



C3.4: PARTICULAR SPECIFICATIONS

In addition to the Standardized and Project Specifications the following Particular Specifications shall apply to this contract and are bound in hereafter.

SECTION DWK

DAY WORKS

SECTION PCY

PREFERENTIAL PROCUREMENT

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**SECTION DWK: DAY WORKS**

This part of the Project Specifications deals with the provision for Day-works in the Schedule of Quantities. Rates for Dayworks shall be entered in Section DWK 6 of the Schedule of Quantities in accordance with the following specifications.

DWK. 1 SCOPE

According to clause 6.5 of the *General conditions of contract for construction works, (3rd ed.), 2015*, certain work may be carried out using rates tendered in the daywork schedule. A schedule of personnel, plant and equipment which may be necessary to perform work on a daywork basis is included in the schedule of quantities. The quantities used in the schedule are for tender evaluation purposes only and the use or not of these items shall not constitute a variation in terms of Clause 6.5 of the *General conditions of contract for construction works, (3rd ed.), 2015*.

No work will be paid for as Dayworks without the written instruction or approval of the Engineer.

DWK. 2 TYPE OF WORK

The Engineer may order daywork in certain cases where it is necessary to vary or to extend the works due to new or unforeseen circumstances to such an extent that the tendered rates for specific items of work are no longer applicable, or where no suitable combination of tendered rates can be used to pay for such work.

As a general rule, applicable rates for additional work items will be agreed between the Contractor and the Engineer. Dayworks will only be used in exceptional circumstances.

DWK. 3 MATERIALS

Materials for use in works carried out under Daywork shall be purchased by the Contractor who shall also arrange for delivery to site and shall be responsible for any other requirements associated with specific materials. A Provisional Sum has been allowed in Section DWK 6 for Daywork materials. The Contractor shall enter a tendered percentage in the schedule to cover his handling costs and profit, as per other provisional and prime cost sums in this Contract.

Materials shall be paid for using the method described in the Pricing Data. No contract price adjustment will be applicable to materials.

The Contractor shall submit proof of ownership for any materials used in Dayworks with his dayworks claim to the Engineer. Further, if specific materials are required for Dayworks, quotations will be called for as per Clause 6.5.2 of *General conditions of contract for construction works, (3rd ed.), 2015*.

DWK. 4 CONSTRUCTION PLANT HIRE

Where daywork is ordered, the tendered rates for plant hire in Section DWK 6 shall be used in calculating the payment due for any plant required to execute the daywork. If no rate is included in the schedule for a particular piece of equipment, and where no other rate or combination of rates would provide suitable compensation, then the daywork method of payment described in Clause 6.5.1.3 of the *General conditions of contract for construction works, (3rd ed.), 2015* will be used.

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The tendered rates for each item of constructional plant shall include for all operating costs associated with the said item of plant. Such costs are deemed to include fuel, re-fuelling costs, lubrication and routine servicing / maintenance, breakdowns and spares, all overhead costs, site management costs and administration costs. The tendered rates shall also include the plant operator and the general supervision of the plant while it is engaged in the dayworks.

DWK. 5 SALARIES AND WAGES OF WORKMEN

The salaries and wages of workmen executing daywork shall be paid for using the tendered rates in Section DWK 6. The tendered rates shall include for all costs associated with the employment of personnel, including salaries, wages, allowances, workmen's compensation, medical aid and pension contributions, government levies and taxes, training costs and any costs associated with living on the site. The tendered rates shall also include for the transportation of the workmen to the site of the dayworks.

All overhead costs, administration costs, site management costs and the Contractor's profit are deemed to be covered by the Dayworks rates and no additions or mark ups will be made to the tendered rates.

The tendered rates shall also include any hand tools normally associated with the workmen's job description e.g. picks, shovels, hammers, saws, spirit levels, etc. The tendered rate for labourers shall also include for the casual supervision by a gang boss or foreman. Only when specifically called for by the Engineer, will payment be made for the use of a gang boss or foreman supervising on a continuous basis.

DWK. 6 MEASUREMENT AND PAYMENT

The following principles shall also apply to the measurement and payment of Dayworks.

The unit of measurement for plant shall be the number of vibroclock hours worked and each item of plant shall be fitted with a vibroclock, the cost of which shall be included in the rates. Excessive non-productive time when the engine is idling will not be paid for. Where there is ambiguity between the flywheel horsepower and mass of the machine, the flywheel horsepower shall govern the measurement category. Where width and mass are specified, mass shall govern the measurement category.

The Contractor's attention is drawn to the requirements of Sub-clauses 6.5.3 and 6.5.4 of the General Condition of Contract 2010 edition with regard to the submission of Dayworks claims

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**SECTION PCY: STAKEHOLDER AND COMMUNITY LIAISON, AND TARGETED LABOUR AND TARGETED ENTERPRISES UTILISATION AND DEVELOPMENT****PCY 1 SCOPE**

Section PCY of the Specifications describes the structured engagement with project Stakeholders and affected Communities to the project. It also guides the selection and the enhanced utilisation and development of Targeted Labour and Targeted Enterprises.

PCY 2 DEFINITIONS AND APPLICABLE LEGISLATION

The definitions and legislation listed below informs the requirements of this Section PCY of the Specifications for Stakeholder and Community Liaison, Targeted Labour employment and Targeted Enterprise subcontracting.

PCY2.1 DEFINITIONS

Unless inconsistent with the context, in these Specifications, the following words, terms or expressions shall have the meanings hereby assigned to them:

a) Business Coaching

Business coaching establishes an atmosphere of mutual trust, respect, responsibility and accountability to motivate the emerging business owner and his team. To that end, the business coach must conduct an ethical and competent practice, based on appropriate professional experience and business knowledge.

b) Community¹

South African Citizens, as defined in terms of the South African Citizenship Act, 1995 (Act 88 of 1995), who permanently reside within the Target and Project Area(s) of the project.

c) Contract Participation

A process by which the Employer implements Government's objectives by setting targets to enhance Targeted Labour and Targeted Enterprises' utilisation and development, which the Contractor shall achieve as a minimum.

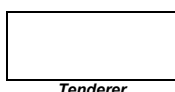
d) Contract Participation Goal (CPG)

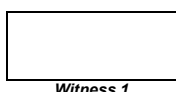
The monetary value of the targets set by the Employer in the contract participation requirements as stated in the Contract Data.

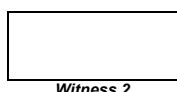
e) Contract Participation Performance (CPP)

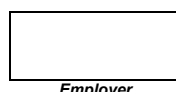
The measure of the Contractor's progress in achieving the CPG.

¹ SANS 10845, Suite for Construction Procurement, 2015.

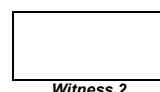

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**f) Designated Group^{2, 3}**

Unless otherwise permissible in terms of procurement regulations or the PPPFA, “Designated Group” means:

- i) black designated groups;
- ii) black people;
- iii) women;
- iv) people with disabilities; or
- v) small enterprises, as defined in Section 1 of the National Small Enterprise Act, 1996 (Act No. 102 of 1996);

g) Guidance

Guidance is anticipating where one might go wrong, or where one is doing a task in a complicated, inefficient or ineffective way, and giving help, advice and direction as to how to achieve a better result. Guidance is mostly given by a person in the direct reporting line but can be given by anyone. Guidance is not imparting skills but suggesting ways to improve performance.

h) Labour

Persons:

- i) who are employed by the Contractor or a Subcontractor in the performance of the Contract; and
- ii) who resides in the Target and Project Area(s); and
- iii) whose monthly earnings are derived from hours worked for a fixed hourly rate which is adjusted from time to time by legislation (as a statutory minimum) and the Contractor’s or Subcontractor’s employment policies;
- iv) **but who are not Targeted Labour as stated in the Contract Data.**

The personnel employed by the suppliers of goods and material are not defined as “Labour” for the purposes of this Contract.

i) Mentoring

Mentoring is a professional relationship in which an experienced business person assists another by giving advice and imparting their knowledge in developing special skills and knowledge that will enhance the less experienced business person’s professional and personal growth. The objective is to equip the emerging business owner and his team to improve their decision-making skills, being focussed and make positive progress quickly.

j) Mobilisation Period

The period from the Contract Commencement Date up to just before the commencement of the Works, which period (duration) is stated in the Contract Data.

² Derived from Preferential Procurement Regulations, 2017. Government Gazette N. 40553, 20 January 2017.

³ Derived from Preferential Procurement Regulations, 2017. Implementation Guide.

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**k) Project Area**

The area through which the road under construction traverse or which is adjacent to and/or in proximity to project operations.

Based on market research and/or resources and skills audits, Project Areas other than defined above may be identified where preference would be given to Targeted Enterprises for subcontracting opportunities.

l) Project Liaison Committee (PLC)⁴

The Committee that represents the Employer, Employer's Agent, Contractor, project Stakeholders and the Communities affected by the project.

It is important to note that:

- i) elected and/or nominated political office bearers shall not be members of the PLC.
- ii) The Employer's Agent and Contractor become members of the PLC on their appointment and participate in the Committee within the scope of their respective roles and responsibilities.

m) Project Liaison Officer (PLO)⁵

The person who acts as the liaison officer for the project. The PLO facilitates the selection of Targeted Labour to be employed by the Contractor and attends to the day-to-day project, Stakeholder, and Community matters that impact on the parties to the PLC.

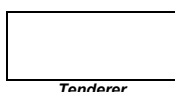
n) Stakeholders

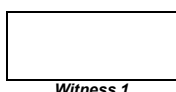
Any Stakeholder listed in the Employer's Communication Policy who is affected by the Employer's operations in the Project Area(s) and/or who has an interest or concern in the project, either as a decision maker, participant or affected party and may include, amongst others, the following entities:

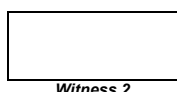
- i) Relevant Provincial departments;
- ii) Relevant Municipal departments;
- iii) Traditional authorities;
- iv) Community interest groups;
- v) Organised youth representation;
- vi) Organised women representation;
- vii) Organised disabled people representation;
- viii) Other structured community groups such as religion, education, farming, etc.
- ix) Local transport industry forums, e.g. Bus and taxi;
- x) Business sector forums;
- xi) Road user forums;
- xii) Environmental interest groups;
- xiii) Any other recognised relevant and representative structure.

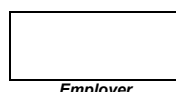
⁴ Derived from CIDB Standard for Minimum Requirements for Engaging Contractors and Sub-Contractors on construction Works Contracts, 31 October 2017.

⁵ Derived from CIDB Standard for Minimum Requirements for Engaging Contractors and Sub-Contractors on construction Works Contracts, 31 October 2017; CLO definition.

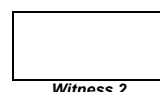

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**o) Subcontractor**

An entity appointed by the Contractor to execute a portion of the Works as defined in the Conditions of Contract.

p) Target Area

The geographic area defined in the Contract Data for Targeted Labour and which typically are:

- a. one or more Provinces;
- b. one or more Metropolitan or District Municipalities;
- c. one or more Local Municipalities;
- d. one or more Wards that are predominantly located within the Project Area;
- e. one or more of the areas listed in the definition of Designated Groups.

q) Targeted Enterprise⁶

A Targeted Enterprise is an entity to which the Contractor subcontracts a percentage of the contract value as a condition of contract and which is:

- i) **an EME or QSE which is at least 51% owned by black people; or**
- ii) **an EME or QSE which is at least 51% owned by black people who are youth; or**
- iii) **an EME or QSE which is at least 51% owned by black people who are women; or**
- iv) **an EME or QSE which is at least 51% owned by black people with disabilities; or**
- v) **an EME or QSE which is at least 51% owned by black people who are military veterans; or**
- vi) **an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships; or**
- vii) **a cooperative which is at least 51% owned by black people; or**
- viii) **more than one of the categories referred to in paragraphs i) to vii); and**
- ix) **which is tax and COID compliant; and.**
- x) **CIDB registered where applicable**

r) Targeted Enterprise Construction Manager (TE Construction Manager)

The full-time staff member or sub-service provider appointed by the Contractor to develop, implement and monitor the training, development and support of Targeted Labour and Targeted Enterprises. The TE Construction Manager also mentors, guides and coaches the Targeted Enterprises.

s) Targeted Enterprise Procurement Coordinator (TE Procurement Coordinator)

The staff member or sub-service provider appointed by the Contractor to facilitate the procurement of Targeted Enterprise subcontractors.

t) Target Group

It is a group of entities and/or persons selected from the Designated Group as defined in the Preferential Procurement Policy Framework Act Regulations, 2017, and may include both Targeted Enterprises and Targeted Labour.

⁶ Partially derived from SANS 10845-5:2015, definition 2.

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**u) Targeted Labour⁷**

Persons:

- i) who are employed by the Contractor or a Subcontractor in the performance of the Contract; and
- ii) whose monthly earnings are derived from hours worked for a fixed hourly rate which is adjusted from time to time by legislation (as a statutory minimum) and the Contractor's or Subcontractor's employment policies; and
- iii) permanently reside in the Target Area(s) or who are recognized as being residents of the Target Area(s) based on identification and association with, and recognition by, the residents of the Target Area(s); and
- iv) who are stated as being Targeted Labour in the Contract Data.

v) Training

Training refers to the process of teaching a Trainee, usually in a classroom or simulated work environment situation where principles, theory, knowledge and skills are taught, and demonstrations are given. Assignments are set to ensure that the Trainee can apply what has been taught. Training is done by a specialist in the subject, and who is qualified and accredited to train. The objective is to improve the competency of the Trainee.

PCY3 APPLICABLE LEGISLATION, REGULATIONS AND STANDARDS

The following Acts, as amended from time to time, are predominant amongst those which apply to the Construction Industry and are listed here for reference purposes only:

- a) The Constitution of South Africa;
- b) Public Finance Management Act, 1999 (Act No. 1 of 1999);
- c) Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and its regulations;
- d) Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);
- e) Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- f) The South African National Roads Agency Limited and National Roads Act, 1998 (Act No. 7 of 1998);
- g) The Skills Development Act, 1998 (Act No. 97 of 1998); and
- h) The amended Construction Sector Codes published in Notice 931 of 2017 of Government Gazette No. 41287 on 1 December 2017 by the Department of Trade and Industry.

The following Standards and Practice Notes, as amended from time to time, are applicable in terms of Targeted Labour and Targeted Enterprises and are used fully or portions thereof in this Section PCY of the Specifications:

- i. SANS 10845: 2015, Parts 5, 7 and 8; and
- ii. CIDB Standard for Contract Participation Goals for Targeted Enterprises and Labour through Construction Works Contracts, 31 October 2017.

⁷ SANS 10845-7:2015, definition 2.12

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**PCY4 TARGET GROUP PARTICIPATION**

This part of Section PCY of the Specifications describes the Employer's requirements for the establishment of Target Group databases from which participants in the project will be selected for employment and subcontracting.

It also describes the measurement of, and penalties to be applied, with respect to the CPG as defined in the Contract Data.

PCY4.1 Objectives of Target Group Participation

Amongst others, the key objectives of Government are to extend economic opportunities and build entrepreneurial capacity in rural and underdeveloped areas and townships by:

- a) optimising the utilisation of local resources in the Project Area;
- b) developing these local resources in the execution of the project; and
- c) maximising the amount of funds retained within the Project Area.

To give effect to these objectives the Contractor shall:

- i) employ Targeted Labour from the Target Area(s) as stated in the location of the works in the Contract Data; and
- ii) subcontract Targeted Enterprises as stated in the Contract Data; and
- iii) give preference to Targeted Enterprises which are from rural and underdeveloped areas and townships within the Project Area(s).

PCY4.2 Targeted Labour Database

A Targeted Labour Database shall be compiled by the PLO, under the auspices of the PLC and with the inputs of the Department of Labour, for the Target Area(s) as stated in the Contract Data under location of the works. Once the Database has been signed off by the PLC, it shall be utilised to facilitate the selection of Targeted Labour as per the resources and skills required by the Contractor during the different construction stages.

The Targeted Labour Database shall be updated as and when required and as agreed with the PLC to reflect new employment seekers in the labour market.

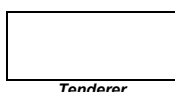
Only Labour recruited from the Targeted Labour Database will be measured for Contract Participation Performance (CPP).

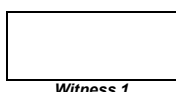
PCY 4.3 Targeted Enterprise Database

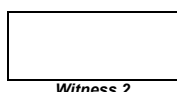
The Contractor shall, under the auspices of the PLC, compile a Targeted Enterprise Database from which Targeted Enterprises shall be subcontracted to construct portions of the work as described in this part of Section PCY of the Specifications.

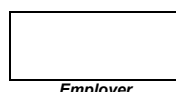
a) Market Analysis and Resources and Skills Audit

Following a market analysis and a resources and skills audit of Targeted Enterprises in the Project Area, the Contractor shall apply the CPG Target Group criteria in the Contract Data to compile a **preliminary** Targeted Enterprise Database.

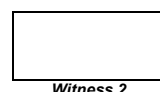

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To inform the market analysis and resources and skills audit, the Contractor shall use the National Treasury's Central Supplier Database (CSD) which can be obtained from the Employer, as well as the CIDB contractor database.

b) Call for an Expression of Interest

In addition to the CSD and the CIDB database, the Contractor shall call for an expression of interest from Targeted Enterprises in the Project Area. The call for an expression of interest shall outline the anticipated eligibility, functionality, preference and compliance criteria, as well as the anticipated Works content.

c) Preliminary Targeted Enterprise Database

Based on the information obtained from the CSD, CIDB and the call for an expression of interest, the Contractor shall compile a Preliminary Targeted Enterprise Database.

The purposes of the Preliminary Targeted Enterprise Database are:

- i. for the Contractor to determine if the required resources and skills to execute the identified Targeted Enterprise work packages are available in the Project Area(s);
- ii. for the PLC to verify that Targeted Enterprises on the Preliminary Targeted Enterprise Database are authentic in terms of the Contract Data and other Database criteria agreed with the Contractor, and
- iii. for the PLC to alert prospective Targeted Enterprises that are not on the Preliminary Database of the opportunity.

Based on the market analysis and resources and skills audit, and the information obtained from the call for an expression of interest, additional criteria for the Preliminary Targeted Enterprise Database may be agreed between the Contractor and the PLC to ensure Target Group participation as intended by the Employer.

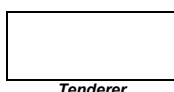
d) Final Targeted Enterprise Database

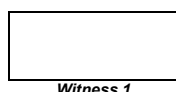
Once the Preliminary Targeted Enterprise Database has been accepted by the PLC, the Contractor shall invite Targeted Enterprises to tender for the Targeted Enterprise work packages. The Preliminary Targeted Enterprise Database shall remain a "live database" until the day of tender closure when a print-out of the CSD, based on the Database criteria, shall become the **Final** Targeted Enterprise Database for the tender and shall be signed off by the PLC.

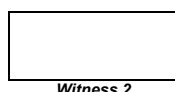
Any Targeted Enterprise may respond to the invitation to tender, but preference shall be given to those Targeted Enterprises that satisfy the tender criteria.

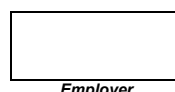
The Targeted Enterprise Database shall be updated at every instance that a new subcontract tender or group of similar subcontract tenders are to be let for Targeted Enterprise work packages.

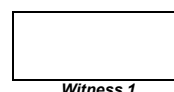
Targeted Enterprises within the Project Area shall be encouraged and assisted to register on the CSD and to become compliant with all other statutory requirements.

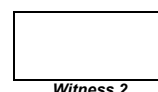

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Employer


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**PCY4.4 Contract Participation Goal (CPG)**

The CPG is the monetary value of the participation targets set by the Employer and will be calculated as follows:

$$\text{CPG} = \text{Final Contract Value} \times (\% \text{ Targeted Labour} + \% \text{ Targeted Enterprise})$$

The CPG for Targeted Labour is: Minimum of 6% of the Final Contract Value by the end of the contract to Targeted Labour.

The CPG for Targeted Enterprise : the successful tenderer shall subcontract portions of the works as identified and reinforced by the employer's agent

The Final Contract Value includes the total value of the Contractor's final certified work measured at the date of issue of the Taking-Over Certificate. The Final Contract Value includes the value of scheduled work and extra work, but excludes Contract Price Adjustment and adjustments for reduced payments, Rise and Fall, Retention Money, Penalties and VAT.

Targeted Labour minimum contributions by the following Target Groups:

a. Black designated groups; (i) Black people who are youth	30% of targeted labour value
(ii) Black people who are persons with disabilities	0.5% of targeted labour value
b. Black women;	30% of targeted labour value

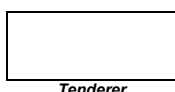
The value of the Provisional Sum scheduled under item PCY13.4 will not necessarily make up the full value of the work required to meet the minimum target set by the Employer for Targeted Enterprises. It is the Contractor's responsibility to assess the work required to meet the targets and, if necessary, to engage additional Targeted Enterprises to execute work on the Contract as well as to ensure that the minimum targets are achieved.

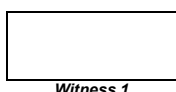
PCY 4.5 Contract Participation Performance (CPP)

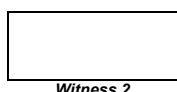
The CPP is the monetary value of the Contractor's actual progress towards achievement of the CPG calculated as follows:

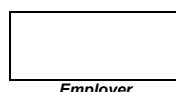
$$\text{CPP} = \text{total value (excluding VAT) of Targeted Labour contribution} + \text{total value of Targeted Enterprises contribution (excluding VAT)}.$$

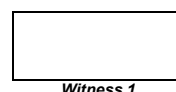
The Contractor's CPP shall be monitored monthly to determine the extent to which it is striving to achieve the CPG. The basis of monitoring shall be the levels of the individual contributions for Targeted Labour and Targeted Enterprises. Monthly returns, in the format required by the Employer, shall be submitted by the Contractor with each interim Payment Certificate.

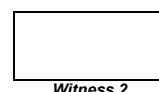

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To assist in the measurement of the CPP the Contractor shall include in its contract programme details of how the CPG will be achieved. The detail shall be provided not later than 1 (one) month after the Employer's Agent has accepted the original construction programme and updated with every subsequent revision.

a) CPP Penalties

Failure to reach either the CPG or any individual Target Group targets shall render the Contractor liable for a penalty as prescribed in clause 5.13 of the unless there are compelling reasons why the target or sub-targets could not be achieved. Penalties for Targeted Labour and for Targeted Enterprises shall be calculated as follows:

$$\text{Penalty Targeted Labour} = 0.15 \times ((\text{TL} - \text{TG}) + \text{Sum} (\text{TL}_n - \text{TG}_n) - 1.2 \times \text{L dp})$$

Where:

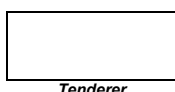
- n = Each lowest order subgroup of Targeted Labour stipulated in the Contract Data.
 TL = Monetary value of the Targeted Labour calculated at the percentage stipulated in the Contract Data applied to the Final Contract Value (as defined in PCY 4.4).
 TG = Cumulative monetary value of Targeted Labour employed on the contract by the Contractor and all Subcontractors.
 L dp = Cumulative monetary value of black Disabled Persons employed on the Contract by the Contractor and all Subcontractors.
 $(\text{TL}_n - \text{TG}_n)$ = The monetary values calculated unless if any calculated value is negative, then it shall be a zero value.

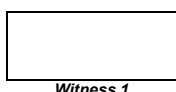
$$\text{Penalty Targeted Enterprises} = 0.15 \times ((\text{TE} - \text{TGE}) + \text{Sum} (\text{TE}_n - \text{TGE}_n) - 1.2 \times \text{TE mv} - 1.2 \times \text{TE dp})$$

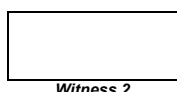
Where:

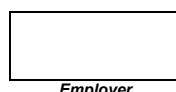
- n = Each lowest order subgroup of Targeted Enterprise stipulated in the Contract Data.
 TE = Monetary value (excluding VAT) of Targeted Enterprises calculated at the percentage stipulated in the Contract Data applied to the Final Contract Value (as defined in PCY4.4)
 TGE = Cumulative monetary value (excluding VAT) by Targeted Enterprises subcontracted to the contract by the Contractor and 50% of the cumulative monetary value (excluding VAT) by Targeted Enterprise suppliers of goods and/or services.
 TE mv = Cumulative monetary value (excluding VAT) by Targeted Enterprises being majority owned by black Military Veterans, subcontracted to the Contract by the Contractor.
 TE dp = Cumulative monetary value (excluding VAT) by Targeted Enterprises being majority owned by black Disabled Persons, subcontracted to the Contract by the Contractor.
 $(\text{TE}_n - \text{TGE}_n)$ = The monetary values calculated unless if any calculated value is negative, then it shall be a zero value.

The total Penalty value shall be the sum of the Targeted Labour and Targeted Enterprises Penalty values unless the total Penalty value is negative then it shall be a zero value.

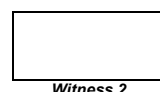

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Interim penalty valuations should be calculated to interim Payment Certificate values (excluding VAT) to establish the anticipated outcome, and to plan corrective actions, but must not be applied to the interim certificate value.

Any Penalty payable shall be calculated on, and applied to, the Final Contract Value.

PCY 4.6 Accredited Registration

The CPP for Targeted Enterprises shall only be accepted if the respective Targeted Enterprises comply fully with the definition of a Targeted Enterprise, and documentary evidence to support the claim lodged with the Employer's Agent before the work, goods or service may be considered as having been performed by a Targeted Enterprise. The responsibility for producing evidence of the respective documentation shall rest with the Contractor.

The Contractor shall assume responsibility for the compilation and maintenance of comprehensive records detailing each Targeted Enterprise's progress.

PCY 4.7 Contractor's Responsibility

In terms of the Conditions of Contract, all Targeted Labour recruitment and employment and Targeted Enterprises' subcontracting, as well as its associated risks, shall remain the sole responsibility of the Contractor.

The Employer's CPG requirements, and the compulsory utilisation of project specific Targeted Labour and Targeted Enterprises databases, shall not relieve the Contractor of its obligations under the Contract and shall not attract any liability to the Employer.

PCY 5 STAKEHOLDER AND COMMUNITY LIAISON AND SOCIAL FACILITATION

This part of Section PCY of the Specifications describes the Employer's requirements with respect to Stakeholder and Community liaison and social facilitation. It also describes the roles and responsibilities of the Project Liaison Committee (PLC) and the Project Liaison Officer (PLO).

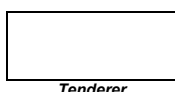
PCY 5.1 Purpose of Stakeholder and Community Liaison

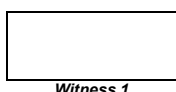
To give effect to the need for transparency and inclusion in the process of delivering services, the Contractor shall liaise with the project Stakeholders and affected Communities for the duration of the Contract's life cycle. This shall be achieved through structured engagement with the PLC which was established by the Employer for this purpose.

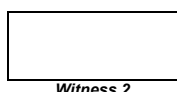
PCY 5.2 Contractor's Responsibilities in Stakeholder and Community Liaison

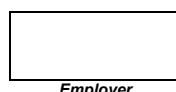
The Contractor shall have the following general responsibilities in the Stakeholder and Community liaison process:

- Stakeholder and Community engagement shall be executed based on the Employer's social facilitation principles and processes described in this Section PCY of the Specifications.
- The Contractor shall make use of the PLC as the official communication channel and utilise it to facilitate harmonious relationships with project Stakeholders and affected Communities.
- PLC members, to which the Contractor is a party, shall be held accountable to disseminate project information discussed at the PLC meetings to the entities they represent.

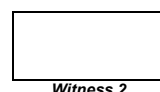

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- d) As a party to the PLC, the Contractor shall delegate from among his site personnel a responsible person to participate in the PLC and its business.
- e) The Contractor shall provide the PLC with any assistance and information that it requires to execute its duties, which amongst others, include training, providing a meeting venue on site, provide Target Group reports, etc.

It is important to note that in terms of the Conditions of Contract, all Targeted Labour recruitment and employment, and Targeted Enterprises' selection and sub-contracting, as well as its associated risks, shall remain the sole responsibility of the Contractor. The Employer's assistance in establishing a PLC and providing a PLO to the Contractor, shall not relieve the Contractor of its obligations under the Contract and shall not attract any liability to the Employer.

PCY 5.3 Project Liaison Committee (PLC)

The PLC is the official communication channel through which the Employer, Employer's Agent, Contractor and project Stakeholders and affected Communities communicates on project matters. This platform is also used to communicate the impact that the project has or may have on project Stakeholders and the affected Communities. This part of Section PCY of the Specifications describes the general processes pertaining to the PLC, as well as its role and responsibilities.

a) Establishment of the PLC

A PLC has either been established prior to commencement of the Contract or shall be established as soon as possible by the Employer. The PLC consists of the Employer, Employer's Agent, Contractor and representatives of project Stakeholders and affected Communities.

PLC meetings shall be chaired by the Employer which will typically be the Employer's Project Manager or a staff member with decision-making delegation. The Employer's Agent's staff shall provide a secretarial service to take minutes of PLC meetings.

Secretarial support other than taking minutes at PLC meetings shall be provided by the PLO.

b) Duties of the PLC

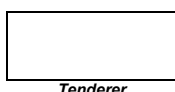
The Project Liaison Committee Guidelines requires of the PLC to execute specific duties during the design and construction phases of the project. Some of these duties overlap stages and hence, for completeness, a description of the PLC's duties in both project stages is provided here.

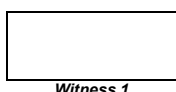
The PLC shall execute the following duties:

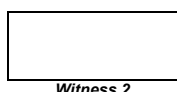
i) Project Design Stage

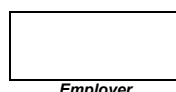
- a. Meet as often as required to discuss and resolve the project's design stage matters which are of interest or concern to the parties to the PLC.
- b. Peruse Project Liaison Committee Guidelines and agree on the duties of, and procedures to be followed by, the PLC to fulfil its duties.

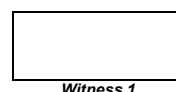
Note: The principles of the Guidelines shall not be amended, but duties and procedures may be altered to be project specific and to improve the functionality of the PLC.

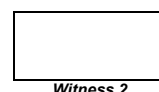

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- c. Act in accordance to the agreed terms of reference for the PLC.
- d. Inform the Employer of any training that project Stakeholder and affected Community representatives of the PLC require to execute their duties.
- e. Assist the Employer's Agent to source suitable candidates, based on the Employer's qualifying criteria, for the position of PLO.
- f. Observe and verify that the qualifying criteria and procedures applied by the Employer's Agent to select and employ the PLO were executed in a fair and transparent manner and were within the prescripts of the relevant labour legislation and regulations.
- g. Assist the Employer's Agent to identify the project's Target and Project Area(s), from which Targeted Labour and Targeted Enterprises could be employed and subcontracted respectively and sign off the identified Target and Project Area(s).
- h. Assist the Employer's Agent to identify the project's Target Groups for inclusion in the Tender Documents and sign off the identified Target Groups.

ii) Project Construction Stage

- a. Meet formally prior to the Employer's monthly site meeting, or as may be required, to discuss and resolve project matters, which are of interest or concern to the parties to the PLC.
- b. Assist the Contractor to establish the selection criteria and process to employ Targeted Labour and sign off the agreed criteria and process.
- c. Assist the Contractor to identify the eligibility, functionality, preference and compliance criteria to select and subcontract Targeted Enterprises and sign off the identified criteria.
- d. Sign off the Databases compiled by the PLO and the Contractor from which Targeted Labour will be selected and employed and Targeted Enterprises will be subcontracted respectively.
- e. Verify that the criteria and methodologies applied by the Contractor to select and employ Targeted Labour and subcontract Targeted Enterprises are executed in a fair and transparent manner and are within the Government legislation and regulations and the Employer's Policies.
- f. Verify that the conditions of employment and the conditions of subcontracting, in the employment of Targeted Labour and subcontracting of Targeted Enterprises are applied in a fair and transparent manner and according to the Employer's employment and subcontracting requirements.
- g. Make recommendations to the Contractor on the training needs, eligibility criteria and selection criteria for the provision of training to Targeted Labour, Targeted Enterprises, Designated Groups, project Stakeholders and the affected Communities.
- h. Verify that training and skills development programmes, which the Contractor committed to, are implemented and executed as approved and intended.
- i. Inform the entities whom they represent of any project matters which the respective parties to the PLC wish to communicate with each other.
- j. Inform the entities whom they represent of any project matters that are impacting or may impact, either positively or negatively, on the respective parties to the PLC.
- k. Inform the Contractor of Stakeholder and/or Community requests and/or needs which could possibly be addressed within the project's Scope of Work.
- l. Inform the Employer, Employer's Agent and Contractor of any road safety concerns within the Project Area(s) and advise them of possible mitigating measures and/or road safety programs that will be most suitable for acceptance by the affected Communities to promote road safety.

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- m. Agree on a dispute resolution mechanism to resolve any disputes that may arise between the parties to the PLC.
- n. Assist parties to the PLC to liaise with their respective entities to resolve any disputes amongst the parties which may occur due to the project.

PCY 5.4 Project Liaison Officer (PLO)

The PLO facilitates the selection and employment of Targeted Labour and coordinates communication between the members of the PLC to address the day-to-day project, Stakeholder, and Community matters that impact on the parties represented in the PLC.

a) Appointment of the PLO

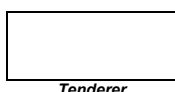
The PLO is appointed by the Employer's Agent under the auspices of the PLC and in accordance to the Employer's criteria for a PLO.

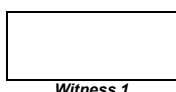
Although the PLO predominantly provides social facilitation support to the Contractor, the PLO shall report to the Employer's Agent or his delegated representative, e.g., the Resident Employer's Agent.

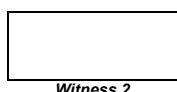
b) Duties of the PLO

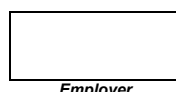
The Project Liaison Committee Guidelines requires of the PLO to execute specific duties during the design and construction phases of the project. These duties include the following:

- (i) Except for taking the minutes of PLC meetings, which is a duty of the Employer's Agent, the PLO shall provide a secretariat function to the PLC which includes, amongst others, the following:
 - a. Schedule meetings;
 - b. Compile meeting agendas;
 - c. Compile document packages for meetings;
 - d. Distribute minutes of meetings;
 - e. Assist representatives of project Stakeholders and affected Communities to formulate their communication to the PLC in writing;
 - f. Distribute written communication between the parties to the PLC;
 - g. Keep records of all PLC correspondence and documentation; and
 - h. Provide any other reasonable secretariat function required by the PLC.
- (ii) Attend all PLC meetings to report on the day-to-day project, Stakeholder and Community matters that impact on the parties to the PLC.
- (iii) Attend all monthly project site meetings to report on the day-to-day project, Stakeholder and Community matters that impact on the parties to the PLC.
- (iv) Attend any other meetings related to the project and in which any of the project Stakeholders, affected Communities, Targeted Labour and Targeted Enterprises are involved.
- (v) Maintain a full-time presence on site to monitor and address the day-to-day project, Stakeholder and Community matters that impact on the parties to the PLC.
- (vi) Maintain a full-time presence on site to assist the parties to the PLC in the day-to-day liaison with each other.
- (vii) Assist the Employer's Agent and the Contractor to disseminate information to PLC members such as:

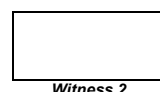

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- a. the basic Scope of the Works and how it will affect the Community;
 - b. the project programme and regular progress updates;
 - c. the anticipated employment and subcontracting opportunities;
 - d. the project programme as it pertains to the employment of Targeted Labour and subcontracting of Targeted Enterprises;
 - e. Occupational Health and Safety precautions; and
 - f. any other information relevant to project Stakeholders and the affected Communities.
- (viii) Be well acquainted with the contractual requirements as it pertains to Targeted Labour employment and training.
- (ix) Assist the PLC to establish and agree the criteria to be followed when selecting and employing Targeted Labour.
- (x) Assist the Employer's Agent and the Contractor in their resources and skills audits by providing a coordinating function between the Employer's Agent, the Contractor, project Stakeholders, and the affected Communities.
- (xi) Ensure that Targeted Labour databases are compiled based on the agreed eligibility and selection criteria and that it is updated as and when required.
- (xii) Coordinate the selection and employment of Targeted Labour based on the agreed eligibility and selection criteria and based on the Contractor's labour and skills requirements.
- (xiii) Ensure that each Targeted Labourer enters into an employment contract which adheres to current and relevant Labour legislation.
- (xiv) Ensure that each Targeted Labourer understands the conditions of his/her employment contract with an emphasis on the employment start date, end date and wages payable.
- (xv) Identify and inform the Contractor of any relevant training required by the Targeted Labour.
- (xvi) Attend all disciplinary proceedings to ensure that hearings are fair and conducted in accordance to the current and relevant Labour legislation.
- (xvii) Be proactive in identifying project Stakeholder and affected Communities' (including Targeted Labour and/or Targeted Enterprise Subcontractor), requirements, disputes, unrest, strikes, etc. and bring it to the attention of the PLC.
- (xviii) Assist the parties to the PLC to resolve any disputes, which may occur due to the project.
- (xix) Other than the document records to be kept as mentioned above, keep record of all other documents and processes pertaining to the employment of Targeted Labour.
- (xx) Produce and submit a monthly report to the PLC on PLC and other meetings attended by the PLO, as well as on Targeted Labour employment, and project Stakeholder, affected Community and any other project matters that impact on the parties to the PLC.

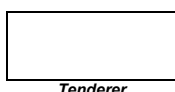
PCY 6 MOBILISATION PERIOD

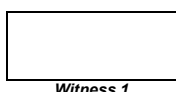
The Mobilisation Period starts at the Contract Commencement Date and ends just prior to the Commencement of the Works. Its duration is defined in the Contract Data.

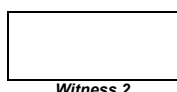
PCY 6.1 Purpose of the Mobilisation Period

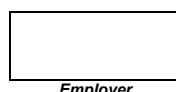
The Mobilisation Period is introduced as an aid to the Contractor to:

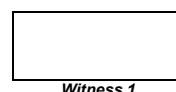
- a) become acquainted with the Stakeholder and Community liaison requirements of the Contract as prescribed in this Section PCY;
- b) allow for the Contractor's planning to obtain the CPG as required in the Contract Data;

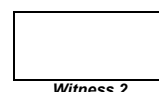

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- c) follow the processes prescribed in this Section PCY to employ the initially required Targeted Labour and enter into the first subcontracts with Targeted Enterprises; and
- d) provide the training required by Targeted Labour and Targeted Enterprises to commence with the construction of the Works.

PCY 6.2 Duties of the Contractor

During the Mobilisation Period, the Contractor shall execute the following duties:

a) Compile a CPG Plan

The Contractor shall compile an acceptable CPG Plan, which sets out how he intends to achieve the various CPG targets as stated in the Contract Data, complete with dates, work packages and values of work.

The accepted CPG Plan and any amendments thereof shall be made available to the PLC for their monitoring purposes.

The Employer and the Employer's Agent shall monitor progress and adherence to the CPG Plan in the same manner as they would monitor the Works Programme.

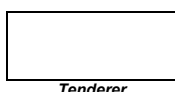
The Mobilisation Period shall only be concluded once the CPG Plan has been accepted by, and all the duties above have been executed to the satisfaction of, the Employer and the Employer's Agent.

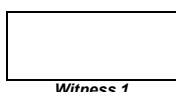
An extension of the Mobilisation Period will not form grounds for an extension of the Contract duration and hence, any costs incurred by the Contractor for an extension of the Mobilisation Period shall be for the Contractor's cost. Should an extension of the Mobilisation Period result in a delay of the Contract, the Employer's delay penalties shall apply.

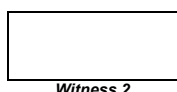
b) Subcontracting of Targeted Enterprises

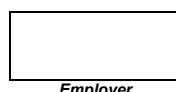
During the Mobilisation Period the Contractor shall execute the following duties with regard to the subcontracting of Targeted Enterprises:

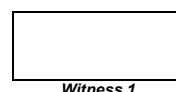
- i) Liaise with the Employer, Employer's Agent and PLC to structure and finalise the work packages to be subcontracted to Targeted Enterprises.
- ii) Liaise with the Employer, Employer's Agent and PLC to determine the Targeted Enterprise Database criteria for the subcontracting of Targeted Enterprises.
- iii) Compile the Targeted Enterprise Database(s) for sign off by the PLC.
- iv) Undertake a skills audit of the Targeted Enterprises which appear on the Targeted Enterprise Database(s).
- v) Based on the skills audit, and in consultation with the PLC, identify the pre-tender training requirements of Targeted Enterprises.
- vi) Provide an opportunity to Targeted Enterprises to receive the identified pre-tender training.
- vii) Tender the initial work packages and subcontract the first group of Targeted Enterprises for commencement of the Works.

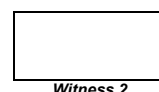

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**c) Employment of Targeted Labour**

During the Mobilisation Period the Contractor shall execute the following duties with regard to the employment of Targeted Labour:

- i) Liaise with the PLC and the PLO on the compiled Targeted Labour Database(s) for the employment of Targeted Labour.
- ii) Undertake a skills audit of the Targeted Labour which appear on the Targeted Labour Database(s).
- iii) Based on the skills audit, and in consultation with the PLC, identify the training requirements of Targeted Labour to enhance their employability.
- iv) Provide an opportunity to eligible Targeted Labour to receive the identified training to enhance their employability.
- v) Select and appoint the first group of Targeted Labour for commencement of the Works.

d) Training Requirements

The Contractor will not be able to address all the training requirements identified for Targeted Labour and Targeted Enterprises during the Mobilisation Period and it is accepted that training will take place over the duration of the Contract.

The training provided to both Targeted Enterprises and Targeted Labour during the Mobilisation Period shall focus on the activities and/or skills required for the commencement of the Works and shall include the mandatory Occupational Health and Safety training.

PCY 7 THE ROLE OF THE EMPLOYER'S AGENT

The role and responsibilities of the Employer's Agent are clearly described in the Conditions of Contract. This section elaborates on the Employer's Agent's duties with respect to Stakeholder and Community liaison, Targeted Labour Employment and Targeted Enterprise subcontracting.

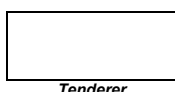
Together with the Employer and the Contractor, the Employer's Agent is also a party to the PLC and hence, is co-responsible for successful project Stakeholder and Community liaison.

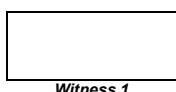
In addition, the Employer's Agent shall play a supporting role to the Contractor in the successful implementation of the Employer's Targeted Labour and Targeted Enterprise utilisation and development goals.

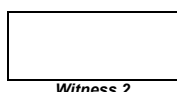
PCY 7.1 Duties During the Design Phase

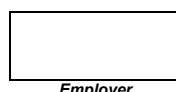
During the design phase, the Employer's Agent undertook a preliminary skills and resources audit of the Targeted Enterprises in the Project Area. The purpose of the audit was to:

- a) obtain an understanding of the Community's skills, both academically and occupationally;
- b) obtain an understanding of the resources within the Community, i.e. Targeted Enterprise availability and capabilities;
- c) establish the CPG targets for Targeted Enterprises and Targeted Labour for inclusion of the Contract Data; and
- d) identify tender and other relevant training to be offered to Targeted Enterprises and Targeted Labour to prepare them for tendering and to enhance their employability.

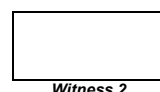

Tenderer


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Employer


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Witness 2

**PCY 7.2 Duties During the Construction Phase**

To implement the Employer's Targeted Labour and Targeted Enterprise goals, the Employer's Agent shall provide support to the Contractor by executing the following duties:

a) Targeted Enterprise Subcontracting

- i) Make recommendations to the Contractor in identifying and structuring the work packages to be subcontracted to Targeted Enterprises and approve the scope and extent of the work packages.
- ii) Verify that the Targeted Enterprise Database(s) has been updated prior to the letting of every new set of subcontracts.
- iii) Approve tender procedures, tender documents, tender submission requirements and adjudication processes for the subcontracting of Targeted Enterprises.
- iv) Review all tender adjudication reports and monitor that the criteria and procedures applied by the Contractor to subcontract Targeted Enterprises are executed in a fair and transparent manner and are within the Employer's and Government's Supply Chain Management Policies.
- v) Verify that subcontract agreements and the conditions of subcontracting with Targeted Enterprises are fair and transparent and within the prescripts of the Contract requirements.
- vi) Monitor the management of Targeted Enterprise subcontracts and ensure that conditions such as the application of penalties, the termination of contracts, etc. are applied in a fair and transparent manner and within the prescripts of the agreement.

b) Targeted Labour Employment

- i) Verify that the Labour Database(s) from which Targeted Labour will be employed is updated prior to every new Labour intake.
- ii) Monitor that the criteria and procedures applied by the Contractor to employ Targeted Labour are executed in a fair and transparent manner and is within the Contract requirements.
- iii) Monitor that the conditions of employment of Targeted Labour are applied in a fair and transparent manner and within the prescripts of the current and relevant Labour legislation.

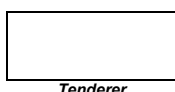
c) Target Group Training Requirements

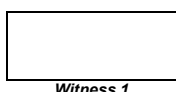
- i) Make recommendations to the Contractor in identifying the training requirements of Targeted Labour and Targeted Enterprises and approve the proposed training programmes.
- ii) Monitor that training programmes and support programmes, which the Contractor committed to, are implemented and executed as intended.

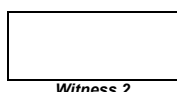
PCY 8 TENDER PROCESS FOR TARGETED ENTERPRISES

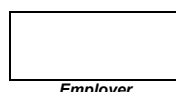
The Contractor will be required to utilise CIDB graded subcontractors selected in consultation with the Employer.

While the Contractor may utilise service providers and suppliers of its choice and selected via its own internal processes, for the subcontracting of Targeted Enterprises based on the Employer's Contract Participation Goals, the Contractor shall follow the prescripts of this Section PCY.

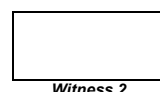

Tenderer


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Employer


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**PCY 8.1 Targeted Enterprise (TE) Procurement Coordinator**

The Contractor shall appoint a TE Procurement Coordinator to facilitate the subcontracting of work to Targeted Enterprises as defined in the Contract Data. For Contracts with a value of less than R100 million the Contractor may appoint a TE Procurement Coordinator from its site staff. For Contracts with a value of more than R100 million the Contractor shall employ or subcontract a dedicated TE Procurement Coordinator, whose sole responsibility will be the management of Targeted Enterprise procurement and sub-contracting matters.

The TE Procurement Coordinator shall be knowledgeable of, and have experience in, the management of road construction and ancillary works, National Treasury supply chain management legislation and regulations, and stakeholder relations management.

Under the auspices of the PLC, the TE Procurement Coordinator shall conduct the tender processes and procedures for Targeted Enterprise subcontracting as prescribed in this Section PCY and shall adhere to the Employer's and Government's Supply Chain Management Policies and requirements as set out in the Contract Data.

PCY 8.2 Procedures for Targeted Enterprises Subcontracting in consultation with the Employer

The identification and application of the eligibility and functionality criteria, and conducting the tender processes and procedures for subcontracting include, amongst others, the following tasks all of shall be undertaken in consultation with the Employer:

a) Tender Preparation

- i) Compile preliminary list of subcontracting work packages.

Based on the Contract Data and the Scope of the Works, the Contractor shall compile a preliminary list of the work packages (scope of work and number of packages) that are anticipated to be subcontracted to Targeted Enterprises.

The Contractor shall refer to the construction activities that have been identified as being suitable for construction by Targeted Enterprises as listed in Section PCY8.4 of these Project Specifications, and to any other construction activities which are required to execute the Works in terms of this Contract, to determine how to unbundle or package subcontracts for Targeted Enterprises.

- ii) Conduct a market analysis and resources and skills audit

Based on the preliminary list of work packages, the Contractor shall conduct a market analysis and resources and skills audits to determine the availability of the required resources and skills in the Project Area to execute the anticipated subcontractor work packages. The Contractor shall consult the following databases as a minimum:

- Construction Industry Development Board (CIDB)'s contractor database.
- National Treasury's Central Supplier Database (CSD) to be obtained from the Employer.

Tenderer

Witness 1

Witness 2

Employer

Witness 1

Witness 2



iii) Call for an expression of interest

In addition to consulting the CIDB contractor database and National Treasury's CSD, the Contractor shall call for an expression of interest, which shall be published in newspapers and at locations as agreed by the PLC.

For each group of work packages, the call for an expression of interest shall outline:

- a. evaluation and selection criteria such as eligibility, preference and functionality.
- b. compliance requirements such as CSD and CIDB registration, tax clearance and COID.
- c. the anticipated scope of the works to be undertaken.

iv) Establish a Targeted Enterprise Helpdesk

Other than informing the Contractor's market analysis and resources and skills audits, the purpose of the call for an expression of interest is to alert Targeted Enterprises of the subcontracting opportunities and inform them of the anticipated eligibility, preference and functionality criteria, as well as of the compliance requirements.

The Contractor shall enhance the readiness of Targeted Enterprises to participate in the subcontracting opportunities by establishing a helpdesk at a suitable and easily accessible location in the Project Area.

The Contractor shall provide guidance to Targeted Enterprises in getting their statutory requirements in order in anticipation of the subcontracting opportunities. The helpdesk shall assist with, or provide guidance in, registering with the CSD and the CIDB, obtaining tax clearance and COID compliance and any other relevant qualifying requirements.

v) Compile Preliminary Targeted Enterprise Database

Based on the CPG targets listed in the Contract Data and the information obtained from the activities described in paragraphs ii) and iii) above, the Contractor shall compile a Preliminary Targeted Enterprise Database.

In compiling the preliminary Targeted Enterprise Database, the Contractor must bear in mind that the benchmark for an adequate number of tenderers to ensure a competitive tender process is ten (10) tenderers that are able to achieve the functionality threshold during the tender evaluation.

vi) Identify Targeted Enterprises, Target Groups and Project Area(s)

Based on the CPG targets listed in the Contract Data and the Preliminary Targeted Enterprise Database, the Contractor shall identify the:

- a. Targeted Enterprises (CIDB grades and types); and
- b. Designated Groups (woman, youth, etc.) which are anticipated to benefit from the subcontracting opportunities; and
- c. Project Area(s) from which Targeted Enterprises will be given preference for subcontracting opportunities.

Tenderer

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Employer

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vii) Compile a Contract Participation Goal (CPG) Plan

The Contractor shall utilise all the information gathered from the activities described in the paragraphs above to compile an acceptable CPG Plan. The plan shall contain:

- a. a list of work packages (scope of work and number of packages) to be subcontracted to Targeted Enterprises;
- b. the preliminary Targeted Enterprise Database(s) for each work package;
- c. the Targeted Enterprises (CIDB grades and types) and Designated Groups (woman, youth, etc.) which are to benefit from the subcontracting opportunities;
- d. the Project Area(s) from which Targeted Enterprises will be given preference for subcontracting opportunities; and
- e. the tender evaluation and selection criteria for the respective work packages.

viii) Approval and sign-off of the CPG Plan

The Contractor shall submit the CPG Plan to the Employer and the Employer's Agent for approval and table it to the PLC for sign-off.

The Contractor shall ensure that the tender requirements and the outcome of different tendering scenarios are explained to the PLC, specifically with respect to the outcomes of evaluating:

- a. Eligibility criteria;
- b. Functionality structuring and scenarios;
- c. Price and Preference;
- d. Compliance requirements; and
- e. Negotiation processes (if applicable).

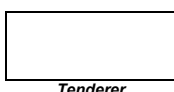
If required, the Contractor shall make amendments to the CPG Plan based on the PLC's recommendations and the Employer's Agent's instructions.

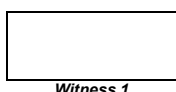
ix) Compile tender documents

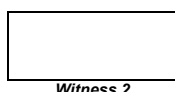
The Contractor shall compile the tender documents for each Targeted Enterprise subcontract work package. If the Employer has a proforma tender document available, the Contractor shall use this document.

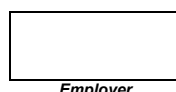
In compiling the subcontract tender documents, the Contractor shall include in each tender document relevant Conditions of Tender and the *General conditions of subcontract for construction works, first edition (2018)*. The Contractor shall compile each subcontract tender document in a manner that facilitates the achievement of all objectives and principles pertaining to the development of the Targeted Enterprises.

The draft subcontract tender documents shall be approved by the Employer's Agent before letting the tender.

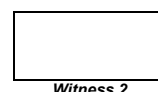

Tenderer


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Employer


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Witness 2

**b) Tender Process****i) Advertise the subcontract packages**

The Contractor shall advertise and invite tenders from Targeted Enterprises for the respective subcontract packages. Advertisements shall be placed in local newspapers, on community notice boards and any other place or medium as agreed with the PLC.

If the Employer has a proforma Tender Notice available, the Contractor shall use this document.

ii) Conduct a tender briefing and tender training session

For each group of subcontract packages, the Contractor shall conduct a compulsory briefing session to explain the tender process, the evaluation and selection criteria and the scope of the works to the Targeted Enterprises.

An Attendance Register shall be completed by all attendees and Minutes shall be taken during the briefing session. The Minutes of the briefing session shall be distributed to all attendees as an Addendum to the Tender Documents.

The Contractor shall conduct a “how to complete a tender document” training session as a component of the tender briefing to interested Targeted Enterprises. The level of detail and hence the duration of the training session shall be informed by the findings of the resources and skills audit conducted during the Tender Preparation Phase.

Notes of this training session shall be distributed to all attendees of the briefing session as an Addendum to the Tender Documents, irrespective if they have attended the training session or not.

A separate Attendance Register shall be completed for the training session for future reference.

iii) Minimum tender submission documents

It shall be a condition of tender that Targeted Enterprises include in their tender submissions the following documentation (if applicable, based on the CIDB grade required):

- a. Proof of the Tenderer's B-BBEE contributor level.
- b. Proof that the Tenderer is an EME or QSE entity.
- c. Proof that the Tenderer is registered on National Treasury's CSD.
- d. Proof that the Tenderer is registered with the CIDB in the required grading and class (not applicable to suppliers).
- e. Proof that the Tenderer is compliant with the COID Act.
- f. Proof that the Tenderer is tax compliant.

iv) Tender closure and opening of tenders

Tenders for the subcontract packages shall close at a stipulated time and date. Tenders shall be submitted to the Contractor in the format and at the address prescribed by the Contractor in the subcontract Tender Data.

Tenderer

Witness 1

Witness 2

Employer

Witness 1

Witness 2



The tender opening shall be conducted by the Contractor who shall publicly announce and record the names of all bidders and their tender prices.

v) Finalise Targeted Enterprise Database

The purposes of the preliminary Targeted Enterprise Database are described in paragraph (v) of the Tender Preparation phase above of which one is to alert Targeted Enterprises to assess their readiness to participate in the project's subcontractor opportunities.

The period between the Contractor's call for an expression of interest and the date of closure of the relevant subcontract tender allows for prospective Tenderers to become compliant to the database criteria. The preliminary database is thus a "live" database until the date of tender closure.

On the date of tender closure, the Contractor shall request the Employer to print out a list from National Treasury's CSD, of entities that adhere to the Targeted Enterprise Database criteria. This list shall become the Final Targeted Enterprise Database for relevant subcontract tender and shall be submitted to the PLC for sign-off.

c) **Tender Evaluation**

The Contractor shall evaluate the tenders and it shall be a condition of tender that tenders will only be accepted from Targeted Enterprises that fully comply with the definition of a Targeted Enterprise as described in the Contract Data.

The Contractor shall evaluate the tenders based on (1) Eligibility, (2) Functionality, (3) Price and Preference, and (4) Compliance.

i) Stage 1 – Eligibility

Tenderers shall be checked for their eligibility to tender for the advertised subcontract packages based on the following eligibility criteria:

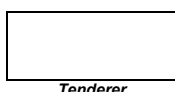
- a. Proof that the Tenderer is registered on National Treasury's CSD (the Tenderer must be on the signed off Targeted Enterprise Database).
- b. The Tenderer's B-BBEE contributor level; and
- c. The Tenderer's entity status, i.e. being a EME or QSE.

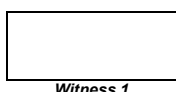
Eligible Tenderers shall be further evaluated against the functionality criteria.

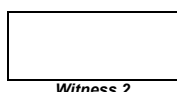
ii) Stage 2 – Functionality

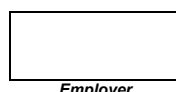
No Targeted Enterprise may be prohibited from responding to the invitation to tender; however, preference shall be given to those Targeted Enterprises that adhere to the tender criteria which, amongst others, shall be measured by means of a functionality evaluation.

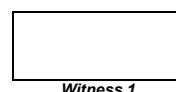
To ensure Targeted Enterprise participation as it is intended by the Employer and defined in the Contract Data, "locality", "Designated Group" and "CIDB grading and class" shall form part of the functionality criteria and a higher weighting shall be allocated to these three criteria

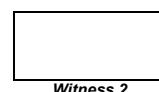

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Witness 2



**CONSTRUCTION OF WESTERN HIGHVELD BULK WATER SUPPLY SCHEME
WORK PACKAGE 1**

Functionality shall be scored based on:

- Locality (project area(s));
- CIDB grade and class (targeted entity); and
- Designated Groups e.g. woman, youth, etc.

Tenderers must score a minimum of 75% for functionality and Tenderers that do not obtain the threshold shall not be further evaluated.

The functionality matrixes below were developed as an **example** of the allocation of points for the respective functionality criteria:

Table PCY 8 (a) – Example of Maximum Points per Functionality Criteria

CIDB Grade and Package Value	Points out of 100			Total Points
	Locality	CIDB Grading	Designated Groups	
1 - R 500 000	60	30	10	100
2 - R 1 000 000	60	30	10	100
3 - R 3 000 000	60	35	5	100
4 - R 6 000 000	60	35	5	100
5 - R 10 000 000	60	35	5	100
6 - R 20 000 000	60	35	5	100
7 - R 60 000 000	60	30	10	100

The above maximum points per functionality criteria must be further broken down as in the example matrix below:

Table PCY 8 (b) – Example of Allocation of Points for Functionality Criteria

CIDB Package Category		1CE	2CE	3CE	4CE	5CE	6CE
Typical Package Value		Up to R 1 mill		R 1 mill to R 6 mill		R 6 mill to R 20 mill	
Locality	Tenderer is based in the Local Municipality(ies).	60	60	60	60	60	60
	Tenderer is based outside the Local Municipality(ies) but in the District Municipality(ies).	45	45	40	40	40	40
	Tenderer is based outside the District Municipality(ies), but in the Province.	0	0	35	35	35	35

Tenderer

Witness 1

Witness 2

Employer

Witness 1

Witness 2



CONSTRUCTION OF WESTERN HIGHVELD BULK WATER SUPPLY SCHEME
WORK PACKAGE 1

CIDB Package Category		1CE	2CE	3CE	4CE	5CE	6CE
Typical Package Value		Up to R 1 mill		R 1 mill to R 6 mill		R 6 mill to R 20 mill	
	Tenderer is based outside the Province, but in the RSA.	0	0	0	0	30	30
CIDB Grading	Tenderer is registered as a CIDB 1	30	30	0	0	0	0
	Tenderer is registered as a CIDB 2	30	30	30	0	0	0
	Tenderer is registered as a CIDB 3	0	0	35	30	0	0
	Tenderer is registered as a CIDB 4	0	0	30	35	30	0
	Tenderer is registered as a CIDB 5	0	0	0	30	35	30
	Tenderer is registered as a CIDB 6	0	0	0	0	30	35
	Tenderer is registered as a CIDB 7 and higher	0	0	0	0	0	30
Designated Groups (no max score)	Tenderer is 51%+ owned by black people who are youth.	5	5	5	5	5	5
	Tenderer is 51%+ owned by black people who are women.	5	5	5	5	5	5
	Tenderer is 51%+ owned by black people with disabilities.	5	5	5	5	5	5
	Tenderer is 51%+ owned by black people who are military veterans.	5	5	5	5	5	5
	Maximum Total Points	100	100	100	100	100	100

iii) Stage 3 – Price and Preference

Tenderers that obtained the minimum threshold for functionality shall be further evaluated on their Price and Preference submissions, i.e.:

- Price = 80 / 90 %
- Preference = 20 / 10 %

The highest scoring tenderer for each subcontract package shall be checked for compliance.

The Contractor shall state in the tender advertisement and in the tender documents that only one subcontract package shall be awarded to an entity at any one time for this project,

Tenderer

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Witness 2

Employer

Witness 1

Witness 2



meaning that a Targeted Enterprise may be awarded a work package and on conclusion thereof may be awarded a subsequent work package, but more than one work package may not be awarded simultaneously for this project.

If a tenderer tendered for more than one subcontract package and scored the highest points in more than one package, the Contractor shall award to the tenderer the work package that has the most economic benefit to the Employer.

iv) Stage 4 – Compliance Check

The highest scoring tenderer for each subcontract package shall be checked for compliance with respect to the following criteria:

- a. Proof that the Tenderer is compliant with the COID Act (excluding CIDB 1 and 2 CE).
- b. Proof that the Tenderer is tax compliant.

If the highest scoring tenderer fails to meet any of the compliance criteria, he will be given seven (7) calendar days to become compliant.

If the highest scoring tenderer fails to submit the requested compliance information in the required timeframe, he shall be deemed non-compliant and the evaluator shall check the second highest tenderer for compliance. This process is repeated until a compliant tenderer has been identified.

d) **Appoint successful Targeted Enterprises**

i) Table the Tender Report to the PLC

The Contractor shall present the Tender Report for each subcontract package to the Employer and the Employer's Agent and thereafter table it to the PLC prior to award of the subcontract.

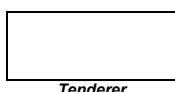
ii) Negotiating tender sum and/or rates with Targeted Enterprises

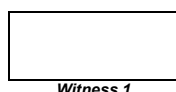
a. Rates

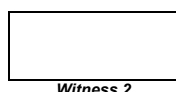
If the Contractor chooses to include work for which he has tendered rates in the subcontract package and the tenderer who scored the highest points tendered higher rates than that of the Contractor, the Contractor may negotiate rates and the final sum with the tenderer.

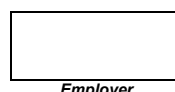
If the Contractor fails to negotiate a reasonable tender sum or rates with the tenderer, he may:

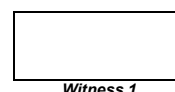
- i. approach the second highest points scoring, compliant tenderer for negotiation. This process may be repeated up to the third highest points scoring compliant tenderer, whereafter the package shall be retendered. The Contractor shall be limited to negotiate down to 25% above his own rates (this process must be clearly explained prior to negotiation, when the tender report is tabled to the PLC); or
- ii. accept the highest points scoring tenderer's higher rates and total sum and remunerate the sub-contractor at the sub-contractor's tendered rates from the

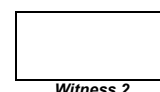

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Employer


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Witness 2



lump sum which the Contractor has tendered for the fluctuation between the Contractor's rates and that of the Targeted Enterprise sub-contractors.

b. Provisional Sum

If the Employer has provided a provisional sum for the work items in the subcontract package, the Contractor shall report on the feasibility of the highest points scoring compliant tenderer's tender rates and tender sum to the Employer and the Employer's Agent.

- i. If the highest points scoring compliant tenderer's rates and tender sum are deemed market related by the Employer's Agent, the Contractor shall obtain the Employer's approval to utilise the provisional sum provided for the work items.
- ii. If the highest points scoring compliant tenderer's rates and tender sum are deemed not market related and the Employer does not approve the utilisation of the relevant provisional sum, the Contractor may negotiate with the tenderer for market related rates and tender sum.
- iii. If the Contractor fails to negotiate market related rates and a tender sum with the tenderer, he may:
 - (a) approach the next highest point scoring, compliant tenderer for negotiation. This process may be repeated up to the third highest points scoring compliant tenderer, whereafter the package shall be retendered; or
 - (b) accept the highest points scoring tenderer's rates and total sum and remunerate the sub-contractor from the lump sum which the Contractor has tendered for the fluctuation between the Contractor's rates and that of the Targeted Enterprise sub-contractors. The Contractor shall not pay rates or tender sums that are more than 15% higher than what are deemed market related by the Employer's Agent.

iii) Low tender sums submitted by Targeted Enterprises

The Contractor shall report to the Employer and the Employer's Agent on the feasibility of tendered rates, sums or provisional sums of tenderers who tendered exceptionally low. Exceptionally low rates, sums or provisional sums are those that are more than ten percent (10%) less than what the Contractor tendered or, in the case of a provisional sum, what is deemed market related by the Employer's Agent.

- a. If the tendered rates, sums or provisional sums of those tenderers who tendered exceptionally low are deemed by the Employer's Agent to still be feasible, the Contractor may continue to include these tenders in his tender evaluation.
- b. If the tendered rates, sums or provisional sums of those tenderers who tendered exceptionally low are deemed by the Employer's Agent to not be feasible, the Contractor may disqualify these tenders from his tender evaluation.

The Employer strongly discourages the appointment of Targeted Enterprises that did not tender feasible rates, sums or provisional sums. If all prices submitted are deemed exceptionally low by the Employer's Agent, the subcontract package shall be retendered.

Tenderer

Witness 1

Witness 2

Employer

Witness 1

Witness 2



The consequences of exceptionally low prices must be clearly outlined in the Tender Report and clearly explained to the PLC prior to award or retendering of the subcontract packages.

iv) Payment to the Contractor

- a. The Employer shall not remunerate the Contractor, other than what has been provided for in the payment items, for accepting higher tender sums tendered by Targeted Enterprises.
- b. If the Contractor accepts tender sums that are higher than what have been provided for in the Contractor's tendered rates or the Employer's provisional and/or prime cost sums, the costs shall be paid by the Contractor from the lump sum which he tendered for the fluctuation between the Contractor's rates and that of the Targeted Enterprise sub-contractors.

v) Entering the Subcontract Agreement

The Contractor's TE Procurement Coordinator shall assist successful Targeted Enterprises to enter into a subcontract agreement with the Contractor as described in this Specification.

PCY 9 GENERAL RESPONSIBILITIES OF THE CONTRACTOR TOWARDS TARGETED ENTERPRISES

The Contractor shall have the responsibilities described in this Section, PCY 9, towards all Targeted Enterprises subcontracted in terms of the CPG as stated in the Contract Data.

PCY 9.1 Targeted Enterprise (TE) Construction Manager

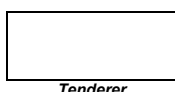
The Contractor shall appoint a dedicated TE Construction Manager whose sole responsibility shall be to assist the Contractor with the execution of his responsibilities towards Targeted Enterprises and Target Groups as prescribed in this Section PCY, with an emphasis on PCY 9 and PCY11.

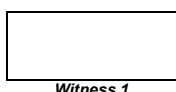
Amongst others, the TE Construction Manager shall facilitate the training, mentoring, development and support of Targeted Enterprises as per the Contractor's approved Training and Skills Development Programme (see Section PCY11).

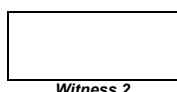
a) TE Construction Manager's Qualifications and Experience

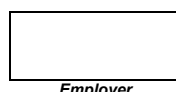
The TE Construction Manager shall have, as a minimum, a National Diploma: Management of Civil Employer's Agenting Construction Processes (NQF Level 5) or an equivalent qualification.

The TE Construction Manager shall have at least 5 years' experience as a Site Agent, managing construction processes in the fields of roads maintenance, new roads construction, roads rehabilitation, roads structures, etc. In addition, he shall have ample knowledge of, and experience in, the requirements of training and mentoring in the road construction environment.

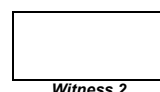

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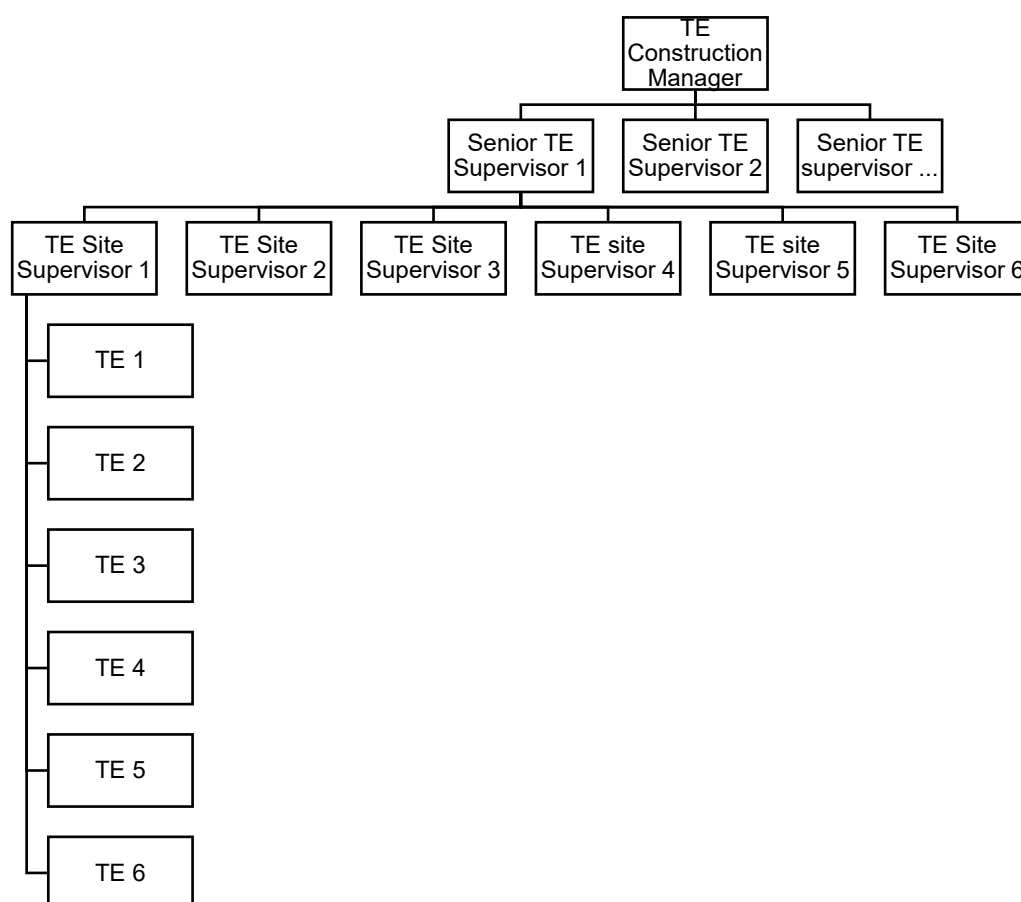

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**b) TE Construction Manager's Team**

The TE Construction Manager shall have on his team one (1) TE Site Supervisor for every six (6) Targeted Enterprises which are in their respective construction phases and one (1) Senior TE Supervisor for every six (6) TE Site Supervisors.

The qualifications and/or experience of TE Site Supervisors and Senior TE Supervisors shall be relevant and of a suitable level to enable them to supervise the level of Targeted Enterprise and the specific works under construction. Below is an indicative organogram of the TE Construction Manager and his team.

**PCY 9.2 General Obligations**

The Contractor shall, with the assistance of the TE Construction Manager, comply with the following general obligations:

- Assist the Targeted Enterprises in instituting a quality assurance system;
- Provide adequate training, coaching, guidance, mentoring and any other identified and approved assistance to Targeted Enterprises;
- Provide support and any other identified and approved assistance to ensure that the Targeted Enterprises meet their obligations and commitments with respect to their subcontracts, and
- Ensure that the CPG objectives are achieved.

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**PCY 9.3 Subcontract Agreements**

The Contractor shall conclude subcontract agreements with each subcontracted Targeted Enterprise. The subcontract agreement shall be the *General conditions of subcontract for construction works, first edition (2018)* and shall be in accordance with the provisions of amended sub-clause 4.4 of the Conditions of Contract and shall be consistent with the terms and conditions of this Contract.

a) Special Conditions of Contract

The following Special Conditions of Contract shall be included in the subcontract agreement:

- i) The Targeted Enterprise's entitlement to receive the training contemplated in this Contract;
- ii) The Targeted Enterprise's obligation to participate and co-operate in the training provided for in this Contract;
- iii) The allowable sources from which Labour may be drawn in terms of the Contract;
- iv) The terms and conditions relating to the recruitment, employment and remuneration of Labour engaged on the Contract;
- v) The training to be provided to the Targeted Enterprise's workforce;
- vi) The terms and conditions related to payment of the Targeted Enterprise;
- vii) Sanctions in the event of failure by the Targeted Enterprise to comply with the terms and conditions of the subcontract agreement; and
- viii) Dispute avoidance and resolution procedures.

Further Special Conditions of Contract shall only be included into the subcontract agreement once approved by the Employer's Agent.

b) Monitoring of Subcontract Agreements by the PLC

The proforma subcontract agreement for each group of work packages shall be tabled to the PLC for their sign-off. Special Conditions of Contract, in addition to those listed in (a) above shall be developed under the auspices of the PLC.

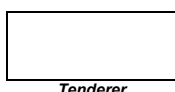
The PLC may at any stage during the Contract request proof that subcontract agreements were entered into with the subcontracted Targeted Enterprises. The PLC may also request insight into the Conditions of Subcontract and Subcontract Data.

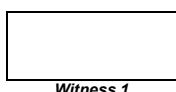
To protect Targeted Enterprises' competitive advantage and/or tender strategy, only the subcontract agreement shall be available to the PLC for perusal and not the pricing structure and/or Schedule of Quantities.

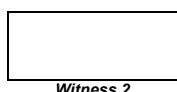
A copy of each subcontract agreement shall be filed with the Employer's Agent after confirming that it is in accordance with the provisions of this Contract.

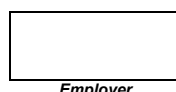
PCY 9.4 Payment of Targeted Enterprises

Targeted Enterprises shall be paid the rates and/or provisional sums which they have tendered or which have been negotiated as described in this Section PCY of the Specifications.

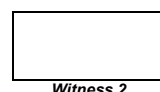

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**a) Payment of Provisional and General Obligations**

Provision shall be made in the subcontract for the Targeted Enterprise's preliminary and general obligations (P&Gs), which shall be calculated as a minimum of 15% of the value of the scheduled subcontract work items.

PCY 9.5 Quality of Work and Performance of Targeted Enterprises**a) Ensuring Quality of Work and Performance**

The Contractor's TE Construction Manager shall closely monitor and supervise all Targeted Enterprises and shall train, coach, guide, mentor and assist each Targeted Enterprise in all aspects of management, execution and completion of its subcontract. This shall typically include assistance with planning of the Works, sourcing and ordering of materials, labour relations, monthly measurements and invoicing procedures. The extent and level of such training, coaching, guidance, mentoring, and assistance to be provided by the Contractor shall commensurate with the level of subcontract applicable and shall be directed at enabling the Targeted Enterprise to achieve the successful execution and completion of its subcontract.

b) Failure by the Targeted Enterprise to Comply

If the Targeted Enterprise, in the opinion of the Employer's Agent, fails to comply with any of the criteria listed below, the Employer's Agent shall issue a written warning to the Contractor stating all the areas of non-compliance. A copy of the letter of warning shall be forwarded to the Employer. The criteria are as follows:

- i) Deliver acceptable standards of work as set out in the specifications;
- ii) Progress in accordance with the time constraints in the subcontract agreement;
- iii) Punctual and full payment of the workforce and suppliers;
- iv) Site safety; and
- v) Accommodation of traffic.

c) Assist the Targeted Enterprise to Make Good

The Contractor shall give reasonable warning to the Targeted Enterprise when any contravention of the terms and conditions of the subcontract agreement has occurred or appears likely to occur. The Contractor shall, whenever feasible, give the Targeted Enterprise reasonable opportunity to make good any such contravention, or to avoid such contravention, and shall render all reasonable assistance to the Targeted Enterprise in this regard.

PCY 9.6 Dispute Avoidance and Resolution Procedures

When any disputes arise, the Contractor shall explain fully to the Targeted Enterprise that such actions are provided for in the subcontract agreement. If such action is contemplated, it shall be discussed with the Employer's Agent and tabled to the PLC before any action is taken.

The Targeted Enterprise shall have 21 calendar days from the date of receipt of the letter of warning by the Contractor to address and rectify the issues raised by the Employer's Agent, except for issues pertaining to Site Safety and Accommodation of Traffic, for which the reaction time shall be in accordance with the relevant specifications for those aspects of the Works, but which shall not be longer than 24 hours.

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Failure by the Targeted Enterprise to comply with a deadline, will be sufficient grounds for the Contractor to apply a penalty or terminate the subcontract agreement provided that the Employer and the Employer's Agent are satisfied that the Contractor has made every effort to correct the performance of the Targeted Enterprise.

The Targeted Enterprise shall have the right to dispute any ruling given or deemed to have been given by the Contractor or the Employer's Agent. Provided that, unless the Targeted Enterprise shall, within 21 calendar days after his receipt of a ruling or after a ruling shall have been deemed to have been given, give written notice (hereinafter referred to as a Dispute Notice) to the Contractor, referring to the relevant clause(s) in the subcontract agreement disputing the validity or correctness of the whole or a specified part of the ruling, he shall have no further right to dispute that ruling or the part thereof not disputed in the said notice.

PCY 10 WORK SUITABLE FOR EXECUTION BY TARGETED ENTERPRISES

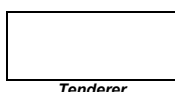
To assist the Contractor in achieving his CPG, the following work items have been identified as being suitable for execution by Targeted Enterprises:

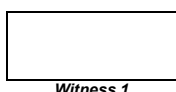
- a. Excavation of pipe line trenches.
- b. Supply, delivery and installation of pipelines.
- c. Bedding, blanket and backfill of pipe lines.
- d. Construction of inlet, outlet, overflowing, scour and balancing chambers including the installation of pipework.
- e. Erection and maintenance of the Contractor's camp site
- f. Site Security Services.
- g. Haulage of materials
- h. Supply of plant.
- i. Supply of fuel.
- j. Construction of buildings (Pump House and Guard House)
- k. Construction of apron around the reservoir
- l. Construction of fence at the reservoir site

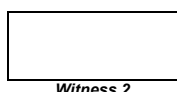
From the above work items, the following have been identified as suitable for execution by CIDB CE graded Targeted Enterprise subcontractors:

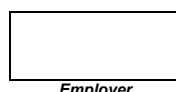
- a. Excavation of pipe line trenches.
- b. Supply, deliver and installation of pipelines.
- c. Bedding, blanket and backfill of pipe lines.
- d. Construction of inlet, outlet, overflowing, scour and balancing chambers including the installation of pipework.
- e. Construction of buildings (Pump House and Guard House)
- f. Construction of apron around the reservoir
- g. Construction of fence at the reservoir site

The CIDB graded targeted subcontractors will be appointed as subcontractors selected in consultation with the Employer in accordance with clause 4.4.4 of the *General conditions of contract for construction works, 3rd ed. (2015)*. The work to be carried out by Targeted Enterprises is not limited to the work listed above and the Contractor may need to engage Targeted Enterprises on other aspects of the Works to achieve the CPG.

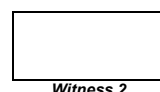

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A Provisional Sum for the work by CIDB graded Targeted Enterprise sub-contractors is allowed under pay item PCY 13.4.

PCY 11 TRAINING, COACHING, GUIDANCE, MENTORING AND ASSISTANCE

The Contractor shall under the auspices of the PLC and in consultation with the Employer develop a Training and Skills Development Programme which shall be managed by the Contractor's TE Construction Manager.

PCY11.1 Purpose of the Training and Skills Development Programme(s)

Skills development forms an integral part of the Employer's Transformation and Community Development Policies and hence, it is important to the Employer that Targeted Labour and Targeted Enterprises be equipped with skills that can be used to gain meaningful future employment and secure subcontracting opportunities.

It is, therefore, a requirement of this Contract that the Contractor provide adequate training, coaching, guidance, mentoring and assistance to the Targeted Labour and Targeted Enterprises to ensure skills development within the Construction Industry.

PCY 11.2 Skills Audit and Analysis

Prior to developing the Training and Skills Development Programme(s), the Contractor shall conduct a skills audit and analysis of its own employees and those of its subcontractors to determine their levels of education, existing qualifications, and skills sets. The outcome of the skills audit and analysis shall be used to develop a Training and Skills Development Programme(s) that will benefit both the employee and the Construction Industry at large.

Included in the skills audit and analysis shall be a separate section, analysing the education, qualifications and skills sets of the Targeted Enterprise's owners and supervisors subcontracted by the Contractor to develop a Training and Skills Development Programme that will develop and improve the ability of small business owners and their supervisory staff to better manage their enterprises.

PCY 11.3 Developing the Training and Skills Development Programme

The Employer shall be involved in the decision making and quality control pertaining to the development and implementation of the Training and Skills Development Programme facilitated through this Contract.

The Employer has no service agreement or memorandum of understanding with any education and training quality assurance body and, therefore, does not function as the "Employer" as defined under any three-party-agreement between the Trainee, the Training Provider and the Employer.

However, the Employer requires similar outcomes to that of formal learnership programmes and the Contractor shall structure a Training and Skills Development Programme in a manner that permits continued access to further learning and qualifications within a defined programme.

The complete Training and Skills Development Programme shall be approved by the Employer and Employer's Agent and signed off by the PLC before any training commences.

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**PCY 11.4 The Training Service Provider**

While the Contractor's TE Construction Manager will manage the Training, Development and Support Programme and mentor Targeted Enterprise subcontractors from a practical point of view, the Contractor shall subcontract a Training Service Provider to implement the theoretical training components of the Programme by applying the Employer's Supply Chain Management Policy for second tier procurement.

a) Accreditation of the Training Service Provider

The Training Service Provider entity shall be accredited, and have in its employ Practitioners, Assessors and Moderators who are registered, with the Construction Education Training Authority (CETA). Proof of accreditation and registration shall be current, valid and list the NQF levels and Unit Standards for which the entity and its staff are accredited.

b) Qualifications and Experience of the Training Service Provider

The training and competency levels required of the Training Service Provider and his staff are outlined in the table below:

TABLE PCY11.4/1: QUALIFICATIONS FOR TRAINING STAFF

Designation	Title and Unit Standard No.	NQF Level	Credit
Practitioner	Train the trainer; No 7384	4	16
Assessor	Conduct outcome based assessment; No 115753	5	15
Moderator	Conduct moderation of outcome-based assessment; No 115759	6	10

In addition to the above qualifications, and in keeping with current CETA practical experience requirements for registration as a Practitioner, NQF Level 4 Unit Standards shall only be presented by Practitioners with NQF Level 5 (one level up) credentials.

The Employer further requires that Assessors and Moderators shall have at least 5 years' experience as a Site Agent, managing construction processes in the fields of roads maintenance, new roads construction, roads rehabilitation and structures.

Elective Unit Standards are typically more vocational orientated and may require specialist input. It is thus not a requirement that individual Practitioners and Assessors shall have all the necessary skills for all the different categories of Unit Standards. The Training Service Provider may and shall therefore, when necessary, appoint Practitioners and Assessors on an ad hoc basis with the levels of experience which are required for the Unit Standards to be presented.

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**PCY 11.5 Training and Skills Development Programme: General Requirements**

The Training and Skills Development Programme shall consist of Learnerships that include multiple, but related Unit Standards which are (1) relevant to the Works to be constructed, (2) aimed at achieving the skills development objectives of the Programme, and (3) lead towards a formal qualification in the Construction Industry.

Learnerships shall include both the theoretical and practical components of each Unit Standard and shall be in accordance with the various laws and regulations contained in the South African Qualification Authority (SAQA) statutes.

a) Training Programme: Requirements and Considerations

The Skills Audit and Analysis shall inform the Contractor of every employee's Recognised Prior Learning (RPL) skills and competencies, which shall be taken into consideration in the development of the Training and Skills Development Programme so that the RPL skills and competencies, together with the Training Programme Unit Standards offerings, will lead to a full Learnership outcome and hence a formal qualification. In addition the Employer may also provide candidates for training.

It is recognised that the Training and Skills Development Programme may consist of several Unit Standards but totalling insufficient credits for a full Learnership qualification. Nevertheless, the competencies and credits achieved in the Programme shall contribute to a full Learnership by a later acquisition of the outstanding Unit Standards required for the full Learnership.

The Training and Skills Development Programme shall be structured in a manner to prioritise those Unit Standards that will equip Trainees with the minimum skills required to become economically involved in the execution of the Works as soon as possible.

The Training Service Provider shall apply the SAQA Learnership criteria of which the basic elements are listed below to demonstrate the Employer's requirements:

- i) Minimum credits for qualification;
- ii) Fundamental Unit Standards and credit values;
- iii) Core Unit Standards and credit values;
- iv) Elective Units Standards and credit values;
- v) Assumption that NQF Level 3 literacy, numeracy, and computer competencies exist;
- vi) RPL processes;
- vii) Exit level outcomes.

The above criteria are not exhaustive, and the Training Service Provider shall apply the systems and processes required by the relevant SAQA and other related legislation pertinent to training. The Training Service Provider shall regularly consult the SAQA website (www.saga.org.za) to ensure that the most current Unit Standards are presented. In the event of any conflict, the legislated requirements shall apply.

While structuring the Learnership offerings, the Training Service Provider shall distinguish between the levels of learning required. The bulk of the training shall focus on NQF Levels 4 and 3. NQF Level 5 training is not anticipated but may be suitable for qualifying staff of established small contractors. The qualification titles for the respective NQF Levels are:

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- a. NQF Level 3 National Certificate: Construction Roadworks.
- b. NQF Level 4 National Certificate: Supervision of Construction Processes
- c. NQF Level 4 National Certificate: Business Management
- d. NQF Level 5 National Diploma: Management of Civil Employer's Agenting Construction Processes

It may be necessary to include additional Core Unit Standards, e.g. "Tendering" or "Entrepreneurship" as an additional Unit Standard for NQF Level 4, to achieve the Contract's development objectives. The identification of any additional Unit Standards shall be discussed with the Employer's Agent and shall not be implemented without prior approval.

Before qualifying, Trainees will be expected to demonstrate competence in a practical situation that integrates the assessment of all specific outcomes, for all Unit Standards in the Learnership Programme.

All training shall take place within normal working hours, or as agreed with the trainees.

b) Selection of Trainees

To complete a Learnership successfully requires minimum literacy and numeracy competencies as defined by SAQA. The Training Service Provider shall utilise the skills audit and analysis and conduct additional skills analysis to benchmark the literacy and numeracy levels of employees and subcontractors. This information shall guide the Training Service Provider in formulating the Trainee selection methodology(ies) and process(es). The Training Service Provider shall make provision for:

- i) baseline assessments, e.g. conducting RPL enquiries and tests; and
- ii) a gap skills programme consisting of Fundamental Unit Standards, to facilitate the selection process.

Trainees identified as having already acquired some tertiary training, particularly in the field of Civil Employer's Agenting, may be suitable for a specialised Trainee programme or a higher NQF Level programme. The Training and Skills Development Programme shall, therefore, make provision for Trainees with a variety of competency levels and shall make provision for different levels of training.

It should be noted that where this section refers to the selection and training of Trainees, any person, employed by any national, provincial or local authority, being it full time or part time, is expressly excluded from being considered for this training.

c) Learning Material

Learning material is required for each Unit Standard. This learning material is the equivalent of prescribed textbooks for other qualifications. Each Trainee shall receive a copy of the learning material to learn the contents and to use it as a reference source after obtaining the qualification.

The SAQA Unit Standard curriculums define the contents of the learning material. The learning material shall not only comply with the SAQA and CETA guidelines but shall be technically and practically aligned to road construction and/or road maintenance. Any input from a subject matter expert required to ensure the appropriateness of learning material contents shall be included in the Training Service Provider's costs.

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The requirements to be addressed in learning material as outlined by the SAQA Unit Standard curriculums are, amongst others, the following:

- i) purpose of the Unit Standard;
- ii) specific outcomes (typically 4 per Unit Standard);
- iii) assessment criteria (typically 4 per specific outcome);
- iv) range as is defined for each specific outcome;
- v) critical cross-field outcomes for the Unit Standard;
- vi) Unit Standard essential embedded knowledge.

d) Student Experiential Training or Learnerships or Internships

The Employer may deploy students to the construction site to obtain experiential training. The Contractor shall provide experiential training to these students in accordance with the relevant academic institution's requirements, which is typically a university, a university of technology, or a TVET.

The Contractor shall also provide students with all the tools (including appropriate information technology hardware and software) and site office space necessary to carry out Employer's Agenting work as if they were the Contractor's own permanent staff.

Reporting on training progress of each student shall be compiled according to the formats and intervals set by the relevant academic institution.

(e) Keeping of Records

The Training Service Provider shall keep comprehensive records of the training provided to each Trainee and shall ensure that Trainees' successful completion of successive Unit Standards are entered onto the national SAQA database. After the successful completion of generic skills courses, each Trainee shall be issued with a certificate indicating the course contents as proof of attendance and completion. The Contractor shall keep a register of certificates issued. Whenever required, the Contractor shall provide copies of such records to the Employer's Agent.

(f) Skills Development Requirements

- b. Not applicable.

(g) Generic Skills Training

Generic skills shall be taught where the need has been identified and approved by the Employer and the Employer's Agent.

The Contractor shall make representation to the Employer and the Employer's Agent, who shall approve candidates that should attend such courses as they deem appropriate. Those selected shall receive formal generic skills training in a programmed and progressive manner. The PLC may also identify a need for generic skills training.

Typical training programmes could comprise some or all of the following modules:

- i) Basic hygiene and HIV/AIDS awareness;
- ii) Road safety;
- iii) Basic management of the environment;

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- iv) Tourism awareness and opportunities;
- v) Managing personal finance;
- vi) Adult Basic Education and Training (ABET);
- vii) Community based training programmes (e.g. knitting, computer skills, plant/ machine operator, etc.).

All generic skills training shall be accredited by the relevant Sector Education and Training Authority (SETA) and shall be provided with accredited entities and/or individuals.

(h) Community Training

Community training shall be taught where the need has been identified.

Affected Communities may submit their training needs to the PLC for consideration and inclusion into the Training and Skills Development Programme. While considering the training needs of the affected Communities, the Employer's Agent shall inform the PLC of the Contract's training limitations, as well as of the training that could be undertaken through the Contract. Trainees from the Community shall be identified through the Community structures, but under the auspices of the PLC. Trainees selected from the Community shall receive formal skills training in a programmed and progressive manner in compliance with subclause PCY 11.4. Priority shall be given to training that will equip Community members with skills that will enhance their employability.

All community skills training shall be accredited by the relevant Sector Education and Training Authority (SETA) and shall be provided with accredited entities and/or individuals.

(i) Training Facilities

The Contractor shall be responsible for providing everything necessary to offer the various training workshops and modules including:

- i) a suitable venue with sufficient furniture, lighting and power,
- ii) all necessary stationery consumables and study material,
- iii) transport for attendees.

PCY 12 LABOUR ENHANCED CONSTRUCTION

The Contractor's attention is drawn to the fact that it is an objective of the Contract to maximise the labour content of certain operations or portions thereof. In this regard, where the specified work allows for a choice between mechanical or labour-enhanced means, the former should generally be kept to the practical minimum.

Before commencing with any labour enhanced operations, the Contractor shall discuss his intentions with the Employer's Agent and shall submit to the Employer's Agent on a monthly basis, daily labour returns indicating the numbers of temporary personnel employed on the Works and the activities on which they were engaged.

It should be noted that activities that are conventionally done by labour methods, e.g., gabions, shall not qualify under this section.

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**PCY 13 MEASUREMENT AND PAYMENT****PCY 13.1 Stakeholder and Community Liaison****Item**

(b)	Project Liaison Committee	Prov.Sum
(e)	Overheads, charges and profits on the above	Percentage (%)

The provisional sum for item PCY 13.1(b) shall cover the direct costs incurred by attending members of the PLC. The rate of compensation shall be fair and agreed by the Employer's Agent in accordance with clause 16.6 of the *General conditions of contract for construction works, third edition (2015)*. The tendered percentage for sub-item PCY 13.1(e) shall include full compensation for all handling costs and profit of the Contractor associated with sub-item PCY 13.1(b).

The liaison with, and assistance provided by the Contractor to the PLC to perform its duties shall not be paid from the prime cost sum. The Contractor's costs to liaise with the PLC and render such assistance shall be deemed to have been included in its rate offered for pay sub-item C1.3.1.3 Time Related Obligations.

PCY 13.2 Tender Process for Targeted Enterprises

The payment of the process should be included in the item 8.3.1 of SABS 1200A.

Each tendered rate shall be in full compensation for the management and execution of the Targeted Enterprise procurement process in the relevant CIDB contractor grading designation scheduled, including for the appointment of a TE Procurement Coordinator (if required), the pre-tender training of eligible Targeted Enterprises, the compilation, printing, binding and issue of the tender documents for each tender, for the advertising of each tender, for the provision of the venue and the conducting of each compulsory briefing session for tenderers, for the conducting of each tender opening process, for the adjudication of the tenders received for each tender, for the preparation of each tender adjudication report and the review thereof in conjunction with the Employer, Employer's Agent and the PLC, for the award of each tender and for the conclusion of the subcontract agreement with each successful Targeted Enterprise tenderer, and any other relevant requirement described in this Section PCY.

PCY 13.3 Responsibilities of the Contractor towards Targeted Enterprises

The payment of this activities should include on the rate of item 8.4.3 SABS 1200A

The tendered rate for 8.4.3 PCY 13.3 shall include full compensation for the registration of all the subcontract agreements and the management of all the Targeted Enterprise subcontracts, including for the provision of the necessary management, support, coaching, guidance, mentoring and supervision of the Targeted Enterprise subcontractors.

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**PCY13.5 Training, coaching, guidance, mentoring and assistance**

- | | | |
|-----|---|----------------|
| (a) | Accredited and Approved training courses for selected local and other labours including wages during training | Prov.Sum |
| | | |
| (b) | Overheads, charges and profits on the above | Percentage (%) |

The provisional sums under sub-items PCY13.5(a) shall be paid in accordance with the provisions of sub-clause 13.5 of the *General conditions of contract for construction works, (3rd ed.), 2015*. The provisional sums shall include all charges for the provision and delivery of the service including an accredited Training Service Provider (if required), learning material and any other requirement as described in sub-clause PCY 13.5.

The rate tendered under sub-item PCY 13.5(a) shall be deemed to cover all costs required to organise accredited trainers to provide training and shall include the Contractor's handling cost, profit, record keeping, reporting and all other costs associated with sub-items PCY 13.5(a).

No payment, nor pro-rata payment, shall be made for trainees that, once selected, do not attend or only partially complete structured training courses. The Contractor's own staff may attend the courses provided. However, such attendants from the Contractor's staff shall not be considered for measurement and payment purposes unless they also qualify as Targeted Labour.

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