

F.2.12 Alternative Bid offers

F.2.12.1 Submit alternative Bid offers only if a main Bid offer, strictly in accordance with all the requirements of the Bid documents, is also submitted. The alternative Bid offer is to be submitted with the main Bid offer together with a schedule that compares the requirements of the Bid documents with the alternative requirements the Bidder proposes.

F.2.12.2 Accept that an alternative Bid offer may be based only on the criteria stated in the Bid data or criteria otherwise acceptable to the employer.

F.2.13 Submitting a Bid offer

F.2.13.1 Submit a Bid offer to provide the whole of the works, services or supply identified in the contract data and described in the scope of works, unless stated otherwise in the Bid data.

F.2.13.2 Return all returnable documents to the employer after completing them in their entirety, either electronically (if they were issued in electronic format) or by writing in black ink. *Each Tenderer is required to return the complete set of documents as listed in Part T2 with all the required information supplied and completed in all respects. Prior to submitting their tender document tenderers should make a copy thereof for record purposes No copies of any part of the submitted tender document will be made for the tenderers during the evaluation and adjudication processes.*

F.2.13.3 Submit the parts of the Bid offer communicated on paper as an original plus the number of copies stated in the Bid data, with an English translation of any

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documentation in a language other than English, and the parts communicated electronically in the same format as they were issued by the employer.

F.2.13.4 Sign the original and all copies of the Bid offer where required in terms of the Bid data. The employer will hold all authorized signatories liable on behalf of the Bidder. Signatories for Bidders proposing to contract as joint ventures shall state which of the signatories is the lead partner, whom the employer shall hold liable for the purpose of the Bid offer.

Only authorised signatories may sign the original and all copies of the tender offer where required in terms of F.2.13.3 In the case of a ONE-PERSON CONCERN submitting a tender, this shall be clearly stated. In case of a COMPANY submitting a tender, include a copy of a resolution by its board of directors authorising a director or other official of the company to sign the documents on behalf of the company. In the case of a CLOSE CORPORATION submitting a tender, include a copy of a resolution by its members authorising a member or other official of the corporation to sign the documents on each member's behalf. In the case of a PARTNERSHIP submitting a tender, all the partners shall sign the documents, unless one partner or a group of partners has been authorised to sign on behalf of each partner, in which case proof of such authorisation shall be included in the Tender.

In the case of a JOINT VENTURE/CONSORTIUM submitting a tender, include a resolution of each company of the Joint Venture together with a resolution by its members authorising a member of the Joint Venture to sign the documents on behalf of the Joint Venture.

F.2.13.5 Seal the original and each copy of the Bid offer as separate packages marking the packages as "ORIGINAL" and "COPY". Each package shall state on the outside the employer's address and identification details stated in the Bid data, as well as the Bidder's name and contact address.

The identification details are:

- Correct tender reference no.
- Correct Tender description
- Correct closing time
- Correct due date

Each tender shall be enclosed in a sealed envelope, bearing the correct identification details and shall be placed in the tender box located in the foyer at Nkomazi local municipality offices.

F.2.13.6 Where a two-envelope system is required in terms of the Bid data, place and seal the returnable documents listed in the Bid data in an envelope marked "financial proposal" and place the remaining returnable documents in an envelope marked "technical proposal". Each envelope shall state on the outside the employer's address and identification details stated in the Bid data, as well as the Bidder's name and contact address.

F.2.13.7 Seal the original Bid offer and copy packages together in an outer package that states on the outside only the employer's address and identification details as stated in the Bid data.

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F.2.13.8 Accept that the employer shall not assume any responsibility for the misplacement or premature opening of the Bid offer if the outer package is not sealed and marked as stated.

F.2.14 Information and data to be completed in all respects

Accept that Bid offers, which do not provide all the data or information requested completely and in the form required, may be regarded by the employer as non-responsive.

F.2.15 Closing time

F.2.15.1 Ensure that the employer receives the Bid offer at the address specified in the Bid data not later than as stated in the Bid data. Proof of posting shall not be accepted as proof of delivery. The employer shall not accept Bid offers submitted by telegraph, telex, facsimile or e-mail, unless stated otherwise in the Bid data.

F.2.15.2 Accept that, if the employer extends the closing time stated in the Bid data for any reason, the requirements of these conditions of Bid apply equally to the extended deadline.

F.2.16 Bid offer validity

F.2.16.1 Hold the Bid offer(s) valid for acceptance by the employer at any time during the validity period stated in the Bid data after the closing time stated in the Bid data. *The Tender Offer validity period is 90 days. If the tender validity expires on a Saturday, Sunday or public holiday, the Tender Offer shall remain valid and open for acceptance until the closure of business on the following working day.*

F.2.16.2 If requested by the employer, consider extending the validity period stated in the Bid data for an agreed additional period.

F.2.17 Clarification of Bid offer after submission

Provide clarification of a Tender Offer in response to a request to do so from the Employer during the evaluation of Tender Offers. This may include providing a breakdown of rates or prices and correction of arithmetical errors resulting from the product of the unit rate and the quantity by the adjustment of certain line item totals. No change in the unit rate or prices or substance of the Tender Offer is sought, offered, or permitted.

Note: Sub-clause F.2.17 does not preclude the negotiation of the final terms of the contract with a preferred Bidder following a competitive selection process, should the Employer elect to do so.

F.2.18 Provide other material

F.2.18.1 Provide, on request by the employer, any other material that has a bearing on the Bid offer, the Bidder's commercial position (including notarized joint venture agreements),

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preferencing arrangements, or samples of materials, considered necessary by the employer for the purpose of a full and fair risk assessment. Should the Bidder not provide the material, or a satisfactory reason as to why it cannot be provided, by the time for submission stated in the employer's request, the employer may regard the Bid offer as non-responsive.

F.2.18.2 Dispose of samples of materials provided for evaluation by the employer, where required.

F.2.19 Inspections, tests and analysis

Provide access during working hours to premises for inspections, tests and analysis as provided for in the Bid data.

F.2.20 Submit securities, bonds, policies, etc

If requested, submit for the employer's acceptance before formation of the contract, all securities, bonds, guarantees, policies and certificates of insurance required in terms of the conditions of contract identified in the contract data.

F.2.21 Check final draft

Check the final draft of the contract provided by the employer within the time available for the employer to issue the contract.

F.2.22 Return of other Bid documents

If so instructed by the employer, return all retained Bid documents within 28 days after the expiry of the validity period stated in the Bid data.

F.2.23 Certificates

Include in the Bid submission or provide the employer with any certificates as stated in the Bid data. Refer to part T1 and part T2: Returnable Documents for a list of documents that are to be returned with the tender. *Tenderers are required to develop a booklet with a table of contents as per table stated in part T2 under T2.0 for all certificates and supporting documentation.*

F.2.24 Canvassing and obtaining of additional information by tenderers

Accept that no Tenderer shall make any attempt either directly or indirectly to canvass any of the Employer's officials or the Employer's agent in respect of his tender, after the opening of the tenders but prior to the Employer arriving at a decision thereon. No Tenderer shall make any attempt to obtain particulars of any relevant information, other than that disclosed at the opening of tenders.

F.2.25 Prohibitions on awards to persons in service of the state

Accept that the Employer is prohibited to award a tender to a person - a) who is in the service of the state; or b) if that person is not a natural person, of which any director,

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manager, principal shareholder or stakeholder is a person in the service of the state; or
c) a person who is an advisor or consultant contracted with the municipality or municipal entity.

In the service of the state” means to be – a) a member of - • any municipal council; • any provincial legislature; or • the National Assembly or the National Council of Provinces; b) a member of the board of directors of any municipal entity; c) an official of any municipality or municipal entity; d) an employee of any national or provincial department, national ore) provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999); f) a member of the accounting authority of any national or provincial public entity; or g) an employee of Parliament or a provincial legislature.” In order to give effect to the above, the questionnaire for the declaration of interests in the tender of persons in service of state in Section T2.2 must be completed.

F.2.26 Awards to close family members of persons in the service of the state.

Accept that the notes to the Employer’s annual financial statements must disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state (defined in clause 2.25), or has been in the service of the state in the previous twelve months, including

- a) The name of that person;*
- b) The capacity in which that person is in the service of the state; and*
- c) The amount of the award.*

In order to give effect to the above, the questionnaire for the declaration of interests in the tender of persons in service of state in part T2 – Returnable Documents must be completed in full and signed.

F.2.27 Tax Clearance Certificate

In the case of a Joint Venture/Consortium the tax clearance certificate must be for the Joint Venture/Consortium or individual valid tax clearance certificates for all the members of the Joint Venture/Consortium

F.3 The Employer’s undertakings

F.3.1 Respond to clarification

Respond to a request for clarification received up to seven calendar days before the tender closing time stated in the tender data and notify all Tenderers who drew procurement documents.

The time and location for the tender submissions are stated in the Tender Notice and Invitation to Tender.

F.3.2 Issue Addenda

If necessary, issue addenda that may amend or amplify the Bid documents to each Bidder during the period from the date of the Bid Notice until seven days before the Bid closing time stated in the Bid Data. If, as a result a Bidder applies for an extension to

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the closing time stated in the Bid Data, the Employer may grant such extension and, will then notify it to all Bidders who drew documents.

F.3.3 Return late Bid offers

Return Bid offers received after the closing time stated in the Bid Data, unopened, (unless it is necessary to open a Bid submission to obtain a forwarding address), to the Bidder concerned.

F.3.4 Opening of Bid submissions

F.3.4.1 Unless the two-envelope system is to be followed, open valid Bid submissions in the presence of Bidders' agents who choose to attend at the time and place stated in the Bid data. Bid submissions for which acceptable reasons for withdrawal have been submitted will not be opened.

The time and location for the tender submissions are stated in the Tender Notice and Invitation to Tender.

F.3.4.2 Announce at the opening held immediately after the opening of Bid submissions, at a venue indicated in the Bid data, the name of each Bidder whose Bid offer is opened, the total of his prices, preferences claimed and time for completion, if any, for the main Bid offer only.

F.3.4.3 Make available the record outlined in F.3.4.2 to all interested persons upon request.

F.3.5 Two-envelope system

A two-envelope procedure will **not** be followed in this contract.

F.3.6 Non-disclosure

Not disclose to Bidders, or to any other person not officially concerned with such processes, information relating to the evaluation and comparison of Bid offers, the final evaluation price and recommendations for the award of a contract, until after the award of the contract to the successful Bidder.

F.3.7 Grounds for rejection and disqualification

Determine whether there has been any effort by a Bidder to influence the processing of Bid offers and instantly disqualify a Bidder (and his Bid offer) if it is established that he engaged in corrupt or fraudulent practices.

F.3.8 Test for responsiveness

Determine, on opening and before detailed evaluation, whether each Bid offer properly received:

- a) Meets the requirements of these Conditions of Bid,
- b) Has been properly and fully completed and signed, and
- c) is responsive to the other requirements of the Bid documents.

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A responsive Bid is one that conforms to all the terms, conditions, and specifications of the Bid documents without material deviation or qualification. A material deviation or qualification is one which, in the Employer's opinion, would:

- Detrimentially affect the scope, quality, or performance of the works, services or supply identified in the Scope of Work,
- Change the Employer's or the Bidder's risks and responsibilities under the contract, or
- Affect the competitive position of other Bidders presenting responsive Bids, if it were to be rectified.

Reject a non-responsive Bid offer, and not allow it to be subsequently made responsive by correction or withdrawal of the non-conforming deviation or reservation.

F.3.9 Arithmetical errors

Check responsive Bid offers for arithmetical errors, correcting them in the following manner:

- Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern.
- If a bill of quantities (or schedule of rates) apply and there is an error in the line item total resulting from the product of the unit rate and the quantity, the line item total shall govern and the rate shall be corrected. Where there is an obviously gross misplacement of the decimal point in the unit rate, the line item total as **quoted shall govern**, and the **unit rate** will be corrected.
- Where there is an error in the total of the prices either as a result of other corrections required by this checking process or in the Bidder's addition of prices, the total of the prices shall govern and the Bidder will be asked to revise selected item prices (and their rates if a bills of quantities applies) to achieve the Bided total of the prices.

Consider the rejection of a Bid offer if the Bidder does not correct or accept the correction of his arithmetical errors in the manner described above.

F.3.10 Clarification of a Bid offer

Obtain clarification from a Bidder on any matter that could give rise to ambiguity in a contract arising from the Bid offer.

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F.3.11 Evaluation of Bid offers

The tender evaluation method to evaluate all responsive tender offers will be **Method 4**

Method 4:	
Financial offer, quality and preferences	<ol style="list-style-type: none">1) Score quality, rejecting all tender offers that fail to score the minimum number of points for quality stated in the Tender data.2) Score tender evaluation points for financial offer.3) Confirm that tenderers are eligible for the preferences claimed, and if so, score tender evaluation points for preferencing.4) Calculate total tender evaluation points.5) Rank tender offers from the highest number of tender evaluation points to the lowest.6) Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.

F3.11.1 General

Apply the 80/20 Preference Point system where a maximum of EIGHTY (80) tender adjudication point be awarded for price and a maximum of TWENTY (20) points for B-BBEE status level of contribution. Refer to Part T2 – Returnable Documents.

Gate 0

Name of Document that must be submitted	Non-submission may result in disqualification?
Form of Offer	<u>YES</u>
Authority for signatory	<u>YES</u>
Original Tax Clearance Certificate	<u>YES</u>
COIDA	<u>YES</u>
Invitation to Bid	<u>YES</u>
Declaration of Interest – MBD 4	<u>YES</u>
Local Content- MBD 6.2	<u>YES</u>
Declaration of Bidder's Past Supply Chain Management Practices – MBD 8	<u>YES</u>
CIDB Grading	<u>YES</u>
Company Registration	<u>YES</u>
Signed Tender Notice	<u>YES</u>

All documents above must be certified

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Gate 1

First stage – Evaluation of functionality:

According to the MFMA Circular No. 53 of the Municipal Finance Act No. 56 of 2003. Bidders will firstly be evaluated on Functionality. Only those meeting the minimum Score for functionality will be evaluated on 3

Responsive tenders will firstly be evaluated on functionality. The minimum score for functionality is **70%**, and a bidder who scores below this minimum shall not be considered for further evaluation in terms of the preference point systems.

Functionality for responsive tender submitted is evaluated according to the predetermined criteria described below, taking into account, among other factors, the quality, reliability and technical capacity and ability of the tenderer.

FUNCTIONALITY COMPETENCE ACHIEVEMENT SCHEDULES

(I) Functionality Points will be spread as follows (100 points maximum):

Note: None submission of requirements stated below will result in loss of points

A. Relevant Overall Experience of Company – 50 points

- i) Previously completed sanitation projects of similar scope amounting to a total of not less than **R4 million** in the last five years, **Fifty (50) points allocated**.
- ii) Previously completed water projects of similar scope amounting to a total of not less than **R3 million** in the last five years, **Forty (40) points allocated**.
- iii) Previously completed water projects of similar scope amounting to a total of not less than **2.5 million** in the last five years, **Thirty (30) points allocated**.
- iv) Previously completed water projects of similar scope amounting to a total of not less than **R2 million** in the last ten years, **Twenty (20) points allocated**.
- v) Previously completed water projects of similar scope amounting to a total of not less than **R1.5 million** in the last five years, **Ten (10) points allocated**.

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Client references	Returnable schedule Ref	Points
<p>A) Provide the names of two (2) current/recent contactable references for each category that the bidder has tendered for. The information provided include:</p> <ul style="list-style-type: none"> • customer • company name • contact person • address • phone number • contract value • duration of contract • brief description of the services provided <p>Attach certified appointment letters and completion certificates</p>	2.3.2 schedule of previous work carried out by bidder	50

Evaluation shall be based on the five projects executed in the past 5 years. Only experience from the tendering entity, and not by staff members, shall be taken into account.

B. Relevant Experience Key Staff – 25 points

- i) **Site Agent** on permanent/contract basis, least with NQF Level 5 or related qualification with experience in sanitation projects of not less than two (2) years in LIC. Points will be allocated on a pro-rata basis for experience between 2 to 7 years, as indicated below:

YEARS EXPERIENCE	2	3	4	5	6	7
POINTS	5	6	7	8	12	15

ii) **Site Foreman**

Foreman on permanent/contract basis, at least with NQF Level 4 or related qualification with experience in sanitation projects of not less than two (2)

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years in LIC. Points will be allocated on a pro-rata basis for experience between 2 to 6 years, as indicated below:

YEARS EXPERIENCE	2	3	4	5	6
POINTS	1	2	5	8	10

Experience	Returnable schedule Ref	Point s
Provide detailed CVs as per template provided for all Key Personnel for each category stated above.	2.3.4 Staffing profile	25

C. Plant and Equipment – 10 points

Plant	Tendered Goal
2 TLB's	6
1 Excavators	4

Tenderer to attach relevant documentation proving ownership of the plant or letter of intent for hire.

Plant and Equipment	Returnable schedule Ref	Points
<p>Provided detailed of plant and equipment currently owned and certified proof of ownership must be attached for each plant and equipment stated</p> <p>Or</p> <p>Provided letter of intent to lease plant and the letter must state</p> <p>the name of the Service provider and the available plant/equipment</p>	2.3.1 Schedule of constructional plant	10

**PART T1
TENDERING PROCEDURES**

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D. Financial Status – 15 points

FINANCIAL CAPACITY	Returnable schedule Ref	Bank Rating	Score
Very Good – indisputable for enquiries	2.3.5 financial standing/bank rating	A	13
Good – Good for the amount of work		B	13
Adequate – Good for the amount strictly in accordance with business		C	13
Poor – Reasonable business risk (additional motivation will be required prior appointment)		D	5
Inadequate and risky		E	0
Contractor's letter of intent from a registered financial institution of guarantor in the amount of 10% for surety			2

Ability of the contractor to finance working capital requirements before the first claim is paid by the client (bank letter is submitted should not older than 3 months)

A Bidder who scores less than 70% on the total functionality points will automatically be disqualified and will not be considered for further evaluation

PART T1
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ITEM	Maximum Points to be Allocated	ALLOCATED POINTS claimed (Do not Complete)
REPUTATION AND REFERENCES	50	
EXPERIENCE REFERENCES SPECIFIC KNOWLEDGE	25	
PLANT AND EQUIPMENT	10	
FINANCIAL REFERENCES	15	
TOTAL POINTS	100%	
MINIMUM REQUIRED POINTS TO QUALIFY	70%	
DID THE TENDERER ACHIEVE THE MINIMUM REQUIRED POINTS	Yes	No

Second stage – Compliance to administrative requirements

Bidders will be evaluated on the following administrative compliance / responsiveness:

- Proof of registration / ownership of entity
- Proof of purchased bid receipt
- Price amendment without signature in the bills of quantity
- Completion of the bill of quantity
- Certificate of non-collusion
- Non completion of MBD documents
- Alterations to the bid document or submission of a copy of the original bid document
- Completion of the bid document using pencil
- Usage of tipex

Over and above the test for responsiveness as described under F3.8, failure of the tender to submit the following will result in immediate disqualification.

PART T1
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Gate 2

Third stage – Evaluation in terms of the 80/20 Point System:

Responsive tenders which have achieved the minimum qualification score for functionality will be evaluated further, using the 80/20-point system.

The following is the criteria that the Bidders will be evaluated for Functionality:

IF “YES” ABOVE, THEN THE TENDER WILL BE ADJUDICATED ACCORDING TO THE 80/20 POINTS SYSTEM BELOW:

ITEM	MAX POINTS TO BE ALLOCATED	POINTS CLAIMED BY TENDERER	ALLOCATED POINTS (Do not Complete)
PRICE	80		
BBBEE POINTS SCORED	20		
TOTAL	100		

Price and BBBEE

Contribution. Reduce each responsive Bid offer to a comparative offer and evaluate it using the Bid evaluation method that is indicated in the Bid Data and described below:

Score financial offers, preferences and quality, as relevant, to two decimal places.

F.3.11.2 Scoring Financial Offers

All responsive tenders that qualify by meeting the minimum threshold for functionality are then evaluated on the basis of price and preferential in accordance with the Preferential Procurement Regulations 2011 (Government Gazette No. 34350 dated 8 June 2011). The points scored for functionality are not carried over or considered in the calculation of the financial and preferential evaluation.

All respective tenders that have achieved the minimum qualification score for the functionality and administrative compliance shall be evaluated further in terms of the preferential point system prescribed in regulation 5 and 6 Preferential Procurement Regulations 2011 i.e.

For tenders with rand value less than 50 million (80/20)

1. The following formula must be used to calculate the points for price in respect of tender with a rand value of less than R 50 000 000 (all applicable taxes included)

PART T1
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.....

$$PS = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

P = Points scored for competitive price of tender or offer under consideration.

Pt = Comparative price or offer under consideration, and

Pmin = Comparative price or offer of lowest acceptable tender offer.

2. Points must be awarded to tenderer for attaining their B-BBEE status level contribution in accordance with table below.

B-BBEE STATUS LEVEL OF CONTRIBUTION	NUMBER OF POINTS
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non – compliant contribution	0

3. The points scored by a tenderer in respect of level of B-BBEE contribution contemplated in sub regulation (2) above shall be added to the points scored for price as calculated in accordance with sub regulation (1) above.
4. The contract shall be awarded to the tenderer who scores the highest total points.

The following condition shall apply

- I. Any discount offered unconditionally shall be taken into account when calculations comparative prices.
- II. Although discount offered conditionality shall not be taken into account for evaluation purposes, such discount shall be implemented when payments is effected (should the tender prove to be successful).
- III. Points scored shall be rounded off to the nearest 2 decimal places.
- IV. In the vent that two or more tenders score equal total points, the successful tender must be the one scoring the highest number of preferential points for B-BBEE. However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preferential points for B-BBEE, the successful tender must be the

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TENDERING PROCEDURES

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.....
one scoring the highest score for functionality. Should two or more tenders be equal in all respect, the award shall be decided by drawing of lots.

- V. A trust, consortium or joint venture will qualify for points for B-BBEE status level as a legal entity, provided that the entity submits their joint B-BBEE status level certificate.
- VI. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separated tender.
- VII. A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub- contractor is an EME that has the capability and ability to execute the sub-contract.

Tax clearance

No tender may be awarded to any person whose tax matters have not been declared by the South African revenue services to be in order.

F.3.11.3 Scoring Quality (functionality)

Score quality in each of the categories stated in the Bid Data and calculate total score for quality.

ITEMS	POINTS
Company Experience	50
Financial Reference	15
Construction Team Key Personnel	25
Plant & Equipment	10

F.3.12 Insurance provided by the employer

If requested by the proposed successful Bidder, submit for the Bidder's information the policies and / or certificates of insurance which the conditions of contract identified in the contract data, require the employer to provide.

F.3.13 Acceptance of Bid offer

F.3.13.1 Accept Bid offer only if the Bidder satisfies the legal requirements stated in the Bid Data.

Tender offers will only be accepted if:

- a) The Tenderer is able to produce a original valid Tax Clearance Certificate issued by the South African Revenue Service;*
- b) The Tenderer is not in arrears for more than 3 months with municipal rates and taxes and municipal service charges;*

PART T1
TENDERING PROCEDURES

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-
- c) *The Tenderer or any of its directors 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, and*
 - d) *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.*
 - e) *It is considered that the performance of the services will not be compromised through any conflict of interest.*

F.3.13.2 Notify the successful Bidder of the employer's acceptance of his Bid offer by completing and returning one copy of the form of offer and acceptance before the expiry of the validity period stated in the Bid data, or agreed additional period. Providing the form of offer and acceptance does not contain any qualifying statements, it will constitute the formation of a contract between the employer and the successful Bidder as described in the form of offer and acceptance.

F.3.14 Notice to unsuccessful Bidders

After the successful Bidder has acknowledged the employer's notice of acceptance, the client may notify other Bidders that their Bid offers have not been accepted.

F.3.15. Prepare contract documents

If necessary, revise documents that shall form part of the contract and that were issued by the employer as part of the Bid documents to take account of:

- a) Addenda issued during the Bid period,
- b) Inclusion of some of the returnable documents,
- c) Other revisions agreed between the employer and the successful Bidder, and
- d) The schedule of deviations attached to the form of offer and acceptance, if any.

F.3.16 Issue final contract

Prepare and issue the final draft of contract documents to the successful Bidder for acceptance as soon as possible after the date of the employer's signing of the form of offer and acceptance (including the schedule of deviations, if any). Only those documents that the conditions of Bid require the Bidder to submit, after acceptance by the employer, shall be included.

F.3.18 Provide copies of the contracts

Provide to the successful Bidder the number of copies stated in the Bid Data of the signed copy of the contract as soon as possible after completion and signing of the form of offer and acceptance.

One signed copy of contract shall be provided by the Employer to the successful Tenderer.

Ref Links (Change the blue portion accordingly)

NOTE: DONT PRINT OUT THIS PAGE

Project Name: Nkomazi Sanitation project (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

1.) Contract No: NKO 78/2022
2. CIDB Grading: 4CE or Higher
3. Client Name: The Municipal Manager, Nkomazi Local Municipality.
4. Client Address: P Bag X101. Malelane 1320, Tel 013 790 0245
5. Consultant Name: Lubes Consulting Engineers
6. Consultant Address: P.O.Box 12393, Nelspruit. 1200
7. Consultant Physical Add: 20 Brander Street, Nelspruit, 1200
8. Consultant Telephone: 013 752 6416
9. Consultant Fax No: 013 752 6418
10. Consultant Email : info@lubisi.co.za
11. Document Issue Centre: Nkomazi Civic Centre, Ground Floor,
12. Client fax Number 013 790 1476
13. Client Tel Number 013 790 0245
14. Document available 07 December 2022
15. Briefing Date 09 December 2022
16. Late Time 15
17. Briefing Time 10H00
18. Site Location Coordinates S 25.488682 E 031.500061
19. Opening of tender 12h00
20. Submissions
21. Closing date 20 December 2022
22. Closing Time 12H00
23. Validity period 90 days
24. Contract period 4 Months
25. Evaluation method Method 4
26. Procurement Enquiries Ms R.Mabuza
27. Minimum Score for functionality : 70%
28. Document Opening Nkomazi Civic Centre, Ground Floor



PART T2 - RETURNABLE DOCUMENTS

Notes:

The Tender Document must be submitted as a whole. All forms must be properly completed as required and the document **shall not be taken apart or altered in any way whatsoever**.

All forms must be duly completed in **black ink** as required and all required returnable's must be submitted on a **booklet as stated in T2.0**.

The list of returnable documents, which consist of forms and schedules to be completed and company specific certificate and information pages to be attached, comprise the following:

TABLE OF CONTENTS

- T2.1 Forms, Certificates and Schedules Required For Evaluation Of Tender Responsive**
- T2.3 Documentation, Forms and Schedules Required For Tender Evaluation Purposes (Functionality Evaluation)**
- T2.4 Other Documentation, Forms and Schedules Required For Tender Evaluation Purposes**

T2.0

TABLE OF CONTENTS FOR RETURNABLE CERTIFICATES AND SUPPORTING DOCUMENTATION

All tenders are required to develop a returnable schedule booklet with following table of content. No additional information will be required and therefore the tenderers will only utilize the table of content herein. Tender Document must be submitted as a whole.

All forms must be properly completed as required and the document **shall not be taken apart or altered in any way whatsoever**

Pg Nr.	Description	Submitted
1	Certificate of Authority for Signature	
2	Company Registration Certificate/ Agreements /	
3	Identity Documents	
4	Tax Clearance Certificate Requirements	
5	BBBEE Certificate	
6	Proof of registration with CIDB	
7	Proof of Workmen's Compensation Registration	
8	Schedule of Constructional Plant	
9	Schedule of Similar Previous Work Carried out By Bidder	
	Five Appointment letters	
	Five Completion Certificate	
10	Project Team	
	CV and qualifications for Contract Manager	
	CV and qualifications for Site Agent	
	CV and qualifications for Site Foreman	
11	Audited Financial statement	
	Financial statement 2018	
	Financial statement 2019	
	Financial statement 2020	

Tender Document must be submitted as a whole, and the document shall not be taken apart or altered in any way whatsoever. Noncompliance will be considered as non-responsive.

T2.1

**FORMS, CERTIFICATES AND SCHEDULES REQUIRED for
EVALUATION OF RESPONSIVENESS**

TABLE OF CONTENT

2.1.1. CERTIFICATE OF ATTENDANCE AT A TENDER SITE MEETING

2.1.2 CERTIFICATE OF AUTHORITY FOR SIGNATURE

2.1.3 REGISTRATION CERTIFICATES / AGREEMENT/ IDENTITY DOCUMENTS

2.1.4 TAX CLEARANCE CERTIFICATE REQUIREMENTS

2.1.5 PROOF OF REGISTRATION WITH CIDB

2.1.6 PROOF OF WORKMEN'S COMPENSATION REGISTRATION

2.1.1. CERTIFICATE OF ATTENDANCE AT A TENDER SITE MEETING

This is to certify that (*Tenderer*)

.....

of

(*address*).....

.....

was represented by the person(s) named below at the compulsory meeting held for all tenderers at the stated on the tender invitation.

I / We acknowledge that the purpose of the meeting was to acquaint myself / ourselves with the site of the works and / or matters incidental to doing the work specified in the tender documents in order for me / us to take account of everything necessary when compiling our rates and prices included in the tender.

Particulars of person(s) attending the meeting:

Name:

Signature:.....

Capacity:

Name:

Signature:

Capacity:

Attendance of the above person(s) at the meeting is confirmed by the Employer's representative, namely:

Name:

Signature:

Capacity:

Date and Time:

2.1.2 CERTIFICATE OF AUTHORITY FOR SIGNATURE

Indicate the status of the Tenderer by ticking the appropriate box hereunder. The Tenderer must complete the certificate set out below for the relevant category.

(I) COMPANY	(II) CLOSE CORPORATION	(III) PARTNERSHIP	(IV) JOINT VENTURE	(V) SOLE PROPRIETOR

(I) Certificate For Company

I,, chairperson of the Board of Directors of, hereby confirm that by resolution of the Board (copy attached) taken on 20....., Mr/Ms, acting in the capacity of, was authorized to sign all documents in connection with the tender for Contract No. 26A/2014 and any contract resulting from it on behalf of the company.

Chairman:

As Witnesses: 1.....

2.....

Date:

(II) Certificate For Close Corporation

We, the undersigned, being the key members in the business trading as
..... hereby authorize Mr/Ms , acting in the capacity
of , to sign all documents in connection
with the tender for Contract No. and any contract resulting from it on our
behalf.

NAME	ADDRESS	SIGNATURE	DATE

Note : This certificate is to be completed and signed by all of the key members upon whom rests the direction of the affairs of the Close Corporation as a whole.

(II) Certificate For Partnership

We, the undersigned, being the key partners in the business trading as,
....., hereby authorize Mr/Ms ,
acting in the capacity of , to sign all documents in connection
with the tender for Contract No. and any contract resulting from it on
our behalf.

NAME	ADDRESS	SIGNATURE	DATE

Note : This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole.

(IV) Certificate For Joint Venture

This Returnable Schedule is to be completed by joint ventures.

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms , authorised signatory of the company , acting in the capacity of lead partner, to sign all documents in connection with the tender offer and any contract resulting from it on our behalf.

NAME OF FIRM	ADDRESS	DULY AUTHORISED SIGNATORY
Lead partner		Signature. Name Designation
		Signature. Name Designation
		Signature. Name Designation
		Signature. Name Designation

Note : *This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Joint Venture as a whole.*

(V) Certificate For Sole Proprietor

I, , hereby confirm that I am the sole owner of the Business trading as

Signature of Sole owner:

As Witnesses:

Date:

1.
2.

FORM 13A AUTHORITY OF SIGNATORY

NOTE: AN AUTHORITY OF SIGNATORY FOR EACH PARTY IN A JOINT VENTURE IS ALSO REQUIRED.

Details of person responsible for tender process:

Name :

Contact
number :

Office address
:

Signatories for close corporations and companies shall confirm their authority by attaching to this form a **duly signed and dated original or certified copy on the Company Letterhead** of the relevant resolution of their members or their board of directors, as the case may be, as well as a signed joint venture agreement.

PRO-FORMA FOR COMPANIES AND CLOSE CORPORATIONS:

"By resolution of the board of directors passed on (date)

Mr

has been duly authorized to sign all documents in connection with the Tender for Contract Numberand any Contract which may arise there from on behalf of

(BLOCK CAPITALS)

SIGNED ON BEHALF OF THE COMPANY

IN HIS CAPACITY AS

DATE

FULL NAMES OF SIGNATORY

2.1.3 REGISTRATION CERTIFICATES / AGREEMENT/ IDENTITY DOCUMENTS

Attach on the **booklet** Certified Copies Of Registration Certificates For Companies And Close Corporation And Certified Copies Of Indemnity Documents For Partnership And Sole Proprietors As Well As Signed Agreements And Power Of Attorney For Joint Venture/Consortium If Applicable

2.1.4 TAX CLEARANCE CERTIFICATE REQUIREMENTS

Tax Clearance Certificate obtained from SARS to be inserted here.

IMPORTANT NOTES:

1. The following is an abstract from the Preferential Procurement Regulations 2001 promulgated with the Preferential Policy Framework Act No 5 of 2000:

Tax clearance certificate

16. No contract may be awarded to a person who has failed to submit an original Tax Clearance Certificate from the South African Revenue Service ("SARS") certifying the taxes of that person to be in order or that suitable arrangements have been made with SARS."
2. Before entering into a contract with a successful Tenderer, the Employer will confirm with the CIDB that the Tenderer's registration is active and the expiry date of the tax certificate
3. The ST 5.1 form, Application for Tax Clearance Certificate (in respect of tenders), must be **completed by the tenderer in every detail and submitted to the Receiver of Revenue** where the tenderer is registered for income tax purposes. The Receiver of Revenue will then furnish the tenderer with a Tax Clearance Certificate that will be valid for 12 months from date of issue. **This Tax Clearance Certificate must be submitted in the original with the tender, that is before the closing time and date of the tender.**

Each party to a Consortium / Joint Venture / Subcontractors must complete a separate Tax Clearance Certificate.

Failure to submit an original and valid tax clearance certificate issued by SARS with your bid document at the time of closing will invalidate the tender

(IN RESPECT OF TENDER)

2. TRADE NAME:.....

[illegible][illegible][illegible][illegible][illegible]

NB : Copy of the tender request must be attached to this application.

CONTACT PERSON REQUIRING TAX CLEARANCE CERTIFICATE:

SIGNATURE:

NAME :

TELEPHONE NUMBER : CODE: NUMBER:

ADDRESS :

DATE : 20/...../.....

Please note that the Commissioner for the South African Revenue Service (SARS) will not exercise his discretionary powers in favour of any person with regard to any interest, penalties and/or additional tax leviable due to the late or underpayment of taxes, duties or levies or the rendition of returns by any person.

NAME OF PERSON RESPONSIBLE FOR CONTRACT :

NB: *This is a pro forma application form that has to be submitted to SARS to enable them to issue the required Tax Clearance Certificate. The original and valid Tax Clearance Certificate furnished by the Receiver of Revenue must be submitted with the tender (to be attached to the next page).*

TAX CLEARANCE CERTIFICATE

[attach on the booklet Tax Clearance Certificate obtained from SARS]

2.1.5 PROOF OF REGISTRATION WITH CIDB

The tenderer shall attach hereto the contractor's proof of registration with CIDB. CRS number also to be provided.

In the case of Consortium / Joint Venture tenders, each partner shall provide their own CIDB registration certificates

2.1.6 PROOF OF WORKMEN`S COMPENSATION REGISTRATION

Tender shall attach on the booklet certified proof of workman`s compensation registration or proof of payment of contribution in terms of the compensation of occupational injuries and diseases (Act 4 of 2002).

T2.2

**OTHER FORMS, CERTIFICATES AND SCHEDULES THAT
WILL BE INCORPORATED INTO THIS CONTRACT**

TABLE OF CONTENT

2.2.1 RECORD OF ADDENDUM TO TENDER DOCUMENTS

2.2.2 FORM OF REQUIRED INFORMATION

2.2.3 EXECUTION PROGRAMME

2.2.4 CONTRACTOR'S HEALTH AND SAFETY DECLARATION

2.2.5 CONTRACTOR'S SAFETY PLAN

2.2.6 PROFORMA NOTIFICATION FORM IN TERMS OF THE OCCUPATIONAL HEALTH
AND SAFETY ACT 1993, CONSTRUCTION REGULATIONS, 2003

2.2.7 (a) MBD1 (TENDER NOTICE AND INVITATION TO TENDER) ***PLACED AFTER
TENDER NOTICE***

2.2.7 (b) MBD 4 (DECLARATION OF INTEREST)

2.2.7 (c) MBD 5 (DECLARATION FOR PROCUREMENT ABOVE R10 MILLION
(VAT INCLUDED)

2.2.7 (d) MBD 6.1 (PREFERENCE POINTS CLAIM FORM IN TERMS OF THE
PREFERENTIAL PROCUREMENT REGULATIONS 2011)

2.2.7 (e) MBD 6.2 (DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND
CONTENT)

2.2.7 (f) MBD 7.2 (DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND
CONTENT)

2.2.7 (g) MBD 8 (DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT
PRACTICES)

2.2.7 (h) MBD 9 (CERTIFICATE OF INDEPENDENT BID DETERMINATION)

2.2.10 CERTIFICATE FOR MUNICIPAL SERVICES AND PAYMENTS

2.2.11 AUTHORIZATION FOR DEDUCTION OF OUTSTANDING AMOUNTS OWED TO
COUNCIL

2.2.12 MDB 6.1 2.2.13 COMPANY INFORMATION FOR TENDERS GREATER THAN R10
MILLION

2.2.14 CLASSIFICATION OF BUSINESS

2.2.15 RECORD OF SERVICES PROVIDED TO ORGANS OF STATE

2.2.16 STATUS OF CONCERN SUBMITTING TENDER

2.2.17 CERTIFICATE OF INDEPENDENT BID DETERMINATION

2.2.1 RECORD OF ADDENDUM TO TENDER DOCUMENTS

I / We confirm that the following communications received from the Employer or his representative before the date of submission of this tender offer, amending the tender documents, have been taken into account in this tender offer.

ADD.No.	DATE	TITLE OR DETAILS
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

SIGNATURE:

DATE:

.....

(of person authorised to sign on behalf of the Tenderer)

2.2.2 FORM OF REQUIRED INFORMATION

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR TENDER BEING DISQUALIFIED)

NAME OF TENDERER

.....
.....

POSTAL ADDRESS

.....
.....

STREET ADDRESS

.....
.....

TELEPHONE NUMBER CODE
NUMBER.....

CELLPHONE NUMBER

.....
.....

FACSIMILE NUMBER CODE..... NUMBER.....

VAT REGISTRATION
NUMBER.....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE
BEEN ATTACHED? (MBD 2)
YES/NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE
BEEN SUBMITTED? (MBD 6.1)
YES/NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE
CORPORATIONACT (CCA)

☐

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL
ACCREDITATION SYSTEM (SANAS)

☐

A REGISTERED AUDITOR
(Tick applicable box)

☐

(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED
IN ORDER TO QUALIFY FOR THE PREFERENCE POINTS FOR B-BBEE)

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE

GOOD/SERVICES/WORKS OFFERED?
YES/NO

(IF YES, ENCLOSE PROOF)

SIGNATURE OF
TENDERER:.....

DATE:

CAPACITY IN WHICH THIS TENDER IS
SIGNED:.....

The Tenderer shall detail below or attach a preliminary programme reflecting the proposed sequence and tempo of execution of the various activities comprising the work for this Contract. The programme shall be in accordance with the information supplied in the Contract, requirements of the Project Specifications and with all other aspects of the Tender.

[Note: The programme must be based on the completion time as specified in the Contract Data. No other completion time that may be indicated on this programme will be regarded as an alternative offer, unless it is listed in Table (b) of the Form hereafter and supported by a detailed statement to that effect, all as specified in the Tender Data]

(of person authorized to sign on behalf of the Tenderer)

2.2.4 CONTRACTOR'S HEALTH AND SAFETY DECLARATION

In terms of Clause 4(4) of the OHSA 1993 Construction Regulations 2003 (referred to as "the Regulations" hereafter), a Contractor may only be appointed to perform construction work if the Employer is satisfied that the Contractor has the necessary competencies and resources to carry out the work safely in accordance with the Occupational Health and Safety Act No 85 of 1993 and the OHSA 1993 Construction Regulations 2003.

To that effect a person duly authorized by the tenderer must complete and sign the declaration hereafter in detail.

Declaration by Tenderer

1. I, the undersigned hereby declare and confirm that I am fully conversant with the Occupational Health and Safety Act No 85 of 1993 (as amended by the Occupational Health and Safety Amendment Act No 181 of 1993), and the OHSA 1993 Construction Regulations 2003.
2. I hereby declare that my company has the competence and the necessary resources to safely carry out the construction work under this contract in compliance with the Construction Regulations and the Employer's Health and Safety Specifications.
3. I hereby confirm that adequate provision has been made in my tendered rates and prices in the Bill of Quantities to cover the cost of all resources, actions, training and all health and safety measures envisaged in the OHSA 1993 Construction Regulations 2003, including the cost of the specific items listed in the tables hereafter.

(Tables to be completed by Tenderer)

TABLE 1: COST OF SAFETY PERSONNEL

PERSONNEL	COSTS AS ALLOWED IN TENDER	NOMINATED PERSON/S
Construction Supervisor		
Construction Safety Officer		
Health and Safety Representatives		
Health and Safety Committee		

TABLE 2: COST OF SAFETY EQUIPMENT

EQUIPMENT	STATE YES or NO	COST ALLOWED FOR IN TENDER
Hard hats		
Safety boots		
Harnesses		
Gas detectors		
Add items as per risk assessment:		

4. I hereby undertake, if my tender is accepted, to provide, before commencement of the works under the contract, a suitable and sufficiently documented Health and Safety Plan in accordance with Regulation 5(1) of the Construction Regulations, which plan shall be subject to approval by the Employer.
5. I confirm that copies of my company's approved Health and Safety Plan, the Employer's Safety Specifications as well as the OHSA 1993 Construction Regulations 2003 will be provided on site and will at all times be available for inspection by the Contractor's personnel, the Employer's personnel, the Engineer and his Agents, visitors, and officials and inspectors of the Department of Labour.
6. I hereby confirm that I will be liable for any penalties that may be applied by the Employer in terms of the said Regulations (Regulation 30) for failure on the Contractor's part to comply with the provisions of the Act and the Regulations.
7. I agree that my failure to complete and execute this declaration to the satisfaction of the Employer will mean that I am unable to comply with the requirements of the OHSA 1993 Construction Regulations 2003, and accept that my tender will be prejudiced and may be rejected at the discretion of the Employer.

SIGNATURE: DATE:
(of person authorized to sign on behalf of the Tenderer)

2.2.5 CONTRACTOR'S SAFETY PLAN

[The Tenderer shall submit separately before commencement of the works his Health and Safety Plan as required in terms of Regulation 5 of the Occupational Health and Safety Act 1993 Construction Regulations 2003, and referred to in T2.1]

2.2.6 PROFORMA NOTIFICATION FORM IN TERMS OF THE OCCUPATIONAL HEALTH AND SAFETY ACT 1993, CONSTRUCTION REGULATIONS, 2003

*[This form must be completed and forwarded, prior to commencement of work on
site, by all Contractors that qualify in terms of Regulation 3 of the Construction
Regulations 2003, to the office of the Department of Labour]*

1.

(a) Name and postal address of Contractor:

(b) Name of Contractor's contact person:

Telephone number:

.....

2. Contractor's workman's compensation registration number:

.....

3. (a) Name and postal address of client:

.....

.....

.....

.....

(b) Name of client's contact person or agent:

.....

Telephone number:

4. (a) Name and postal address of designer(s) for the project:

(b) Name of designer's contact person:

.....

Telephone number:

.....

5. Name of Contractor's construction supervisor on site appointed in terms of:

Regulation 6(1): Telephone
number:.....

1. Name/s of Contractor's sub-ordinate supervisors on site appointed in terms of regulation 6(2):

.....

7. Exact physical address of the construction site or site office:.....

8. Nature of the construction work:

9. Expected commencement date:

10. Expected completion date:

11. Estimated maximum number of persons on the construction site:

12. Planned number of subcontractors on the construction site accountable to Contractor:....

13. Name(s) of subcontractors already chosen:

SIGNED BY:

CONTRACTOR:

DATE:

CLIENT:

DATE:.....

2.2.7(b)

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name of bidder or his or her representative.....

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, hareholder²):.....

3.4 Company Registration Number:

3.5 Tax Reference Number.....

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....

¹MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

² Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? **YES / NO**

3.9.1 If yes, furnish particulars.....

.....

3.10 Do you have any relationship (family, friend, other) with persons.
in the service of the state and who may be involved with
the evaluation and or adjudication of this bid? **YES / NO**

3.10.1 If yes, furnish particulars.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between
any other bidder and any persons in the service of the state who
may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars

.....

3.12 Are any of the company's directors, trustees, managers,
principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.....

.....

3.13 Are any spouse, child or parent of the company's directors.
trustees, managers, principle shareholders or stakeholders
in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.....

.....

3.14 Do you or any of the directors, trustees, managers,
principle shareholders, or stakeholders of this company
have any interest in any other related companies or
business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars:.....

.....

4. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

2.2.7(c) MBD 5

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (VAT INCLUDED)

For all procurement expected to exceed R10 million (VAT included), bidders must complete the following questionnaire:

- 1 Are you by law required to prepare annual financial statements for auditing?
 - 1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years. **YES / NO**
.....
.....
- 2 Do you have any outstanding undisputed commitments for municipal services towards a municipality or any other service provider in respect of which payment is overdue for more than 30 days? **YES / NO**
 - 2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days.
 - 2.2 If yes, provide particulars.
.....
.....
.....
- 3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? **YES / NO**
If yes, furnish particulars
.....
.....
4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? **YES / NO**

4.1 If yes, furnish particulars

.....

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

.....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE

FALSE.

.....

Signature

.....

Date

.....

Position

Name of Bidder

2.2.7(d) MBD 6.1

(PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011)

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

1. GENERAL CONDITIONS

- 1.1. The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 1.2. The value of this bid is estimated **NOT** to exceed R50 000 000.00 (all applicable taxes included) and therefore the 80/20 system shall be applicable.
- 1.3. Preference points for this bid shall be awarded for:
- (a) Price; and
- (b) B-BBEE Status Level of Contribution.
- 1.3.1. The maximum points for this bid are allocated as follows:

Tenders < R50m

POINTS

80

PRICE

20

B-BBEE STATUS

1.3.1.1.

Total points for Price and B-BBEE must not exceed

100

- 1.4. Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

DEFINITIONS

- 1.1 “all applicable taxes” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.2 “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad - Based Black Economic Empowerment Act;
- 1.3 “B-BBEE status level of contributor” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.4 “bid” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 1.5 “Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 1.6 “comparative price” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 1.7 “consortium or joint venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 1.8 “contract” means the agreement that results from the acceptance of a bid by an organ of state;
- 1.9 “EME” means any enterprise with an annual total revenue of R5 million or less.
- 1.10 “Firm price” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the tendering costs of any service, for the execution of the contract;
- 1.11 “functionality” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 1.12 “non-firm prices” means all prices other than “firm” prices;
- 1.13 “person” includes a juristic person;
- 1.14 “rand value” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 1.15 “sub-contract” means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;

- 1.16 "total revenue" bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the Government Gazette on 9 February 2007;
- 1.17 "trust" means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 1.18 "trustee" means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

2. ADJUDICATION USING A POINT SYSTEM

- 2.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 2.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 2.3 Points scored must be rounded off to the nearest 2 decimal places.
- 2.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 2.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 2.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 POINT SYSTEMS

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

80/20

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

Where

- P_s = Points scored for comparative price of bid under consideration
- P_t = Comparative price of bid under consideration
- P_{\min} = Comparative price of lowest acceptable bid

4. Points awarded for B-BBEE Status Level of Contribution

4.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 4.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 4.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 4.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

- 4.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 4.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 4.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

5. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 4.1

- 6.1 B-BBEE Status Level of Contribution: =(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 6.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted? **YES / NO** (delete which is not applicable)

7.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted?.....%
- (ii) the name of the sub-contractor?
- (iii) the B-BBEE status level of the sub-contractor?
- (iv) whether the sub-contractor is an EME? **YES / NO** (delete which is not applicable)

DECLARATION WITH REGARD TO COMPANY/FIRM

7.2 Name of firm

.....

7.3 VAT registration number

.....

7.4 Company registration number

.....

7.5 TYPE OF COMPANY/ FIRM

☐ Partnership/Joint Venture / Consortium ☐ One person business/sole propriety

☐ Close corporation ☐ Company

☐ (Pty) Limited

[Tick applicable box]

7.6 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

7.7 COMPANY CLASSIFICATION

☐ Manufacturer ☐ Supplier

☐ Professional service provider ☐ Other service providers, e.g. transporter,

etc.

[Tick applicable box]

7.8 MUNICIPAL INFORMATION

Municipality where business is situated

Registered Account Number

Stand Number

7.9 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?

7.9.1 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.

- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audialterampartem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution

WITNESSES:

.....

.....SIGNATURE(S) OF BIDDER(S)

DATE:

ADDRESS:

.....

.....

2.2.7(e) MBD 6.2

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9.(1) and 9.(3) make provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Regulation 9.(3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 1.4. Where necessary, for bids referred to in paragraphs 1.2 and 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.5. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.6. The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \left[\frac{x}{y} \right] \times 100$$

Where

x imported content

y bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

- 1.7. A bid will be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and.
- this declaration certificate is not submitted as part of the bid documentation.

2. Definitions

- 2.1. **“bid”** includes advertised competitive bids, written price quotations or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility(close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

3. The stipulated minimum threshold(s) for local production and content for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold.</u>
<u>Steel products</u>	<u>100 %</u>
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content?

YES / NO

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.6 of the general conditions must be the rate(s) published

by the SARB for the specific currency at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below:

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID No.

ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):
.....

NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, (full names),

do hereby declare, in my capacity as

of(name of bidder entity), the following:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.

(c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y)	R
Imported content (x)	R
Stipulated minimum threshold for Local content (paragraph 3 above)	
Local content % as calculated in terms of SATS 1286	

If the bid is for more than one product, a schedule of the local content by product shall be attached.

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

Annex C

Local Content Declaration - Summary Schedule

(C1)	Tender No.
(C2)	Tender description:
(C3)	Designated product(s)
(C4)	Tender Authority:
(C5)	Tendering Entity name:
(C6)	Tender Exchange Rate:
(C7)	Specified local content %

Note: VAT to be excluded from all calculations

Pula EU GBP [illegible][illegible]

Signature of tenderer from Annex B

Date: _____

(C20) Total tender value	R 0
--------------------------	-----

(C21) Total Exempt imported content	R 0
-------------------------------------	-----

(C22) Total Tender value net of exempt imported content	R 0
---	-----

(C23) Total Imported content	R 0
------------------------------	-----

(C24) Total local content	R 0
---------------------------	-----

(C25) Average local content % of tender	
---	--

(D1)
(D2)
(D3)
(D4)
(D5)
(D6)

Tender No.	
Tender description:	
Designated Products:	
Tender Authority:	
Tendering Entity name:	
Tender Exchange Rate:	Pula

Note: VAT to be excluded from all calculations

EU	R 9.00
----	--------

GBP R 12.00

Calculation of imported content

[illegible]

(D19) Total exempt imported value	R 0
-----------------------------------	-----

**This total must correspond with
Annex C - C 21**

Calculation of imported content

[illegible]

(D32) Total imported value by tenderer	R 0
--	-----

Calculation of imported content

[illegible]

(D45) Total imported value by 3rd party	R 0
---	-----

Calculation of foreign currency payments

Type of payment	Local supplier making the payment	Overseas beneficiary	Foreign currency value paid	Tender Rate of Exchange
(D46)	(D47)	(D48)	(D49)	(D50)

(D52) Total of foreign currency payments declared by tenderer and/or 3rd party

Signature of tenderer from Annex B.

(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above

Date: _____

**This total must correspond with
Annex C - C 23**

Annex E

Local Content Declaration - Supporting Schedule to Annex C

(E1)	Tender No.	
(E2)	Tender description:	
(E3)	Designated products:	
(E4)	Tender Authority:	
(E5)	Tendering Entity name:	

Note: VAT to be excluded from all calculations

Local Products (Goods, Services and Works)	Description of items purchased	Local suppliers	Value
	(E6)	(E7)	(E8)
(E9) Total local products (Goods, Services and Works)			R 0

(E10) **Manpower costs** (Tenderer's manpower cost) R 0

(E11) **Factory overheads** (Rental, depreciation & amortisation, utility costs, consumables etc.) R 0

(E12) **Administration overheads and mark-up** (Marketing, insurance, financing, interest etc.) R 0

(E13) Total local content R 0

This total must correspond with Annex C - C24

Signature of tenderer from Annex B

Date: _____

2.2.7(f) MBD 7.2

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

- I..... in my capacity
as.....

accept your bid under reference numberdated.....for
the rendering of services indicated hereunder and/or further specified in the
annexure(s).
- An official order indicating service delivery instructions is forthcoming.
- I undertake to make payment for the services rendered in accordance with the terms
and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

- I confirm that I am duly authorised to sign this contract.

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

--

WITNESSES

1

2.2.7(g) MBD 8

(Declaration of Bidder's Past Supply Chain Management Practices)

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audialterampartem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page</p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
	If so, furnish particulars:		

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page		
If so, furnish particulars:			
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If so, furnish particulars:		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If so, furnish particulars:		

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. .

Person Authorized to sign Tender:

FULL NAME (BLOCK LETTERS):

SIGNATURE

DATE :

2.2.10 Certificate for Municipal Services and Payments

TO: MUNICIPAL MANAGER

FROM: _____

(Name of Bidder) FURTHER DETAILS OF BIDDER(S);
DIRECTORS/SHAREHOLDERS/PARTNERS, ETC.

Directors/ shareholders/ Partner	Physical address of the Business	Municipal Account No.	Physical residential address of the Director/ Shareholder/ Partner	Municipal Account No.

NB: Please attach certified copy of ID document(s)

Signatory

Date

Witnesses

1. _____

Full Names

Signature

Date

2. _____

Full Names

Signature

Date

2.2.11 Authorisation for Deduction of Outstanding Amounts Owed to Council

TO: MUNICIPAL MANAGER, _____

FROM: _____ (Name of the Bidder or Consortium)

I, _____ the undersigned, hereby authorise the

_____ **LOCAL MUNICIPALITY** to deduct the full amount outstanding by the business

organisation/Director/Shareholder/Partner, etc. from any payment due by us/me.

Signed at _____ Date _____ Month _____ 20 _____

Print Name: _____

Signature: _____

Thus done and signed for and on behalf of the bidder/Contractor

Signatory

Date

Witnesses

1. _____
Full Names

Signature

Date

2. _____
Full Names

Signature

Date

2.2.7(h) MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
3. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - a. has been requested to submit a bid in response to this bid invitation;
 - b. could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - c. provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.11.1
ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF
THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO
BE FALSE.

.....

Signature

.....

Date

.....

Position

.....

Name of bidder

2.2.13 COMPANY INFORMATION FOR TENDERS GREATER THAN R10 MILLION

1. The tenderer is required by law to prepare annual financial statements for auditing and is therefore requested to provide audited annual financial statements:
 - for the past three years; or
 - since their establishment if established during the past three years. Indicate whether these have been included in the tender: **YES / NO**
2. Does the tenderer have any undisputed commitments for Municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days? **YES /NO**

If so, state particulars

3. Has any contracts been awarded to the tenderer by an organ of state during the past five years? **YES / NO**

If so, state particulars

4. Has there been any material non-compliance or dispute concerning the execution of such contract? **YES / NO**

If so, state particulars

5. . Is any portion of the goods or services expected to be sourced out from outside the Republic? **YES / NO**

If so, state what portion and whether any portion of payment from the Municipality is expected to be transferred out of the Republic.

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.

Person Authorized to sign Tender:

FULL NAME (BLOCK LETTERS):

SIGNATURE

DATE :

CLASSIFICATION OF BUSINESS

Sector or subsector in accordance with the standard industrial classification	Size of class	The total full time equivalent of paid employees	Total turn over	Total gross asset value (fixed property ex-cluded)
Mining and Quarrying	medium	200	R39m	R23m
	Small	50	R10m	R6m
	Very small	20	R4m	R2m
	Micro	5	R0.20m	R0.10m
Manufacturing	medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very small	20	R5m	R2m
	micro	5	R0.20m	R0.10M
Electricity gas and water	medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very small	20	R5.10m	R1.90m
	micro	5	R0.20m	R0.10m
Construction	medium	200	R26m	R5m
	Small	50	R6m	R1m
	Very small	20	R3m	R0.50m
	micro	5	R0.20	R0.10m
Retail and motor trade and repair services	medium	200	R39m	R6m
	Small	50	R19M	RR3m
	Very small	20	R4m	R0.60m
	micro	5	R0.20	R0.10m
Wholesale trade, commercial agents and allied services	medium	200	R64m	R10m
	Small	50	R32m	R5m
	Very small	20	R6m	R0.60m
	micro	5	R0.20m	R0.10m
Catering accommodation and other trade	medium	200	R13m	R3m
	Small	50	R6m	R1m
	Very small	20	R5.10m	R1.90m
	micro	5	R0.20m	R0.10m
Transport, storage and communications	medium	200	R26m	R6m
	Small	50	R13m	R3m
	Very small	20	R3m	R0.60m
	micro	5	R0.20m	R0.10m
Finance and business services	medium	200	R26m	R5m
	Small	50	R13m	R3m
	Very small	20	R3m	R0.50m
	micro	5	R0.20m	R0.10m
Community social and personal services	medium	200	R13m	R6m
	Small	50	R6m	R3m
	Very small	20	R1m	R0.60m
	micro	5	R0.20	R0.10m
Sector or subsector in accordance with the standard industrial classification	Size of class	The total full time	Total turn over	Total gross asset value (fixed

PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

classification		equivalent of paid employees		property ex-cluded)
Mining and Quarrying	medium	200	R39m	R23m
	Small	50	R10m	R6m
	Very small	20	R4m	R2m
	Micro	5	R0.20m	R0.10m
Manufacturing	medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very small	20	R5m	R2m
	micro	5	R0.20m	R0.10M
Electricity gas and water	medium	200	R51m	R19m
	Small	50	R13m	R5m
	Very small	20	R5.10m	R1.90m
	micro	5	R0.20m	R0.10m
Construction	medium	200	R26m	R5m
	Small	50	R6m	R1m
	Very small	20	R3m	R0.50m
	micro	5	R0.20	R0.10m
Retail and motor trade and repair services	medium	200	R39m	R6m
	Small	50	R19M	RR3m
	Very small	20	R4m	R0.60m
	micro	5	R0.20	R0.10m
Wholesale trade, commercial agents and allied services	medium	200	R64m	R10m
	Small	50	R32m	R5m
	Very small	20	R6m	R0.60m
	micro	5	R0.20m	R0.10m
Catering accommodation and other trade	medium	200	R13m	R3m
	Small	50	R6m	R1m
	Very small	20	R5.10m	R1.90m
	micro	5	R0.20m	R0.10m
Transport, storage and communications	medium	200	R26m	R6m
	Small	50	R13m	R3m
	Very small	20	R3m	R0.60m
	micro	5	R0.20m	R0.10m
Finance and business services	medium	200	R26m	R5m
	Small	50	R13m	R3m
	Very small	20	R3m	R0.50m
	micro	5	R0.20m	R0.10m
Community social and personal services	medium	200	R13m	R6m
	Small	50	R6m	R3m
	Very small	20	R1m	R0.60m
	micro	5	R0.20	R0.10m

1. THE SMALL BUSINESSES ARE DEFINED IN THE NATIONAL SMALL BUSINESS ACT, 1996 (ACT 102 OF 1996).

Sector or subsector in accordance with the standard industrial classification	Size of class	The total full time equivalent of paid employees	Total turn over	Total gross asset value (fixed property ex-cluded)
Agriculture	Medium	100	R5m	R5m
	Small	50	R3m	R3m
	Very small	10	R0.50m	R0.50m
	Micro	5	R0.20m	R0.10m

2. INFORMATION FURNISHED WITH REGARD TO THE CLASSIFICATION OF THE SMALL BUSINESSES

a. Indicate whether the company/entity is defined as a small, medium or micro enterprise by the National Small Business Act, 1996 (Act 102 of 1996). **YES / NO**

b. If the response to paragraph is **YES**, the following must be completed:

i. Sector/sub-sector in accordance with the Standard Industrial classification

ii. Size or class

iii. Total full-time equivalent of paid employees

iv. Total annual turnover

v. Total gross asset value (fixed property excluded)

(A schedule indicating the different sectors is attached to this form.)

The tenderer should substantiate the information provided above by submitting the following documentation:

c. A letter from the tenderer's auditor or an affidavit from the South African Police Services confirming the correctness of the abovementioned information,

d. Company profile indicating the tenderer's staff compliment, and

e. 3 year financial statement or since their establishment if established during the past 3 years.

2.2.15 RECORD OF SERVICES PROVIDED TO ORGANS OF STATE

Respondents are required to complete this record in terms of the Supply Chain Management Regulations issued in terms of the Municipal Finance Management Act of 2003.

Include only those contracts where the respondent identified in the signature block below was directly contracted by the Employer. Respondents must not include services provided in terms of a sub-contract agreement.

Where contracts were awarded in the name of a joint venture and the Respondent formed part of that joint venture, indicate in the column entitled "Title of the contract for the service" that the contract was in joint venture and provide the name of the joint venture that contracted with the employer. In the column for the value of the contract for the service, record the value of the portion of the contract performed (or to be performed) by the Respondent.

Complete the record or attach the required information in the prescribed tabulation.

All services commenced or completed to an organ of state in the last five years

No	Organ of state, i.e. national or provincial department, public entity, municipality or municipal entity.	Title of contract for the service	Value of contract for service incl. VAT (Rand)	Date of completed (State current if not yet completed)
1				
2				
3				
4				
5				
6				
7				
8				

Attach additional pages if more space is required.

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.

Person Authorized to sign Tender:.....
.....

FULL NAME (BLOCK LETTERS):.....
.....

SIGNATURE.....

DATE:.....

2.2.16 STATUS OF CONCERN SUBMITTING TENDER

1. General

State whether the Respondent is a company, a closed corporation, a partnership, a sole practitioner or a joint venture:

(Mark the appropriate option below)

Public Company

Private Company

Closed Corporation

Partnership

Sole Proprietary

Joint Venture

Co-operative

2. Information To Be Provided

If the Tendering Entity is a:		Documentation to be submitted with the tender
1	Close Corporation, incorporated under the Close Corporation Act, 1984, Act 69 of 1984	CIPRO CK1 or CK2 (Copies of the founding statement) and list of members
2	Private Company incorporated with share capital, under the companies Act, 1973, Act 61 of 1973 (including Companies incorporated under Art 53 (b))	Copies of: a) CIPRO CM 1 - Certificate of Incorporation b) CIPRO CM 29 – Contents of Register of Directors, Auditors and Officers c) Shareholders Certificates of all Members of the Company.
3	Private Company incorporated with share capital, under the companies Act, 1973, Act 61 of 1973 in which any, or all, shares are held by another Close Corporation or company with, or without, share capital	Copies of documents referred to in 1 and/or 2 above in respect of all such Closed Corporations and/or Companies
4	Public Company incorporated with share capital, under the companies Act, 1973, Act 61 of 1973 (including Companies incorporated under Art 21)	A signed statement of the Company's Secretary confirming that the Company is a public Company. Copy of CM 29
5	Sole Proprietary or a Partnership	Copy of the Identity Document of: a) such Sole Proprietary, or b) Each of the Partners in the Partnership Certified copy of the Partnership agreement
6	Co-operative	CIPRO CR2 - Copies of Company registration document. (The percentage of work to be done by each partner must clearly be indicated on Form RDB1 (or RDB2 as applicable) of the tender document: MBD6.1 Preference Points Claim Form in terms of the Preferential Procurement Regulations 2001)
7	Joint Venture	All the documents (as described above) as applicable to each partner in the JV as well as a copy of the Joint Venture agreement. (The percentage of work to be done by each partner of the joint venture must clearly be indicated in the Joint Venture Agreement

Note:

1.) If the shares are held in trust provide a copy of the Deed of Trust (only the front page and pages listing the trustees and beneficiaries are required) as well as the Letter of Authority as issued by the Master of the Supreme Court, wherein trustees have been duly appointed and authorised, must be provided

2.) Include a copy of the Certificate of Change of Name (CM9) if applicable.
Registered For Vat Purposes In Terms Of The Value-Added Tax Act, (Act Nr. 89 of 1991)
(Make an X in the appropriate space below)

Yes

--

No

--

REGISTRATION NO: _____

FORM 10 INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids¹ invited. 2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging)

2. Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to: a. Take all reasonable steps to prevent such abuse; b. Reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and c. Cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid.

¹ Includes price quotations, advertised competitive bids, limited bids and proposals

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

2.2.17 CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

In response to the invitation for the bid made by:

(Name of Municipality/Municipal Entity)

Do hereby make the following statement that I certify to be true and complete in every respect:

I certify, on behalf of: that: _____

(Name of Bidder)

1. I have read and understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorised by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorised by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder who:
a. Has been requested to submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
b. Could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and provides the same goods and services as the bidder and/or is in the same line of business as the bidder.
6. The bidder has arrived at the accompanying bid independently, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
a. Prices;
b. Geographical area where product or services will be rendered (market allocation);
c. Methods, factors or formulas used to calculate prices;
d. The intention or decision to submit or not to submit, a bid;
e. The submission of a bid which does not meet the specifications and conditions of the bid;
or f. Bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangement with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or to the awarding of the contract.

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practises related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No. 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conduction business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and combating of Corrupt Activities Act No. 12 of 2004 or any other applicable legislation.

3 Joint venture of Consortium means an associations of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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. .

Person Authorized to sign Tender:
.....

FULL NAME (BLOCK LETTERS):
.....

SIGNATURE

DATE :

T2.3

**OTHER FORMS, CERTIFICATES AND SCHEDULES
REQUIRED FOR TENDER EVALUATION PURPOSES
(FUNCTIONALITY)**

TABLE OF CONTENT

2.3.1 SCHEDULE OF CONSTRUCTIONAL PLANT

2.3.2 SCHEDULE OF PREVIOUS WORK CARRIED OUT BY BIDDER

2.3.3 SIZE OF ENTERPRISE AND CURRENT WORKLOAD

2.3.4 STAFFING PROFILE

2.3.5 FINANCIAL STANDING/BANK RATING

2.3.6 COMPULSORY ENTERPRISE QUESTIONNAIRE

2.3.7 SCHEDULE OF PROPOSED SUBCONTRACTORS

2.3.8 PROPOSED AMENDMENTS, QUALIFICATIONS AND ALTERNATIVES

2.3.1 SCHEDULE OF CONSTRUCTIONAL PLANT

(Refer to tender data – functionality competency schedule for claimable points)

The following are lists of major items of relevant equipment that I/we presently own or lease **and will make available for this contract** if my/our tender is accepted

- (a) Details of plant/equipment that is **owned** and will be immediately available for this contract (attached certified proof of ownership).

Quantity	Description	Registration Number	VIN Number	capacity

- (b) Details of plant/ equipment that are not owned and will be immediately available for this contract. List plant required

The following are lists of major items of relevant equipment that I/we will acquire **or hire for this contract** if my/our tender is accepted. (Attached certified copy of **letter** of intent to lease and the letter must state the **project name and list of plant to be hired**). Refer to tender data – functionality competency schedule)

Quantity	Description, size, capacity, etc.	capacity

Attach additional pages if more space is required.

- (b) Details of major equipment that will be hired, or acquired for this contract if my/our tender is acceptable

Attach additional pages if more space is required.

SIGNED ON BEHALF OF TENDERER:

2.3.2 SCHEDULE OF PREVIOUS WORK CARRIED OUT BY BIDDER (Refer to tender data – functionality competency schedule for claimable points)

Provide the following information on **SIMILAR previous experience**. Indicate comparable projects of similar or larger size. This information is material to the award of the Contract. **No points will be awarded if reference cannot be reached or if it refuses to supply information. Give at least two (2) names and telephone numbers and e-mail address per reference.** Only five similar scope projects are required for assessment of this project.

No	CLIENT				CONSULTING ENGINEER		VALUE OF WORK	YEAR OF COMPLETION	COMPLETION CERTIFICATE ISSUED (Yes or No)
	NAME	EMAIL	TEL	FAX	NAME	EMAIL			
1									
2									
3									
4									
5									

NOTE: In order for the Tenderer to claim points for Experience under Functionality for the above listed projects, the Tenderer must attach the following proof for each of the projects:

- Certified copy of Appointment Letter, and Certified copy of Completion Certificate.

2.3.3 SIZE OF ENTERPRISE AND CURRENT WORKLOAD

What was your turnover in the previous financial year? R_____

Please attach the audited financial statement for the past 2 years

What is the estimated turnover for your current financial year? R_____

Physical facilities:

Provide information on offices, factories, yards and warehouses occupied by your enterprise (attach details if the space provided is not enough)

Description	Address	Area (m ²)

List your current contracts and obligations:

Description	Value (R)	Start date	Duration	Name of Client and contact person (name and tel)

Do you have the capacity to supply the goods and services described in this bid, should the contract be awarded to you?

.....

2.3.4 STAFFING PROFILE (Refer to tender data – functionality competency schedule for claimable points)

Provide information on the staff that you have available to execute this contract (attach a separate list if the space provided is insufficient)

Own staff: gender and race	Number of staff
Staff to be employed for the project: gender and race	Number of staff

Note:

The site personnel will be required to be full time on site per contract

FORM 3.ii **PROPOSED KEY PERSONNEL**

The Bidder shall list below the key personnel (including first nominee and the second choice alternate), whom he proposes to employ on the contract should his bid be accepted, both at his headquarters and on the Site, to direct and for the execution of the work, together with their qualifications, experience, and positions held their **CVs of key personnel (NOT MORE THAN TWO PAGES) must be attached with certified qualification.** Tenderer to supply an organogram for the management of the contract and include curriculum vitae of key personnel. These curricula vitae shall provide evidence of relevant experience of the key staff in the organogram. The personnel included here shall be used on the project unless otherwise agreed by the Project Manager.

NAMES	QUALIFICATIONS	YEARS OF EXPERIENCE	PRESENT OCCUPATION	EMPLOYMENT STATUS (PERMANENT/CONTRACT	CONTACT DETAILS

Contract Manager,

[illegible]

Format of Curriculum Vitae of Key Personnel

Provide separate forms for each position listed in Form: Key Personnel

Foreman

Name:	Date of birth:
Profession:	Nationality:
Qualifications:	
Name of Employer (firm):	
Current position:	Years with firm:
<u>Employment Record:</u>	
<u>Experience Record Pertinent to Required service:</u>	

Certification:

I, the undersigned, certify that, to the best of my knowledge and belief, this data correctly describes me, my qualifications and my experience.

.....
Signature of person named in the schedule

.....
Date

2.3.5 FINANCIAL STANDING/BANK RATING

(Refer to tender data – functionality competency schedule for claimable points)

Tenderers must attach a letter of certified copy from the tenderers bank stating the tenderers financial standing/bank rating and the letter must not be more than 3 month older.

The Tenderer is to provide the following details of his banker and bank account that he intends to use for the project:

Name of Account Holder:

Name of Bank:

Branch:

Account Number:

Type of Account:

Telephone Number:

Facsimile Number:

Name of contact person (at Bank):
.....

NB.

Failure by the Tenderer to provide the required bank details or certified bank rating with his tender, will lead to the conclusion that the Tenderer does not have the necessary financial resources at his disposal to complete the contract successfully within the specified time for completion.

The Employer undertakes to treat the information thus obtained as confidential, strictly for the use of evaluation of the Tender submitted by the Tenderer.

SIGNATURE: _____

DATE: _____

(Authorized Person)

2.3.6 COMPULSORY ENTERPRISE QUESTIONNAIRE

The following particulars must be furnished. In the case of a joint venture, **separate** enterprise questionnaires in respect of each partner must be completed and submitted.

Section 1: Name of enterprise:

Section 2: VAT registration number, if any:

Section 3: CIDB registration number, if any:

Section 4: Particulars of sole proprietors and partners in partnerships

Name*	Identity number*	Personal income tax number*

* Complete only if sole proprietor or partnership and attach separate page if more than 3 partners

Section 5: Particulars of companies and close corporations

Company registration number

Close corporation number

Tax reference number

Section 6: Record in the service of the state

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- | | |
|--|---|
| <input type="checkbox"/> a member of any municipal council | <input type="checkbox"/> an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999) |
| <input type="checkbox"/> a member of any provincial legislature | <input type="checkbox"/> a member of an accounting authority of any national or provincial public entity |
| <input type="checkbox"/> a member of the National Assembly or the National Council of Province | <input type="checkbox"/> an employee of Parliament or a provincial legislature |
| <input type="checkbox"/> a member of the board of directors of any municipal entity | |
| <input type="checkbox"/> an official of any municipality or municipal entity | |

If any of the above boxes are marked, disclose the following:

Name of sole proprietor, partner, director, manager, principal shareholder or stakeholder	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

*insert separate page if necessary

Section 7: Record of spouses, children and parents in the service of the state

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of a sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months been in the service of any of the following:

- | | |
|--|---|
| <input type="checkbox"/> a member of any municipal council | <input type="checkbox"/> an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999) |
| <input type="checkbox"/> a member of any provincial legislature | <input type="checkbox"/> a member of an accounting authority of any national or provincial public entity |
| <input type="checkbox"/> a member of the National Assembly or the National Council of Province | <input type="checkbox"/> an employee of Parliament or a provincial legislature |
| <input type="checkbox"/> a member of the board of directors of any municipal entity | |
| <input type="checkbox"/> an official of any municipality or municipal entity | |

Name of spouse, child or parent	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

*insert separate page if necessary

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the enterprise:

- authorizes the Employer to obtain a tax clearance certificate from the South African Revenue Services that my / our tax matters are in order;
- confirms that neither the name of the enterprise or the name of any partner, manager, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears on the Register of Tender Defaulters established in terms of the Prevention and Combating of Corrupt Activities Act of 2004;
- confirms that no partner, member, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears, has within the last five years been convicted of fraud or corruption;
- confirms that I / we are not associated, linked or involved with any other tendering entities submitting tender offers and have no other relationship with any of the tenderers or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest; and
- confirms that the contents of this questionnaire are within my personal knowledge and are to the best of my belief both true and correct.

PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

Signed

Date

Name

Position

Enterprise
name

2.3.7 SCHEDULE OF PROPOSED SUBCONTRACTORS

We notify you that it is our intention to employ the following Subcontractors for work in this contract.

If we are awarded a contract we agree that this notification does not change the requirement for us to submit the names of proposed Subcontractors in accordance with requirements in the contract for such appointments. If there are no such requirements in the contract, then your written acceptance of this list shall be binding between us.

We confirm that all Subcontractors who are contracted to construct a house are registered as home builders with the National Home Builders Registration Council.

	Name and address of proposed Subcontractor	Nature and extent of work	Previous experience with Subcontractor.

Signed

Date

Name

Position

Tenderer

2.3.8 PROPOSED AMENDMENTS, QUALIFICATIONS AND ALTERNATIVES

(This is not an invitation for amendments, deviations or alternatives but should the Tenderer desire to make any departures from the provisions of this contract he shall set out his proposals clearly hereunder. The Employer will not consider any amendment, alternative offers or discounts unless forms (a), (b) and (c) have been completed to the satisfaction of the Employer).

I / We herewith propose the amendments, alternatives and discounts as set out in the tables below:

(a) AMENDMENTS

PAGE, CLAUSE OR ITEM NO	PROPOSED AMENDMENT

Notes: (1) Amendments to the General and Special Conditions of Contract are not acceptable;
(2) The Tenderer must give full details of all the financial implications of the amendments and qualifications in a covering letter attached to his tender.

(b) ALTERNATIVES

PROPOSED ALTERNATIVE	DESCRIPTION OF ALTERNATIVE

Notes: (1) Individual alternative items that do not justify an alternative tender, and an alternative offer for time for completion should be listed here.
(2) In the case of a major alternative to any part of the work, a separate Bill of Quantities, programme, etc, and a detailed statement setting out the salient features of the proposed alternatives must accompany the tender.
(3) Alternative tenders involving technical modifications to the design of the works and methods of construction shall be treated separately from the main tender offer.

(c) DISCOUNTS

ITEM ON WHICH DISCOUNT IS OFFERED	DESCRIPTION OF DISCOUNT OFFERED
-----------------------------------	---------------------------------

T2.3	OTHER FORMS, CERTIFICATES AND SCHEDULES REQUIRED FOR TENDER EVALUATION PURPOSES (FUNCTIONALITY)
-------------	--

Note: *The Tenderer must give full details of the discounts offered in a covering letter attached to his tender, failing which, the offer will be prejudiced.*

SIGNATURE: DATE:
(of person authorized to sign on behalf of the Tenderer)

TABLE OF CONTENT

2.4.1 COMPLIANCE WITH OCCUPATIONAL HEALTH AND SAFETY ACT, 1993 AND

T2.4	OTHER FORMS, CERTIFICATES AND SCHEDULES REQUIRED FOR TENDER EVALUATION PURPOSES
-------------	--

CONSTRUCTION REGULATIONS, 2003

2.4.2 COMPLIANCE WITH OHSA (ACT 85 OF 1993)

2.4.3 SCHEDULE OF LABOUR CONTENT

2.4.4 SCHEDULE OF LOCAL LABOUR CONTENT

2.4.5 EMPLOYMENT OF ABE's

2.4.6 GENERIC TRAINING

2.4.7 ENTREPRENEURIAL TRAINING

2.4.8 FORM OF INTENT TO PROVIDE A PERFORMANCE GUARANTEE

2.4.1 COMPLIANCE WITH OCCUPATIONAL HEALTH AND SAFETY ACT, 1993 AND CONSTRUCTION REGULATIONS, 2003

The tenderer shall attach to this Form evidence that he is registered and in good standing with a compensation insurer who is approved by Department of Labour in terms of section 80 of the Compensation for Injury and Disease Act (COID)(Act 130 of 1993).

The tenderer is required to disclose, by also attaching documentary evidence to this form, all inspections, investigations and their outcomes conducted by the Department of Labour into the conduct of the tenderer at any time during the 36 months preceding the date of this tender.

SIGNED ON BEHALF OF THE TENDERER:

Note to tenderer:

Discovery that the tenderer has failed to make proper disclosure may result in CLIENT terminating a contract that flows from this tender on the ground that it has been rendered invalid by the tenderers misrepresentation.

2.4.2 COMPLIANCE WITH OHSA (ACT 85 OF 1993)

Bidders are required to satisfy the Employer and the Engineer as to their ability and available resources to comply with the above by answering the following questions and providing the relevant information required below.

1. Is the Contractor familiar with the OHSA (ACT 85 of 1993) and its Regulations?	YES	/	NO
2. Who will prepare the Contractor's Health and Safety Plan? (Provide a copy of the person/s curriculum vitae/s or company profile).			
3. Does the Contractor have a health and safety policy? (If yes, provide a copy). How is this policy communicated to all employees?	YES	/	NO
4. Does the Contractor keep records of safety aspects of each construction site? If yes, what records are kept	YES	/	NO
5. Does the Contractor conduct monthly safety meetings? If yes, who is the chairperson of the meeting, and who attend these meetings?	YES	/	NO
6. Does the Contractor have a safety officer in his employment, responsible for the overall safety of his company? If yes, please explain his duties and provide a copy of his CV.	YES	/	NO
7. Does the Contractor have trained first aid employees? If yes, indicate, who.	YES	/	NO
8. Does the Contractor have a safety induction-training programme in place? (If yes, provide a copy)	YES	/	NO

Signature of Bidder:

Date:

2.4.8 FORM OF INTENT TO PROVIDE A PERFORMANCE GUARANTEE

The Tenderer must attach hereto a letter from the bank or institution with whom he has made the necessary arrangements, to the effect that the said bank or institution will be prepared to provide the required performance guarantee when asked to do so.

PRO-FORMA FOR A PERFORMANCE GUARANTEE

PERFORMANCE GUARANTEE

Employer: (Name and Address)

.....
.....

Contract No:

(Contract title)

.....

WHEREAS

.....

(hereinafter referred to as “the Employer”) entered into, a Contract with

.....
...

(hereinafter called “the Contactor”) on theday of
..... 20...
for the construction of (Contract Title)

.....
...

at

.....
...

AND WHEREAS it is provided by such Contract that the Contractor shall provide the Employer with security by way of a guarantee for the due and faithful fulfilment of such Contract by the Contractor;

AND WHEREAS (hereinafter referred to as “the Guarantor”) Has/have at the request of the Contractor, agreed to give such guarantee;

NOW THEREFORE WE,

.....

Do hereby guarantee and bind ourselves jointly and severally as Guarantor and Co-principal Debtors to the Employer under renunciation of the benefits of division and exclusion for the due and faithful performance by the Contractor of all the terms and conditions of the said Contract, subject to the following conditions:

1. The Employer shall, without reference and/or notice to us, have complete liberty of action to act in any manner authorized and/or contemplated by the terms of the said Contract, and/or to agree to any modifications, variations, alterations, directions or extensions of the Completion Data of the Works under the said Contract, and that its rights under this guarantee shall in no way be prejudiced nor our liability hereunder be affected by reason of any steps which the Employer

may take under such Contract, or of any modification, variation, alterations of the Completion Date which the Employer may make, give, concede or agree to under the said Contract.

2. This guarantee shall be limited to the payment of a sum of money
3. The Employer shall be entitled, without reference to us, to release any guarantee held by it, and to give time to or compound or make any other arrangement with the Contractor.

However, upon receipt by us of an authenticated copy of the Certificate of Completion in terms of the Contract, the amount of liability shall be reduced by 50%, which shall be in force until the issue of the Final Approval Certificate at expiry of the Defects Liability Period

4. This guarantee shall remain in full force and effect until the issue of the Certificate of Completion in terms of the Contract, unless we are advised in writing by the Employer before the issue of the said Certificate of his intention to institute claims, and the particulars thereof, in which event this guarantee shall remain in full force and effect until all such claims have been paid or liquidated.

5. Our total liability hereunder shall not exceed the sum of

.....
..... (in words)

R (in figures)

(10 % of the tender sum) which amount I/we agree to hold at your disposal.

6. The Guarantor reserves the right to withdraw from this guarantee by depositing the Guaranteed Sum with the beneficiary, whereupon the Guarantor's liability hereunder shall cease.

I/We declare that I/we, on behalf of the Guarantor, waive the legal exceptions available to a guarantor and undertake to pay the said amount or such portion thereof as may be demanded, immediately on receipt of a written demand from you.

A certificate under your hand shall be sufficient and satisfactory evidence as to the amount of the Guarantor's liability for the purpose of enabling provisional sentence or any similar relief to be obtained against the Guarantor.

This guarantee is neither negotiable nor transferable, and must be surrendered to the Guarantor in the event of the full amount of the Guarantee being paid to the Employer.

7. I/We hereby choose our address for the serving of all notices for all purposes arising here from as

.....
IN WITNESS WHEREOF this guarantee has been executed by us at

on this day of

..... 20.....

As witnesses:

1.
Signature

2.
Signature

Duly authorized to sign on behalf of (*Guarantor*)
.....

Address
.....
.....



THE CONTRACT

PART C1	AGREEMENT AND CONTRACT DATA
PART C2	PRICING DATA
PART C3	SCOPE OF WORKS
PART C4	SITE INFORMATION



PART C1: AGREEMENT AND CONTRACT DATA

<u>C1.1</u>	<u>SAFETY AGREEMENT</u>	D.1
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PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

C1.1 SAFETY AGREEMENT

MEMORANDUM OF AGREEMENT CONCLUDED BY AND BETWEEN:

**NKOMAZI LOCAL MUNICIPALITY
(HEREINAFTER REFERRED TO AS THE MUNICIPALITY)**

herein represented by _____

in his capacity as _____
of the Municipality, he being duly authorised thereto

and

(hereinafter referred to as the Mandatory)

herein represented by _____

in his capacity as _____
of the Mandatory, he being duly authorised thereto

WHEREAS:

1. The Municipality and the Mandatory entered into a written, alternatively oral agreement on the.....Day of20.....in terms of which the Mandatory undertook to carry out the following work for the Municipality , viz. (give a short description of the type of contract work to be done as well as the address where work will be done)

(The said contract work is hereinafter referred to as the Work)

2. The Occupational Health and Safety Act, Act 85 of 1993 as amended (hereinafter referred to as **the Act**) contains amongst others certain provisions with regard to the health and safety of people at work and in connection with the usage of plant and machinery, as well as the protection of other persons than persons at work against hazards to health and safety that originates from or in connection with the activities of persons at work.
3. Section 37(2) of the Act makes provision for the exclusion by the parties, by way of a written agreement, of supposition and accompanying liability of the Municipality as stipulated in section 37(1) of the Act.
4. The parties have reached consensus with regard to the terms and conditions to which they agree in terms of the provisions of section 37(2) of the Act.

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS

1.

WRITTEN AGREEMENT

The parties herewith agree in terms of section 37(2) of the Act on the arrangements and procedures that must be followed to ensure compliance with the provisions of the Act by the Mandatory.

2.

ACKNOWLEDGEMENT BY THE MANDATORY

The mandatory acknowledge herewith that he is fully acquainted with the contents of the Act, as well as with all regulations and SABS codes of practice that have been made in terms of section 43 of the Act.

3.

UNDERTAKING BY MANDATORY

- (a) The Mandatory hereby undertakes and binds himself to the Municipality to ensure prompt and strict compliance with the provisions of the Act and the said regulations as well as with the provisions included in this Safety Agreement at all times during the execution of the Works
- (b) It is hereby recorded that the provisions of this Safety Agreement as set out hereinafter are in no way intended to restrict the duties of the Mandatory, nor to exempt the Mandatory from his obligation in accordance with the Act and the said regulations

4.

PERSONAL PROTECTIVE EQUIPMENT

- (a) It is compulsory to wear equipment for eye protection when working in an eye protection zone or where the Work requires eye protection.
- (b) It is compulsory to wear safety helmets when working in a safety helmet zone or where the Work requires safety helmets.
- (c) It is compulsory to wear hearing protection when working in a noise zone or where the Work requires hearing protection.
- (d) The wearing of other protective clothing and equipment as prescribed by the Occupational Health and Safety Officer of Nelspruit Municipality is compulsory.
- (e) The Mandatory shall ensure that the statutory requirements are complied with at all times.

5.

FENCING AND GENERAL MACHINERY PROTECTION

No shield or fencing may be removed from or be moved at any machinery or installation without written permission.

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

6.

SCAFFOLDING, LADDERS, TOOLS, ET CETERA

The Mandatory without the written permission of the Municipality may use no equipment or tools that belong to the Municipality.

Except where agreed beforehand the Mandatory shall provide enough tools and equipment to enable him to complete the Works and the Mandatory shall provide all storerooms, offices and eating halls that he may need. The Mandatory will be responsible for all his material on site.

In special case where the Municipality may lend equipment, tools or materials to the Mandatory, the Mandatory will use such equipment, tools and/or materials at his own risk and the Mandatory herewith indemnifies the Municipality against any liability of whichever nature or from any cause whatsoever, whether direct or indirect, that may arise from such usage.

7.

SERVICES AND WORKING METHODS

The written permission of the Chief Executive/Town Clerk of the Municipality shall be obtained where any work which must be undertaken by the Mandatory is connected with a working process or machinery or any other service in connection therewith, or may possibly affect it, before he commences with such work.

Approval shall be obtained from the client Electrical Engineer of the Municipality before any equipment is connected to the electrical supply of the Municipality. All equipment shall be isolated before any equipment is connected to the electrical supply of the Municipality. It shall be isolated and be provided with earth leakage protection. Electrical machinery, portable electrical tools and portable lights must comply with the requirements of the applicable regulations.

Work permits must be issued in terms of the Occupational Health and Safety Act and Regulations when the nature of the work requires it. Permits must be issued by the relevant departmental head where necessary.

8.

EXCAVATIONS

Written permission for excavations shall be obtained from the Engineer of the Municipality and the Mandatory shall make sure of the existence and position of electrical cables, discharge pipes, gas lines, water conduits, et cetera before he commences with any excavation work.

All excavations and obstructions and/or any openings in platforms or floors shall be enclosed in a safe way and warning notices shall be erected to ensure absolute safety. An adequate number of red or orange caution lights shall be provided when it is dark or should bad light prevail.

The area surrounding excavations shall be kept in a safe, orderly and tidy condition. No loose material of whatever nature may be left in walkways or workplaces or be allowed to block walkways or workplaces.

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

Nobody may enter into any restricted area in which hazardous fumes or a shortage of oxygen exists without a permit giving permission to do so, issued by the head of the relevant department of the Municipality and until it has been certified safe for entrance by the Occupational Health and Safety Officer and the Health Inspector of the Municipality.

9.

RESTRICTION TO WORKPLACE

Employees of the Mandatory shall be restricted to their workplaces except when they have to leave their area for work purposes or when they visit toilets.

10.

SUBCONTRACTORS

The Mandatory shall ensure that all subcontractors receive a copy of this safety agreement and must ensure they comply with it.

11.

OCCUPATIONAL HEALTH AND SAFETY OFFICER AND THE REPORTING OF ALL ACCIDENTS

The Occupational Health and Safety Officer of the Municipality is available for consultation and he will make periodical visits to the workplace of the Mandatory. Any hazardous occurrence or incident to the employees of the Mandatory that results in absence from work for a period longer than three days shall be reported in writing to the Occupational Health and Safety Officer of the Municipality within forty eight hours as well as to the Department of Labour as specified by the Act. Every user, employer, occupier, builder or excavator must, under this Act, keep record of all accidents that occur.

In the case of an accident that results in loss of life, nobody may disturb the scene of the accident or any articles involved in the accident prior to the arrival of the Occupational Health and Safety Officer and the Inspector, unless it is to prevent another accident from happening or the prevention of loss of life or to remove corpses.

The Occupational Health and Safety Officer will issue contravention notices to the Mandatory or a sub-contractor when there is a noncompliance and will specify the time in which it must be rectified.

The Occupational Health and Safety Officer will issue work stop notices to the Mandatory or sub-contractor whenever he is of the opinion that the health and safety of any person at work is threatened or that the contravention notices are not adhered to.

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

12.

FIRST AID

Where five or more persons are employed at a workplace, the Mandatory shall provide and maintain an adequately equipped first-aid box that meets the following requirements.

- (a) Every first-aid box shall contain the minimum contents as prescribed by the Occupational Health and Safety Act.
- (b) Nothing except articles and equipment required for first-aid purposes may be kept in the first-aid box.
- (c) Each first-aid box shall be kept in a place readily accessible in case of an accident.

All first-aid boxes shall be placed under control of a responsible person except where five or less persons are at work. The responsible person must be in the possession of a valid first-aid certificate issued by one of the following organisations:

- A South-African Red Cross Society
- B St. John's Ambulance Foundation
- C South-African First-Aid League

A notice indicating where the first-aid box is kept as well as the name of the person in charge, shall be affixed in a conspicuous place. The first-aid facilities of the Municipality may be used during emergencies.

13.

FIRE PREVENTION MEASURES AND STORAGE OF FLAMMABLE MATERIAL

The Fire department of the Municipality shall be notified before any welding, oxyacetylene welding, cutting, burning of paint or tar from floors or roofs is undertaken so that the necessary fire prevention measures can be arranged. All "NO SMOKING AND OPEN SURFACE FIRES/LIGHTS PROHIBITED" notices shall be adhered to. The Mandatory and his senior employee shall acquaint themselves and their fellow workers with the fire prevention measures of the Municipality, which will also include fire alarm notices and exits in case of fire, and they shall ensure that these rules are strictly complied with.

14.

COMPLETION OF WORK

Before the mandatory or his sub-contractors leaves the site they shall inform the Head of the relevant Department of the Municipality and obtain his/her written approval that the work has been completed satisfactory and that the site of the work is left in a good condition.

15.

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

SALVAGED MATERIAL AND EQUIPMENT

Any building demolished or equipment or materials that are salvaged whilst carrying out the work shall remain the property of the Municipality, unless the contract specifically provides otherwise.

16.

BREAKING OF THESE RULES AND POOR CONDUCT

The Mandatory is warned that no behaviour that causes danger to their own employees, to the employees of the Municipality or general public will be tolerated. The Occupational Health and Safety Officer of the Municipality reserves the right of the withdrawal of any employees of the Mandatory or Municipality from the premises in the case of any default or breach of the agreement and to order that the completion of the work be stayed, pending compliance with this agreement; alternatively to cancel the agreement referred to in par.2 in which event the Municipality will be entitled to appoint an alternative contractor to complete the work and recover the costs thereof from the mandatory, without prejudice to any alternative or additional right or action or remedy to the Municipality, to recover from the mandatory damages for the default or breach and the cancellation.

The senior employees of the Mandatory shall sign a note of acknowledgement of this safety agreement to certify that they have received the regulations as included herein and that they understand the regulations

17.

INTOXICATION

Nobody that is in a state of intoxication or that is in any other condition that causes or may cause his/her incapability to control him/herself or persons under his control may and shall not be permitted on the premises of the Municipality. The Occupational Health and Safety Officer of the Municipality reserves the right to the withdrawal of any employees of the Mandatory or Municipality from the premises in the case of any transgression of this nature.

18.

CONFIDENTIALLY

The Mandatory shall at all times treat data and information that have been made known to him or that he requires in connection with his work from the Municipality as confidential and he may not make unauthorised use thereof. He must also ensure that such data and information are not communicated to anybody else that is not an employee of the Mandatory without obtaining prior written approval from the Municipality and he must further ensure that such persons do in fact know that the said information is confidential and that they are obliged to treat it as such.

The Mandatory shall provide for adequate physical protection for any confidential documents, sketches, et cetera that he receives from the Municipality in connection with the work as well as for any copies thereof that he makes. He shall hand back all documents sketches and copies thereof to the Municipality upon completion of the work, or earlier, if so requested by the Municipality. The Mandatory shall inform the Municipality immediately should any such documents or sketches become lost.

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19.

INDEMNIFICATION BY THE MANDATORY

The following conditions will be applicable to the Mandatory:

- (a) The Mandatory is liable and herewith indemnifies the Municipality irrevocably and in full against any claim for loss or damage to property or arising from death or injury of any person and any associated loss or damage suffered, and against all lawsuits, claims, demands, costs, expenses, and charges that may arise when the said occurrences are caused on purpose or through the negligence, violation of legal obligations or failure by the Mandatory or its employees.
- (b) Whenever any of the employees of the Municipality is busy with work to, or with the supply of material that will be used during the execution of the work by the Mandatory, or otherwise busy with work under the instruction and supervision of the Mandatory, in as far as they may be negligent or fail to do their duty, they will be regarded as employees of the Mandatory
- (c) All installations, equipment, hoisting-apparatus and other implements, scaffolding, ladders, material, et cetera that are borrowed from the Municipality by the Mandatory for usage during the execution of the work, will be used entirely at the risk of the Mandatory or employees of the Mandatory and the Mandatory herewith indemnifies the Municipality irrevocably and in full against any liability that may arise from such usage.

20.

AMENDMENTS MUST BE IN WRITING

The parties agree herewith that this safety agreement is the only safety agreement between them and that no amendment thereof will be valid unless it is in writing and signed by both parties.

21

JURISDICTION AND LEGAL COSTS

In the event of any legal action being instituted pertaining to the this agreement the party in default or breach will be liable for the other party's legal costs on the scale as between attorney and own client and the parties consent to the jurisdiction of the magistrate's court for purpose of any legal action being instituted.

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PARTICULARS OF THE MANDATORY

Name (Mandatory) _____

C.E.O. (Section 16(1)) _____

ID NO _____

Designation _____

Name of Business _____

Address of Business _____

Tel number (h) _____ (w) _____ e-mail _____

Number of employees employed _____

Registration number as allocated to the Mandatory by the Workman's Compensation Commissioner

Date allocated _____

Thus done and signed on this _____ day of _____ 20 _____

As witnesses:

_____ (Signature) _____ (Name in print)

_____ (Signature) _____ (Name in print)

_____ (Signature) _____ (Name in print)

THE MANDATORY

Thus done and signed on this _____ day of _____ 20 _____

As witnesses

_____ (Signature) _____ (Name in print)

_____ (Signature) _____ (Name in print)

_____ (Signature) _____ (Name in print)

THE MUNICIPALITY

Acknowledgement of receipt of the agreement:

THE MANDATOR

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C1.2 GUARANTEE

Form of Guarantee

For use with the General Condition for Contract for Construction Works, Second Edition, 2010

GUARANTOR DETAILS AND DEFINITIONS

"Guarantor" means:

.....

Physical address:

.....

"Employer" means:

.....

"Contractor" means:

.....

"Engineer" means:

.....

"Works" means:

.....

"Site" means:

.....

"Contract " means: The Agreement made in terms of the Form of Offer and Acceptance and such amendments or additions to the Contract as may be agreed in writing between the parties.

"Contract Sum" means: The accepted amount inclusive of tax of

R.....

Amount in words:.....

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"Guaranteed Sum" means: The maximum aggregate amount of

Amount in words:

"Expiry Date" means:

CONTRACT DETAILS

Engineer issues: Interim Payment Certificates, Final Payment Certificate and the Certificate Completion of the Works as defined in the Contract.

PERFORMANCE GUARANTEE

1. The Guarantor's liability shall be limited to the amount of the Guaranteed Sum.
2. The Guarantor's period of liability shall be from and including the date of issue of this Performance Guarantee and up to and including the Expiry Date or the date of issue by the Engineer of the Certificate of Completion of the Works or the date of payment in full of the Guaranteed Sum, whichever occurs first. The Engineer and/or the Employer shall advise the Guarantor in writing of the date on which the Certificate of Completion of the Works has been issued.
3. The Guarantor hereby acknowledges that:

any reference in this Performance Guarantee to the Contract is made for the purpose of convenience and shall not be construed as any intention whatsoever to create an accessory obligation or any intention whatsoever to create a surety ship;

3.1 its obligation under this Performance Guarantee is restricted to the payment money.

4. Subject to the Guarantor's maximum liability refer to in 1, the Guarantor hereby undertakes to pay the Employer the sum certified upon receipt of the documents identified in 4.1 to 4.3:

4.1 A copy of first written demand issued by the Employer to the Contractor stating that payment of a sum certified by the Engineer in an Interim or Final Payment Certificate has not been made in terms of Contract and failing such payment within seven (7) calendar days, the Employer intends to call upon the Guarantor to make payment in terms of 4.2;

4.2 A first written demand issued by the Employer to the Guarantor at the Guarantor's physical address with a copy to the Contractor stating that a period of seven (7) days has elapsed since the first written demand in terms of 4.1 and the sum certified has still not been paid;

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- 4.3 A copy of the aforesaid payment certificate which entitles the Employer to receive payment in terms of the Contract of the sum certified in 4.
5. Subject to the Guarantor's maximum liability referred to in 1, the Guarantor undertakes to pay to the Employer the Guaranteed Sum or the full outstanding balance upon receipt of a first written demand from the Employer to the Guarantor at the Guarantor's physical address calling up this Performance Guarantee, such demand stating that:
- 5.1 the Contract has been terminated due to the Contractor's default and that this Performance Guarantee is called up in terms of 5; or
- 5.2 a provisional or final sequestration or liquidation court order has been granted against the Contractor and that the Performance Guarantee is called up in terms of 5; and
- 5.3 the aforesaid written demand is accompanied by a copy of the notice of termination and/or provisional/final sequestration and/or the provisional liquidation court order.
6. It is recorded that the aggregate amount of payments required to be made by Guarantor in terms of 4 and 5 shall not exceed the Guarantor's maximum liability in terms of 1.
7. Where the Guarantor has made payment in terms of 5, the Employer shall upon the date of issue of the Final Payment Certificate submit an expense account to the Guarantor showing how all monies received in terms of this Performance Guarantee have been expended and shall refund to the Guarantor any resulting surplus. All monies refunded to the Guarantor in terms of this Performance Guarantee shall bear interest at the prime overdraft rate of the Employer's bank compounded monthly and calculated from the date payment was made by the Guarantor to the Employer until the date of refund.
8. Payment by the Guarantor in terms of 4 or 5 shall be made within seven (7) calendar days upon receipt of the first written demand to the Guarantor.
9. Payment by the Guarantor in terms of 5 will only be made against the return of original Performance Guarantee by Employer.
10. The Employer shall have the absolute right to arrange his affairs with the Contractor in any manner which the Employer may deem fit and the Guarantor shall not have the right to claim his release from this Performance Guarantee on account of any conduct alleged to be prejudicial to the Guarantor.
11. The Guarantor chooses the physical address as stated above for the service of all notices for all purposes in connection herewith.

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12. This Performance Guarantee is neither negotiable nor transferable and shall expire in terms of 2, where after no claims will be considered by the Guarantor. The original of this Guarantee shall be returned to the Guarantor after it has expired.
13. This Performance Guarantee, with the required demand notices in terms of 4 or 5, shall be regarded as a liquid document for the purposes of obtaining a court order.
14. Where this Performance Guarantee is issued in the Republic of South Africa the Guarantor hereby consents in terms of Section 45 of the Magistrate's Courts Act No 32 of 1944, as amended, to the jurisdiction of the Magistrate's Court of any district having jurisdiction in terms of Section 28 of the said Act, notwithstanding that the amount of the claim may exceed the jurisdiction of the Magistrate's Court.

Signed at.....

Date.....

Guarantor's signatory (1).....

Capacity.....

Guarantor's signatory (2).....

Capacity.....

Witness signatory (1).....

Witness signatory (2).....

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C1.3 AGREEMENT WITH ADJUDICATOR

This agreement is made on the.....day of 20.....between: the Employer

(name of company / organisation).....

of (address).....

.....and the

Contractor (name of company / organisation)

of (address).....

.....

.(hereinafter called **the Parties**)

and

(name).....

.

of (address).....

.....

.....

(Hereinafter called **the Adjudicator**)

Disputes or differences may arise/have arisen* between the Parties under a Contract dated.....

and known as Contract No.....

(Contract title).....

and these disputes or differences shall be/have been* referred to adjudication in accordance with the CIDB Adjudication Procedure, (hereinafter called "**the Procedure**") and the Adjudicator may be or has been requested to act. (* Delete as necessary)

IT IS NOW AGREED as follows:

1. The rights and obligations of the Adjudicator and the Parties shall be as set out in the Procedure.
2. The Adjudicator hereby accepts the appointment and agrees to conduct the adjudication in accordance with the Procedure.
3. The Parties bind themselves jointly and severally to pay the Adjudicator's fees and

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expenses in accordance with the Procedure as set out in the Contract Data.

4. The Parties and the Adjudicator shall at all times maintain the confidentiality of the adjudication and shall endeavour to ensure that anyone acting on their behalf or through them will do likewise, save with the consent of the other Parties which consent shall not be unreasonably refused.
5. The Adjudicator shall inform the Parties if he intends to destroy the documents which have been sent to him in relation to the adjudication and he shall retain documents for a further period at the request of either Party.

SIGNED BY:

(Signature):..... (Signature):.....
(Signature):.....

Name: Name: Name:

who warrants that he/ she is who warrants that he/ she is the **Adjudicator** in the duly authorised to sign for and duly authorised to sign for presence on behalf of the **First Party** in and on behalf of the **Second** the presence of **Party** in the presence of

Witness:

Witness:

Witness:

(Signature)..... (Signature)..... Signature).....

Name: Name: Name:

Address: Address: Address:

Date: Date: Date:

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C1.4 CONTRACT DATA

C1.1 FORM OF OFFER AND ACCEPTANCE (Agreement)

OFFER

The TENDERER is to complete and sign the Form of Offer.

The Employer, identified in the Acceptance signature block, has solicited offers to enter into a contract in respect of the following works.

NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

.....

The Tenderer, identified in the Offer signature block below, has examined the documents listed in the Tender Data and addenda thereto as listed in the Tender 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); R** **(in figures),**

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.

Signature(s) _____

Name(s) _____

Capacity _____

**For the
Tenderer** _____

(Name and address of organization)

**Name and
signature of
witness** _____ **Date** _____

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ACCEPTANCE

The EMPLOYER will complete and sign the form of Acceptance.

By signing this part of the 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 1 Agreement and Contract Data, (which includes this Agreement)

Part 2 Pricing Data

Part 3 Scope of Work

Part 4 Site Information

and drawings and documents or parts thereof, which may be incorporated by reference into Parts 1 to 4 above.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Tender 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 Agreement. No amendments to or deviations from said documents are valid unless contained in this Schedule, which must be duly signed by the authorized representative(s) of both parties.

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 Contact Data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the Conditions of Contract identified in the Contract Data at, or just after, the date of this Agreement comes into effect. Failure to fulfill any of these obligations in accordance with those terms shall constitute a repudiation of this Agreement.

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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 the Contractor) within five days after the date of such receipt notifies the Employer in writing of any reason why he cannot accept the contents of this Agreement, this Agreement shall constitute binding contract between the parties,

Signature(s)

Name(s)

Capacity

**For the
Employer**

(Name and address of organization)

**Name and
signature of
witness**

Date _____

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SCHEDULE OF DEVIATIONS

Notes:

1. The extent of deviations from the tender documents issued by the employer prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender,
2. A Tenderer's covering letter shall not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid become the subject of agreements reached during the process of offer and acceptance, the outcome of such agreement shall be recorded here,
3. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the Parties becomes an obligation of the contract shall also be recorded here,
4. Any change or addition to the tender documents arising from the above arrangements and recorded here shall also be incorporated into the final draft of the Contract,

1 Subject _____

Details _____

2 Subject _____

Details _____

3 Subject _____

Details _____

4 Subject _____

Details _____

5 Subject _____

Details _____

6 Subject _____

Details _____

7 Subject _____

Details _____

8 Subject _____

Details _____

By the duly authorized representatives signing this Schedule of Deviations, 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

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listed in the Tender Schedules, as well as any confirmation, clarification or change to the terms of the offer agreed by the Tenderer and the Employer during the 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 and signed copy of this Agreement shall have any meaning or effect in the contract between the parties arising from this Agreement.

For the Tenderer:

Signature(s)

Name(s)

Capacity

(Name and address of organization)

**Name and
signature of
witness**

Date _____

For the Employer:

Signature(s)

Name(s)

Capacity

(Name and address of organization)

**Name and
signature of
witness**

Date _____

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C1.7.1 Contract Specific Data

The conditions of contract are the General Conditions of Contract for Construction Works (2nd Edition 2010) published by the South African Institute of Civil Engineering, Private Bag X200, Halfway House, 1685, Tel 011 805 5947.

The General Conditions of Contract make several references to the Contract Data. The Contract Data shall have precedence in the interpretation of any ambiguity or inconsistency between it and the General Conditions of Contract.

Where applicable, items of data given here below are cross-referenced to the sub clause in the General Conditions of Contract to which they apply.

1. AMPLIFICATIONS OF THE GENERAL CONDITIONS OF CONTRACT

2.1 Data Provided by the Employer

2.1.1 Commencement Date (Clause 1.1.1.5)

The "Commencement Date" means the date on which the Contractor receives a Letter of Acceptance from the Employer. The instruction to commence with the works will not be issued later than 28 days from the date that the Agreement made in terms of the Form of Offer and Acceptance comes into effect.

2.1.2 Defects Liability Period (CL 1.1.1.13)

The Defects Liability Period is **12** calendar months calculated from the date of the Certificate of Completion.

2.1.3 Due Completion Date (CL1.1.1.14)

This clause shall apply *mutatis mutandis* to any portion or phase of the Works that may be described in the Scope of Works or in the Contract Data, or agreed Subsequently between the Contractor and the Employer, and committed to writing.

The time for achieving Practical Completion is 16 weeks calculated from the Commencement Date.

2.1.4 Employer (CL 1.1.1.15)

The Employer is: NKOMAZI LOCAL MUNICIPALITY

2.1.5 Engineer (CL. 1.1.1.16)

'Engineer' means any Director, Associate or Professional Engineer appointed by Nkomazi Local Municipality to fulfil the functions of the Engineer in terms of the Contract Data.

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2.1.6 Pricing Strategy (CL 1.1.1.26)

The pricing strategy is the Re-measurement Contract,

2.1.7 Delivery of Notices (CL 1.2.1.2)

The Engineer's address for receipt of communications is:

Lubisi Consulting Engineers

Tell No: 013 752 6416

Fax : 013 752 6418

E-mail: info@lubisi.co.za

The Employer's address for receipt of communications is:

Nkomazi Local Municipality

Private Bag X101

Malelane

1280

Tel: +27 13 790 0245

2.1.8 Contractor's Copyright

Add the following new Clause 1.3.6:

The copyright in all documents, drawings and records (prepared by the Engineer) related in any manner to the Works shall vest in the Employer or the Engineer or both (according to the dictates of the Contract that has been entered into by the Engineer and the Employer for the Works), and the Contractor shall not furnish any information in connection with the Works to any person or organization without the prior approval of the Employer to this effect.

2.1.9 Specific Approval of the Employer Required (CL 3.1.3)

The Engineer is required to obtain the specific approval of the Employer before executing any of the following functions or duties:

2.1.9.1 Nominating the Engineer's Representative in terms of CI 1.1.17

2.1.9.2 Delegation of Engineer's authority in terms of CI 3.2.4

2.1.9.3 The issuing of further drawings or instructions in terms of CI 5.9.1

2.1.9.4 The issuing of instructions for dealing with fossils and the like in terms of CI 4.7.1

2.1.9.5 Authorizing the Contractor to repair and make good excepted risks in terms of CI 8.2.2.2

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- 2.1.9.6 The issuing of a variation order in terms of CI 6.3.1 Issuing of instructions to carry out work on a day work basis in terms of CI 6.4.1.4
- 2.1.9.8 Granting permission to work during non-working times in terms of CI 5.8.1.1
- 2.1.9.9 Suspend the progress of the works in terms of CI 5.11.1
- 2.1.9.10 The issuing of an instruction to accelerate progress in terms of CI 5.7.3
- 2.1.9.11 The reduction of a penalty for delay in terms of CI 5.13.2
- 2.1.9.12 The determination of additional or reduced costs arising from changes in legislation in terms of CI 6.8.4
- 2.1.9.13 The giving of a ruling on a contractor's claim in terms of CI 10.1.5
- 2.1.9.14 The agreeing of an extension to the 28 period in terms of CI 10.1.5.1
- 2.1.9.15 The inclusion of credits in the next payment certificate in terms of CI 10.1.5.2
- 2.1.9.16 The agreeing of the adjustment of the sums for general items in terms of CI 6.11

2.1.10 Contractor's Liability for Own Design Errors (CL 4.1.2)

Add the following to the clause:

The Contractor shall provide the following to the Engineer for retention by the Employer or his assignee in respect of all works designed by the Contractor:

- 4.1.2.1 A Certificate of Stability of the Works signed by a registered Professional Engineer confirming that all such works have been designed in accordance with the appropriate codes of practice.
- 4.1.2.2 Proof of registration and of adequate and current professional indemnity insurance cover held by the designer(s).
- 4.1.2.3 Design calculations should the Engineer request a copy thereof.
- 4.1.2.4 Engineering drawings and workshop details (both signed by the relevant professional engineer), in order to allow the Engineer to compare the design with the specified requirements and to record any comments he may have with respect thereto.
- 4.1.2.5 "As-Built" drawings in DXF electronic format after completion of the Works. The Contractor shall be responsible for the design of the Temporary Works.

2.1.11 Health and Safety Act

2.1.11.1 Contractor's Compliance (CL 4.3)

Add the following new Clause 4.3:

The Contract shall comply with the Occupational Health and Safety Specification prepared by the Employer in terms of the Construction Regulations, 2003 promulgated in terms of Section 43 of the Occupational Health and Safety Act (Act No. 85 of 1993)

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2.1.11.2 Contractor's Liability as Mandatory (CL 4.3)

Add the following new Clause 4.3.4:

Notwithstanding any actions which the Employer may take, the Contractor accepts sole liability for due compliance with the relevant duties, obligations, prohibitions, arrangements and procedures imposed by the Occupational Health and Safety Act, 1993 (Act 85 of 1993), and all its regulations, including the Construction Regulations, 2003, for which he is liable as mandatory. By entering into this Contract it shall be deemed that the parties have agreed in writing to the above provisions in terms of Section 37 (2) of the Act.

2.1.11.3 Contractor to Notify Employer (CI 4.3)

Add the following new Clause 4.3.5:

The Employer retains an interest in all inquiries conducted under this Contract in terms of Section 31 and/or 32 of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) and its Regulations following any incident involving the Contractor and/or Sub-contractor and/or their employees. The Contractor shall notify the Employer in writing of all investigations, complaints or criminal charges which may arise pursuant to work performed under this Contract in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) and Regulations.

2.1.12 Commencement of the Works (CL 5.3.1)

The Contractor shall commence executing of the works within 14 days of the commencement date.

The documentation required before commencement with Works execution are:

- a) Approved Health and Safety Plan (refer to CL 4.3)
- b) Initial Programme (Refer to CL 5.6)
- c) Security (Refer to CL 6.2.1 and CL 6.2.3)
- d) Insurance (Refer to CL 8.6)

2.1.13 Time to Submit the Documentation (CL 5.3.2),

The time to submit the documentation after the Commencement Date is **14 days**.

2.1.14 Access Not Exclusive (CL 5.4.2)

The access and possession of the Site shall not be exclusive to the Contractor as other construction services might be executed concurrently by independent Contractors or bodies under separate Contracts entered into with the Employer. The other Works which will be in progress or come into operation during the progress or tenancy of this Contract are likely to include, but are not limited to the following: Modifications to pipelines and/or installation of pipeline fittings related to the borehole pumping system.

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The Contractor shall ensure that neither his operations nor his employees shall interfere with or hinder the operations of the Employer or of other Contractors and he shall indemnify the Employer against all claims arising through default of this requirement. The Contractor shall hand over portions of the Site of Works (whether completed or not), or completed portions of Works, to these Contractors when required by the Employer. The Contractor shall cause no interference with or delays in the execution of these Contracts.

No discount or commission for the Contractor is allowed on these contracts and it will be assumed that he has fully allowed in the Contract Price for the presence of these contractors on Site. Any service rendered or assistance given by the Contractor to these contractors save as are contained in the Works Specifications, shall be for their accounts only and the Employer shall in no way be responsible to the Contractor for any payments in this respect.

The Contractor shall protect all existing services and all work being carried out and structures being erected on the Site by other contractors. Any damage caused to these services or structures or any obstructions or hindrance caused to other contractors by the Contractor and claims arising there from, will be the sole responsibility of the Contractor.

Any repair work shall be carried out at the Contractor's expense, in conformity with the Works Specifications.

The same obligations shall be imposed on the Employer and on other Contractors in respect of the Works being executed under this Contract.

2.1.15 Non-working Days (CL 5.8.1)

a) The non-working days are Sundays.

b) The special non-working days are statutory public holidays and the year end break commencing on 14 December.2018 ending on 08 January 2019.

2.1.16 Penalty for Delay (CL 5.13.1)

The penalty for failure to complete the Works is 0.05% of the Contract Sum per calendar day.

2.1.17 Latent Defect Period (CL 5.16.3)

The latent defect period is 10 years

2.1.18 Contractor Failing to Select or Provide Security (CL 6.2.2)

Delete the entire contents of Clause 6.2.2 and replace with: "Failure to deliver an acceptable security as selected in the Contract Data within the stipulated period is a fundamental breach of Contract".

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

2.1.19 Day works (CL 6.5.1.2.3)

The percentage allowance to cover overhead charges is 15 (fifteen) per centum.

2.1.20 Contract Price Adjustment (CL 6.8.2)

No contract price adjustment is permitted on this contract

2.1.21 Variation in Cost of Special Materials (CL6.8.3)

Price adjustments for variations in the costs of special materials are not permitted

2.1.22 Percentage Limit on Materials (CL 6.10.1.5)

The percentage limit on Materials not yet built into the Permanent Works is 80 (eighty) per centum.

2.1.23 Retention Money (CL 6.10.3)

The percentage retention on amounts due to the Contractor is 10% (ten) per centum.

The limit of retention money is **5** (five) per centum of the Contract Sum

A Retention Money Guarantee may be not offered in lieu of the retention of money.

2.1.24 Variations Exceeding 15 per cent (CL 6.11)

Delete "15% and replace it with "20%.

2.1.25 insurance of Materials Supplied by the Employer (CL 8.6.1.1.2)

The insurance amount to cover the value of Plant and Materials, supplied by the Employer for incorporation in the Works and not included in the Contract Sum, is NIL.

2.1.26 insurance to Cover Professional Fees (CL 8.6.1.1.3)

The insurance amount to cover professional fees, not included in the Contract Sum, payable in respect of the repair or reinstatement of damage to the Works, is NIL.

2.1.27 Liability insurance (CL 8.6.1.3)

The limit of indemnity for liability insurance is R5, 000 000.00 per event, the number of events being unlimited.

2.1.28 Dispute Resolution (CL 10.5.2)

Dispute resolution shall be referred to amicable settlement.

2.1.29 Disagreement with ad-hoc Adjudicator's Decision

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

Add Clause 10.12

Should either of the contracting parties disagree with any decision of the ad-hoc adjudicator, such matter shall be referred to litigation for court judgment.

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

2.2 Data Provided by the Contractor

2.2.1 Contractor (CL 1.1.1.9)

The legal name of the Contractor

2.2.2 Delivery of Notices to the Contractor (CL 1.2)

The Contractor's address for receipt of communication is:

Postal:

Telephone

Facsimile

E-mail:

Important Note

Paragraphs 2.2.1 and 2.2.2 here above, to be duly completed by the Bidder before submitting the Bid.

PART C1

AGREEMENT AND CONTRACT DATA

CONTRACT No: NKO 78/2022 PROJECT NAME NKOMAZI SANITATION PROJECT (200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

2.3 CONTRACT DATA

PART 2: DATA PROVIDED BY THE CONTRACTOR

Clause 4.4.3: Selection of Sub-Contractors

The Tenderer shall list in page T.2.3.7 the Subcontractors and Suppliers whom he intends to appoint in respect of the various specialist items of work to be done or goods supplied on this contract. Alternatives may be mentioned.

The Tenderer shall state whether he intends to carry out any specialised work or supply of goods himself.

Acceptance of this tender shall not be construed as approval of all or any of the listed specialist Subcontractors or Suppliers. Should any of or all of the specialist Subcontractors or Suppliers not be approved subsequent to the acceptance of the tender, it shall in no way invalidate this tender, and the tendered unit rates for the various items of work shall remain final and binding, even in the event of a Subcontractor or Supplier not listed below being approved by the Employer.

The sub-contractors listed in page T.2.3.7 exclude the identified local emerging contractors who will be identified by the Employer.

Signed on behalf of Tenderer:

.....

3 ADDITIONAL SPECIAL CONDITIONS OF AMENDMENTS TO THE GENERAL CONDITIONS OF CONTRACT

These Special Conditions of Contract (SCC) form an integral part of the Contract. The Special Conditions shall amplify, modify or supersede, as the case may be, the General Conditions of Contract 2010 to the extent specified below, and shall take precedence and shall govern.

The clauses of the Special Conditions hereafter are numbered "SCC" followed in each case by the number of the applicable clause or sub clause in the General Conditions of Contract 2010, and the applicable heading, or (where a new special condition that has no relation to the existing clauses is introduced) by a number that follows after the last clause number in the General Conditions, and an appropriate heading.

The variations to the General Conditions of Contract are:

SCC

4.4.3

For conditions regarding selection of **LOCAL EMERGING SUB-CONTRACTORS** (LES Work), see additional clauses below.

The additional clauses to the General Conditions of Contract are:

Local Emerging Sub-Contractors

The Contractor shall promptly, and in any event within a reasonable time after the Commencement Date, sub-contract a portion of the Works to the value of ten (10) percent of the work specified in the Schedule of Works (excluding preliminary and general costs) ("the LES Work") to one or more of the local emerging sub-contractors notified by the Employer to the Contract ("the Local Emerging Sub-Contractors"), in strict accordance with, and subject to, the requirements set out in Paragraphs (i) to (x) of this Clause, as follows:

- (i) The Contractor shall select the Local Emerging Sub-Contractor(s) to whom he is to sub-contract the LES Work by means of a competitive bidding process conducted strictly in accordance with the CIDB Standard for Uniformity in Construction Procurement and Best Practice Guidelines January 2009, and in doing so shall exercise all reasonable endeavors to ensure as inclusive and equal a distribution of the LES Work as shall be practicable amongst all the Local Emerging Sub-Contractors, taking into account price, competency and capacity only.
- (ii) The Contractor shall, without reference to the Employer, taking into account only the competencies and capacity of each Local Emerging Sub-Contractor, be free to identify those components of the LES Work that he shall allocate to each Local Emerging Sub-Contractor.

- (iii) Subject to paragraphs (iv) and (vii) of this clause, in the event that the Contractor fails to sub-contract and/or allocate the required quantum of LES Work or any portion thereof in accordance with this clause, the Engineer may either a) apply a penalty equal to 20% of the value of the shortfall, or b) make a determination regarding the setting aside of the LES Work so as to prevent the shortfall.
- (iv) Subject to paragraph (vii) of this clause, and notwithstanding paragraph (iii) of this clause, in the event that the Contractor fails to sub-contract and/or allocate the required quantum of LES Work or any portion thereof in accordance with this clause by reason of his inability to reach agreement on price with one or more of the Local Emerging Sub-Contractor(s), the Engineer may, in his absolute discretion, advise the Employer to allow an increase in the Contractor's rates to so as to facilitate successful price negotiation. In the event that the Employer refuses to authorize an increase to the Contractor's rates or, in the event that the authorized increase in rates fails to facilitate successful negotiation between the Contractor and the relevant Local Emerging Sub-Contractor(s), the Contractor shall be relieved of his obligation to sub-contract the relevant portion of LES Work, always subject to paragraph (vii) of this clause.
- (v) The rates to be applied by the Contractor in the sub-contracts with the Local Emerging Sub-Contractors for the LES Work shall at all times be based strictly on the rates applicable to the Contractor under the Contract, save for any adjustments allowed in terms of paragraph (iv) above.
- (vi) The Contractor shall apply the same rates to each Local Emerging Sub-Contractor in respect of each component of the LES Work, such that, in the event that more than one Local Emerging Sub-Contractor is successfully selected for a single component of the LES Work, the same rates shall apply to each of the selected Local Emerging Sub-Contractors in respect of the said single component.
- (vii) The Contractor shall not be under any obligation to employ a Local Emerging Sub-Contractor against whom the Contractor raises reasonable objection by written notice to the Engineer as soon as practicable, with supporting particulars in writing. In the event of failure on the part of the Contractor to prove reasonable objection to the satisfaction of the Engineer, the Engineer's determination shall be final and binding.
- (viii) The Contractor shall be entitled to include within the Contract Price a maximum management fee of 20% in excess of the rates paid to the Local Emerging Sub-Contractors.
- (ix) When tendering the Contractor shall have exercised all reasonable care not to distort any rates in such a way as to hinder or preclude his obligations under this clause, and, in the event that the Engineer determines the setting aside of the LES Work in terms of paragraph (iii) above, the Contractor shall be prevented from arguing that such LES Work is reserved not to be subcontracted.
- (x) The Contractor shall submit a priced copy of the final agreed version of each proposed sub-contract with a Local Emerging Sub-Contractor ("the Final Draft

LES Sub-Contract”) to the Employer prior to the execution of such sub-contract. In the event that the Employer, in consultation with the Engineer, deems the price or any other term of any Final Draft LES Sub-Contract to be unduly onerous or unfair to the Local Emerging Sub-Contractor concerned, the Contractor shall modify the price and/or terms in accordance with the Engineer’s reasonable instructions.

In sub-contracting the LES Work, the Contractor shall be responsible for performing the LES Work as if he had not sub-contracted. The Contractor shall be liable for the acts and omissions of the employees, sub-contractors and agents of the Local Emerging Sub-Contractors as if they were his own employees, sub-contractors and agents.

CONDITIONS OF CONTRACT FOR LABOUR-INTENSIVE CONSTRUCTION

Payment for the labour-intensive component of the works

Payment for works identified in the Scope of Work as being labour-intensive shall only be made in accordance with the provisions of the Contract if the works are constructed strictly in accordance with the provisions of the scope of work.

Any non-payment for such works shall not relieve the Contractor in any way from his obligations either in contract or in delict.

Applicable labour laws

The Ministerial Determination, Special Public Works Programmes, issued in terms of the Basic Conditions of Employment Act of 1997 by the Minister of Labour in Government Notice N° R63 of 25 January 2002 shall apply to works described in the scope of work as being labour intensive and which are undertaken by unskilled or semi-skilled workers, as reproduced below.

1 Introduction

1.1 This document contains the standard terms and conditions for workers employed in elementary occupations on a Special Public Works Programme (SPWP). These terms and conditions do NOT apply to persons employed in the supervision and management of a SPWP.

In this document –

“department” means any department of the State, implementing agent or contractor;

“employer” means any department, implementing agency or contractor that hires workers to work in elementary occupations on a SPWP;

“worker” means any person working in an elementary occupation on a SPWP;

“elementary occupation” means any occupation involving unskilled or semi-skilled work;

“management” means any person employed by a department or implementing agency to administer or execute an SPWP;

“task” means a fixed quantity of work;

“task-based work” means work in which a worker is paid a fixed rate for performing a task;

“task-rated worker” means a worker paid on the basis of the number of tasks completed;

“time -rated worker” means a worker paid on the basis of the length of time worked.

2 Terms of Work

2.1 Workers on a SPWP are employed on a temporary basis.

2.2 A worker may NOT be employed for longer than 24 months in any five-year cycle on a SPWP.

2.3 Employment on a SPWP does not qualify as employment as a contributor for the purposes of the Unemployment Insurance Act 30 of 1966.

3 Normal Hours of Work

3.1 An employer may not set tasks or hours of work that require a worker to work–

(a) more than forty hours in any week

(b) on more than five days in any week; and

(c) for more than eight hours on any day.

3.2 An employer and worker may agree that a worker will work four days per week.

The worker may then work up to ten hours per day.

3.3 A task-rated worker may not work more than a total of 55 hours in any week to complete the tasks allocated (based on a 40-hour week) to that worker.

4 Meal Breaks

4.1 A worker may not work for more than five hours without taking a meal break of at least thirty minutes duration.

4.2 An employer and worker may agree on longer meal breaks.

4.3 A worker may not work during a meal break. However, an employer may require a worker to perform duties during a meal break if those duties cannot be left unattended and cannot be performed by another worker. An employer must take reasonable steps to ensure that a worker is relieved of his or her duties during the meal break.

4.4 A worker is not entitled to payment for the period of a meal break. However, a worker who is paid on the basis of time worked must be paid if the worker is required to work or to be available for work during the meal break.

5 Special Conditions for Security Guards

5.1 A security guard may work up to 55 hours per week and up to eleven hours perday.

5.2 A security guard who works more than ten hours per day must have a meal break of at least one hour or two breaks of at least 30 minutes each.

6 Daily Rest Period

Every worker is entitled to a daily rest period of at least eight consecutive hours. The daily rest period is measured from the time the worker ends work on one day until the time the worker starts work on the next day.

7 Weekly Rest Period

Every worker must have two days off every week. A worker may only work on their day off to perform work which must be done without delay and cannot be performed by workers during their ordinary hours of work ("emergency work").

8 Work on Sundays and Public Holidays

8.1 A worker may only work on a Sunday or public holiday to perform emergency or security work.

8.2 Work on Sundays is paid at the ordinary rate of pay.

8.3 A task-rated worker who works on a public holiday must be paid –

(a) the worker's daily task rate, if the worker works for less than four hours;

(b) double the worker's daily task rate, if the worker works for more than four hours.

8.4 A time-rated worker who works on a public holiday must be paid –

(a) the worker's daily rate of pay, if the worker works for less than four hours on the public holiday;

(b) double the worker's daily rate of pay, if the worker works for more than four hours on the public holiday.

9 Sick Leave

9.1 Only workers who work four or more days per week have the right to claim sick day in terms of this clause.

9.2 A worker who is unable to work on account of illness or injury is entitled to claim one day's paid sick leave for every full month that the worker has worked in terms of a contract.

9.3 A worker may accumulate a maximum of twelve days' sick leave in a year.

9.4 Accumulated sick-leave may not be transferred from one contract to another contract.

9.5 An employer must pay a task-rated worker the worker's daily task rate for a day's sick leave.

9.6 An employer must pay a time-rated worker the worker's daily rate of pay for a day's sick leave.

9.7 An employer must pay a worker sick pay on the worker's usual payday.

9.8 Before paying sick-pay, an employer may require a worker to produce a certificate stating that the worker was unable to work on account of sickness or injury if the worker is –

- absent from work for more than two consecutive days; or*
- absent from work on more than two occasions in any eight-week period.*

9.9 A medical certificate must be issued and signed by a medical practitioner, a qualified nurse or a clinic staff member authorised to issue medical certificates indicating the duration and reason for incapacity.

9.10 A worker is not entitled to paid sick-leave for a work-related injury or occupational disease for which the worker can claim compensation under the Compensation for Occupational Injuries and Diseases Act.

10 Maternity Leave

10.1 A worker may take up to four consecutive months' unpaid maternity leave.

10.2 A worker is not entitled to any payment or employment-related benefits during maternity leave.

10.3 A worker must give her employer reasonable notice of when she will start maternity leave and when she will return to work.

10.4 A worker is not required to take the full period of maternity leave. However, a worker may not work for four weeks before the expected date of birth of her child or for six weeks after the birth of her child, unless a medical practitioner, midwife or qualified nurse certifies that she is fit to do so.

10.5 A worker may begin maternity leave –

(a) four weeks before the expected date of birth; or

(b) on an earlier date –

(i) if a medical practitioner, midwife or certified nurse certifies that it is necessary for the health of the worker or that of her unborn child; or

(ii) if agreed to between employer and worker; or

(c) on a later date, if a medical practitioner, midwife or certified nurse has certified that the worker is able to continue to work without endangering her health.

10.6 A worker who has a miscarriage during the third trimester of pregnancy or bears a stillborn child may take maternity leave for up to six weeks after the miscarriage or stillbirth.

10.7 A worker who returns to work after maternity leave, has the right to start a new cycle of twenty-four months employment, unless the SPWP on which she was employed has ended.

11 Family responsibility leave

11.1 Workers, who work for at least four days per week, are entitled to three days paid family responsibility leave each year in the following circumstances -

(a) when the employee's child is born;

(b) when the employee's child is sick;

(c) in the event of a death of –

the employee's spouse or life partner;

the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.

12 Statements of Conditions

12.1 An employer must give a worker a statement containing the following details at the start of employment –

(a) the employer's name and address and the name of the SPWP;

(b) the tasks or job that the worker is to perform; and

the period for which the worker is hired or, if this is not certain, the expected duration of the contract;

the worker's rate of pay and how this is to be calculated;

the training that the worker will receive during the SPWP.

12.2 An employer must ensure that these terms are explained in a suitable language to any employee who is unable to read the statement.

12.3 An employer must supply each worker with a copy of these conditions of employment.

13 Keeping Records

13.1 Every employer must keep a written record of at least the following –

(a) the worker's name and position;

(b) in the case of a task-rated worker, the number of tasks completed by the worker;

(c) in the case of a time-rated worker, the time worked by the worker;

(d) payments made to each worker

13.2 The employer must keep this record for a period of at least three years after the completion of the SPWP.

14 Payment

14.1 An employer must pay all wages at least monthly in cash or by cheque or into a bank account.

14.2 A task-rated worker will only be paid for tasks that have been completed.

14.3 An employer must pay a task-rated worker within five weeks of the work being completed and the work having been approved by the manager or the contractor having submitted an invoice to the employer.

14.4 A time-rated worker will be paid at the end of each month.

14.5 Payment must be made in cash, by cheque or by direct deposit into a bank account designated by the worker.

14.6 Payment in cash or by cheque must take place –

(a) at the workplace or at a place agreed to by the worker;

(b) during the worker's working hours or within fifteen minutes of the start or finish of work;

(c) in a sealed envelope which becomes the property of the worker.

14.7 An employer must give a worker the following information in writing –

(a) the period for which payment is made;

(b) the numbers of tasks completed or hours worked;

(c) the worker's earnings;

(d) any money deducted from the payment;

(e) the actual amount paid to the worker.

14.8 If the worker is paid in cash or by cheque, this information must be recorded on the envelope and the worker must acknowledge receipt of payment by signing for it.

14.9 If a worker's employment is terminated, the employer must pay all monies owing to that worker within one month of the termination of employment.

15 Deductions

15.1 An employer may not deduct money from a worker's payment unless the deduction is required in terms of a law

15.2 An employer must deduct and pay to the SA Revenue Services any income tax that the worker is required to pay.

15.3 An employer who deducts money from a worker's pay for payment to another person must pay the money to that person within the time period and other requirements specified in the agreement law, court order or arbitration award concerned.

15.4 An employer may not require or allow a worker to –

(a) repay any payment except an overpayment previously made by the employer by mistake;

(b) state that the worker received a greater amount of money than the employer actually paid to the worker; or pay the employer or any other person for having been employed.

16 Health and Safety

16.1 Employers must take all reasonable steps to ensure that the working environment is healthy and safe.

16.2 A worker must –

- (a) work in a way that does not endanger his/her health and safety or that of any other person;*
- (b) obey any health and safety instruction;*
- (c) obey all health and safety rules of the SPWP;*
- (d) use any personal protective equipment or clothing issued by the employer;*
- (e) report any accident, near-miss incident or dangerous behaviour by another person to their employer or manager.*

17 Compensation for Injuries and Diseases

17.1 It is the responsibility of the employers (other than a contractor) to arrange for all persons employed on a SPWP to be covered in terms of the Compensation for Occupational Injuries and Diseases Act, 130 of 1993.

17.2 A worker must report any work-related injury or occupational disease to their employer or manager.

17.3 The employer must report the accident or disease to the Compensation Commissioner.

17.4 An employer must pay a worker who is unable to work because of an injury caused by an accident at work 75% of their earnings for up to three months.

The employer will be refunded this amount by the Compensation Commissioner.

This does NOT apply to injuries caused by accidents outside the workplace such as road accidents or accidents at home.

18 Terminations

18.1 The employer may terminate the employment of a worker for good cause after following a fair procedure.

18.2 A worker will not receive severance pay on termination.

18.3 A worker is not required to give notice to terminate employment. However, a worker who wishes to resign should advise the employer in advance to allow the employer to find a replacement.

18.4 A worker who is absent for more than three consecutive days without informing the employer of an intention to return to work will have terminated the contract. However, the worker may be re-engaged if a position becomes available for the balance of the 24-month period.

18.5 A worker who does not attend required training events, without good reason, will have terminated the contract. However, the worker may be re-engaged if a position becomes available for the balance of the 24-month period.

19 Certificate of Service

19.1 On termination of employment, a worker is entitled to a certificate stating –

- (a) the worker's full name;*
- (b) the name and address of the employer;*

- (c) the SPWP on which the worker worked;
- (d) the work performed by the worker;
- (e) any training received by the worker as part of the SPWP;
- (f) the period for which the worker worked on the SPWP;
- any other information agreed on by the employer and worker.

The additional clauses to the General Conditions of Contract are:

Clause	Data
SCC5.12.2.2.1	A delay caused by inclement weather conditions will be regarded as a delay only if, in the opinion of the Engineer, all progress on an item or items of work on the critical path of the working programme of the contractor has been brought to a halt. Delays on working days only (based on a five-day working week) will be taken into account for the extension of time, but the Contractor shall make provision in his programme of work for an expected delay of "n" working days caused by normal rainy weather, for which he will not receive any extension of time. Extension of time during working days will be granted to the degree to which actual delays, as defined above, exceed the number of "n" workings days. The number of "n" working days will be calculated based on the Contract period and the expected number of working days lost as a result of normal rainfall between the contractual commencement and completion dates.

3.1 General

The following clauses add to, vary or otherwise amend the General Conditions of Contract:

3.1.1 Cession (CL 2.5.1)

Delete the words "without the written consent of the other".

3.1.2 Subcontracting (CL 4.4.1)

Delete the contents of Clause 4.4.1 and insert:

"The Contractor shall not subcontract more than 30 per centum of the value of the Contract."

3.1.3 The type of Security (CL 6.2.1)

The type of security required for the due performance of the Contract shall be restricted to one of the following:

Cash deposit of 10 (ten) per centum of the Contract Sum or

Performance Guarantee of 10 (ten) per centum of the Contract Sum, issued by a Commercial Bank registered in the Republic of South Africa,

Or Performance Guarantee of 10 (ten) per centum of the Contract Sum, issued by an insurance Company registered in terms of the Short-term Insurance Act (Act 53 of 1998).

Whenever a Joint Venture constitutes the contracting party (Contractor) to this Contract, the Performance Guarantee shall be issued on behalf of the Joint Venture.

The wording of the Performance Guarantee shall be in the form appended in C1.2

3.1.4 Programme (CL 5.6)

Add the following sub-clause 5.6.6 to Clause 5:

"Failure on the part of the Contractor to deliver to the Engineer, the programme of the Works in terms of Clause 5.6.1 and 5.6.2 within the period stated in the Contract Data, shall be sufficient cause for the Engineer to retain 25 per centum of the value of the Fixed Charge and Value-related items in assessment of amounts due to the Contractor, until the Contractor has submitted aforementioned first Programme of the Works and Supporting Documents".

3.1.5 Contractor's Superintendence (CL 4.12)

Add the following sub-clause 4.12.4 to Clause 4.12:

"Where a form is included in the Appendix to the Contract Data for this purpose, the Tenderer shall fill in the name of the person he proposes to entrust with the post of Contractor's Site Agent on this Contract in the space provided therefore. Previous experience of this person on work of a similar nature during the past five (5) years is to be entered in the list.

The Contractor's Site Agent shall be on Site at all times when work is being performed.

The person as approved of by the Engineer in writing shall not be replaced or removed from Site without the written approval of the Engineer."

3.1.6 Insurances (CL 8.6)

3.1.6.1 Contractor to produce proof of payment

Delete sub-clause 8.6.6 and substitute with:

"The Contractor shall before commencement of the Works produce to the Engineer:

8.6.6.1 The policies by which the insurances are affected,

8.6.6.2 Proof that due payment of all premiums there under, covering the full required period has been made, and

8.6.6.3 Proof of continuity of the policies for the required period.

Should, during the currency of the Contract, the required period of insurance be extended for any reason, the Contractor shall timeously extend (so as to maintain) the said insurances for the full extended duration.

The Engineer shall be empowered to withhold all payment certificates until the Contractor has complied with his obligations in terms of this Clause 8.6."

3.1.6.2 Remedy of Contractor's failure to insure

Delete sub-clause 8.6.7 and substitute with:

"Failure on the part of the Contractor to effect and keep in force any of the insurances referred to in Clause 8.6.1 and its sub-clauses, is a fundamental breach of Contract, entitling the Employer to cancel the Contract by due notice in terms of Clause 9.2 and with specific reference to sub-clause 55.2.5, as amended, in the Special Conditions of Contract."

3.1.7 Variations (CL 6.3)

Omit the words "Provided that" under Clause 6.3.2 and omit Clause 6.3.2.1.

3.1.8 Suspension of the Works (CL 5.1 1)

Add the following sub-clause 5.1 1.4 to Clause 5.11:

"If the Contractor does not receive from the Employer the amount due under an Interim Payment Certificate within 28 days after expiry of the time stated in sub-clause 6.10.4 within which payment is to be made (except for deductions in accordance with sub-clauses 6.10.1.6 and 6.10.1.7), the Contractor may, after giving 14 days' notice to the Employer, suspend the progress of the Works.

The Contractor's action shall not prejudice his entitlements to a claim in terms of Clause 10.1 and to termination of the Contract in terms of Clause 9.3.

If the Contractor subsequently receives full payment of the amount due under such Interim Payment Certificate before giving a notice of termination of the Contract, the Contractor shall resume normal working as soon as is reasonably practicable."

3.1.9 Extension of time arising from Abnormal Rainfall (CL 5.12)

Add the following to sub-clause 5.12.2.2:

"The extension of time to be allowed due to abnormal rainfall shall be calculated separately for each calendar month or part thereof in accordance with the following formula:

$$V = (Nw - Nn) + \left(\frac{Rw - Rn}{X} \right)$$

V = Extension of time in calendar days for the calendar month under Consideration

Nw = Actual number of days during the calendar month on which a rainfall of 10 mm or more has been recorded

Nn = Average number of days for the calendar month on which a rainfall of 10 mm or more has been recorded, as derived from existing rainfall records

Rw = Actual recorded rainfall for the calendar month

Rn = Average rainfall for the calendar month, as derived from existing rainfall records

X = 20

The rainfall records which shall provisionally be accepted for calculation purposes are:

MONTH	Nn	Rn	MONTH	Nn	Rn
January	1,9	127,8	July	0,1	3,4
February	1,5	91,1	August	0,1	4,9
March	1,3	74,2	September	0,3	12,9

April	0,6	32,6	October	1,0	45,8
May	0,3	10,4	November	1,6	95,8
June	0,1	5,4	December	1,8	111,8
YEARLY AVERAGE					616,1

The factor (Nw - Nn) shall be considered to represent a fair allowance for days during which rainfall exceeds 10 mm and the factor (Rw - Rn)/x shall be considered to represent a fair allowance for those days when rainfall does not exceed 10 mm but wet conditions prevent or disrupt work.

The total extension of time shall be the algebraic sum of all monthly totals for the contract period, but if the algebraic sum is negative the time for completion shall not be reduced due to subnormal rainfall. Extensions of time for a part of a month shall be calculated using pro rata values of Nn and Rn."

3.1.10 Interim Payments (CL 6.10)

Add to the end of Clause 6.10.1 the following paragraph:

"The Contractor shall complete the 'Contractor's Monthly Report Schedule', which pro forma documentation is obtainable from the Engineer. Pursuant to Sub-clause (I), these, duly signed by all concerned, together with the Contractor's statement and a VAT invoice in original format are to be submitted to the Engineer. Issue by the Engineer to the Employer and Contractor of any signed payment certificate is conditional to this information being fully endorsed, accurately and timeously submitted to the Engineer".

Add to the end of Clause 6.10.1.5 the following paragraph:

"All documentary evidence of such materials shall be unambiguous with respect to ownership having fully passed to the Contractor on or before the date of submittal of the Contractor's monthly statement.

Should the Contractor fail to supply unambiguous documentary evidence, he shall, prior to submittal of his monthly statement, deliver to the Employer a Guarantor Guarantee in the form contained in the Appendices to the Contract Data."

3.1.11 Variations Exceeding 15 Per Cent (CL 6.1 1)

In sub-clause 50.1.3 omit the words "15 per cent" and replace with "20 per cent"

3.1.12 Cancellation of the Contract (CL 54)

Alter the numbering of:

Clause 9.1.4 to 9.1.5,

Clause 9.1.5 to 9.1.6 and

insert the following new clause 9.1.4:

"The Employer shall be entitled to cancel the Contract, at any time for the Employer's convenience, by giving written notice of such cancellation to the Contractor. The Contractor termination shall take effect 28 days after the later of the dates which the Contractor receives this written notice or the Employer returns the Demand Guarantee. The Employer shall not cancel the Contract under this sub-clause in order to execute the Works himself or to arrange for the Works to be executed by another contractor. This restriction on the Employer shall lapse 18 months after the date of receipt by the

Contractor of cancellation in terms of this sub-clause".

3.1.13 Termination by Employer (CL 9.2)

Delete the contents of Clause 9.2 and substitute with:

"9.2.1 The Employer may terminate the Contract by written notice to the Contractor if:

9.2.1.1 Sequestration of the Contractor's estate is ordered by a Court with due Jurisdiction, or

9.2.1.2 The Contractor publishes a notice of surrender or presents a petition for the surrender of his estate as insolvent, or makes a compromise with his creditors, or assigns in favour of his creditors, or agrees to carry out the Contract under the supervision of a committee representing his creditors, or (being a company) goes into liquidation, whether provisionally or finally (other than a voluntary liquidation for the purpose of amalgamation or reconstruction), or if the Contractor assigns the Contract without having first obtained the Employer's consent in writing, or if execution is levied on his goods, or

9.2.1.3 the Contractor, or anyone on his behalf, or in his employ, offers to any person in the employ of the Employer or the Engineer, a gratuity or reward or commission, or

9.2.1.4 the Contractor furnished materially inaccurate information in his Tender, which had a bearing on the award of the Contract, or

9.2.1.5 the Contractor has abandoned the Contract.

9.2.2 If the Contractor:

9.2.2.1 Has failed to commence the Works in terms of Clause 5.3 hereof, or has suspended the progress of the Works for fourteen (14) days after receiving from the Engineer written notice to proceed, or

9.2.2.2 Has failed to provide the Guarantee in terms of Clause 6.2 within the time stipulated in the Contract Data, or

9.2.2.3 Has failed to proceed with the Works with due diligence, or

9.2.2.4 Has failed to remove materials from the Site or to pull down and replace work within fourteen (14) days after receiving from the Engineer written notice that the said materials or work have been condemned and rejected by the Engineer in terms of these conditions, or

9.2.2.5 Is not executing the Works in accordance with the Contract, or is neglecting to carry out his obligations under the Contract, or

9.2.2.6 Has, to the detriment of good workmanship or in defiance of the Engineer's instructions to the contrary, sublet any part of the Contract, or

9.2.2.7 Has assigned the Contract or any part thereof without the Employer's consent in writing,

then the Employer may give the Contractor 14 days notice to rectify the default, and if the Contractor fails to rectify the default in said 14 days, then, without further notice, notify the Contractor in writing of the termination of the

Contract and expel the Contractor and order the Contractor to vacate the site within 24 hours of issue of the Notice of Termination and to hand the Site over to the Employer, and the Employer may then enter upon the Site and the Works without affecting the rights and powers conferred on the Employer or the Engineer by the Contract and the Employer may himself complete the Works or may employ another contractor to complete the Works, and the Employer or such other contractor may use for such completion so much of the Construction Equipment. Temporary Works and materials brought onto the Site by the Contractor as the Employer may think proper, and the Employer may at any time sell any of the said Construction Equipment, Temporary Works and unused materials and apply the proceeds of sale towards payment of any sums that may be due or become due to the Employer by the Contractor under the Contract. In such circumstances the Contractor shall forthwith vacate the Site and shall not be entitled to remain on the Site on the grounds that he is entitled to do so on a right of retention until amounts due to him have been paid, neither will the Contractor be entitled to any further payments in terms of this Contract.

9.2.3 If the Contractor, having been given notice to rectify a default in terms of **55.2** above, rectifies said default, but later repeats the same or substantially the same default, then the Employer may notify the Contractor of the immediate termination of the Contract, and proceed as stated in the paragraph following the word "writing" in Clause 55.2.7 above.

9.2.4 Should the amounts the Employer must pay to complete the Works exceed the sum that would have been payable to the Contractor on due completion by him, then the Contractor shall upon demand pay to the Employer the difference, and it shall be deemed a debt due by the Contractor to the Employer and shall be recoverable accordingly. Provided that should the Contractor on demand not pay the amount of such excess to the Employer, such sum may be determined and deducted by the Employer from any sum due to or that may become due to the Contractor under this or any previous or subsequent contract between the Contractor and the Employer."

3.1.14 Termination by Contractor (CL 9.3)

Add the following paragraph as Clause **9.3.5**:

"In addition to, or as an alternative to the rights to termination contained in this Clause **9.3**, the Contractor may notify the default to the Employer, with a copy to the Engineer, and if the default is not rectified within 10 days the Contractor may suspend progress of the works until a date 7 days after the default is rectified. The Contractor shall be entitled to extension of time to the extent of delay caused by or resulting from such suspension, and to payment of additional costs caused by or resulting from the suspension. Such extension of time and additional costs shall be promptly

ascertained by the Engineer, who shall then grant the extension of time and include the additional costs in all future payment certificates. Such suspension, extension of time and/or payment of additional costs, shall not prejudice the Contractor's rights to cancel the contract."

3.1.15 information in respect of Employees (CL 20.2)

The Contractor shall deliver to the Engineer, on a monthly basis, a return in detail of supervisory staff and the number of categorized classes of labour employer each day for the said period by the Contractor for execution of the Contract. Such return shall be submitted by the seventh day of the month following the month to be reported.

3.1.16 information in respect of Construction Equipment (CL 23.3)

The Contractor shall deliver to the Engineer, on a monthly basis, a detailed inventory of Construction Equipment kept on Site, full particulars given for each day of the month. Distinction shall be made between Owned Equipment and Hired Equipment as well as Equipment in working order and Equipment out of order. Such inventory shall be submitted by the seventh day of the month following the month to be reported.

4 PRIORITY OF DOCUMENTS

The documents forming the Contract are to be taken as mutually explanatory of one another. For the purpose of interpretation, the priority of the documents shall be in accordance with the following sequence:

- a) the Form of Offer and Acceptance.
- b) Amplifications of the General Conditions of Contract within the Contract Data.
- c) the General Conditions of Contract.
- d) the Specifications, Drawings, Schedules and other documents forming part of the Contract (in that order) contained in the Scope of Work and the Site Information.

If any ambiguity or discrepancy is found in the documents, the Engineer shall issue any necessary clarification or instruction.



PART C2: PRICING DATA

PRICING INSTRUCTIONS	C2.2.2
BILL OF QUANTITIES	C2.2.4
SUMMARY OF BILL OF QUANTITIES	C2.2.10

C2.1 PRICING INSTRUCTIONS

- 1 For the purposes of this bill of quantities, the following words shall have the meanings hereby assigned to them:

Unit: The unit of measurement for each item of work as defined in the standard specifications or the project specifications.

Quantity: The number of units of work for each item.

Rate: The payment per unit of work for which the tenderer tenders to do the work.

Amount: The product of the quantity and the rate tendered for an item.

Lump Sum: An amount tendered for an item, the extent of which is described in the bill of quantities, the specifications or elsewhere, but of which the quantity of work is not measured in units.

- 2 This bill of quantities forms part of the contract documents and must be read in conjunction with all the other documents comprising the contract documents.

- 3 The quantities set out in the bill of quantities are only approximate quantities. The quantities of work finally accepted and certified for payment, and not the quantities given in the bill of quantities, will be used to determine payments to the contractor.

The validity of the contract shall in no way be affected by differences between the quantities in the bill of quantities and the quantities finally certified for payment. Work is valued at the rates or lump sums tendered

- 4 The tenderer shall fill in a rate or a lump sum for each item where provision is made for it even where no quantities are given. Items against which no rate or lump sum has been entered in the tender will not be paid for when the work is executed, as payment for such work will be regarded as being covered by other rates or lump sums in the bill of quantities. The tenderer shall fill in a rate against all items where the words “rate only” appears in the amount column. Although no work is foreseen under such item and no quantities are consequently given in the quantity column, the tendered rate shall apply should work under this item actually be required. Tenders should note the provisions of paragraph 12 of this preamble.

If the tender should group a number of items together and tender one lump sum for each group of items, this single tendered lump sum shall apply to that group of items and not to each individual item, or should he indicate that full compensation for any item has been included in the rate for another item, the rate for the item included in another item shall be deemed to be nil.

The tendered lump sums and rates shall be valid irrespective of any change in the quantities during the execution of the contract.

- 5 The amount of work or the quantities of material stated in the bill of quantities shall not be considered as restricting or extending the amount of work to be done or quantity of material to be supplied by the contractor.

- 6 The statement of quantities of material or the amount of work in the bill of quantities shall not be regarded as authorisation for the contractor to order material or to execute work. The contractor shall obtain the engineer's detailed instructions for all work before ordering any materials or executing work or making arrangements in this regard.

- 7 The short descriptions of the payment items in the bill of quantities are only given to identify the items and to provide specific details. Reference shall, inter alia, be made to the drawings, standard specifications, project specifications, general conditions of contract and special conditions of contract for more detailed information regarding the extent of work entailed under each item.
- 8 The provisions of clause of the general conditions of contract Second Edition 2012 shall apply to provisional sums and prime cost sums.
- 9 Subject to the conditions stated in paragraph 10 below, the rates and lump sums filled in by the tenderer in the bill of quantities shall be final and binding with regard to submitting the tender, and may not be adjusted should there be any mistakes in the extensions thereof and in the total sums appearing in the tender. Should there be any discrepancies between the tender sum and the correctly extended and totalled bill of quantities, the rates will be regarded as being correct, and the employer shall have the right to make adjustments to the tender sum to reconcile the tender sum with the total of the bill of quantities. In such an event the contractor will be consulted but, failing agreement between the parties, the decision of the employer shall be final and binding. Adjustment of the tender sum will take place prior to the signing of the contract. In their own interest tenderers must make doubly sure of the correctness of their tendered rates, the extensions and the tender sum.
- 10 A tender may be rejected if the unit rates or lump sums for some of the items in the bill of quantities are, in the opinion of the employer, unreasonable or out of proportion.
- 11 The units of measurement indicated in the bill of quantities are metric units

The following abbreviations are used in the bill of quantities:

mm	=	millimetre
m	=	metre
km	=	kilometre
km-pass	=	kilometre-pass
m ²	=	square metre
m ² -pass	=	square metre pass
ha	=	hectare
m ³	=	cubic metre
m ³ km	=	cubic metre kilometre
l	=	litre
kl	=	kilolitre
kg	=	kilogram
t	=	ton (1000 kg)
No	=	number
mn	=	mega newton
mn-m	=	mega newton-metre
%	=	per cent
kW	=	kilowatt
Kn	=	kilo newton
PC sum	=	prime cost sum
Prov sum	=	provisional sum

- 12 All rates and sums of money quoted in the bill of quantities shall be in rands and whole cents. Fractions of a cent shall be discarded

C2.2 BILL OF QUANTITIES

ITEM NO	PAYMENT CLAUSE	LIC	DESCRIPTION	UNIT	QTY	RATE	TOTAL AMOUNT
1	SABS 1200 A		SECTION 1: PRELIMINARY AND GENERAL				
1.1	8.3		FIXED-CHARGE ITEMS				
1.1.1a	8.3.1		Contractual Requirements	Sum	1		
	8.3.2		Establish Facilities on the Site:				
			a) Facilities for Engineer (SABS 1200 AB)				
1.1.2			Furnished room and ablution unit	Sum	1		
1.1.4			Provide two name boards as detailed in the drawings.	No	4		
			b) Facilities for Contractor				
1.1.3			Offices and storage sheds as necessary for the duration of the Contract	Sum	1		
1.1.4			Living accommodation	Sum	1		
1.1.5			Tools and equipment	Sum	1		
1.1.6			Water supplies, electric power and communications	Sum	1		
1.1.7			Dealing with water (Subclause 5.5)	Sum	1		
1.1.8	8.3.3		Other fixed charge obligations	Sum	1		
1.1.9	8.3.4		Remove Engineer's and Contractor's Site establishment on completion.	Sum	1		
	8.3.5		<u>Occupational Health and Safety</u>				
1.1.10	PSA8.1		Compliance with Occupational Health and Safety Act (Act 85 of 1993) and its regulations and with the Employers Health and Safety Specifications	Sum	1		
	8.3.6		<u>Environmental Management Plan</u>				
1.1.11	PSA9.1		Compliance with Environmental Management Plan	Sum	1		
TOTAL OF SABS 1200 A CARRIED FORWARD							

PROJECT NAME NKOMAZI SANITATION PROJECT 200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

ITEM NO	PAYMENT CLAUSE	LIC	DESCRIPTION	UNIT	QTY	RATE	TOTAL AMOUNT
TOTAL OF SABS 1200 A BROUGHT FORWARD							
1.2	8.4		TIME-RELATED ITEMS				
1.2.1a	8.4.1		Contractual Requirements	Sum	1		
1.2.1b	PSA 8.9		Compliance with OHS Act as for item 1.1.14	Sum	1		
	8.4.2		Operate and maintain facilities on the Site:				
	8.4.2.1		a) Facilities for Engineer for duration of construction (SABS 1200 AB)				
1.2.2			Office: as for item 1.1.2	Sum	1		
	8.4.2.2		b) Facilities for Contractor for duration of construction, except where otherwise stated				
1.2.3			Offices and storage sheds	Sum	1		
1.2.4			Workshops	Sum	1		
1.2.5			Living accommodation	Sum	1		
1.2.6			Ablution and latrine facilities (Portables)	Sum	1		
1.2.7			Water supplies, electric power, and communications	Sum	1		
1.2.8	8.4.3		Supervision for duration of construction	Month	3		
1.2.9	8.4.4		Company and head office overhead costs	Sum	1		
1.3	8.5		SUMS STATED PROVISIONALLY BYENGINEER				
1.3.1			Tests requested by the Engineer in the site instruction book. Date, nature, and costs of tests must be recorded & a copy must accompany the Contractor's certificate for payment. (Special Tests)	Prov Sum	1	R 40 000.00	R 40 000.00
1.3.2			Overhead, charges, and profit on item 1.3.1	%	R 40 000		
1.3.3	PSA 8.12		House accommodation for Engineer's staff (ER)	Prov Sum	1	R 30 000.00	R 30 000.00
1.3.4			Overhead, charges, and profit on item 1.3.3	%	R 30 000		
1.3.5	PSA 8.13		Community Liaison Officer (CLO)	Prov Sum	1	R 78 000.00	R 78 000.00
1.3.6			Overhead, charges, and profit on item 1.3.5	%	R 78 000		
1.3.7	PSA 8.14		Remuneration of Health and Safety Agent	Prov Sum	1	R150 000.00	R 150 000.00
1.3.8			Overhead, charges, and profit on item 1.3.7	%	R 150 000		
1.3.9	PSA 8.15		Compilation of Environmental Management Plan	Prov Sum	1	R 50 000.00	R 50 000.00
1.3.10			Overhead, charges, and profit on item 1.3.9	%	R 50 000		
1.3.11	PSA 8.16		Data collection	Prov Sum	1	R 50 000.00	R 50 000.00
1.3.12			Overhead, charges, and profit on item 1.3.11	%	R 50 000		
TOTAL OF SABS 1200 A CARRIED TO SUMMARY							

ITEM	PAYMENT CLAUSE	LIC	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
2	1200D		SECTION 2: EARTHWORKS				
			NOTE				
			Hard - and soft rock will be defined in accordance with the relevant SABS 1200 definition				
			SITE CLEARANCE, ETC				
			User note: Where the value is of significance, the removal of hedges etc. shall be given separately in metres or in number.				
2.1.1	1200D 8.3.1.1	LIC	Site clearance Stripping average 150mm thick layer of topsoil and dump to a				
2.2			suitable dumping site to be located by the contractor	m²	1350		
			EXCAVATIONS				
			Nature of material to be excavated				
			Material is of a				
			pickable nature				
	1200D 8.3.2		Excavate in all materials and use for backfilling or dispose not exceeding 2m deep below natural, elevated. or reduced ground level for				
2.2.1		LIC	Pit	m³	1700		rate only
2.2.2			Ditto but exceeding 2m deep below natural elevated or reduced ground level for bulk trenches	m³	250.00		
2.2.3			Extra over all excavations for carting away surplus material from excavations and /or stockpile on site to a dumping site to be located by the contractor.				
2.2.4	8.3.2(1)		Excavations in soft rock in trenches and bases	m³	80.00		
2.2.5	8.3.2(2)		Ditto in hard rock	m³	150.00		
2.2.6			Allow for risk of collapse to sides of hole exceeding 1.5m deep	m²	2100.00		
2.2.7			Allow for anti termite treatment for 150 units	Prov sum	1.00		
TOTAL CARRIED TO SUMMARY							

PROJECT NAME NKOMAZI SANITATION PROJECT 200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

ITEM	PAYMENT CLAUSE	LI C	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
3	1200 GE		SECTION 3: PRE-CAST CONCRETE TOP STRUCTURE				
3.1	8.2.1	LIC	Order, transport, assemble and erect pre-cast toilet top structureincluding:				
3.2	8.2.2	LIC	Base Slab, cover slab, concrete back, side and roof panels, stainless steel door, accessories, fittings, and screws for assembly.2.7m black U.V resistant vent pipe with cowl & gauze, urine separating pedestal with seat and lid. Hand wash facility inside the toilet. Refer to drawing 06/2016-01	No	200		
3.3	8.2.1	LIC	Order, transport, assemble and erect pre-cast toilet top structureincluding bottom structure as per drawing Toilet for Disabled	Prov Sum	1	50 000.00	50 000.00
3.4			Overhead, charges, and profit on item 3.3	%	R 50 000		
TOTAL CARRIED TO SUMMARY							

PROJECT NAME NKOMAZI SANITATION PROJECT 200 TOILETS IN BLOCK A, BLOCK B, ERICSVILLE AND DLUDLUMA VILLAGES)

ITEM	PAYMENT CLAUSE	LIC	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
4			BRICKWORK SUB STRUCTURE				
4.1		LIC	390 x 190 x 140mm Concrete blocks on walls sub structure	m ²	4 000.00		
4.2		LIC	150mm Brick reinforcement n every three (3) courses sub structure	m	8 600.00		
4.3		LIC	Concrete footing 15Mpa	m ³	200.00		
TOTAL CARRIED TO SUMMARY							

C2.3 SUMMARY OF BILL OF QUANTITIES

SCHEDULE	DESCRIPTION	AMOUNT (RAND)
1	PRELIMINARY AND GENERAL	
2	EARTHWORKS	
3	PRECAST CONCRETE TOP STRUCTURE	
4	BRICKWORK SUBSTRUCTURE	
SUBTOTAL		
PLUS 10% CONTINGENCIES		
The sum provided here is under the sole control of the Engineer and may be deducted in whole or in part		
SUBTOTAL		
PLUS 15% VALUE ADDED TAX		
TOTAL CARRIED FORWARD TO FORM OF TENDER		

PART C3: SCOPE OF WORK



SCOPE OF WORK

PART C3: SCOPE OF WORK

CONTENTS

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PART C3: SCOPE OF WORK

Description of Works

The work to be done for Nkomazi Local Municipality under this Contract involves the provision of toilets to 200 households.

C3.1.1 Employer's Objectives

The employer's objectives are.

- To deliver public infrastructure using labour-intensive methods for labour-intensive works. Labour-intensive works comprise the activities described in the Labour-intensive Specification. Such works shall be constructed using local workers who are temporarily employed in terms of this scope of work.
- To promote local BBEEE in the project area by procuring material from local suppliers.
- To provide skills training to some community members as part of capacity building.
- Improve the health and hygiene.

C3.1.2 Overview of Works

- The work that must be executed under this Contract is to provide toilet to 200 households.

C3.1.3 Extent of Works

The households and number of toilets are as listed in the table below:

No	Village Name	Number of Toilets
1	Block A	50
2	Block B	50
3	Ericsville	50
4	Dludluma	50
Total		200

C3.1.4 Construction program

It is specifically brought to the notice of the Contractor that time is critical on this project, and the construction period will be a major factor in the award of the tender.

Tenderers shall submit with their tender their **preliminary weekly programme for the construction** of the Works under this contract to suit their proposed method of executing the Works. The programme shall be sufficiently detailed to differentiate between the various activities so that the contract may be properly evaluated.

C3.1.5 Change in works

The Engineer may, from time to time by order in writing without in any way vitiating the Contract or giving to the Contractor any claim for additional payment, require the Contractor to proceed with the execution of the works in such order as in his opinion may be necessary, and may alter the order of or suspend any part of the Works at such time and times as he may deem desirable and the Contractor shall not, after receiving such written order, proceed with work ordered to be suspended until he shall receive a written order to do so from the Engineer. Where the work must of necessity be carried out in conjunction with work of other Contractors, or with that of the Employer, it shall be co-ordinated and arranged in such a manner as to interfere as little as possible with the progress of such other work so as to offer every reasonable facility to other Contractors or to employees of the Employer.

C3.2 ENGINEERING

C3.2.1 Design services and activity matrix

Description	Responsibility
Design of Works	Engineer
Concept, feasibility and overall process	Client
Basic Engineering and detail layouts to tender stage	Engineer
Final Design of Works	Engineer
Final Design to approved for construction stage	Client
Preparation of tender documentation & adverts	Engineer
Appointment of soil test / topographical surveyors	Client
Risk assessment, quality assurance, Project Health and safety specifications.	Engineer
Construction and appointment of sub-contractors	Contractor
Supervision	Engineer
Preparation of as-built drawings	Contractor / Engineer
Completion certificate	Engineer / Client / Contractor

C3.2.2 Drawings

The Engineer will provide the Contractor with one full set of drawings, which will be used exclusively for the recording of as built information by the Contractor.

Only dimensions, positions, levels, co-ordinates etc. that change from the original values, will be required to be entered on these drawings. These drawings, fully marked up, will be handed to the Engineer at the issue of the Certificate of completion, which will not be issued until the as-built information has been received.

C3.3 PROCUREMENT

The Tenderers notice is drawn to the fact that the awarding of this tender will be in terms of the Supply Chain Management Policy of the Nkomazi Local Municipality.

The conditions of tender are the Standard Conditions of Tender as contained in *SANS 10845-3, Construction procurement-Part 3 Standard Conditions of tender*.

C3.4 SUB-CONTRACTING

At least 20% of value of works should be sub-contracted to a local sub-contractor approved by the Client in writing. The Contractor is to submit to the Client in writing a request for appointment of a particular sub-contractor. Accompanying this request is to be the full detail of the sub-contractor, including:

- Previous experience
- Work which will be sub-contracted to him/her
- Approximate value of the work to be sub-contracted.

Before the Engineer in terms of Clause 38 hereof issues any certificate that includes any payment in respect of work done or goods supplied by any sub-contractor appointed in accordance with the provisions of Clause 4.4 of the General Conditions of Contract Second Edition (2015), he shall be entitled to call upon the Contractor to furnish reasonable proof that all payments (less retention moneys) included in previous certificates in respect of the work or goods of such sub-contractors have been made or discharged by the Contractor, in default of which, unless the Contractor:

- ✓ Informs the Engineer in writing that he has reasonable cause for withholding or refusing such payment; and
- ✓ Submits to the Engineer reasonable proof that he has so informed such sub-contractor in writing.

C3.5 CONSTRUCTION

C3.5.1 Work Specifications

The following applicable standardized and particular specifications are relevant to this contract:

SANS 1200 A	General
SANS 1200 C	Site Clearance
SANS 1200 DAH	Earthworks (small works)
SANS 1200 DB	Earthworks (Pipe trenches)
SANS 1200 L	Medium Pressure Pipelines
SANS 1200 GA	Concrete (small works)
SANS 1200 LB	Bedding (pipes)

C3.5.2 Plant and materials

All materials shall comply with the requirements of the South African Bureau of Standards and shall bear the official standardization mark. Where SANS standard does not exist for a certain material, or a material does not bear the official standardization mark, the Engineers approval of such material must be gained before use thereof.

C3.5.3 Construction Equipment

All equipment on site shall be in a good working order and is to be in such a condition that it can achieve production rates which are typical of the industry standards.

Should any equipment, in the opinion of the Engineer, be substandard or breaks down frequently to such an extent that it affects the progress on the project, the Engineer may instruct the Contractor to replace such equipment.

C 3.5.4 Existing Services

The Contractor shall so carry out all his operations as not to encroach on, or interfere with, trespass on, or damage adjoining lands, building properties, roads, structures, places and things in the vicinity of the Works, and he shall free and relieve the Employer of any liability that may be incurred in consequence of his failure to do so.

The services existing on the site will be either shown on the drawings or pointed out on site by the Engineer and / or the Municipality. No excavation work will commence unless a representative of the Municipality and/or the Engineer have been requested to point out existing services in the area under construction. Written confirmation of services that have been pointed out by the Municipality is to be obtained by the Contractor.

All existing services on the site may not be shown on the drawings or be visible on the site. The Engineer may order excavation by hand in order to search for and expose services. An item has been included in the Schedule of Quantities to cover the cost of such work if so ordered by the Engineer. Where a service is damaged because of the Contractors negligence he shall be liable for the cost involved in the repair of the services and any other consequent cost that may arise due to the interruption of the damaged services.

No excavation is to take place until a representative from the Municipality has been contacted and he has pointed out the existing services to the Contractor and confirmed it in writing. The same shall apply to all Telkom services in the area.

C3.5.5 Site Establishment

- Source of Water Supply
- Sources of power supply
- Location of camp and depot
- Temporary offices
- Laboratory facilities
- Sanitary facilities
- Name Boards

Name board shall be provided in position as ordered by the Engineer. The Engineer will provide the lettering required once the tender is awarded.

- Survey assistant and equipment

C3.5.6 Site Usage

- Ground and access to the works

The Contractor shall where necessary on or adjacent to roads which carry traffic, provide all the necessary barricades and signs in accordance with the stipulations of the South African Road Traffic Signs Manual.

The Contractor shall further ensure that all public roads that are used for access to the site are kept free of debris at all times. The Contractor shall also take adequate measures to ensure that dust is kept to an acceptable level. The term acceptable is to be deemed as acceptable to the Engineer.

▪ Care, damage and protection

The Contractor shall at his own cost make full provision for all watching and lighting necessary for the protection of all persons, animals, vehicles, etc., from injury by reason of the Works. He shall provide ample warning signs, guard rails, etc., around open excavations, stacks of materials, excavated material, debris or the like, and he shall be held liable for all claims made upon himself or upon the Employer by reason of his neglect of all such precautions and provisions.

During the periods of construction of the Works and the repair of defects, the Contractor shall, at his own cost, to the satisfaction of the Engineer and the relevant Authority, take sufficient and adequate measures to avoid interrupting the use of all roads, footpaths, water courses, drains, pipes, telephones, electric wires and cables, premises, places and works, public or private, which may in any way be interfered with by the operations; and shall also afterwards permanently restore all structures and everything which may have been temporarily displaced or otherwise interfered with, all to the satisfaction of the Engineer and the relevant Authority, without extra charge beyond the Contract price.

Survey beacons

The Contractor shall take care to safeguard any permanent survey beacons such as erf boundary pegs and reference beacons. Should the Contractor disturb any such pegs and beacons, he shall have them replaced at his own cost by a registered Land Surveyor. The Contractor is to provide the Engineer with written confirmation from the Land Surveyor that he has replaced the relevant beacons.

The Contractor's attention is drawn to article 35(i) of the Land Surveying Act No. 9 of 1927 (as amended) in this regard.

▪ Blasting

As the construction takes place within a built up area, extreme care is to be taken during any blasting operations. No blasting shall be permitted without prior written consent from the Engineer. Written as well as verbal notice will be given to all house owners in the affected area 24 hours prior to the blast being set off, and the contractor is to do a survey of all the houses (internal and external) in the area prior to blasting.

A full daily report of all blasting operations (in duplicate) is to be completed by the Contractor.

This report shall inter alia contain the following information:

- Date and time of each blast
- Number of holes
- Charge per hole
- Use of relays, etc.

This report is to be submitted to the Engineer on a weekly basis, and is to be countersigned by the Engineer.

The contractor is to be noted that he is not to use or permit any person to use an explosive powered tool, unless—

- (a) it is provided with a protective guard around the muzzle end, which effectively confines any flying fragments or particles; and
- (b) the firing mechanism is so designed that the explosive powered tool will not function unless—
 - (i) it is held against the surface with a force of at least twice its weight; and
 - (ii) the angle of inclination of the barrel to the work surface is not more than 15 degrees from a right angle:

- Protection of existing vegetation

Before any tree is cut down and removed from the site, the Contractor shall confirm the necessity of such action with the Engineer or his Representative.

- Access to individual erven

Access to all public and private property must be maintained at all times. Where trenches cross the access point to any property, the Contractor is to arrange for adequate and safe vehicular and pedestrian crossings over the trenches.

The Engineer must approve the method of providing access before any excavation commences.

- Use of construction vehicles and equipment

The contractor shall ensure that all construction vehicles and mobile plants—

- (a) are of an acceptable design and construction;
- (b) are maintained in a good working order;
- (c) are used in accordance with their design and the intention for which they were designed, having due regard to safety and health;
- (d) are operated by workers who-
 - (i) have received appropriate training and been certified competent and been authorised to operate such machinery; and
 - (ii) are physically and psychologically fit to operate such construction vehicles and mobile plant by being in possession of a medical certificate of fitness;
- (e) arrangements to guard against the dangers relating to the _____ movement of vehicles and plant, in order to ensure their _____ continued safe operation;
- (f) are prevented from falling into excavations, water or any other area lower than the working surface by installing adequate edge protection, which may include guardrails and crash barriers;
- (g) where appropriate, are fitted with structures designed to protect the operator from falling material or from being crushed should the vehicle or mobile plant overturn;

(h) are equipped with an electrically operated acoustic signalling device and a reversing alarm; and

(j) are on a daily basis inspected prior to use, by a competent person who has been appointed in writing and the findings of such inspection is recorded in a register.

(j) no person rides or be required or permitted to ride on any construction vehicle or mobile plant otherwise than in a safe place provided thereon for that purpose;

(k) every construction site is organised in such a way that, as far as is reasonably practicable, pedestrians and vehicles can move safely and without risks to health;

(l) the traffic routes are suitable for the persons using them, sufficient in number, in suitable positions and of sufficient size;

(m) every traffic route is, where necessary indicated by suitable signs for reasons of health or safety;

(n) bulldozers, scrapers, loaders, and other similar mobile plant are, when being repaired or when not in use, fully lowered or blocked with controls in a neutral position, motors stopped and brakes set;

(o) whenever visibility conditions warrant additional lighting, all mobile plant are equipped with at least two headlights and two taillights when in operation;

(p) when workers are working on or adjacent to public roads, reflective indicators are provided and worn by the workers.

3.5.7 Permits and Way leaves

3.6 **MANAGEMENT**

C3.6.1 Management of the Works

- **Planning and programme**

The Contractor shall deliver to the Engineer within **14** days, calculated from the commencement date, a realistic programme showing the order of procedure, the duration of activities making up the programme and method which he proposes to use in carrying out the Works in order to meet the due completion date for this project.

The tenderer is to note that the penalty for failing to complete the works is 0.5% of the outstanding works per calendar day.

- **Setting out of the works**

Generally the positions of the works have been fixed on the plans according to the existing stand boundaries. The Engineer is to approve all setting out prior to commencement of excavation.

- **Excavation of works & safety**

The contractor shall ensure that all excavation work is carried out under the supervision of a competent person who is been appointed in writing. The Contractor will evaluate, as far as is reasonably practicable, the stability of the ground before excavation works begin and he/she shall not permit any person to work in an excavation which has not been adequately shored or braced.

The Contractor will cause convenient and safe means of access to every excavation area in which person are required to work and such access hall not be further than 6m from the point where any worker within the excavation is working.

The Contractor must ascertain as far as is reasonably practicable the location and nature of electricity, water, gas or other similar services which may in any way be affected by the work to be performed, and shall before the commencement of excavation work that may affect any such service, take the steps that may be necessary to render the circumstances safe for all persons involved;

The Principal Contractor shall cause every excavation which is accessible to the public or which is adjacent to public roads or thoroughfares, or whereby the safety of persons may be endangered, to be:

- (i) adequately protected by a barrier or fence of at least one metre in height and as close to the excavation as is practicable; and
- (ii) provided with warning illuminants or any other clearly visible boundary indicators at night or when visibility is poor;

The Principal Contractor shall cause warning signs to be positioned next to an excavation within which persons are working or carrying out inspections or tests.

- Inspection by engineer

No stage of construction shall be proceeded with until the Engineer or his representative has examined and approved the previous stage. If any work is covered or hidden from view before the Engineer has inspected same, the Contractor shall at his own cost open the covered work for inspection. The Contractor shall also be responsible for making good any work damaged by such uncovering.

- Employment of local labour

It is a specific criterion of this project that should as far as possible adhere to EPWP principles, and to meet these principles the following procedures will be followed:

All labour is to be sourced from the Local Municipal area of jurisdiction and the Contractor may only bring in key personnel from outside this area. The fixed rate for the appointment of local labour will be as per the Department of Labour Ministerial determination applicable in that project duration. This will be payable by the Contractor on monthly basis. The Contractor's attention is drawn to the standard rates specification ("*Annexure A*" – *Civil Engineering Industry Minimum Wage rates per hour*;) found on the SAFSEC website at www.safcec.org.za. These standard rates should be implemented for payment of all employees of the Contractor.

Key personnel would typically include the Contracts Manager, Site Agent, and Supervisor for each discipline, and operators of plant where the operator must be seated.

A Monthly labour report on all local labour i.e. payments and labour days should be submitted to the Engineer at the end of each month in order for the Engineer to submit a report to the Employer.

Normal Hours of Work

The Contractor may not set tasks or hours of work that require a worker to work–

- (a) more than forty hours in any week
- (b) on more than five days in any week; and
- (c) for more than eight hours on any day.

The contractor and worker may agree that a worker will work four days per week.

The worker may then work up to ten hours per day.

A task-rated worker may not work more than a total of 55 hours in any week to complete the tasks allocated (based on a 40-hour week) to that worker.

Meal Breaks

- a. A worker may not work for more than five hours without taking a meal break of at least thirty minutes duration.
- b. An employer and worker may agree on longer meal breaks.
- c. A worker may not work during a meal break. However, an employer may require a worker to perform duties during a meal break if those duties cannot be left unattended and cannot be performed by another worker. An employer must take reasonable steps to ensure that a worker is relieved of his or her duties during the meal break.
- d. A worker is not entitled to payment for the period of a meal break. However, a worker who is paid on the basis of time worked must be paid if the worker is required to work or to be available for work during the meal break.

None of the Works shall be executed except between sunrise and sunset on Monday to Saturday, inclusive, of any week, and none of the Works shall be executed on any special non-working days stated in the Contract Data, unless:

- ✓ The Engineer's permission in writing is obtained, subject to such conditions as may be laid down by the Engineer; or
- ✓ Provision is specifically made for it in the Contract; or

- ✓ Work is unavoidable or necessary for the saving of life or property or for the safety of the Works.

The contractor shall provide all the necessary on-the-job training to targeted labour to enable such labour to master the basic work techniques required to undertake the work in accordance with the requirements of the contract in a manner that does not compromise worker health and safety

- Site Meetings

Regular meetings will be held between all relevant parties to establish the progress and / or delays and problems that might occur on site. Any problems of delays will be address accordingly and the Contractor will receive proper instructions with reference to this matter.

- Communication

The Engineer's representative on this project will be:

[Mr James Mhanda Pr Tech Eng]

Contact No: **[,013 752 6416]**

The contact person for the Employer is: **[Mrs D. L Sifunda]**

Contact No: **[013 790 0245]**

- Daily Records

Daily records of resources (equipment and people employed) must be kept and must be available on site at all times. These records will include i.e. site instruction book, site diary, site visit register, contractual documentation and minutes of all project meetings. Labour information should be kept updated at all times.

The Contractor shall, in performance of the Contract, comply with all applicable laws, regulations and statutory provisions and agreements, and shall in particular, on the request of the Engineer, provide proof that he has complied therewith with regard to amongst others:

- ✓ Wages and conditions of work; and
- ✓ Safety

- Payment Certificates

As consideration for the construction, completion and defects correction of the Works, the Employer shall pay the Contractor in terms of the provisions of the Contract.

▪ Clearance of site

On completion of the Works, the Contractor shall clear away and remove from the site all Construction Equipment, surplus materials, rubbish and temporary works of every kind and leave the whole of the site and the works clean and in a safe condition. All streams and watercourses (where applicable) shall be cleaned and restored to the condition as at the commencement of the Works. If the Contractor does not, within a reasonable time, comply with this requirement, the Employer may have the site cleared and recover the cost thereof from the Contractor.

Termination of Contract

If application is made for the sequestration of the Contractor's estate, or if the Contractor publishes a notice of surrender of his estate or presents a petition for the acceptance of the surrender of his estate as insolvent, or makes a compromise with his creditors, or assigns in favour of his creditors, or agrees to carry out the Contract under the supervision of a committee representing his creditors, or (being a company) goes into liquidation, whether provisionally or finally (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), or if the contractor assigns the contract without having first obtained the Employer's consent in writing, or if execution is levied on his goods or if the Engineer certifies reference to this Clause, that in his opinion the Contractor:

- ✓ Has abandoned the contract; or
- ✓ Without reasonable excuse has failed to commence the Works in terms of Clause 9 of the General Conditions of Contract for Construction Works Third Edition (2015), or has suspended the progress of the Works for fourteen (14) days after receiving from the Engineer written notice to proceed or
- ✓ Has failed to proceed with the Works with due diligence; or
- ✓ Has failed to remove materials from the site or to pull down and replace work within fourteen (14) days after receiving from the Engineer written notice that the said materials or work have been condemned and rejected by the Engineer in terms of these conditions; or
- ✓ Is not executing the Works in accordance with the Contract, or is neglecting to carry out his obligations under the Contract; or

- ✓ Has, to the detriment of good workmanship or in defiance of the Engineer's instruction to the contrary, sublet any part of the Contract; or
- ✓ Has assigned the Contract or any part thereof without the Employer's consent in writing; or
- ✓ The contractor or anyone on his behalf or in his employ would pay, offer or offer as payment to any person in the employ of the Employer a gratuity or reward or commission; or
- ✓ The contractor furnished inaccurate information in the Schedules forming part of this Contract.

Then the Employer may, after giving fourteen (14) days' notice in writing to the Contractor, terminate the Contract and order the Contractor to vacate the Site and to hand it over to the Employer, and the Employer may then enter upon the site and the Works and expel the Contractor there from without thereby affecting the rights and powers conferred on the Employer of the Engineer by the Contract, and the Employer may himself complete the Works or may employ another contractor to complete the Works, and the Employer or such other contractor may use for such completion so much of the construction equipment, temporary works and materials bought onto the site by the Contractor as the Employer may think proper, and the Employer may at any time sell any of the said construction equipment, temporary works and unused materials and apply the proceeds of sale toward payment of any sums that may be due or become due to the Employer by the Contractor under the Contract. In such circumstances the Contractor shall forthwith vacate the site and shall not be entitled to remain on the site on the grounds that he is entitled to do so on a right of retention until amounts due to him have been paid, neither will the contractor be entitled to any further payments of this Contract.

C3.7 HEALTH AND SAFETY

- **Health & Safety Issues**

All work is to be carried out in accordance with the Occupational Health and Safety Act and Regulations (Act 85 of 1993) (a copy of which must be kept on site), the Explosive Material Act of (Act 26 of 1956), the Minerals Act of 1991, and the Factories Machinery and Building Work Act (No 22 of 1941).

The Contractor's notice is drawn to the stipulations of the Construction Regulations 2003, a regulation of the Health and Safety Act 1993 (Gov Notice No R1010 of 18 July 2003). The construction regulation will be applied vigorously on the project.

The Contractor to be appointed must have made provision for the cost of health and safety measures during the construction process. The contractor must have the necessary skills, competencies and resources to carry out the work safely. A proper Safety Plan is to be submitted by the Contractor and a copy thereof is to be made available to all applicable appointed labourers and permanent workers on this project.

The Contractor is to ensure that the legal compliance for the Health and Safety issues are in place. Audits will be carried out to ensure that the Contractor is registered and in good standing with the Workmen's Compensation fund and that the Contractor has affected insurance indemnifying the Employer against penalties levied upon the Employer due to the acts of omissions of the Contractor in failing to comply with the provisions of the OHS regulations 2003. A compliance audit will also be carried out to ensure that the Contractor has appointed a full-time competent person in writing to deal with the issues of the OHS and that a risk assessment has been conducted and a copy of the Safety plan is on site before any work commences.

Operational audits will be carried out on the following important issues:

- ✓ That the Safety Plan is on site at all times
- ✓ That the Contractor's Safety file is on site at all times
- ✓ That the Safety Officer is on site at all times
- ✓ That Safety meetings are conducted as per the Safety Plan
- ✓ That employees are working under safe conditions
- ✓ That the public is not placed in danger
- ✓ That there is no harm to the environment

Accommodation of traffic

It is expected of the Contractor to ensure that the free flow of traffic is possible throughout the construction period.

The Contractor is to provide all necessary barricades, signs and lighting in accordance with the stipulations of the South African Road Signs Traffic Manual, and the Protective Services of the Local Municipality. All work is to be to the satisfaction of the Engineer.

- Reporting of accidents

In addition to any statutory regulations, the Contractor shall, as soon as practicable, report to the Engineer every occurrence on the Works or the site causing damage to property or injury or death of persons. If required by the Engineer, the Contractor will submit a report in writing to the Engineer within 48 hours of such requirement setting out full details of the occurrence. The Engineer shall have the right to make any enquiries either on the site or elsewhere as to the cause and results of any such occurrence and the Contractor shall make available to the Engineer the necessary facilities for carrying out such enquiries.

C3.8 PROJECT SPECIFICATIONS

PSA: SANS 1200 A – GENERAL

PSA 1 QUALITY AND SAMPLES (Sub-clause 3.1)

Add to the Sub-clause:

All materials shall comply with the requirements of the South African Bureau of Standards, and shall bear the official standardization mark. Where SANS standard does not exist for a certain material, or a material does not bear the official standardization mark, the Engineer's approval of such material must be gained before use thereof.

PSA 2 CONTRACTOR'S OFFICE AND STORES (Sub-clause 4.2)

Add to the Sub-clause:

Neither housing nor shelters will be provided for the contractor's employees, and the Contractor shall make his own arrangements to house his employees and transport them to the Site.

PSA 3 APPROVED LABORATORIES (Sub-clause 7.2 of SANS 1200A General)

It is not required for the Contractor to supply a laboratory for testing materials on site, and he may submit the name and credentials of a local commercial laboratory, for approval by the Engineer if he so requires.

PSAB: SANS 1200 AB – ENGINEERS OFFICE

PSAB 1 SURVEY ASSISTANT AND EQUIPMENT

The Contractor will not be required to make any survey equipment available specifically for the use of the Engineer.

The Contractor will however make 2 survey assistants available to the Engineer as and when required, as well as a theodolite and/or level plus accessories.

PSAB 2 FACILITIES FOR ENGINEER

No specific offices are required for the Engineer on this contract. The contractor is however expected to have enough space for the holding of site meetings.

PSC: SANS 1200 C – SITE CLEARANCE

PSC 1 DISPOSAL OF SURPLUS MATERIAL (Sub-clause 3.1)

The disposal site is at the discretion of the Contractor but with approval from the Engineer.

PSDB: SANS 1200 DB – EARTHWORKS (PIPE TRENCHES)

PSDB 1 PRECAUTIONS (Sub-clause 5.1)

Add the following to Sub-clause 5.1.1 General:

Delete the first four lines and substitute the following:

The Contractor or his agent or representative appointed in writing shall be deemed to be and shall be both the “excavator” and “a person who

is competent to pronounce on the safety” of all bracing and shoring as set out in regulation 13 (demolition and excavation) of the General Safety Act No 6 of 1983 as published in the Government Gazette no 10252 Volume 251 page 30 of May 1986 (as amended).

PSDB 2 PROGRAMMING OF TRENCH EXCAVATION

The Contractor shall program his works in such a way that excavation and backfilling for all types of trenches will be completed before the construction of the sub-base layer.

PSDB 3 BACKFILLING (Sub-clause 3.5b and 5.7.2)

All trenches that cross the roadway will be provided with the material and compacted to the specification as per the original layerworks of the road that has been crossed.

PSDB 4 BEDDING CLASS (Clauses 8.2.3, 8.3.2a & 8.2.3b)

Unless shown otherwise on the drawings all bedding shall be of a class B type for concrete pipes, and bedding for flexible pipes (if utilised) as per section 1200 DB of SANS 1200

PSDB 5 TRANSPORT FOR EARTHWORKS AND TRENCHES (Sub-clause 5.6.8)

Add the following to clause 5.2.6.1 of SANS 1200 DA:

- c) Notwithstanding anything stated to the contrary, the freehaul distance on this contract will be taken as 2,0km.

PSDB 6 EXCAVATION (Subclause 5.4)

Add to the sub-clause:

Excavation through surfaced roads is to be carried out in such a way that the edge of the surfacing forms a straight and true line after excavation.

PSDB 7 BARRICADING AND LIGHTING (Sub-clause 5.1.1.1)

Delete the Sub-clause and substitute the following:

In terms of the Occupational Health and Safety Act and Regulations (as amended), every excavation that is accessible to the public or that is adjacent to a public road or thoroughfare, or by which the safety of persons may be endangered, shall be

a) For Excavations Other Than Trenches:

- i) Adequately protected by a barrier or fence at least one metre high erected as close to the excavation as is practicable; and
- ii) Provided with red warning lights or any other visible boundary indicators at night or when visibility conditions are poor; and
- iii) Inspected by watchmen employed by the Contractor to ensure that barricades and lights are effective at all times.

b) For Trench Excavations

- i) Adequately protected by means of at least two horizontal double sided 'red/white' Chevron Tapes approved by the Engineer. The tapes shall be stretched tightly between suitable supports along both sides and ends of the excavation at levels approximately 0,45 m and 1,25 m above the ground. The supports shall consist of poles or iron standards securely planted in solid ground at not more than 10 m centres so as to enclose the spoil and the excavations.
- ii) Provided with red warning light or any other visible boundary indicators at night or when visibility conditions are poor. The spacing between lamps along an open trench shall be not greater than 10 metres. All lamps shall be kept in good order and continuously lit from dusk to dawn and the Contractor shall employ a night watchman to ensure that the lamps remain lit.
- iii) Provided with a sufficient number of steel plates at least 2 m x 1,20 m x 8 mm thick which may be laid across open excavated trenches to provide bridges for vehicles along the route of the work as and where may be considered necessary by the Engineer. The Contractor shall make such plates available on Site at all times.
- iv) Provided with protection for a private vehicular or a pedestrian crossing over an open trench. Such crossings shall be protected on each side by a stout two rail timber fence, at least 1 m high, consisting of 150 mm x 75 mm timber verticals set 0,50 m into the ground, with 75 mm x 50 mm rails securely nailed to them. Where timber is used for

bridges, it must be battened underneath to prevent tipping. At least 4 lamps must be provided at each crossing.

- v) Provided with warning barriers in addition to the barricading and light requirements set out above, where construction is in, or across, public roads. The barriers shall comprise 225 mm x 40 mm timbers firmly fixed to heavy supports. The barriers shall be located at least 20 m distance from the obstruction in the directions of all approaching traffic; and the requisite ROAD CLOSED, DEVIATION and other signs shall be prominently displayed well in advance of the work. All such signs and positioning thereof shall comply with the requirements set out in the S.A. Road Traffic Signs Manual. Where only a portion of the roadway is closed suitable empty drums or pipes painted white shall be placed along the traffic side at distances not more than 20 m apart.

Lamps in good order shall be provided one to each drum or pipe and at least five to each barricade, in addition all poles and warning notices shall be clearly marked by means of approved reflecting material.

- vi) Regularly inspected by watchmen employed by the Contractor to ensure that barricades, bridges, warning barriers and lights are effective at all times.

PSGA SANS 1200 GA – CONCRETE (SMALL WORKS)

PSGA 1 CEMENT (Sub-clause 3.2)

Unless written consent to the contrary is received from the Engineer, all cement used on the contract will be Ordinary Portland cement (CEM I 42,5).

PSGA 2 FINISH (Sub-clause 4.4.2)

All exposed concrete surfaces shall be floated off to the necessary gradients and planes, and while still green, will be finished off to a smooth surface with a wooden trowel.

PSGA 3 STRENGTH CONCRETE (Sub-clause 5.4.1.5)

The strength concrete necessary for the different portions of the work is as follows:

GRADE	ITEM
20/20	All valve and meter box covers and bases, thrust blocks
20/20	Encasement of pipes
20/20	Reinstatement of driveways

Should concrete for the works be mixed on site, the Contractor is to provide the Engineer with a mix design carried out by an approved laboratory for approval. The Contractor is also to furnish the Engineer with the methodology and equipment to be used for the mixing of concrete for approval by the Engineer. Six tests cubes are to be taken prior to the first concrete pour, and the 7-day result will be utilized as a first indication of suitability of the mix design. Approval will however be based on the 28 day strength.

▪ **PSL: SANS 1200 L – MEDIUM PRESSURE PIPELINES**

▪

▪ **PSL 1 uPVC PIPES (Sub-clause 3.7.1)**

Add the following to the end of this Clause:

“..... or ISO 4422.”

PSL 2 DEPTHS AND COVER (Sub-clause 5.1.4)

Add the following Sub-clause:

5.1.4.5 The minimum depth of cover to the main pipeline shall not be less than 600 mm above the bedding material.

PSL 3 LAYING – GENERAL (Subclause 5.1.1)

Add the following to Subclause 5.1.1:

“Pipelaying shall not be carried out in trenches which have not been approved by the Engineer. The total length of water main which has not been tested and approved may not exceed 500 m.”

▪ **PSL 4 VALVES**

All valves shall be right hand closing with non-rising spindle and cap.

PSLB: SANS 1200 - BEDDING (PIPES)

PSLB 1 SELECTED FILL MATERIAL (Sub-clause 3.2)

In the second line delete "PI not exceeding 6" and substitute with "PI not exceeding 10".

PSLB 2 BEDDING (Sub-clause 3.3)

All pipes under this Contract will be considered as being flexible pipes.

**PSLB 3 SUITABLE MATERIAL AVAILABLE FROM TRENCH
EXCAVATIONS
(Sub-clause 3.4.1)**

Delete the Sub-clause and substitute the following:

The excavation of a pipe trench shall comply with the requirements of Sub-clause 5.4 of SANS 1200 DB and the provisions of Sub-clause 3.7 of SANS 1200 DB (in terms of which, for the purpose of providing bedding materials, the Contractor is not required to use selective methods of excavating) shall apply. Nevertheless, the Contractor shall take every reasonable precaution to avoid burying or contaminating material that is suitable and is required for bedding or covering the pipeline. If, in the opinion of the Engineer, bedding material can be produced from the excavated material, the Contractor, if so ordered by the Engineer, shall screen or otherwise treat (as Scheduled) the excavated material in order to produce material suitable for bedding (see also Subclause 8.1.2).

PSLB 4 STONE BEDDING (New Sub-clause 5.2.5)

Add new Sub-clause:

Where ordered by the Engineer, special drains consisting of a 40 mm thickness of 6mm to 20mm graded stone extending the full width of the trench shall be provided below the bedding to the pipes. The excavation for these drains will be measured in cubic metres at the contract rate applying to unsuitable excavation below the bottom of the trench. The stone filling will be paid for per cubic metre. All measurements in this connection will be to a width equal to the base widths and depths ordered.

PSLB 5 SELECTED FILL BLANKET (Sub-clause 5.3(b))

Minimum blanket of 100mm above top of pipe as per the technical specifications for laying uPVC pipes

PSLB 6 CONCRETE CASING TO PIPES (Subclause 5.4)

Add to the Subclause:

Where concrete encasing is ordered by the Engineer it is to be of grade 20/19 concrete with a minimum thickness of 150 mm above the top of the pipe.

PSLB 7 MOISTURE CONTENT AND DENSITY (Subclause 6.1)

Add to the Subclause:

The permissible deviations applicable are to be to Degree of Accuracy II.

PSLB 8 VOLUME OF BEDDING MATERIALS (Subclause 8.1.3)

Add to the Sub clause:

- (c) The volume of bedding material shall be measured nett i.e. the volume of the pipe is to be deducted.

PSLB 9 FREEHAUL (Sub clause 8.1.6)

The freehaul that applies to selected granular and selected fill material shall be 5 km.



PART 4 :

SITE INFORMATION

C4.1 SITE INFORMATION

GENERAL

This section describes the site at the time of tender to enable the tenderer to price his tender and to decide upon his method of working and programming and risks.

CONTENTS

- SI1 Site location**
- SI2 Climatic Condition**

SI 1 Project Location

The Project is located in various villages in Nkomazi local municipality in Mpumalanga province.

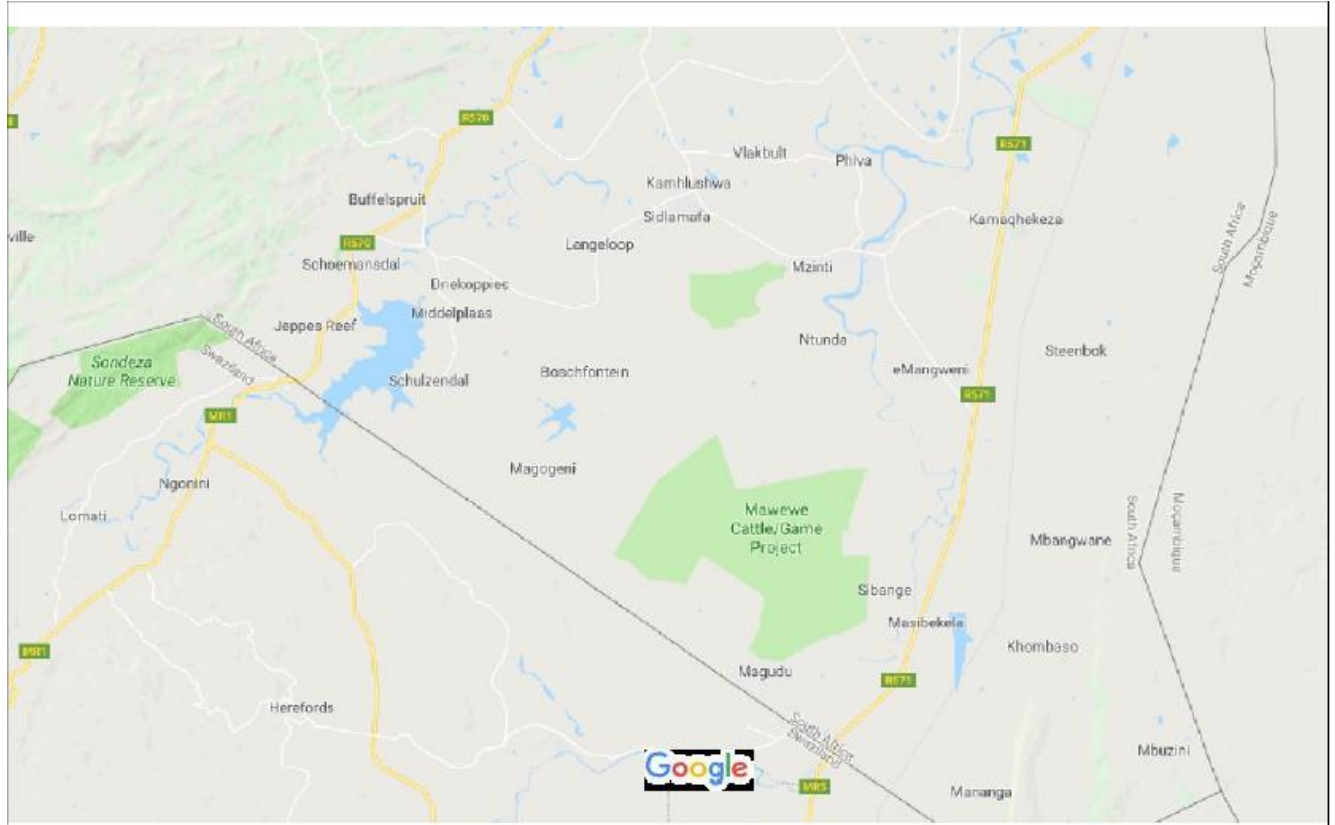
Locality and topographical conditions are as follows.

No	Village Name	Coordinates	
		S	E
1	Block A	25 41 09	31 48 02
2	Block B	25 39 59	31 49 30
3	Ericsville	25 48 16	31 53 42
4	Dludluma	25 39 35	31 57 25

SI 2 Climatic Conditions

The Project is located in an area with Leaved Climatic Conditions and hence are very high in summer (average 35 degrees celcius).

C4.2 LOCALITY PLAN: NKOMAZI LOCAL MUNICIPALITY





PART C5:

ANNEXURES :

PART C5:1

**GUIDELINES FOR THE IMPLEMENTATION OF LABOUR-INTENSIVE
INFRASTRUCTURE PROJECTS UNDER THE EXPANDED PUBLIC WORKS
PROGRAMME (EPWP)**



Guidelines for the Implementation of Labour-Intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP)

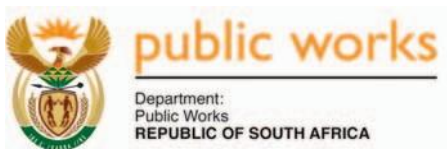
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Guidelines for the Implementation of Labour Intensive Projects under the Expanded Public Works Programme (EPWP)

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Foreword

The Expanded Public Works Programme (EPWP) is one of government's short-to-medium term programmes aimed at alleviating and reducing unemployment. The EPWP will achieve this aim through the provision of work opportunities coupled with training. It is a national programme covering all spheres of government and state-owned enterprises (SOE's). President Mbeki formally announced the programme in his State of the Nation Address in February 2003.

Government's medium-to-long term programmes to address unemployment include increasing economic growth, improving skills levels through education and training, and improving the enabling environment for industry to flourish. The EPWP will continue to exist until these medium-to-long term programmes are successful in reducing unemployment.

The programme involves reorientating line function budgets so that government expenditure results in more work opportunities, particularly for unskilled labour. EPWP projects will therefore be funded through the normal budgetary process, through the budgets of line-function departments, provinces and municipalities.

Opportunities for implementing the EPWP have been identified in the infrastructure, environmental, social and economic sectors. In the infrastructure sector the emphasis is on creating additional work opportunities through the introduction of labour-intensive construction methods. Labour-intensive construction methods involve the use of an appropriate mix of labour and machines, with a preference for labour where technically and economically feasible, without compromising the quality of the product.

All public bodies involved in infrastructure provision are expected to attempt to contribute to the programme. As part of this initiative, the national government has through the 2004 Division of Revenue Act placed some additional conditionalities on the Provincial Infrastructure Grant (PIG) and the Municipal Infrastructure Grant (MIG). These additional conditionalities will require provinces and municipalities to use the "Guidelines for the implementation of labour intensive infrastructure projects under the EPWP" agreed upon between SALGA, National Treasury and the Department of Public Works for identification, design and construction of projects financed through the MIG or PIG. This document contains those guidelines.

International and local experience has shown that, with well-trained supervisory staff and an appropriate employment framework, labour-intensive methods can be used successfully for infrastructure projects involving low-volume roads and sidewalks, stormwater drains, and trenches. On the basis of this experience, and in the context of high levels of unemployment, the national government has decided to require that these infrastructure projects must be carried out labour-intensively.

These guidelines aim to provide provinces and municipalities with the necessary tools to successfully tender these projects as labour-intensive projects. These guidelines have been designed with the aim of minimising the additional work required from provincial and municipal officials. The National Department of Public Works is working with the Construction Education and Training Authority (CETA) to develop the capacity of the construction industry to design and manage labour-intensive infrastructure projects successfully.



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The guidelines contain sections which should be copied into the relevant parts of the contract documentation for consulting engineers and contractors. These sections introduce a requirement that certain construction activities must be carried out by hand, under certain conditions. These requirements were formulated on the basis of a thorough review of international and local experience of labour-intensive construction, in order to identify the activities for which it is economically and technically feasible to use labour-intensive methods. The guidelines therefore conform to the Public Finance Management Act requirement for assessing the cost-effectiveness of capital projects. The normal tender evaluation processes are followed under these guidelines, and it is not necessary to apply any special additional preferences for employment creation.

The guidelines include the contents of the Code of Good Practice for Special Public Works Programmes, which has been gazetted by the Department of Labour, and which provides for special conditions of employment for these EPWP projects. In terms of the Code of Good Practice, the workers on these projects are entitled to formal training, which will be provided by training providers appointed (and funded) by the Department of Labour. For projects of up to six months in duration, this training will cover life-skills and information about other education, training, and employment opportunities.

In order to develop the capacity of the construction industry to manage labour-intensive projects, these guidelines also include an eligibility requirement for the appointment of contractors and consulting engineers, i.e. that their key staff involved in the project must undergo special NQF-accredited training programmes in labour-intensive construction.

As an additional means of addressing the capacity in the labour-intensive construction sector, DPW together with the CETA has established a labour intensive contractor learnership programme. The aim of this learnership programme is to produce small contractors qualified to execute work in accordance with these guidelines. The CETA is paying for the classroom training of these contractors.

As part of this learnership programme, learner contractors need to execute projects to gain practical experience. Partnering provinces and municipalities may allocate projects identified and designed using these guidelines to the learner contractors on a negotiated price basis.

An electronic version of these guidelines and electronic copies of the following documents can be obtained on the enclosed CD ROM or downloaded from www.epwp.gov.za:

- Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes
- Ministerial Determination, Special Public Works Programmes, issued in terms of the Basic Conditions of Employment Act of 1997 by the Minister of Labour in Government Notice N° R63 of 25 January 2002
- Government Gazette (DORA 2004 with MIG and PIG Conditions)
- Documents relating to the Labour Intensive Contractor Learnership Programme

Amendments to the first edition incorporated in this second edition

Minor amendments to the text of the first edition have been made to:

- i) change the deadlines for persons in the employ of the contractor to be accredited in respect of the relevant CETA standards;
- ii) align the text with the requirements of the Construction Industry Development Regulations; and
- iii) delete text that has now become redundant.

Terminology

By hand: refers to the use of tools which are manually operated and powered

Form of contract: refers to a document (conditions of contract) published by industry which establishes the rights, liabilities and obligations of the contracting parties and the procedures for the administration of the contract.

Labour-intensive: refers to methods of construction involving a mix of machines and labour, where labour, utilising hand tools and light plant and equipment, is preferred to the use of heavy machines, where technically and economically feasible.

(Note: The normal emphasis on the cost-effectiveness and quality of the asset must be retained.)

Public body: refers to a department, trading entity, constitutional institution, municipality, public entity or municipal entity

Scope of work: refers to a specification and description of the services or construction works which are to be provided and any other requirements and constraints relating to the manner in which the contract is to be performed

Abbreviations

CETA: Construction Education and Training Authority
CIDB: Construction Industry Development Board
ECSA: Engineering Council of South Africa

EPWP: Expanded Public Works Programme

FIDIC: French acronym for the International Federation of Consulting Engineers

NEC: New Engineering Contract

NQF: National Qualifications Framework
SANS: South African National Standard
SPWP: Special Public Works Programme

1 Introduction

Labour-intensive infrastructure projects under the EPWP include:

- using labour intensive construction methods to provide employment opportunities to local unemployed people;
- providing training or skills development to those locally employed workers;
- building cost-effective and quality assets.

This document is a guiding framework for the implementation of labour-intensive projects under the Expanded Public Works Programme. It provides the means by which labour intensive works can be implemented under the most commonly encountered delivery model, namely design by employer (i.e. the model in which the contractor undertakes construction on the basis of full designs issued by the employer.) It also assumes that the public body will appoint a consultant to design the works and to administer the contract. Adjustments to the text of this document will be necessary to accommodate other delivery models. Where no consultants are appointed, the staff of the public body needs to perform the activities assigned to consultants in this document.

The document in addition provides guidance on the:

- identification of suitable projects;
- appropriate design for labour-intensive construction;
- the specification of labour-intensive works; and
- the compilation of contract documentation for labour-intensive projects.

Specific direction is given regarding contract clauses which must be included to amend or augment standard documentation, in order to implement labour-intensive projects.

These guidelines must be applied to all relevant projects for which the design process commences after the beginning of the 2004-2005 financial year.

Appendix A provides sources of additional information.

The employment of locally employed temporary workers on all EPWP labour-intensive infrastructure projects must be in accordance with the Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes issued in terms of the Basic Conditions of Employment Act, 1997 (Act N° 75 of 1997) and promulgated in Government Gazettes Notice N° P64 of 25 January 2002. The requirements of this Code have been included in this Guidelines document. However, reference should be made to the full text of the Code of Good Practice and the related Ministerial Determination.

2 Responsibilities of the public body

2.1 SELECTION OF PROJECTS

The public body must implement the following types of civil infrastructure projects labour-intensively, in accordance with these guidelines:

- low-volume roads (typically less than 500 vehicles per day);
- sidewalks and non-motorised transport infrastructure
- stormwater drainage; and
- trenching

where such projects contain a significant amount of the construction activities for which the use of labour is specified in the Generic Labour Intensive Specification in section 3.3.3 below, i.e. excavation, loading, short-distance hauling, offloading, spreading, grassing, and stone-pitching.

There is also potential for additional employment creation in other types of infrastructure and building (see Annexure B). Public bodies are also encouraged to create additional work opportunities in these projects. These guidelines may be used for other labour-intensive projects other than those types of civil infrastructure projects specified above, as long as such projects involve a significant substitution of labour for machines.

The public body must be satisfied that sufficient local labour (willing to work) is available for the project, before proceeding with the project as a labour-intensive project.

The public body is encouraged to send its relevant managers on the applicable skills programmes in labour-intensive construction (See Appendix C).

2.2 SETTING OF RATE OF PAY

In accordance with the Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes (clause 10.4), the public body must set a rate of pay (task-rate) for workers to be employed on the labour-intensive projects.

Clause 10.4 requires that the following should be considered when setting rates of pay for workers:

10.4.1 The rate set should take into account wages paid for comparable unskilled work in the local area per sector, if necessary.

10.4.2 The rate should be an appropriate wage to offer an incentive for work, to reward effort provided and to ensure a reasonable quality of work. It should not be more than the average local rate to ensure people are not recruited away from other employment and

jobs with longer-term prospects.

10.4.3 Men, women, disabled persons and the aged must receive the same pay for work of equal value.

2.3 APPOINTMENT OF CONSULTING ENGINEERS AND CONTRACTORS

The public body must ensure that:

- i) the design of the labour intensive works by consultants is overseen by persons in their employ who have completed the necessary skills training (see Appendix C);
- ii) works contracts are administered by persons in the employ of consultants who have completed the necessary skills training (see Appendix C); and
- iii) works contracts are awarded to contractors who have in their employ managers who have completed the necessary skills training (see Appendix C).

As a concession up to 30 June 2006, persons in the employ of contractors identified in Appendix C who have not completed the requisite skills training need only to be registered on the relevant skills programmes.

3 Contract documentation for consulting engineers and contractors for labour-intensive construction projects

3.1 GENERAL

All the standard forms of contract listed in the CIDB Standard for Uniformity in Construction Procurement may be used for labour-intensive projects. It is not necessary to create special new forms of contract or to amend the approved forms of contract to implement labour based works.

Requirements for labour-intensive works need, however, to be established in the scope of work associated with a contract for both consultants and contractors.

The approved standard forms of contract for professional services use different terms to describe the parties to the contract. These guidelines use the terms employer and consultant for the parties engaged in professional service contracts and scope of work for requirements in both professional service and construction contracts.

3.2 CONTRACT DOCUMENTATION FOR CONSULTING ENGINEERING SERVICES

The scope of work must establish the manner in which the consultant is to provide the consulting engineering services associated with labour intensive works.

All services relating to the implementation of the works which are to be provided in terms of the these Guidelines are normal services in terms of the Guideline Scope of Service and Tariff of Fees for Persons Registered in terms of the Engineering Professions Act published by the Engineering Council of South Africa in terms of a Board Notice. Any changes in the design of the works to incorporate labour intensive works should not constitute a change in scope or an additional service where the scope of work is framed around such ECSA publications.

The following must be included in the scope of work in the contract of employment with a Consulting Engineer:

Labour-intensive works

1. The Consultant shall not perform any significant portion of a project involving labour- intensive works under the direction of a staff member who has not completed the NQF level 7 unit standard "Develop and Promote Labour Intensive Construction Strategies" (Details of this skills programmes may be obtained from the CETA ETQA manager (e-mail:gerard@ceta.co.za, tel:

2. The staff member of the consultant who is responsible for the administration of any works contract involving labour intensive works must have completed the NQF level 5 unit standard "Manage Labour Intensive Construction Projects" (Details of this skills programmes may be obtained from the CETA ETQA manager (e-mail: gerard@ceta.co.za, tel: 011-265 5900).
3. The Consultant must provide the Employer with satisfactory evidence that staff members satisfy the requirements of 1 and 2.
4. The Consultant must design and implement the construction works in accordance with the Guidelines for the Implementation of the Labour Intensive Projects under the Expanded Public Works Programme (the Guidelines) published by the National Department of Public Works.
5. The Consultant shall, for monitoring purposes, keep monthly records of and transmit to the Client data obtained from the contractor on the following indicators with regard to workers employed:
 - Project budget
 - Actual Project Expenditure
 - Number of job opportunities created
 - Demographics of workers employed (disaggregated by women, youth and persons with disabilities)
 - Minimum day-task wage rate earned on project
 - Number of person-days of employment created
 - Number of persons who have attended a standard EPWP 10 day accredited training course

The definitions for these indicators are contained in Annexure D of the latest edition of the Guidelines for the Implementation of Labour-Intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP). The values for the indicators shall be submitted to the Employer on the prescribed reporting template (from the EPWP Unit in the DPW) and obtainable from www.epwp.gov.za

6. The Consultant shall certify that the works have been completed in accordance with the requirements of the Guidelines and the Contract:
 - a) whenever a payment certificate is presented to the Employer for payment; and
 - b) immediately after the issuing of a practical completion certificate that signifies that the whole of the works have reached a state of readiness for occupation or use for the

purposes intended although some minor work may be outstanding.

3.3 CONTRACT DOCUMENTATION FOR THE WORKS

3.3.1 Notice and Invitation to tender / Conditions of tender

Public bodies must only award contracts to contractors who have suitably qualified senior and middle supervisory staff to supervise the labour-intensive works. Tenderers must be made aware of this requirement in tender documents. Those responsible for evaluating tenders must confirm that the contractor has such staff available for the contract during the tender evaluation process.

The following must be included in the notice and invitation to tender:	
Only tenderers who employ staff which satisfy EPWP requirements are eligible to submit tenders.	
The following must be included in the tender data in accordance with the provisions of the CIDB Standard for Uniformity in Construction Procurement:	
F.2.1	Only those tenderers who have in their employ management and supervisory staff satisfying the requirements of the scope of work for labour intensive competencies for supervisory and management staff are eligible to submit tenders.
F.2.18	The tenderer shall, when requested by the Employer to do so, submit 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 requirements.

3.3.2 Contract Data

As mentioned in 3.1, any approved standard form of contract for construction works may be used for labour-intensive projects. These forms of contract must not, however, be amended or varied to alter the obligations, liabilities or rights of the employer, representative of the employer (engineer / principal agent / agent / project manager) or contractor where a project manager, materials manager, trainer, mentor or any other person is appointed to support the Contractor.

The following must be included in the contract data in the contract with the Employer: Payment for the labour-intensive component of the works

Payment for works identified in the Scope of Work as being labour-intensive shall only be made in accordance with the provisions of the Contract if the works are constructed strictly in accordance with the provisions of the Scope of Work. Any non-payment for such works shall not relieve the Contractor in any way from his obligations either in contract or in delict.

Applicable labour laws

The Ministerial Determination, Special Public Works Programmes, issued in terms of the Basic Conditions of Employment Act of 1997 by the Minister of Labour in Government Notice N° R63 of 25 January 2002, as reproduced below, shall apply to works described in the scope of work as being labour intensive and

1 Introduction

1.1 This document contains the standard terms and conditions for workers employed in elementary occupations on a Special Public Works Programme (SPWP). These terms and conditions do NOT apply to persons employed in the supervision and management of a SPWP.

1.2 In this document –

- (a) "department" means any department of the State, implementing agent or contractor;
- (b) "employer" means any department, implementing agency or contractor that hires workers to work in elementary occupations on a SPWP;
- (c) "worker" means any person working in an elementary occupation on a SPWP;
- (d) "elementary occupation" means any occupation involving unskilled or semi-skilled work;
- (e) "management" means any person employed by a department or implementing agency to administer or execute an SPWP;
- (f) "task" means a fixed quantity of work;
- (g) "task-based work" means work in which a worker is paid a fixed rate for performing a task;
- (h) "task-rated worker" means a worker paid on the basis of the number of tasks completed;
- (i) "time-rated worker" means a worker paid on the basis of the length of time worked.

2 Terms of Work

2.1 Workers on a SPWP are employed on a temporary basis.

2.2 A worker may NOT be employed for longer than 24 months in any five-year cycle on a SPWP.

2.3 Employment on a SPWP does not qualify as employment as a contributor for the purposes of the Unemployment Insurance Act 30 of 1966.

3 Normal Hours of Work

3.1 An employer may not set tasks or hours of work that require a worker to work–

- (a) more than forty hours in any week
- (b) on more than five days in any week; and
- (c) for more than eight hours on any day.

3.2 An employer and worker may agree that a worker will work four days per week. The worker may then work up to ten hours per day.

3.3 A task-rated worker may not work more than a total of 55 hours in any week to complete the tasks allocated (based on a 40-hour week) to that worker.

4 Meal Breaks

4.1 A worker may not work for more than five hours without taking a meal break of at least thirty minutes duration.

4.2 An employer and worker may agree on longer meal breaks.

4.3 A worker may not work during a meal break. However, an employer may require a worker to perform duties during a meal break if those duties cannot be left unattended and cannot be performed by another worker. An employer must take reasonable steps to ensure that a worker is relieved of his or her duties during the meal break.

4.4 A worker is not entitled to payment for the period of a meal break. However, a worker who is paid on the basis of time worked must be paid if the worker is required to work or to be

available for work during the meal break.

5 Special Conditions for Security Guards

- 5.1 A security guard may work up to 55 hours per week and up to eleven hours per day.
- 5.2 A security guard who works more than ten hours per day must have a meal break of at least one hour or two breaks of at least 30 minutes each.

6 Daily Rest Period

Every worker is entitled to a daily rest period of at least eight consecutive hours. The daily rest period is measured from the time the worker ends work on one day until the time the worker starts work on the next day.

7 Weekly Rest Period

Every worker must have two days off every week. A worker may only work on their day off to perform work which must be done without delay and cannot be performed by workers during their ordinary hours of work ("emergency work").

8 Work on Sundays and Public Holidays

- 8.1 A worker may only work on a Sunday or public holiday to perform emergency or security work.
- 8.2 Work on Sundays is paid at the ordinary rate of pay.
- 8.3 A task-rated worker who works on a public holiday must be paid –
 - (a) the worker's daily task rate, if the worker works for less than four hours;
 - (b) double the worker's daily task rate, if the worker works for more than four hours.
- 8.4 A time-rated worker who works on a public holiday must be paid –
 - (a) the worker's daily rate of pay, if the worker works for less than four hours on the public holiday;
 - (b) double the worker's daily rate of pay, if the worker works for more than four hours on the public holiday.

9 Sick Leave

- 9.1 Only workers who work four or more days per week have the right to claim sick-pay in terms of this clause.
- 9.2 A worker who is unable to work on account of illness or injury is entitled to claim one day's paid sick leave for every full month that the worker has worked in terms of a contract.
- 9.3 A worker may accumulate a maximum of twelve days' sick leave in a year.
- 9.4 Accumulated sick-leave may not be transferred from one contract to another contract.
- 9.5 An employer must pay a task-rated worker the worker's daily task rate for a day's sick leave.
- 9.6 An employer must pay a time-rated worker the worker's daily rate of pay for a day's sick leave.
- 9.7 An employer must pay a worker sick pay on the worker's usual payday.
- 9.8 Before paying sick-pay, an employer may require a worker to produce a certificate stating that the worker was unable to work on account of sickness or injury if the worker is –
 - (a) absent from work for more than two consecutive days; or

(b) absent from work on more than two occasions in any eight-week period.

- 9.9 A medical certificate must be issued and signed by a medical practitioner, a qualified nurse or a clinic staff member authorised to issue medical certificates indicating the duration and reason for incapacity.
- 9.10 A worker is not entitled to paid sick-leave for a work-related injury or occupational disease for which the worker can claim compensation under the Compensation for Occupational Injuries and Diseases Act.

10 Maternity Leave

- 10.1 A worker may take up to four consecutive months' unpaid maternity leave.
- 10.2 A worker is not entitled to any payment or employment-related benefits during maternity leave.
- 10.3 A worker must give her employer reasonable notice of when she will start maternity leave and when she will return to work.
- 10.4 A worker is not required to take the full period of maternity leave. However, a worker may not work for four weeks before the expected date of birth of her child or for six weeks after the birth of her child, unless a medical practitioner, midwife or qualified nurse certifies that she is fit to do so.
- 10.5 A worker may begin maternity leave –
- (a) four weeks before the expected date of birth; or
 - (b) on an earlier date –
 - (i) if a medical practitioner, midwife or certified nurse certifies that it is necessary for the health of the worker or that of her unborn child; or
 - (ii) if agreed to between employer and worker; or
 - (c) on a later date, if a medical practitioner, midwife or certified nurse has certified that the worker is able to continue to work without endangering her health.
- 10.6 A worker who has a miscarriage during the third trimester of pregnancy or bears a still- born child may take maternity leave for up to six weeks after the miscarriage or stillbirth.
- 10.7 A worker who returns to work after maternity leave, has the right to start a new cycle of twenty-four months employment, unless the SPWP on which she was employed has ended.

11 Family responsibility leave

- 11.1 Workers, who work for at least four days per week, are entitled to three days paid family responsibility leave each year in the following circumstances -
- (a) when the employee's child is born;
 - (b) when the employee's child is sick;
 - (c) in the event of a death of –
 - (i) the employee's spouse or life partner;
 - (ii) the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.

12 Statement of Conditions

- 12.1 An employer must give a worker a statement containing the following details at the start of employment –

- (a) the employer's name and address and the name of the SPWP;
- (b) the tasks or job that the worker is to perform; and

- (c) the period for which the worker is hired or, if this is not certain, the expected duration of the contract;
- (d) the worker's rate of pay and how this is to be calculated;
- (e) the training that the worker will receive during the SPWP.

12.2 An employer must ensure that these terms are explained in a suitable language to any employee who is unable to read the statement.

12.3 An employer must supply each worker with a copy of these conditions of employment.

13 Keeping Records

13.1 Every employer must keep a written record of at least the following –

- (a) the worker's name and position;
- (b) in the case of a task-rated worker, the number of tasks completed by the worker;
- (c) in the case of a time-rated worker, the time worked by the worker;
- (d) payments made to each worker.

13.2 The employer must keep this record for a period of at least three years after the completion of the SPWP.

14 Payment

14.1 An employer must pay all wages at least monthly in cash or by cheque or into a bank account.

14.2 A task-rated worker will only be paid for tasks that have been completed.

14.3 An employer must pay a task-rated worker within five weeks of the work being completed and the work having been approved by the manager or the contractor having submitted an invoice to the employer.

14.4 A time-rated worker will be paid at the end of each month.

14.5 Payment must be made in cash, by cheque or by direct deposit into a bank account designated by the worker.

14.6 Payment in cash or by cheque must take place –

- (a) at the workplace or at a place agreed to by the worker;
- (b) during the worker's working hours or within fifteen minutes of the start or finish of work;
- (c) in a sealed envelope which becomes the property of the worker.

14.7 An employer must give a worker the following information in writing –

- (a) the period for which payment is made;
- (b) the numbers of tasks completed or hours worked;
- (c) the worker's earnings;
- (d) any money deducted from the payment;
- (e) the actual amount paid to the worker.

14.8 If the worker is paid in cash or by cheque, this information must be recorded on the envelope and the worker must acknowledge receipt of payment by signing for it

14.9 If a worker's employment is terminated, the employer must pay all monies owing to that

worker within one month of the termination of employment.

15 Deductions

- 15.1 An employer may not deduct money from a worker's payment unless the deduction is required in terms of a law.
- 15.2 An employer must deduct and pay to the SA Revenue Services any income tax that the worker is required to pay.
- 15.3 An employer who deducts money from a worker's pay for payment to another person must pay the money to that person within the time period and other requirements specified in the agreement law, court order or arbitration award concerned.
- 15.4 An employer may not require or allow a worker to –
 - (a) repay any payment except an overpayment previously made by the employer by mistake;
 - (b) state that the worker received a greater amount of money than the employer actually paid to the worker; or
 - (c) pay the employer or any other person for having been employed.

16 Health and Safety

- 16.1 Employers must take all reasonable steps to ensure that the working environment is healthy and safe.
- 16.2 A worker must –
 - (a) work in a way that does not endanger his/her health and safety or that of any other person;
 - (b) obey any health and safety instruction;
 - (c) obey all health and safety rules of the SPWP;
 - (d) use any personal protective equipment or clothing issued by the employer;
 - (e) report any accident, near-miss incident or dangerous behaviour by another person to their employer or manager.

17 Compensation for Injuries and Diseases

- 17.1 It is the responsibility of the employers (other than a contractor) to arrange for all persons employed on a SPWP to be covered in terms of the Compensation for Occupational Injuries and Diseases Act, 130 of 1993.
- 17.2 A worker must report any work-related injury or occupational disease to their employer or manager.
- 17.3 The employer must report the accident or disease to the Compensation Commissioner.
- 17.4 An employer must pay a worker who is unable to work because of an injury caused by an accident at work 75% of their earnings for up to three months. The employer will be refunded this amount by the Compensation Commissioner. This does NOT apply to injuries caused by accidents outside the workplace such as road accidents or accidents at home.

18 Termination

- 18.1 The employer may terminate the employment of a worker for good cause after following a fair procedure.

- 18.2 A worker will not receive severance pay on termination.
- 18.3 A worker is not required to give notice to terminate employment. However, a worker

who wishes to resign should advise the employer in advance to allow the employer to find a replacement.

- 18.4 A worker who is absent for more than three consecutive days without informing the employer of an intention to return to work will have terminated the contract. However, the worker may be re-engaged if a position becomes available for the balance of the 24-month period.
- 18.5 A worker who does not attend required training events, without good reason, will have terminated the contract. However, the worker may be re-engaged if a position becomes available for the balance of the 24-month period.
- 19 Certificate of Service
- 19.1 On termination of employment, a worker is entitled to a certificate stating –
- (a) the worker's full name;
 - (b) the name and address of the employer;
 - (c) the SPWP on which the worker worked;
 - (d) the work performed by the worker;
 - (e) any training received by the worker as part of the SPWP;
 - (f) the period for which the worker worked on the SPWP;
 - (g) any other information agreed on by the employer and worker.

3.3.3 Scope of work

Standard specifications (those normally used by the public bodies) are to be utilised. It is necessary, however, to include certain requirements in the scope of work to implement labour-intensive works in accordance with the provisions of these Guidelines.

Appendix E outlines the earthworks which are to be executed by hand in terms of the South African Nation Standard 1921-5.

The following wording, as appropriate, must be included in the scope of work in the contract with the contractor

DESCRIPTION OF THE WORKS

Employer's objectives

The employer's objectives are to deliver public infrastructure using labour intensive methods

Labour-intensive works

Labour-intensive works comprise the activities described in SANS 1921-5, *Earthworks activities which are to*

LABOUR INTENSIVE COMPETENCIES OF SUPERVISORY AND MANAGEMENT STAFF

Contractors having a CIDB contractor grading designation of 5CE and higher shall only engage supervisory and management staff in labour intensive works who have either completed, or for the

The managing principal of the contractor, namely, a sole proprietor, the senior partner, the managing director or managing member of a close corporation, as relevant, having a contractor grading designation of 1CE, 2CE, 3CE and 4CE shall have personally completed, or for the period 1 April 2004 to 30 June 2006 be registered on a skills programme for the NQF level 2. All other site supervisory staff in the employ of such contractors must have completed, or for the period 1 April 2004 to 30 June 2006 be registered on a skills programme for, the NQF level 2 unit standards or NQF level 4 unit standards.

Table 1: Skills programme for supervisory and management staff

Personnel	NQF level	Unit standard titles	Skills programme description
Team leader / supervisor	2	Apply Labour-Intensive Construction Systems and Techniques to Work Activities	This unit standard must be completed, and
		Use Labour-Intensive Construction Methods to Construct and Maintain Roads and Stormwater Drainage	} any one of these 3 unit standards
		Use Labour-Intensive Construction Methods to Construct and Maintain Water and Sanitation Services	
		Use Labour-Intensive Construction Methods to Construct, Repair and Maintain Structures	
Foreman/ supervisor	4	Implement Labour-Intensive Construction Systems and Techniques	This unit standard must be completed, and
		Use Labour-Intensive Construction Methods to Construct and Maintain Roads and Stormwater Drainage	} any one of these 3 unit standards
		Use Labour-Intensive Construction Methods to Construct and Maintain Water and Sanitation Services	
		Use Labour-Intensive Construction Methods to Construct, Repair and Maintain Structures	
Site Agent / Manager (i.e the contractor's most senior representative that is resident on the site)	5	Manage Labour-Intensive Construction Processes	Skills Programme against this single unit standard

EMPLOYMENT OF UNSKILLED AND SEMI-SKILLED WORKERS IN LABOUR-INTENSIVE WORKS

1.1 Requirements for the sourcing and engagement of labour.

- 1.1.1 Unskilled and semi-skilled labour required for the execution of all labour intensive works shall be engaged strictly in accordance with prevailing legislation and SANS 1914-5, Participation of Targeted Labour.

- 1.1.2 The rate of pay set for the SPWP is R per task or per day.
(Insert value determined by public body in terms of clause 2.2 of these Guidelines)
- 1.1.3 Tasks established by the contractor must be such that:
- the average worker completes 5 tasks per week in 40 hours or less; and
 - the weakest worker completes 5 tasks per week in 55 hours or less.
- 1.1.4 The contractor must revise the time taken to complete a task whenever it is established that the time taken to complete a weekly task is not within the requirements of 1.1.3.
- 1.1.5 The Contractor shall, through all available community structures, inform the local community of the labour intensive works and the employment opportunities presented thereby. Preference must be given to people with previous practical experience in construction and / or who come from households:
- where the head of the household has less than a primary school education;
 - that have less than one full time person earning an income;
 - where subsistence agriculture is the source of income.
 - those who are not in receipt of any social security pension income
- 1.1.6 The Contractor shall endeavour to ensure that the expenditure on the employment of temporary workers is in the following proportions:
- 60 % women;
 - 20% youth who are between the ages of 18 and 25; and
 - 2% on persons with disabilities.

1.2 SPECIFIC PROVISIONS PERTAINING TO SANS 1914-5

1.2.1 Definitions

Targeted labour: Unemployed persons who are employed as local labour on the project.

1.2.3 Contract participation goals

- 1.2.3.1 There is no specified contract participation goal for the contract. The contract participation goal shall be measured in the performance of the contract to enable the employment provided to targeted labour to be quantified.

- 1.2.3.2 The wages and allowances used to calculate the contract participation goal shall, with

respect to both time-rated and task rated workers, comprise all wages paid and any training allowance paid in respect of agreed training programmes.

1.2.4 Terms and conditions for the engagement of targeted labour

Further to the provisions of clause 3.3.2 of SANS 1914-5, written contracts shall be entered into with targeted labour.

1.2.5 Variations to SANS 1914-5

1.2.5.1 The definition for net amount shall be amended as follows:

Financial value of the contract upon completion, exclusive of any value added tax or sales tax which the law requires the employer to pay the contractor.

1.2.5.2 The schedule referred to in 5.2 shall in addition reflect the status of targeted labour as women, youth and persons with disabilities and the number of days of formal training provided to targeted labour.

1.3 TRAINING OF TARGETED LABOUR

1.3.1 The contractor shall provide all the necessary on-the-job training to targeted labour to enable such labour to master the basic work techniques required to undertake the work in accordance with the requirements of the contract in a manner that does not compromise worker health and safety.

1.3.2 The cost of the formal training of targeted labour, will be funded by the provincial office of the Department of Labour. This training should take place as close to the project site as practically possible. The contractor, must access this training by informing the relevant provincial office of the Department of Labour in writing, within 14 days of being awarded the contract, of the likely number of persons that will undergo training and when such training is required. The employer must be furnished with a copy of this request.

1.3.3 A copy of this training request made by the contractor to the DOL provincial office must also be faxed to the EPWP Training Director in the Department of Public Works– Cinderella Makunike, Fax Number 012 328 6820 or email cinderella.makunike@dpw.gov.za Tel: 083 677 4026

1.3.4 The contractor shall be responsible for scheduling the training of workers and shall take all reasonable steps to ensure that each beneficiary is provided with a minimum of six (6) days of formal training if he/she is employed for 3 months or less and a minimum of ten (10) days if he she is employed for 4 months or more.

1.3.5 The contractors shall do nothing to dissuade targeted labour from participating in the above mentioned training programmes.

1.3.6 An allowance equal to 100% of the task rate or daily rate shall be paid by the contractor to workers who attend formal training, in terms of 1.3.4 above.

- 1.3.7 Proof of compliance with the requirements of 1.3.2 to 1.3.6 must be provided by the Contractor to the Employer prior to submission of the final payment certificate.

GENERIC LABOUR-INTENSIVE SPECIFICATION

The Generic Labour-intensive specification below is the same as SANS 1921-5, Construction and management requirement for works contracts- Part 5: Earthworks activities which are to be performed by hand and should be included in the scope of works without amendment or modification as set out below.

Scope

This specification establishes general requirements for activities which are to be executed by hand involving the following:

- a) trenches having a depth of less than 1.5 metres
- b) stormwater drainage
- c) low-volume roads and sidewalks

Precedence

Where this specification is in conflict with any other standard or specification referred to in the Scope of Works to this Contract, the requirements of this specification shall prevail.

Hand excavateable material

Hand excavateable material is material:

- a) granular materials:
 - i) whose consistency when profiled may in terms of table 1 be classified as very loose, loose, medium dense, or dense; or
 - ii) where the material is a gravel having a maximum particle size of 10mm and contains no cobbles or isolated boulders, no more than 15 blows of a dynamic cone penetrometer is required to penetrate 100mm;
- b) cohesive materials:
 - i) whose consistency when profiled may in terms of table 1 be classified as very soft, soft, firm, stiff and stiff / very stiff; or
 - ii) where the material is a gravel having a maximum particle size of 10mm and contains no cobbles or isolated boulders, no more than 8 blows of a dynamic cone penetrometer is required to penetrate 100mm;

Note:

- 1) A boulder, a cobble and gravel is material with a particle size greater than 200mm, between 60 and 200mm.
- 2) A dynamic cone penetrometer is an instrument used to measure the insitu shear resistance of a soil comprising a drop weight of approximately 10 kg which falls through a height of 400mm and drives a cone having a maximum diameter of 20mm (cone angle of 60° with respect to the horizontal) into the material being used.

Table 1: Consistency of materials when profiled

GRANULAR MATERIALS		COHESIVE MATERIALS	
CONSISTENCY	DESCRIPTION	CONSISTENCY	DESCRIPTION
Very loose	Crumbles very easily when scraped with a geological pick.	Very soft	Geological pick head can easily be pushed in as far as the shaft of the handle.
Loose	Small resistance to penetration by sharp end of a geological pick.	Soft	Easily dented by thumb; sharp end of a geological pick can be pushed in 30-40 mm; can be moulded by fingers with some pressure.
Medium dense	Considerable resistance to penetration by sharp end of a geological pick.	Firm	Indented by thumb with effort; sharp end of geological pick can be pushed in upto 10 mm; very difficult to mould with fingers; can just be penetrated with an ordinary hand spade.
Dense	Very high resistance to penetration by the sharp end of geological pick; requires many blows for excavation.	Stiff	Can be indented by thumb-nail; slight indentation produced by pushing geological pick point into soil; cannot be moulded by fingers.
Very dense	High resistance to repeated blows of a geological pick.	Very stiff	Indented by thumb-nail with difficulty; slight indentation produced by blow of a geological pick point.

Trench excavation

All hand excavateable material in trenches having a depth of less than 1,5 metres shall be excavated by hand.

Compaction of backfilling to trenches (areas not subject to traffic)

Backfilling to trenches shall be placed in layers of thickness (before compaction) not exceeding 100mm. Each layer shall be compacted using hand stampers

- to 90% Proctor density;
- such that in excess of 5 blows of a dynamic cone penetrometer (DCP) is required to penetrate 100 mm of the backfill, provided that backfill does not comprise more than 10% gravel of size less than 10mm and contains no isolated boulders, or
- such that the density of the compacted trench backfill is not less than that of the surrounding undisturbed soil when tested comparatively with a DCP.

Excavation

All hand excavateable material including topsoil classified as hand excavateable shall be excavated by hand. Harder material may be loosened by mechanical means prior to excavation by hand.

The excavation of any material which presents the possibility of danger or injury to workers shall not be excavated by hand.

CLEARING AND GRUBBING

Grass and small bushes shall be cleared by hand.

SHAPING

All shaping shall be undertaken by hand.

LOADING

All loading shall be done by hand, regardless of the method of haulage.

HAUL

Excavation material shall be hauled to its point of placement by means of wheelbarrows where the haul distance is not greater than 150 m.

OFFLOADING

All material, however transported, is to be off- loaded by hand, unless tipper-trucks are utilised for haulage

SPREADING

All material shall be spread by hand.

COMPACTION

Small areas may be compacted by hand provided that the specified compaction is achieved.

GRASSING

All grassing shall be undertaking by sprigging, sodding, or seeding by hand.

STONE PITCHING AND RUBBLE CONCRETE MASONRY

All stone required for stone pitching and rubble concrete masonry, whether grouted or dry, must to be collected, loaded, off loaded and placed by hand.

Sand and stone shall be hauled to its point of placement by means of wheelbarrows where the haul distance is not greater than 150m.

Grout shall be mixed and placed by hand.

MANUFACTURED ELEMENTS

Elements manufactured or designed by the Contractor, such as manhole rings and cover slabs, precast concrete planks and pipes, masonry units and edge beams shall not individually, have a mass of more than 320kg. In addition the items shall be large enough so that four workers can conveniently and simultaneously acquire a proper hand hold on them.

3.3.4 Bill of quantities

Labour-intensive works must be highlighted in the bills of quantities for the payment items relating to labour-intensive works.

The following wording, as appropriate, should be included in the pricing Instructions and in the bills of quantities in the pricing data:

1. Those parts of the contract to be constructed using labour-intensive methods have been marked in the bill of quantities with the letters LI in a separate column filled in against every item so designated. The works, or parts of the works so designated are to be constructed using labour-intensive methods only. The use of plant to provide such works, other than plant specifically provided for in the scope of work, is a variation to the contract. 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 Scope of Works.
2. Payment for items which are designated to be constructed labour-intensively (either in this schedule or in the 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.

The following payment items should be included in the bill of quantities:

Description	Unit	Quantity	Rate	Amount
Training allowance paid to targeted labour in terms of formal training	Person days	(insert quantity)	(insert specified day rate)	
Extra over for the administration of payment of training allowances to targeted labour	Person days	(as above)		
Transport and accommodation of workers for training where it is not possible to undertake the training in close proximity to the site. (Provisional sum)	Sum	(insert provisional sum)		

4 Design checklist

Cognisance of the following should be taken in the design of labour-intensive works:

1. Earthworks must be designed taking consideration of the method of construction, namely labour intensive.
2. Vertical and horizontal alignment of the works (roads, trenches, pipelines and stormwater channels) should be such to optimise cut and fill, minimise deep or hard excavation or areas requiring specialist engineering input for example dewatering or specialist ground stabilisation.
3. During the design of gravel roads, suitable construction material should be sourced in close proximity to the site of the Works.
4. Drawings must be produced and presented in a clear easily understandable way. Where setting out information is provided in the form of coordinates it should be backed up with methods, not relying on sophisticated surveying instruments, such as offsets measurable with the use of a standard tape. Where possible and appropriate drawings should be produced using a background of ortho photos to provide for easy identification of surrounding features.
5. Except in special circumstances, drawings should be produced in a form that is easily readable in A3 format.
6. Where the haul distance is greater than 150m, and less than 5000m the use of small volume local transport, particularly using animal drawn vehicles should be considered.
7. Excavation in material which may constitute a safety hazard for workers must be excluded.
8. All pre-manufactured materials which are incorporated into the Works must be sized such that the mass of individual elements does not exceed 320kg.
9. Hazardous material such as lime or harmful chemical stabilizing agents must not be included in the Works.
10. Stone masonry and grouted stone pitching should be included wherever suitable material is available to the exclusion of pre-cast or cast in situ concrete stormwater structures.
11. Where compaction of road layer works is required, it must be carried out using conventional compaction equipment (mechanised pedestrian rollers where possible). Compaction of small areas and in trenches may be carried out using hand stampers.
12. Consideration must be given to alternative design of trenches for gravity pipelines to reduce

depth of excavation.

13. Where there is an indication of local skills, e.g. bricklaying, structures should be designed to make use of such skills.
14. There are appropriate designs for labour-intensive construction of low-cost surfacing for low-volume roads, such as the Cape Seal and interlocking concrete blocks. Refer to Appendix A for further details.

APPENDIX A:

SOURCES OF ADDITIONAL INFORMATION

The following sources provide comprehensive information in respect of the following topics:

Topic	Reference	Obtainable from
Besa building system	Agrement South Africa's Guideline 1, The Manufacture of BESA Blocks Agrément Open Certificate OC-1/2003. Agrément Open Certificate OC-2/2003. CIDB. Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. Part 3: Section 2- The BESA Building System	Agrement South Africa www.agrement@csir.co.za Construction Industry Development Board www.cidb.org.za under the section "job creation"
Brick and block making	CIDB. Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. Part 3: Section 1- Precast Concrete Products, Brick and Block Making	Construction Industry Development Board www.cidb.org.za under the section "job creation"
Bituminous Surfacing	Methods and Procedures Labour Enhanced. Construction for Bituminous surfacings Manual 12, March 1993. SABITA.	Southern African Bitumen and Tar Association.
Bituminous Surfacing	Methods and Procedures Labour Enhanced. Construction for Bituminous surfacings Manual 11', March 1993. SABITA.	Southern African Bitumen and Tar Association.
Conditions of Employment	Code of Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes Ministerial Determination: Special Public Works Programmes	EPWP Unit of the Department of Public Works
Concrete Block Paved Roads	Macleod, Concrete Block Paved Roads: The Development Potential .Construction and Development .Series, Number 8. Development Bank .of Southern. Africa. September, 1993	Development Bank of Southern Africa.
Concrete roads	Low-volume concrete roads by Bryan Perrie	Cement and Concrete Institute www.cnci.org.za
Earthworks	CIDB. Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. (Download from www.cidb.org.za) • Part 2: Labour-based construction methods for earth works • Appendix 1: Quantitative Employment Data on Selected Construction Activities	Construction Industry Development Board www.cidb.org.za under the section "job creation"

Labour productivities	CIDB. Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. • Appendix 1: Quantitative Employment Data on Selected Construction Activities	Construction Industry Development Board www.cidb.org.za under the section “job creation”
Minimum wages	Wage determination for the Civil Engineering Sector	www.safcec.org.za under the section “human resources”
Monitoring the employment of workers / compliance with the provisions of SANS 1914-5	SANS 10396, Implementing Preferential Procurement Policies Using Targeted Procurement Procedures • Annex G: Implementing employment intensive infrastructure projects which target the increase of employment opportunities generated per unit of expenditure • Annex J: Third party management support	Standards South Africa (division of the South African Bureau of Standards)
Pre-cast concrete works	CIDB Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. • Part 3: Section 1- Pre-cast Concrete Products, Brick and Block Making	Construction Industry Development Board www.cidb.org.za under the section “job creation”
Preparing procurement documents	CIDB Best Practice Guidelines for Procurement C1: Preparing Procurement Documents SANS 10403, Formatting and Compilation of Construction Procurement Documents	Construction Industry Development Board www.cidb.org.za under the section “job creation” Standards South Africa (division of the South African Bureau of Standards)
Roads	CIDB Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. • Part 2: Labour-based construction methods for earthworks • Part 4: Section 4 - Foam bitumen gravel • Part 4: Section 5 - Cast in-situ block pavements (hysen cells) • Part 4: Section 6 - Emulsion treated gravel • Part 4: Section 7 - Waterbound macadam • Part 4: Section 8 - Slurry bound and composite macadams • Part 4: Section 9 - Labour-based methods for unsealed roads • Appendix 1: Quantitative Employment Data on Selected Construction Activities	
Rubble concrete masonry	CIDB Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. • Part 4: Section 2 – Rubble masonry dam construction technology • Part 4: Section 3 – Rubble masonry concrete arch bridge construction technology	Construction Industry Development Board www.cidb.org.za under the section “job creation”
Stormwater drainage	CIDB Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. • Part 4: Section 1 – Labour-based Open Channel Flow Technology	Construction Industry Development Board www.cidb.org.za under the section “job creation”
Trenches	CIDB Best Practice Guidelines for Labour-based Methods and Technologies for Employment Intensive Construction Works. (Download from www.cidb.org.za) • Part 2: Labour-based construction methods for earthworks • Appendix 1: Quantitative Employment Data on Selected Construction Activities	Construction Industry Development Board www.cidb.org.za under the section “job creation”

APPENDIX B:

TYPES OF INFRASTRUCTURE WHICH ARE SUITABLE FOR CONSTRUCTION USING LABOUR INTENSIVE METHODS

B.1 ROADS

The following operations may be carried out using labour intensive methods:

1. Site clearance
2. Layer work construction including loading, hauling and spreading material.

Note: All compaction should be done using conventional compaction equipment and where necessary the use of heavy machinery may be employed to loosen material for excavation by hand. Where significant use of blasting is indicated, then the Works are probably not suitable for labour intensive methods.
3. Where higher standards of roads are to be constructed then the following operations may be included:
 - Macadam base course either dry, water bound or emulsion bound; foamed bitumen gravel; emulsion treated gravel; or slurry bound or composite macadams .
 - Application of bitumen bound surface treatment (cold) including spreading and dragging of chips.
 - Slurry treatments to existing or new road surfaces.
 - In situ concrete roads.
 - Segmented block paved roads.
 - Cast in-situ block pavements (hysen-cells);
 - Road markings.
4. Fencing.
5. Erection of road signs.
6. Grass maintenance.

7. Road reserve maintenance.
8. Rubble masonry bridges, culverts and retaining walls

B.2 STORMWATER

The following operations may be constructed using labour intensive construction methods:

1. Gabions and reno mattresses.
2. Small diameter pre-cast concrete elements (pipes and arches).
3. Grassed or lined water channels

B.3 SEWERS

The following operations may be constructed using labour intensive construction methods:

1. Sewer manholes either in brickwork or using specially manufactured pre-cast manhole rings (individual mass less than 320kg).
2. Sewer manhole covers and lids using specially designed pre-cast units.
3. Maturation or flocculation ponds with least dimension not exceeding 100m.

B.4 WATER

The following operations may be constructed using labour intensive construction methods:

1. Laying of water pipelines, fittings and house connections in all materials (including steel) where the mass of individual pipe lengths does not exceed 320kg.
2. Construction of ferro-cement reservoirs.
3. Excavation for membrane lined and floating roof reservoirs.
4. Construction of small masonry reservoirs.
5. Spring and well protection measures

B.4 HAUL OF MATERIAL

Where the haul of any material exceeds 200m, consideration should be given to the use of local resources for transporting material. This includes the use of animal drawn vehicles and small trailer combinations utilising locally sourced tractors. All loading and off loading can be done by hand.

B.5 ELECTRICITY

The following operations may be constructed using labour intensive methods:

1. Excavation of trenches for reticulation of all voltages.
2. Excavation for and erection of poles for overhead lines.
3. Installation of all electricity cables (joints and terminations by qualified persons).

B.6 HOUSES, SCHOOLS AND CLINICS

Housing is seen as labour-intensive, but the number of local people that could be employed may be enhanced by one or more of the following:

1. Manufacture of masonry elements on site.
2. Excavation of all foundation trenches by hand.
3. Manufacture of roof trusses on site.
4. Adoption of the BESA System

Note: 1) In the BESA system walls are constructed using bitumen emulsion stabilised adobe blocks and mortar. External and internal wall surfaces can be finished in a variety of ways using a mortar mix or a cement/sand plaster.

2) The BESA Building System is the subject of an open certificate issued by Agrément South Africa. The concept of an open certificate is that the technology is not the intellectual property of any company or individual and the information is available to anyone who wishes to use it. Any competent person, company or institution who wishes to use this system and is capable of carrying out this work in accordance with the terms and conditions of certification and undertakes to do so, may apply to Agrément South Africa to be registered as a holder of this open certificate.

APPENDIX C:

REQUIRED SKILLS PROGRAMMMES

C.1 CLIENT/ EMPLOYER

It is recommended that personnel within public bodies complete skills programmes for NQF registered unit standards, as set out in Table C.1.

Table C.1: Skills programme for client / employer staff

Personnel	NQF	Unit Standard Title	Skills Programme Description
Senior management and professionals	7	Develop and Promote Labour-Intensive Construction Strategies	Skills Programme against this single unit standard

Middle (technical)	5	Manage Labour-Intensive management Construction Projects	Skills Programme against this single unit standard
Middle (admin)	5	Manage Labour-Intensive management Construction Projects	Skills Programme against this single unit standard

C.2 CONSULTANTS

The person responsible for the design and documentation of the labour intensive works, must have completed, or be registered on a skills programme for, the NQF level 7 unit standard "Develop and Promote Labour Intensive Construction Strategies". (see Table C.2)

The person who is responsible to the employer for the administration of the contract, must have completed, or be registered on a skills programme for, the NQF level 5 unit standard "Manage Labour Intensive Construction Projects". (see Table C.2)

Table C.2: Skills programme for consultants

Personnel	NQF	Unit standard Title	Skills Programme Description
Administrator / Site Supervisor	5	Manage Labour Intensive Construction Projects	Supervisor Skills Programme against this single unit standard
Designer	7	Develop and Promote Labour-Intensive Construction Strategies	Skills Programme against this single unit standard

C.3 CONTRACTORS

The unit standards for contractors are outlined in Table C.3.

Contractors having a CIDB contractor grading designation of 5CE and higher shall only engage supervisory and management staff in labour intensive works who have either completed, or for the period 1 April 2004 to 30 June 2006, are registered for training towards, the skills programme outlined in Table 1.

Contractors having a CIDB contractor grading designation of 1CE, 2CE, 3CE and 4CE shall have personally completed, or for the period 1 April 2004 to 30 June 2006 be registered on a skills programme for the NQF level 2 unit standard. All other site supervisory staff in the employ of emerging contractors must have completed, or for the period 1 April 2004 to 30 June 2006 be registered on a skills programme for, the NQF level 2 unit standards or NQF level 4 unit standards.

Personnel	NQF	Unit standard Titles	Skills Programme Description
Team Leader / Supervisor	2	Apply Labour-Intensive Construction Systems and Techniques to Work Activities	This unit standard must be completed, and
		Use Labour-Intensive Construction Methods to Construct and Maintain Roads and Stormwater Drainage	any one of the 1 unit standards must be completed
		Use Labour-Intensive Construction Methods to Construct and Maintain Water and Sanitation Services	
		Use Labour-Intensive Construction Methods to Construct, Repair and Maintain Structures	
Foreman / Supervisor	4	Implement Labour-Intensive Construction Systems and Techniques	This unit standard must be completed, and
		Use Labour-Intensive Construction Methods to Construct and Maintain Roads and Stormwater Drainage	any one of the 3 listed unit standards must be completed
		Use Labour-Intensive Construction Methods to Construct and Maintain Water and Sanitation Services	
		Use Labour-Intensive Construction Methods to Construct, Repair and Maintain Structures	

Site Agent / Manager	5	Manage Labour-Intensive Construction Processes	Skills Programme against this single unit standard
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APPENDIX D:

DEFINITIONS OF PROGRAMME INDICATORS

Person-days of Employment Created

The number of people who worked on a project x the number of days each person worked.

Job Opportunities

1 job opportunity = paid work created for an individual on an EPWP project for any period of time. In the case of social sector projects, learnerships will also constitute job opportunities. The same individual can be employed on different projects and each period of employment will be counted as a job opportunity.

Project Wage

Minimum Daily Wage Rate = daily wage (whether task-rated or time-rated) per individual project. This wage rate must be inserted in the Project tender document as per the EPWP Guidelines.

Training Person-Days

A formal EPWP training course has been arranged by the Dept. of Labour. The number of training person-days attending this course or modules of this course must be captured.

For Other Training 1 training day = at least 7 hours of formal training. The number of Training Person-days is the number of people who attended training x the number of days of training.

A distinction must be made between accredited and non-accredited training person-days.

Project Budget

The project budget = the price tendered by the contractor + the professional fees for the professional service provider appointed to design and supervise the project. The project budget excludes government management & administration costs.

Actual Expenditure

Actual expenditure = the expenditure on the project by the contractor + the expenditure by the professional service provider appointed to design and supervise the project.

The actual expenditure excludes expenditure on government management & administration.

Demographic Characteristics of Workers

The number of workers that fall within the following categories must be recorded:

- Youth (i.e. 18 – 35 years of age)
- Women
- People with disabilities

The definitions contained in the Preferential Procurement Regulations of 2001 for these categories of beneficiaries will be utilised.

PART C5:2

**THE NATIONAL TREASURY REPUBLIC OF
SOUTH AFRICA**

**GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
JULY 2010**

THE NATIONAL TREASURY

Republic of South Africa



**GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT**

July 2010

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock

actually on hand.

- 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause

- 5.1 shall remain in the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do

- not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or
- 8.6 Supplies and services which are referred to in clauses 8.2

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

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(b) furnishing of tools required for assembly and/or
maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual
for each appropriate unit of the supplied goods;</p> |
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- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension

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21.3 No
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supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not

terminate
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23.3 Where
the
purchaser
terminates
the
contract in
whole or in
part, the
purchaser
may decide
to impose
a
restriction
penalty on
the
supplier by
prohibiting
such
supplier
from doing
business
with the
public
sector for a
period not
exceeding
10 years.

23.4 If a
purchaser
intends
imposing
a
restriction
on a
supplier
or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional

may be due to him

**25. Force
Majeure**

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination
for insolvency**

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes	<p>en the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.</p>
	<p>27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.</p> <p>27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.</p> <p>27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</p> <p>27.5 Notwithstanding any reference to mediation and/or court proceedings herein,</p> <p>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</p> <p>(b) the purchaser shall pay the supplier any monies due the supplier.</p> <p>28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;</p> <p>(a) The supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and</p>
<p>27.1 Limitation of liability If any dispute or difference of any kind whatsoever arises between</p>	<p>28. Governing language</p> <p>(b) aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.</p> <p>28.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.</p>
29. Applicable law	<p>29.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.</p>
30. Notices	<p>31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him</p>

shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

31. Taxes and duties

31.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

31.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

31.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

32. National Industrial Participation (NIP) Programme

32.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from

conducting
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July 2010)

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LOCAL CONTENT POLICY & DESIGNATION

MEASURES TO ENSURE COMPLIANCE AND VERIFICATION

DATE: 11 MARCH 2020

PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRADE
AND INDUSTRY

PRESENTATION OUTLINE

- ☐ **POLICY AND REGULATORY CONTEXTS**
- ☐ **DESIGNATION PROCESS**
- ☐ **PRODUCTS DESIGNATED**
- ☐ **COMPLIANCE WITH LOCAL CONTENT REQUIREMENTS**

☐ VERIFICATIONS BY SABS

☐ CHALLENGES ON VERIFICATION

- **Regulation 8(1):** empowers the dti to designate specific industries/sectors, where only locally manufactured products that meet the stipulated minimum threshold for local content will be considered.
- **Regulation 8(2):** organs of state must include local content in their bid invites.
- **Regulation 8(3):** National Treasury must inform organs of state **via circular**.
- **Regulation 8(4):** allows organs of state to “**self designate**” provided they consult with **the dti** and National Treasury as per

Standard for implementation of Regulation 8.4.

- **Regulation 8(5):** bid that fails to meet the required local content is unacceptable.

REMEDIES FOR NON-COMPLIANCE

- ❑ A crucial aspect of **Local Content** is its **verification**, and the South African Bureau of Standards (SABS) has been appointed the verification agency for Local Content in SA.

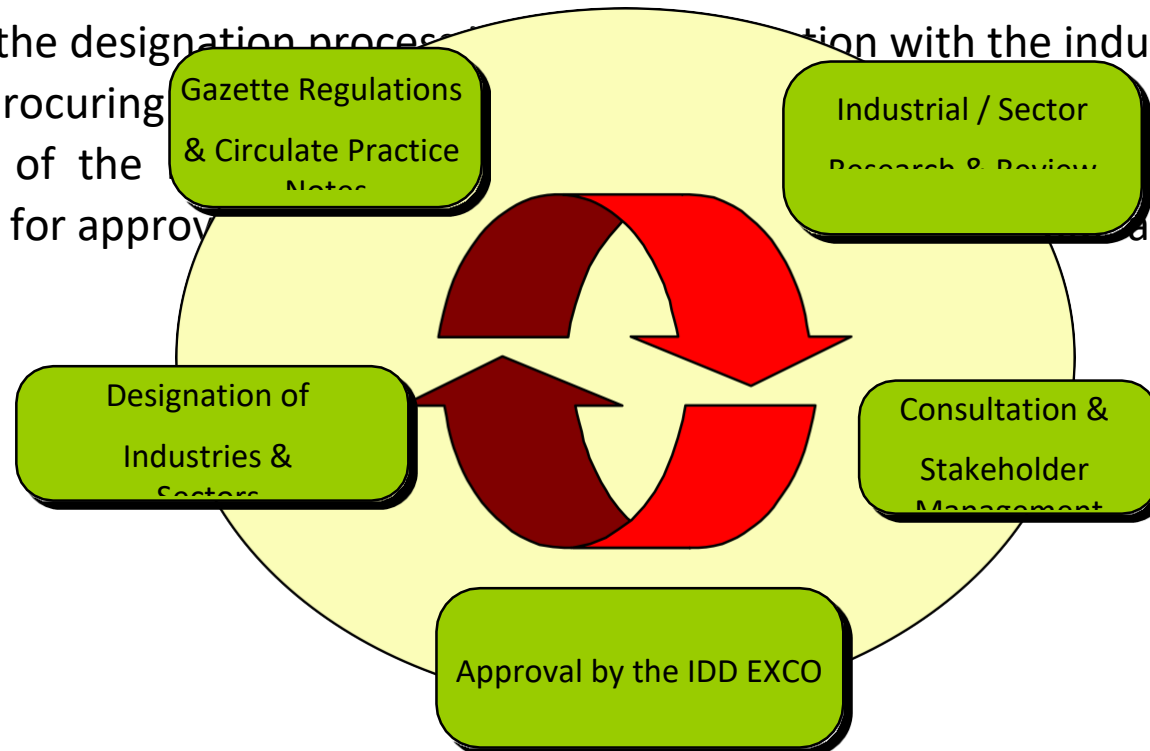
Section 14 of the PPPFA Regulations: Remedies

- **14(1) An organ of state must, upon detecting that a tenderer submitted false information regarding BBBEE, Local Content or any other matter:**
 - (a) inform the tenderer accordingly;
 - (b) give the tenderer an opportunity to make representations within 14 days;
 - (c) if it concludes, after considering the representations that false information was submitted – disqualify the tenderer or terminate the contract in whole or part and if applicable claim damages from the tenderer.

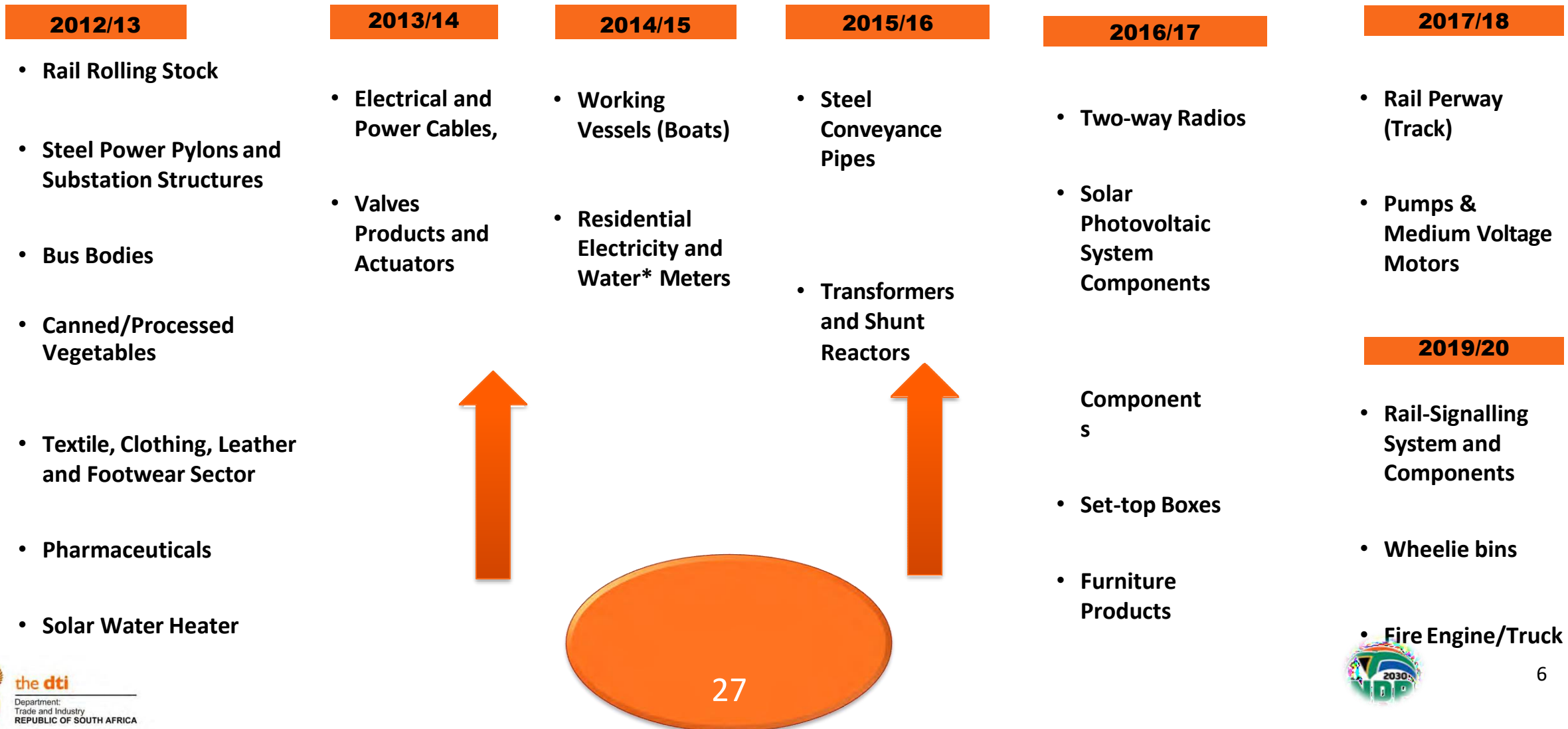
- **14(2) An organ of state must inform the National Treasury of any actions taken.**
- **14(3) The National Treasury must decide whether to restrict the tenderer for 10 years and publish on website a list of restricted suppliers.**

DESIGNATION PROCESS FLOW

- ❑ **the dti** follows a rigorous research process before a product can be designated for local production.
- ❑ The designation framework requires that there must be evidence indicating that the government buys product which is under distress caused by imports which displace local production and jobs.
- ❑ During the research stage, the designation process involves consultation with the industry (associations and local manufacturers) as well as procuring research services.
- ❑ The Executive Committee of the Department of Trade and Industry reviews the designation proposals and the requests for approval.



PRODUCTS DESIGNATED FOR LOCAL PRODUCTION



- **Steel Products and Components for construction**

- **Plastic Pipes**
- **Bulk Material Handling**

- **Lead Acid Batteries**

- **MV Switchgear**

PRODUCTS DESIGNATED FOR LOCAL PRODUCTION

Designated Products	LC Threshold	Date
1. Rail Rolling Stock	65%	16-07-2012
2. Power Pylons	100%	16-07-2012
3. Bus Bodies	80%	16-07-2012
4. Canned/Processed Vegetables	80%	16-07-2012
5. Textile, Clothing, Leather and Footwear Sector	100%	16-07-2012
6. Solar Water Heaters	70%	19-07-2012
7. Set-top Boxes	30%	26-09-2012
8. Certain Pharmaceutical Products	Per Tender	07-11-2012
9. Furniture Products	85%	15-11-2012
10. Electrical and Telecom Cables	90%	08-05-2013
11. Solar Water Heaters	70%	19-07-2013
12. Valves Products and Actuators	70%	06-02-2014
13. Working Vessels	60%	01-08-2014
14. Residential Electricity and Water Meters	70%	01-08-2014
15. Transformers and Shunt Reactors	90%	28-09-2015

Designated Products	LC Threshold	Date
16. Two Way Radio Terminals	60%	30-06-2016
17. Solar PV Components	70%	30-06-2016
18. Rail Signalling System	65%	30-06-2016
19. Wheelie Bins	100%	18-08-2016
20. Fire Fighting Vehicles	30%	21-11-2016
21. Steel Products and Components for Construction	100%	13-01-2017
22. Rail Perway (Track) Infrastructure	90%	13-11-2017
23. Pumps & Medium Voltage Motors	70%	12-12-2017
24. Plastic Pipes & Fittings	100%	16-08-2019
25. Air insulated MV Switchgear	50%	20-12-2019
26. Bulk Material Handling	85%	20-12-2019
27. Industrial Lead Acid Batteries	50%	20-12-2019

MEASURES IN PLACE TO ENSURE COMPLIANCE

REMEDIES FOR NON-COMPLIANCE

- ☐ A crucial aspect of **Local Content is its verification**, and the South African Bureau of Standards (SABS) has been appointed the verification agency for Local Content in SA.

Section 14 of the PPPFA Regulations: Remedies

- **14(1) An organ of state must, upon detecting that a tenderer submitted false information regarding BBBEE, Local Content or any other matter:**
 - (a) inform the tenderer accordingly;
 - (b) give the tenderer an opportunity to make representations within 14 days;
 - (c) if it concludes, after considering the representations that false information was submitted – disqualify the tenderer or terminate the contract in whole or part and if applicable claim damages from the tenderer.

- **14(2) An organ of state must inform the National Treasury of any actions taken.**
- **14(3) The National Treasury must decide whether to restrict the tenderer for 10 years and publish on website a list of restricted suppliers.**

AREAS OF NON-COMPLIANCE TO LOCAL CONTENT REQUIREMENTS

Non-compliance is a complex matter and has different phases:

- ☐ **Advertisement of tenders with local content (LC) conditions.**
- ☐ **Submission of correct LC documents by bidders (Standard/Municipal Bidding Documents 6.2 and accompanying annexures).**
- ☐ **Self declaration of correct minimum thresholds for local production by bidders.**
- ☐ **Proper evaluation of bids in terms of LC requirements (no points allocated for LC but it is the first hurdle that **must be achieved by bidders**).**
- ☐ **Understanding of LC requirements and industrial policy objectives by both Bid Evaluation and**

Adjudication Committees.

- ☐ **Post tender award reporting to the dti** by the organs of state (submission of signed Bidding Documents and Annexures).
- ☐ **Turnkey projects** (design, build, operate and transfer) projects.

MEASURES IN PLACE TO ENSURE COMPLIANCE TO LCR

- ☐ Industry (including unions and business associations) are encouraged to flag tenders and specifications where local content and production requirements have been transgressed.
- ☐ Specifications for products designated can be done in collaboration with **the dti** to ensure that specifications are set according to functionality (i.e. what the product should do) rather than brand, product type or past practices.
- ☐ Efforts are made through Master Plans to encourage private sector firms to also buy from local producers to strengthen the demand, and capabilities of suppliers to meet global standards, where appropriate.
- ☐ The Jobs Summit included actions to strengthen local procurement from the private sector, including a key role for Proudly SA to engage with firms to support the national effort.
- ☐ Working closely with Proudly SA through the tender monitoring system.
- ☐ **the dti** is working closely with the Office of the Auditor General to scale up the auditing of tenders designated for local production.
- ☐ on 1 April 2019, the amended Public Audit Act (PAA) came into effect. The amended PAA gives the AGSA the mandate to report on material irregularities detected during the audits and to take further action if accounting officers and authorities do not deal appropriately with irregularities.
- ☐ NT issued an Instruction Note (No 2 of 2019/2020) on irregular expenditure effective 17 May 2019, amongst others stating that officials must take effective and appropriate steps to prevent irregular expenditure within their areas of responsibility.

ROLE OF PROUDLY SA IN SUPPORT OF LOCALISATION

ROLE OF PROUDLY SA IN SUPPORT OF LOCALISATION

Indicators	Key Programmes
Public sector intervention in support of designations	<ul style="list-style-type: none"> • Tender monitoring system developed, targeted at all tenders issued by organs of state. The system is currently linked with 763 websites. • Public Sector Procurement Forums established at Provincial level. • An MOU concluded with SALGA and the activities include access to be given to educate Speakers, Mayors, Municipal Managers, CFOs, CPOs and other procurement officials on the local content provisions.
Private sector targeted interventions in support of the designation	<ul style="list-style-type: none"> • Database of local products and services, with recruitment of members intensified in designated sectors. • Road shows in the form of Business forums are undertaken in all nine provinces with the primary aims of educating the private sector.
Financial Support to ensure that Proudly SA logo becomes the first 'mark' of local manufacturing	<ul style="list-style-type: none"> • Funding has been made available to Proudly SA to enable it to implement its activities, including marketing activities, resuscitating the Buy Back SA campaign, and implementation of a robust compliance system which enables Proudly SA to properly certify companies that make their products locally.

Off-the-shelf purchases: promotion of bar codes of all locally manufactured and packaged consumer goods

- **Retailers are engaged** to ensure that they support local manufacturers and increase their levels of locally made products sold in their respective retail stores.
- EDCON committed to increase locally made stock to be over 50%.
- Woolworth, Mr Price and Foschini Group have localisation strategies.

ROLE OF PROUDLY SA IN SUPPORT OF LOCALISATION

- ☐ The public sector tender monitoring system.
- ☐ The system monitors tenders issued by all organs of state and advertised on online websites.
- ☐ Currently linked to over 763 websites (entity websites and NT mandatory online platforms/sites).
- ☐ Continuously search for tenders issued for designated products (sectors) using keywords.
- ☐ Assist state organs with compliance to local content provisions of the PPPFA.
- ☐ Advertised bids are forwarded to **the dti** to intervene when tenders are issued and not after tenders

are awarded or contracts are concluded.

- ☐ Value-add for Proudly SA members as they are notified of tenders related to their offerings (and in their areas of operation – locality).

LOCAL CONTENT VERIFICATION BY
SABS

POST AWARD REPORTING: BIDS REPORTED FROM MARCH 2015 TO FEBRUARY 2020

- ☐ The allocation of R22 million made by **the dti** to finance the roll out of local content verification contributed significantly in improving the level of verification.
- ☐ SABS Local Content division has been able to conduct 55 verification and visited more than 374 tier 2 and tier 3 suppliers in the process.
- ☐ Only 15 projects are still under way resulting in 70 projects in total.
- ☐ Of the R22 million allocated by **the dti**, R17,7 million has been expended and the balance of R4,3 million will be expended by the end of the current financial year.



- ❑ Out of all the tenders reported since implementation, 74% in value of tenders have been verified.
- ❑ The number of tenders verified is however very low, reported to be less than 10%.

POST AWARD REPORTING: BIDS REPORTED FROM

- ❑ The table below details the number of tenders awarded and reported to **the dti** since inception of local production and content and the number of tenders reported in the current financial year (April 2019 to February 2020).

Designated Products	Signed Standard Bidding Documents Submitted to the dti	Total Value per Sector R'000	No. of Companies Verified	Tenders for the period April 2019 to February 2020 R'000
Textiles & Clothing Products	549	2 946 365.26	21	9 013.00
Furniture Products	230	208 314.00	13	23 393.00
Electrical & Telecom Cables	96	1 984 753.00	8	77 433.00
Canned & Processed Veges	23	697 950.41	4	-
Valves & Actuators	25	299 882.60	8	3 172.00
Rail Rolling Stock	4	49 547 227.00	4	-
Set top boxes*	1	4 300 000.00	3	-
Power Pylons	11	2 253 000.00	3	-
Solar Water Heaters	14	456 922.00	12	10 669.00
Steel Products	16	423 047.33	5	72 041.33
Busses	3	806 600.00	1	-
Working Boats & Vessels	3	4 299 195.00	2	-
Transformers	42	4 490 126.16	3	10 126.16
Construction	38	3 389 382.00	-	3 211 369.00
Total	1 055	76 102 764.76	87	3 417 216.49

*** One tender but different suppliers appointed as a panel by USAASA**
Source: Dept of Trade & Industry & SABS: Local Content databases, 2018

☐ The table also reflect the number of tenders verified in each of the designated sectors.



LOCAL CONTENT VERIFICATION CONDUCTED IN THE CURRENT FINANCIAL YEAR (2019/2020)

□ Designated sectors / products were identified

□ SABS Local Content division managed to conduct verification on 55 tenders and only 15 projects are still under way resulting in 70 projects in total:

#	Designated Sector	Number of Tenders Selected
1	Rail Rolling Stock	4
2	Furniture	13
3	Frozen Vegetables	4
4	Electric Cables	8
5	Electricity Metres	2
6	Steel Power Pylons	1
7	Transformers	3
8	Steel Structures	4
9	Textiles	21
10	Valves	8

LOCAL CONTENT VERIFICATION CHALLENGES

- ☐ Manipulation of the bid price to meet local content thresholds.
- ☐ Non compliance to the local content requirements once the tender has been awarded (e.g. placing of orders).
- ☐ Inadequate funding of local content verification.
- ☐ Anti-competitive behaviour by some manufacturers (e.g. inflated prices given to non-manufacturing bidders).

PROGRESS MADE IN LOCAL
CONTENT IMPLEMENTATION

LOCALISATION PROGRAMME IN THE TRANSPORTATION SECTOR

OEM	PROGRESS
Rail	<ul style="list-style-type: none">• Manufacturing of Rail Rolling Stock systems and components (locomotives, electric multiple units, wagons, and coaches)• Manufacturing of Rail Infrastructure systems and components (signalling, perway, and over head track equipment)• Maintenance & refurbishment of Rail Infrastructure & rolling stock
Automotive	<ul style="list-style-type: none">• Manufacturing of motor vehicles• Manufacturing of motor cycles• Manufacturing of components
Marine	<ul style="list-style-type: none">• Building & repair of ships• Building & repair of working boats/vessels• Building & repair of pleasure / sporting boats
Aerospace	<ul style="list-style-type: none">• Manufacturing of components for aircraft and space craft

PROGRESS MADE IN LOCAL CONTENT IMPLEMENTATION

Steel Industry Large

Bore Pipes

- ❑ AMSA had engagements with Water SOEs, in the exercise of ensuring local steel amongst the value chain. Two successful trials were made in 2017 and 2018, with direct procurement of 28kt and 29kt Hot Rolled Coil respectively from AMSA (100% local steel), for the purpose of manufacturing of pipes. These initiatives supported Rand Water in ensuring security of steel, stability of steel prices during the procurement period and optimisation of their value chain.

Rail Rolling Stock

- ❑ Transnet Engineering (TE) for Locos and Wagons, TE consistently requests information from AMSA about product availability during design phase and prior to procurement phase; and formally request local sourcing to its downstream value chain suppliers. The initiative has supported the local industrialisation of a high strength steel grade (S460) between the two entities for Locomotives; and a dialogue is ongoing for the development of a S550MC steel grade for Wagons. TE has also specified local steel grade TH400 for its newly designed Pan African bogie, to be exported across the continent.
- ❑ Gibela Rail for the purpose of passenger fleets manufactured in Nigel. AMSA has actively supported Gibela in localising the major portion



of steel products that were previously imported for their manufacturing scheme (converted to best local solution). This initiative is productive and AMSA sees consistent local procurement from Gibela through the value chain.

PROGRESS MADE IN LOCAL CONTENT IMPLEMENTATION

Pharmaceuticals

- ❑ Biovac was awarded the lion's share of the EPI vaccines tender in 2019 which resulted in 318 direct, permanent jobs being sustained as well as the tech transfer arrangements for PCV13 and the Hexaxim vaccines.

Medical Devices

- ❑ A new local black-owned condoms manufacturer (**SA Health/Latex South Africa**) was established as a result of the industrialisation strategy linked to the national condom tender (RT74-2018).
- ❑ **Medtex** has begun the manufacture of the first locally manufactured Nitrile (Latex-free; Powder-free) examination as well as latex surgical gloves.
- ❑ **Hospifurn**, a local manufacturer of hospital beds and equipment were awarded the contract for 4000 beds as part of Presidential Initiative (that included school desks, hospital linen, nursing staff etc.). Fifteen, new previously unemployed people were employed as



part of this. 2000 beds awarded to Hospital Equipment Manufacturers who share their premises which are being manufactured by Hospifurn as well.

- ❑ More than 90% of the previous and current Surgical Sutures tender was awarded to local manufacturers which includes black-owned companies. **Clinisut**, one of the awardees was also featured in Discovery's 'How it's Made'.

PROGRESS MADE IN LOCAL CONTENT IMPLEMENTATION

Transformers

- ❑ **Wilec, Makareng Electrical Industries (Pty) Ltd** employs 410 people and has benefited from designation of Transformers in the following manner:
 - ✓ Has installed and commissioned Hurco VM60 CNC workstation to cover all insulation components for MV motors and Eskom generators up to 900 MW.
 - ✓ Replaced old equipment with new at a cost of R60m as there is policy certainty and enforcement from **the dti**.
 - ✓ Designation has saved 80 jobs in Wilec that would have been lost due to imports.
 - ✓ Employ an additional 24 graduates, 70% black females, who will be trained in Europe and Japan to operate this specialized and modern plant.



- ✓ Secured export orders into Ethiopia, Tanzania, Zimbabwe and Australia to the extent that exports rose from 10% to 35% of revenue in 18 months.
- ❑ These investments will make the local transformer industry more competitive.

- ❑ Over the MTEF period, **the dti** has made available an additional R20 million to support the SABS Local Content Verification function.
- ❑ There is a need to develop an alternative non-financial local content declaration method (e.g. legally binding self declaration in the bidding documents attested to by the Commissioner of Oaths).
- ❑ Enforcement of local content reporting (submission of signed SBD/MBD and Local Content Declaration Annexures) by the organs of state.
- ❑ Closer working relationship by **the dti**, National

Treasury, SABS, SARS, ITAC, Office of the AG, Law Enforcement Agencies, PSA, Industry Associations and Unions in monitoring local content implementation.

The Public Procurement Bill creates an opportunity to strengthen compliance on local content and the leveraging of public procurement to support transformation, economic and industrial development

PART C5:3

CONTRACT DRAWINGS

- 1. Locality Map**
- 2. Project Nameboard**
- 3. Single pit structure**
- 4. Disables toilet structure.**

