



## **SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LIMITED**

**REQUEST FOR TENDER (RFT): SANRAL HO 1005/68120/2025/01  
NRA 2025/0364**

**APPOINTMENT OF A SERVICE PROVIDER FOR THE PROPERTY  
ADMINISTRATION SERVICES FOR A PERIOD OF FIVE (5) YEARS**

## **SPECIFICATIONS**

## **APPENDIX A**

# **PROPERTY ADMINISTRATION SPECIFICATIONS**

## TABLE OF CONTENTS

<b>A1000 GENERAL MATTERS .....</b>	<b>6</b>
<b>A1100 GENERAL REQUIREMENTS.....</b>	<b>7</b>
A1101 SCOPE .....	7
A1102 GLOSSARY OF TERMS AND DEFINITIONS.....	7
G1103 PROGRAMME OF WORK .....	9
A1104 MEASUREMENT .....	11
A1105 RATES AND PAYMENT .....	11
A1106 PAYMENT AND CONTRACT PRICE ADJUSTMENT .....	12
A1107 CONTRACT PRICE ADJUSTMENT .....	13
A1108 OFFERS TO PERFORM DUTIES BY ALTERNATIVE METHODS .....	14
A1109 INFORMATION FURNISHED BY THE EMPLOYER .....	15
A1110 SAFETY AND ACCIDENTS .....	15
A1111 REMEDIAL WORK.....	15
A1112 AUTHORISED MEASUREMENTS AND TOLERANCES.....	15
A1113 MEETINGS .....	15
A1114 LEGAL PROVISIONS .....	16
A1115 QUALITY MANAGEMENT .....	17
A1116 FILE AND DOCUMENT MANAGEMENT.....	17
A1117 RISKS AND RISK REGISTER .....	18
A1118 REPORTING.....	18
A1119 REPEATED WORK DUE TO CANCELLATIONS OR MODIFICATION .....	19
A1120 PROJECT MANAGEMENT.....	19
A1121 PROVISIONS IN RESPECT OF ITIS .....	19
A1122 POLICIES AND PROCEDURES.....	20
A1123 CONFIDENTIALITY AND ACCURACY OF INFORMATION.....	20
A1124 FAIR COMPETITION .....	21
A1125 VALUE AND EFFICIENCY OBJECTIVES .....	21
A1126 INTEGRITY AND CODE OF ETHICAL CONDUCT .....	21
A1127 GIFTS AND HOSPITALITY.....	22
A1128 CORPORATE GOVERNANCE.....	22
A1129 OCCUPATIONAL HEALTH AND SAFETY .....	23
A1130 OWNERSHIP OF DRAWINGS AND OTHER DATA.....	23
A1131 COPYRIGHT.....	24
A1132 DATA OBTAINED FROM OTHER SOURCES .....	24
A1133 PAYMENT OF OTHERS.....	24
A1134 BBBEE RATING.....	24
A1135 KEY PERSONNEL.....	25
A1136 SECURITY OF ELECTRONIC DATA .....	25
A1137 SECURITY OF LEGAL DOCUMENTS .....	25
A1138 LEGISLATIVE FRAMEWORK .....	26
<b>A1200 ESTABLISHMENT AND MANAGEMENT OBLIGATIONS .....</b>	<b>28</b>
A1201 SCOPE .....	28
A1202 ESTABLISHMENT .....	28
A1203 TIME RELATED COSTS.....	28
A1204 RECORDING AND SUBMITTING EMPLOYMENT DATA.....	28
A1205 PAYMENT.....	29
<b>A1300 TRANSITIONAL ARRANGEMENTS.....</b>	<b>30</b>
A1301 SCOPE .....	30
A1302 TAKING ON OF OPERATIONS.....	30
A1303 PREPARATION FOR HANDING OVER OF CONTRACT .....	31
A1304 PAYMENT.....	32
<b>A1400 HANDLING OF DOCUMENTATION .....</b>	<b>33</b>
A1401 SCOPE .....	33
A1402 GENERAL.....	33
A1403 DOCUMENTATION AND FILING .....	33
A1404 REQUIREMENTS FOR PAPER DOCUMENTATION .....	34
A1405 CORRESPONDENCE REGISTERS.....	34
A1406 PAYMENT.....	35
<b>A1500 REIMBURSABLE COSTS .....</b>	<b>36</b>
A1501 SCOPE .....	36
A1502 ACCOMMODATION AND SUBSISTENCE.....	36

A1503	TRAVELLING BY AIR .....	36
A1504	TRAVELLING ON LAND .....	36
A1505	THE ACQUISITION OF MATERIALS AND DOCUMENTS .....	37
A1506	FORMAL CHARGES INCURRED ON BEHALF OF THE EMPLOYER .....	37
A1507	INSPECTION AND SCRUTINY COSTS .....	37
A1508	COURIER SERVICE/DELIVERY COSTS .....	37
A1509	OTHER COSTS INCURRED ON BEHALF OF THE EMPLOYER .....	37
A1510	PRINTING AND DUPLICATION .....	37
A1511	ADVERTISING .....	38
A1512	PAYMENT .....	38
<b>A1600</b>	<b>PENALTIES AND DEDUCTIONS .....</b>	<b>40</b>
A1601	SCOPE .....	40
A1602	GENERAL .....	40
A1603	PENALTY POINTS FOR INCOMPLIANCE .....	40
A1604	PERFORMANCE POINTS .....	40
A1605	SUM OF POINTS .....	41
A1606	PENALTY AMOUNTS .....	41
A1607	PENALTIES FOR FAILURE TO SUBCONTRACT .....	42
A1608	PAYMENT .....	42
<b>A2000</b>	<b>SUB-CONTRACTS AND OTHER SERVICES .....</b>	<b>43</b>
<b>A2100</b>	<b>SUBCONTRACTING REQUIREMENTS .....</b>	<b>44</b>
A2101	SCOPE .....	44
A2102	GENERAL .....	44
A2103	DOMESTIC SUBCONTRACTORS .....	45
A2104	NOMINATED CONTRACTORS .....	45
A2105	SELECTED SUBCONTRACTORS .....	46
A2106	PRO-FORMA DOCUMENTS .....	48
A2107	CONTRACT PARTICIPATION .....	48
A2108	PAYMENT OF SUBCONTRACTED PARTIES .....	49
A2109	EMERGENCY PROCUREMENT OF NOMINATED OR SELECTED SUBCONTRACTORS .....	49
A2110	PAYMENT .....	50
<b>A2200</b>	<b>SPECIAL ASSIGNMENTS, INVESTIGATIONS AND UNSPECIFIED SERVICES .....</b>	<b>52</b>
A2201	SCOPE .....	52
A2202	DESCRIPTION .....	52
A2203	PAYMENT .....	52
<b>A3000</b>	<b>BUSINESS MANAGEMENT REQUIREMENTS .....</b>	<b>54</b>
<b>A3100</b>	<b>BUDGETING AND FINANCIAL CONTROL .....</b>	<b>Error! Bookmark not defined.</b>
A3101	SCOPE .....	55
A3102	FINANCIAL ACCOUNTING .....	55
A3103	STRATEGIC AND BUSINESS PLANNING .....	59
A3104	MONTHLY REPORTS .....	59
A3105	SECRETARIAL SERVICES .....	59
A3106	PENALTIES .....	60
A3107	PAYMENT .....	60
<b>A3200</b>	<b>MONTHLY REPORTING REQUIREMENTS .....</b>	<b>62</b>
A3201	SCOPE .....	62
A3202	REPORTING REQUIREMENTS .....	62
A3203	PAYMENT .....	64
<b>A4000</b>	<b>INFORMATION AVAILABLE FOR PROPERTY ADMINISTRATION .....</b>	<b>66</b>
<b>A4100</b>	<b>INFORMATION AVAILABLE TO THE SERVICE PROVIDER .....</b>	<b>67</b>
A4101	SCOPE .....	67
A4102	GENERAL .....	67
<b>A5000</b>	<b>GENERAL PROPERTY ADMINISTRATION .....</b>	<b>68</b>
<b>A5100</b>	<b>ILLEGAL OCCUPATIONS AND LAND INVASIONS .....</b>	<b>69</b>
A5101	SCOPE .....	69
A5102	GENERAL .....	69
A5103	PAYMENT .....	70
<b>A5200</b>	<b>COLLECTION OF FEES AND LEVIES IN RESPECT OF STATUTORY CONSENTS .....</b>	<b>71</b>
A5201	SCOPE .....	71
A5202	GENERAL .....	71

A5203	PROCEDURES .....	71
A5204	DEBT COLLECTION.....	71
A5205	PENALTIES .....	72
A5206	PAYMENT.....	72
<b>A5300</b>	<b>LEASING OF PROPERTY .....</b>	<b>73</b>
A5301	SCOPE .....	73
A5302	GENERAL .....	73
A5303	NEW LEASES AND LEASE RENEWALS.....	74
A5304	LEASE DIAGRAMS .....	76
A5305	REGISTERING OF LONG TERM LEASES .....	76
A5306	LEASING OF THIRD PARTY-OWNED PROPERTY .....	77
A5307	MANAGEMENT OF EXISTING LEASES.....	77
A5308	DEBT COLLECTION AND EVICTIONS.....	78
A5309	INSPECTIONS.....	78
A5310	PENALTIES .....	79
A5311	PAYMENT.....	79
<b>A5400</b>	<b>MUNICIPAL ACCOUNTS .....</b>	<b>82</b>
A5401	SCOPE .....	82
A5402	IDENTIFICATION OF LIABILITY FOR MUNICIPAL ACCOUNTS .....	82
A5403	CHECKING OF MUNICIPAL ACCOUNTS.....	82
A5404	PAYMENT OF MUNICIPAL ACCOUNTS .....	83
A5405	OBJECTIONS TO AND APPEALS AGAINST MUNICIPAL VALUATIONS.....	83
A5406	PAYMENT.....	84
<b>A5500</b>	<b>CONTINGENT RATES LIABILITY STATEMENTS.....</b>	<b>87</b>
A5501	SCOPE .....	87
A5502	DESCRIPTION .....	87
A5503	PAYMENT.....	88
<b>A5600</b>	<b>ALIENATION OF SURPLUS LAND .....</b>	<b>90</b>
A5601	SCOPE .....	90
A5602	GENERAL .....	90
A5603	PROCEDURES TO BE FOLLOWED PRIOR TO ALIENATION .....	90
A5604	ADVERTISEMENT AND TENDER PROCESSES .....	91
A5605	EXCLUSIONS AND DIRECT NEGOTIATIONS .....	91
A5606	DATA CAPTURE .....	92
A5607	PAYMENT.....	92
<b>A5700</b>	<b>EMPOWERMENT FORMULA FOR SALES AND LEASES.....</b>	<b>94</b>
A5701	SCOPE .....	94
A5702	FORMULA TO BE USED .....	94
<b>A6000</b>	<b>VALUATIONS.....</b>	<b>95</b>
<b>A6100</b>	<b>VALUATIONS FOR LEASES AND DISPOSAL OF PROPERTY .....</b>	<b>96</b>
A6101	SCOPE .....	96
A6102	GENERAL .....	96
A6103	PAYMENT.....	96
<b>A7000</b>	<b>OTHER SERVICES .....</b>	<b>97</b>
<b>A7100</b>	<b>ALTERATIONS.....</b>	<b>98</b>
A7101	SCOPE .....	98
A7102	GENERAL .....	98
A7103	DEFINITION OF WORK.....	98

## **A1000      GENERAL MATTERS**

## **A1100            GENERAL REQUIREMENTS**

### **A1101            SCOPE**

This section covers matters which relate to the Specifications and the contract as a whole. Definitions, phrases or wording which would otherwise require repetition in other sections of the specifications are also covered by clauses in this section. Matters covered by the General Conditions of Contract are not repeated in this section, except where necessary for providing more detailed information.

### **A1102            GLOSSARY OF TERMS AND DEFINITIONS**

**CONTRACT INSTRUCTION** shall mean a document provided by the Employer granting the Service Provider approval to incur expenses, or to carry out a duty on behalf on the Employer, which shall contain details of the work to be undertaken or items(s) to be procured and the approved cost of the work or items(s), if applicable. If a Contract Instruction is issued on paper, it shall be signed by the Employer's Representative, but if issued by e-mail, must be issued by the designated representative(s) of the Employer with delegated authority to do so. Unless stated otherwise in the context of the document, any expenditure incurred under a Provisional Sum shall only be incurred upon the issuance of a Contract Instruction.

**DELEGATED AUTHORITY** (or "SANRAL Delegations") shall mean the powers conferred to the Employer by the Board of the South African National Roads Agency SOC Limited and the Chief Executive Officer of SANRAL, both acting in terms of the provisions of the Act (Act 7 of 1998) that enables it, in certain instances, to act as the legal agent, or legal representative of SANRAL and in other instances, to carry out certain duties and responsibilities using funds provided by SANRAL for the purpose described.

**EMPLOYER** shall mean the contracting party named in the Contract who employs the Service Provider who may be represented by a person, or persons nominated in writing, to monitor and manage the contract.

**ITIS CADASTRAL DATA** shall mean the spatial data obtained by the Employer from a third-party vendor, contained in ITIS and made available to the Service Provider through the ITIS interface, covering an area of 5 kilometres on either side of national road centrelines in rural areas, and 500 metres on either side of road centrelines in urban areas. This data is derived from Deeds Office data.

**INTEGRATED TRANSPORT INFORMATION SYSTEM** (or "ITIS" system) shall mean the Employer's web enabled graphical user interface that connects to SAP database warehouse. ITIS consists of many modules, amongst which is the Land module, which is used to store and manage all land related data to enable the functions required under this contract to be carried out.

**KEY PERSONNEL** shall mean persons who are named as such who will be engaged in the performance of the Services.

**LAND REGISTER** shall mean the list of all land parcels over which the Employer may or may not have real rights and which may or may not be spatially referenced. The Service

Provider shall note that the Employer employs a single database, with all land parcels incorporated into the Land Register. The user interface of this database is known as “ITIS”. Depending on the status codes of each parcel of land in ITIS, reports containing subsets of the Land Register may be used to create any one of the following;

- a) a “Property Register”, sometimes incorrectly referred to as an “Asset Register” which are those properties over which the Employer has a confirmed real right and which must be valued at prescribed intervals,
- b) an “Investment Property Register, or list” which is a subset of the Property Register satisfying certain criteria of size, value or leasing as defined in GRAP or any other relevant accounting recording system.

**PROPERTY REGISTER** shall mean the list of properties included within the LAND REGISTER, over which the Employer is confirmed to have a real right, any portion thereof, any surveyed but unregistered property over which the Employer has a real right or any other real right, but excluding Unalienated State Land, Tribal Land. Properties in the Land Register are identified as being part of the PROPERTY REGISTER by the appropriate code in the provided field in ITIS.

**PRIME COST**, for the purposes of this contract, shall mean the cost of supplying, or procuring goods or services, the price of which is indeterminable at the commencement of the contract. It also covers those situations where the goods or services required are available from only one supplier. Prime cost items are charged to the Employer without VAT, mark-up, profit and without any cost of procurement or the later application of the goods or services. Note that VAT is calculated on the value of all claimable items submitted to the Employer for payment. Spending or not spending on PC items, shall not cause an adjustment of the Contract Price.

**PROVISIONAL SUM**, for the purposes of this contract, shall mean the amount included by the Employer in the Schedule of Quantities, which is under the sole control of the Employer and which shall be used in whole or in part in accordance with the Employer’s instructions and the Contract Price shall be adjusted accordingly. The total sum paid to the Service Provider shall include only such amounts for the goods, supplies or services to which the Provisional Sum relates, as the Employer shall have instructed. Payment to the Service Provider shall include the actual amounts paid (or due to be paid) by the Service Provider, and where applicable, a sum for overheads and profit, calculated as a percentage rate (if any), stated in the applicable Schedule. If no such sum for overheads and profit is provided for, the Service Provider shall not be entitled to such sum for overheads and profit. The Employer shall be entitled to increase or decrease any provisional sum provided as may be deemed fit.

Any variation in the amount spent under a Provisional Sum shall adjust the Contract Price accordingly.

See also “Contract Instruction”.

**SUBCONTRACTORS** shall mean those parties engaged by the Service Provider to perform duties covered under the Specifications (supplemented by appropriate special conditions and project specifications) for surveying, valuations and aspects of property management not covered by Third Party Subcontracts.



**SUPPLY CHAIN MANAGEMENT POLICY** of the Employer shall mean the policy approved by the Board of Directors of the Employer governing, *inter alia*, the manner in which goods and services shall be procured, and the conditions that shall apply to the procuring of goods and services. It is often referred to as the “SCM” policy. The Treasury Regulations and Practise notes also form part of this policy.

**SURPLUS LAND/PROPERTY** shall mean that land/property lying outside of the road reserve which is currently not being used for road building purposes and which is currently surplus to SANRAL requirements. Surplus land may be placed on a programme to be disposed of, be leased or may later be required for road widenings, borrow pits or other infrastructure. **SURPLUS LAND/PROPERTY** may be further classified as **INVESTMENT PROPERTY**, non-investment property and so on, depending on the attributes that define it.

**THIRD PARTIES** shall mean those parties engaged by the Service Provider to perform duties that are not covered by the Specifications for subcontracts, and for which a different terms of reference, or specification must be compiled and for which the Service Provider may claim the expenses incurred on a reimbursement basis. Examples of such services may include, but are not limited to the handling of illegal occupations, property maintenance, the hiring of specialist consultants, and so on.

**WORKS AUTHORISATION** shall mean an instruction to the Service Provider to carry out a duty that is not covered by any existing specification and which is newly required by the Employer to be undertaken, and which shall contain details and specifications of the work to be undertaken and/or items(s) to be procured and the approved cost of the work or items(s). The Works Authorisation shall indicate which items are fixed prices and which are subject to escalation. Should any price be subject to escalation, the price shown shall be the price that would have been valid at the date of closing of tenders, i.e. the price shown shall be the calculated de-escalated price.

## **G1103            PROGRAMME OF WORK**

### **A1103(a)        GENERAL REQUIREMENTS**

Should the Service Provider fall behind with the initial and any further approved programme the Employer may, without prejudice to the Employer’s rights, require the Service Provider to submit, within seven days of the date on which it has received a notice to this effect, a revised programme, which indicates how the Service Provider undertakes to complete the services within the required time. Any proposal in the revised programme to accelerate the rate of progress shall demonstrate how increased production will be achieved.

The approval by the Employer of any programme shall have no contractual significance other than that the Employer would be satisfied if the work is carried out in accordance with such programme and that the Service Provider undertakes to carry out the work in accordance with the programme, neither shall it limit the right of the Employer to instruct the Service Provider to vary the programme should circumstances so require. The above shall not be taken to limit the right of the Service Provider to claim for damages or extension of time to which he may be entitled in terms of the Conditions of Contract for delays to, or disruption of his activities.

**A1103(b) ILLEGAL OCCUPATIONS AND LAND INVASIONS**

When notified by the Employer, or its designated Routine Road Maintenance Contractor(s) of an illegal occupation or a land invasion of the Employer's surplus land [outside the national road reserve], the Service Provider shall within 24 hours, take action to address the matter, acting in terms of the relevant legislation and Government Protocols, and play a facilitation role between the Employer, the local authorities, policing authorities and civilian Service Providers such as land legal experts and specialist eviction companies.

**A1103(c) FEES AND LEVIES FOR STATUTORY CONSENTS**

The Employer grants statutory consents to the public for accesses to our roads for petrol filling stations, alternative fuels facilities, services and rest facilities (areas), fibre optic cable companies, electrical, telephonic and water services and other infrastructure. The Employer receives levies and fees in respect of many of these consents, which must be collected as recorded in the agreements that have been concluded. The Service Provider must invoice these parties and carry out debt collection as specified.

**A1103(d) RENTALS AND LEASE VALUATIONS**

The Service Provider shall collect all rentals on time, escalate rentals as provided for and either renew leases or call for fresh tenders for leases as provided in the lease agreements and these specifications.

The Service Provider shall perform lease valuations before concluding new lease agreements, when required to do so upon the occurrence of lease renewals or statutory consent renewals, all in accordance with the policies of the Employer. Should any queries be raised by the Auditor-General, the Service Provider shall provide whatever responses are required, at no further cost to the Employer.

**A1103(e) MUNICIPAL ACCOUNTS AND VALUATION ROLES**

The Service Provider shall check municipal accounts at the required frequency before paying them and shall, every time that a municipality changes its fee structure, comprehensively check all details of the account, and where necessary, object to or appeal against the municipal valuations as specified. Late checking, missing of objection- or appeal deadlines will occur a penalty as provided for.

**A1103(f) CHANGING PRIORITIES**

The Service Provider shall note that the Employer's programming may change at times and these changes are most likely to influence its programme.

The Service Provider shall base its initial programme of work on the scope of the work as described in the project description. The Service Provider shall regularly review its programme to consider any changing circumstances and amendments to the work ordered by the Employer.

The Service Provider shall not be entitled to an extension of time for delays of any kind arising out of changed priorities, and any services not completed by the end of the contract shall be considered as not being required to be undertaken, subject to the imposition of penalties, as may be further prescribed herein.

## **A1104 MEASUREMENT**

### **A1104(a) UNITS OF MEASUREMENT**

All work shall be measured in accordance with the SI System of metric units, unless otherwise specifically described in the payment items.

### **A1104(b) SCHEDULE OF QUANTITIES**

The quantities set out in the schedule of quantities are estimated quantities and are used for the comparison of tenders and for awarding the contract. It must be clearly understood that only the actual quantities of work done or services rendered will be measured for payment, and that the scheduled quantities may be increased or decreased according to the needs and requirements of the Employer.

## **A1105 RATES AND PAYMENT**

### **A1105(a) CONTRACT RATES**

In computing the final contract amount, payment shall be based on the actual quantity of authorised work done in accordance with the specifications. The tendered rates shall apply, subject to the provisions of the general conditions of contract, irrespective of whether the actual quantities are more or less than the scheduled quantities.

Where no rate or price has been entered against a pay item in the schedule of quantities by a tenderer, it shall be understood that he does not require any compensation for such work. Where, however, a pay item described in these specifications or in the project specifications does not appear in the schedule of quantities, the Service Provider will receive reasonable compensation for such work if required, unless anything to the contrary has been determined elsewhere.

### **A1105(b) RATES TO BE INCLUSIVE**

The Service Provider shall accept the payment provided in the contract and represented by the rates tendered by him in the schedule of quantities as payment in full for executing and

completing the services as specified, including all things required to conduct the specified services, profit, risk and other obligations and for all other incidentals necessary for the completion of the services.

The Service Provider shall note that all costs of any nature required to enable it to carry out the services required under this contract that are not measured and paid for under the payment items are to be included in the rates tendered, and shall not be paid for separately.

This clause shall apply in full to all pay items, except where these requirements may be specifically amended in each case.

## **A1105(c) THE MEANINGS OF CERTAIN PHRASES IN PAYMENT CLAUSES**

### **A1105(c)(i) PAY ITEMS**

The descriptions under the pay items in the various sections of the Specifications, indicating the work for which allowance shall be made in the tendered rates for such pay items, are for the guidance of the Service Provider and do not necessarily repeat all the details of work and materials required by and described in the specifications.

These descriptions shall be read in conjunction with the relevant specifications and the Service Provider shall, when tendering, bear in mind that his rates shall be inclusive as specified in the clause concerning Payment.

### **A1105(c)(ii) RATE-ONLY ITEMS**

Against an item in the schedule of quantities, where no quantity is given, but a rate only is required, the Service Provider shall fill in a rate or amount which will constitute payment for work which may be done in terms of this item. Rate-only items are used where it is estimated that little or no work will be required under the items, or where the items are to be considered as an alternative for another item where a quantity is given.

Work under rate-only items will be paid for only if it has been executed in terms of a written instruction by the Employer.

## **A1106 PAYMENT AND CONTRACT PRICE ADJUSTMENT**

Unless otherwise arranged with the Employer, payment certificates shall be prepared in Microsoft Excel, or be exported to Microsoft Excel, and shall be submitted in printed form, together with an electronic copy on Compact Disc (CD). All formulas within the spreadsheet must be visible to enable the Employer to assess whether or not values have been calculated and carried forward correctly, i.e., the spreadsheet shall not consist of values only. The Service Provider, however, shall be entitled to password-protect the spreadsheet to prevent any changes being made to it by anyone other than themselves.

The payment certificate must reflect the previous cumulative quantities claimed for, the work

done during the interval since the last payment certificate, and the cumulative amount claimed to date for all payment items.

Payment certificates shall be based on the actual work completed in accordance with the specifications and shall be supported, wherever required, by photocopies of original invoices and receipts. For the purposes of allowing easy auditing, original supporting information shall be kept in a neat and tidy state, properly filed every month according to the payment certificate submitted, for the full duration of the contract plus a further three years (total - eight years).

In order to enable the Service Provider to comply with the time allowed for the payment of subcontractors and Third Parties, the Employer shall apply its best efforts to pay invoices that are correct in all respects and are submitted by close of business on a Thursday on the Friday a week later, excepting during the period of mid - December to mid - January.

## **A1107 CONTRACT PRICE ADJUSTMENT**

The value of each certificate issued by the Service Provider shall be increased or decreased by the amount obtained by multiplying “Ac”, as defined later on in this specification, with the escalation factor determined according to the formula:

$$\text{Escalation factor} = (1-x) (C_t/C_0 - 1)$$

The symbols have the following meanings:

- a) “x” is the proportion of “Ac” which is not subject to adjustment. This proportion shall be 0,15.
- b) The suffix “0” denotes the Consumer Price Index valid for the month in which tenders closed.
- c) The suffix “t” denotes the Consumer Price Index applicable to the month in which the last day of the period falls to which the relevant payment certificate relates.

If any index relevant to any particular Payment Certificate is not known at the time when the certificate is prepared, the Service Provider may estimate the value of the index. Any correction which may be necessary when the correct indices become known shall be made by the Service Provider in subsequent Payment Certificates.

### **Assessment of amount subject to adjustment**

For the purposes of calculating the adjustment to the value of the relevant certificates, the amount “Ac” shall be determined by the formula;

$$Ac = T - S - W - Ap$$

In which formula the symbols have the following meanings:

- a) “T” is the sum of the total value of all work, including preliminary and general items and all work done, as certified in the Payment Certificate under consideration, without any deduction whatsoever and before any adjustment made in terms of the Schedule.
- b) “S” is the sum of (i), (ii), and (iii) below, (these amounts are also included in “T”)
- c) the amounts actually expended and substituted for any Prime Cost sums,
- d) the value of any work done against Provisional Sums,
- e) the value of any extra or additional work done under a Variation Order, where special arrangements for price adjustments in respect of those amounts are made and recorded at the time that the work was ordered.
- f) “W” is the amount (also included in “T”) that is claimed for any “Day work” executed at Cost, plus percentage allowances, if any, allowed for in the Specifications.
- g) “Ap” is the sum of all “Ac” amounts previously paid in respect of all Payment Certificates preceding the Payment Certificate under consideration.

#### **Assessment of indices if payment certificates are not submitted monthly**

If more than one month intervenes between the month applicable to any previous payment certificate and the month applicable to the immediately succeeding payment certificate, then the index applicable to the succeeding Payment Certificate shall be taken as the arithmetic mean, rounded off to the second decimal place, of the relevant indices applicable to the month of measurement and to such intervening months.

### **A1108 OFFERS TO PERFORM DUTIES BY ALTERNATIVE METHODS**

Should the Service Provider, during the course of the contract, propose to execute a part of the Work by a method not described in the Specifications, he/she shall submit a detailed description of the proposal and the method of payment to the Employer for consideration.

The approval of an offer to perform Work by any method other than that specified by the Employer shall in no way relieve the Service Provider of his responsibility to produce a solution which conforms in all respects to all the specified requirements.

Should it appear later during the execution of the services that the alternative offer does not conform to the specified requirements, the Service Provider, only, shall be liable for any damage arising therefrom and he/she shall, at his own expense, perform all the necessary services and actions to ensure that the work conforms to all the specified requirements, all at the tendered rates.

## **A1109 INFORMATION FURNISHED BY THE EMPLOYER**

The Employer will not accept any liability for the correctness or otherwise of information or data furnished, or for any resulting damage, whether direct or consequential, should it appear, during the course of the contract, that the information or data supplied is either incorrect or not representative.

Any reliance placed by the Service Provider on this information or data shall be at his own risk.

## **A1110 SAFETY AND ACCIDENTS**

The safety of the road user is of paramount importance, and the Service Provider shall maintain accurate and complete records, supported by photographs taken by cell phone or any other means of all traffic accommodation measures undertaken at each site where work is undertaken, including the date, times, signage employed, flagmen used, vehicles standing on the roads or road verges, flashing lights, road signs and road traffic markings. All photographs must be taken with location, and time stamping enabled.

In the event of an accident on site, the Service Provider shall provide a detailed report to the Employer, including a sketch showing the traffic accommodation measures and details of the accident.

## **A1111 REMEDIAL WORK**

When any part of the services is found, upon examination by the Employer, not to conform to the requirements of the specifications, the Employer may completely reject the service rendered and order it to be redone at the Service Provider's expense, or he may permit the Service Provider to apply remedial measures in order to make good any such error or failure. The actual remedial measures taken shall at all times be entirely at the Service Provider's own initiative, risk and cost, but subject to the Employer's approval regarding the details thereof.

In particular, remedial measures shall ensure full compliance with the requirements of the specifications and shall be carefully controlled and the data submitted to the Employer for examination, both when completed and/or at any intermediate stage, as may be required.

## **A1112 AUTHORISED MEASUREMENTS AND TOLERANCES**

The Service Provider shall ensure that any work performed complies with the highest standards and where applicable, legal requirements, failing which, the work performed shall be rejected.

Any data which entails the allowing of tolerances in terms of legal provisions or practise norms, must comply with the allowable tolerances, failing which, the data shall be rejected.

## **A1113 MEETINGS**

The Service Provider shall attend any meetings with the Employer as may be required by the

Employer at venues agreed upon between representatives of the Employer and the Employer, at dates and times to be determined by the Employer. The Service Provider shall not charge any fee of the Employer for the attendance of such meetings except for the re-imbursement of any costs actually incurred as described in these specifications.

## **A1114                      LEGAL PROVISIONS**

The Service Provider shall keep himself fully conversant with the latest enactments, provisions and regulations of all legislative and statutory bodies, and, in all respects and at all times shall comply with such enactments, provisions and regulations in regard to executing the contract.

The attention of Service Provider is specifically drawn to the following legislation, which is by no means to be considered to be complete;

- a) The South African National Roads Agency Limited and National Roads Act 7 of 1998,
- b) Preferential Procurement Policy Framework Act 5 of 2000,
- c) Broad Based Black Economic Empowerment Act 53 of 2003,
- d) Occupational Safety and Health Act 1993 (Act 85 of 1993),
- e) Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999),
- f) Employment Equity Act 55 of 1998,
- g) Promotion of Access to Information Act 2 of 2000,
- h) Promotion of Administrative Justice Act 3 of 2000,
- i) The Protection of Personal Information Act 4 of 2013,
- j) Deeds Registry Act 1937 (Act 47 of 1937),
- k) Land Survey 1997 (Act 8 of 1997),
- l) Alienation of Land Act 1981 (Act 68 of 1981),
- m) Geomatics Profession Act 2013 (Act 19 of 2013),
- n) Estate Agency Affairs Act 1976 (Act 112 of 1976),
- o) Expropriation Act 1975 (Act 63 of 1975),
- p) Extension of Security of Tenure Act 1997 (Act 62 of 1997),
- q) Interim Protection of Informal Rights Act 1996 (Act 31 of 1996),
- r) Land Titles Adjustment Act 1993 (Act 111 of 1993),
- s) Maritime Zone Act 1994 (Act 15 of 1994),
- t) Mineral and Petroleum Resources Development Act 2002 (Act 28 of 2002),
- u) Mining Titles Registration Amendment Act 2004,
- v) National Environmental Management Act 1998 (Act 107 of 1998),
- w) National Heritage Resources Act 1999 (Act 25 of 1999),
- x) National Water Act 1998 (Act 36 of 1998),
- y) Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 19 of 1998 (the “PIE” Act),
- z) The South African Geographical Names Council Act 1998 (Act 118 of 1998),
- aa) Sectional Titles Act 1986 (Act 95 of 1986),
- bb) Sectional Titles Schemes Amendment Act 2011 (Act 8 of 2011),
- cc) Spatial Data Infrastructure Act 2003 (Act 54 of 2003),
- dd) Spatial Planning and Land Use Management Act 2013 (Act 16 of 2013),
- ee) State Land Disposal Act 1961 (Act 48 of 1961),
- ff) Subdivision of Agricultural Land Act 1970 (Act 70 of 1970),
- gg) South African for the Property Valuers Profession Act, 2000 (Act of 2000)



hh) The Amended Property Sector Code, published in the Government Gazette, No. 40910 of 9 June 2017.

## **A1115            QUALITY MANAGEMENT**

The onus rests with the Service Provider to comply with work programmes and produce work which conforms to all the quality and accuracy requirements contained in the Specifications, the Scope of Work and with the best practises adopted by the various professions and disciplines of skills represented in the Service Provider.

The Service Provider shall remain fully responsible for any defective data provided to the Employer and shall not rely on the accuracy of the data provided by the Employer in the ITIS system, and shall always update the data that is in ITIS that is found to be inaccurate.

The quality of all aspects of the service provision must be checked regularly to ensure its compliance with the specified requirements.

Wherever practical or required to do so, the Service Provider's staff shall be equipped with computer software, manuals or procedures in order to provide a ready reference to them in the case of problems arising which require resolution.

Staff shall at all times be properly trained and equipped to carry out the services specified and meet the requirements of timeliness and high quality.

The Service Provider shall therefore establish a system and provide experienced staff, properly equipped to ensure adequate supervision and effective control of the services at all times.

The intensity of control and of checks to be conducted by the Service Provider in terms of these obligations are not necessarily specified and paid for, but shall be adequate to ensure that proper control over timeliness and quality is exercised by the Service Provider. The Employer shall, at all times, be entitled to be shown evidence by the Service Provider, that these checks are in place, and that they are conducted and serve to ensure the timeliness and quality of services rendered. Where documentation is required to be provided by the Service Provider to prove that timeliness and quality management has been performed, it shall be provided to the Employer within 14 calendar days.

## **A1116            FILE AND DOCUMENT MANAGEMENT**

The numbering and naming of paper-based files must be done in strict accordance with the requirements of National Archives and Records Service, and the filing system adopted by SANRAL.

The safeguarding, location and use of the files is the responsible of the Service Provider, who shall be held fully responsible for providing a dry, insect and vermin-free, dust and dirt-free indoor environment for their storage.

The Service Provider is obliged to employ a computer-based file management system that records where files are and who is working with them. The system must provide for the bar

coding of files and must be compatible with the offsite file storage system employed by SANRAL's current offsite storage Service Provider.

Should the Employer identify any inadequacy of performance by the Service Provider, or identify any part of the work that is being performed inaccurately or is flawed or unacceptable in any way, the Employer shall advise the Service Provider of such fact. The Service Provider shall be afforded a reasonable opportunity to overcome the problem and shall, where required by the Employer, at its own cost, institute a documented process, procedure, quality check, manual or guideline or other programme, or shall suitably adapt its quality management system in order to remedy and prevent further such problems.

## **A1117 RISKS AND RISK REGISTER**

The Service Provider shall, at its own cost, adequately insure against any risks arising out of the provision of the services, including, but not limited to public liability insurance, professional indemnity insurance and insurances which cover its own risks.

The attention of the Service Provider is specifically drawn to the risks of using data generated and supplied by third parties, whether they be private or government institutions and be aware that the Employer shall not be held liable by the Service Provider for any costs or losses suffered by the Service Provider in relation thereto.

The Service Provider shall, at its own cost, maintain a risk register, complete with the rating of the likelihood of each untoward event occurring, a weighting estimating the impact of such an event occurring, the financial risk involved and a total risk index (being the product of the two weightings and the financial implication) followed by a description of the mitigating measures to be implemented to avoid the occurrence of the events. Upon the request of the Service Provider, the Employer shall provide the Service Provider with a proforma to be used in the preparation of the risk register.

## **A1118 REPORTING**

All reports shall be produced using the Employer's computerised ITIS system as far as possible, failing which, the computer system belonging to the Service Provider shall be used, provided that the Employer has full and unfettered access to the data on the Service Provider's system and that the data remains the sole property of the Employer.

Whereas the ITIS interface system and its background database have been designed in such a manner as to be able to produce all reports known to be required at the time of tender, it is possible that reports of a special nature will need to be generated to, inter alia, satisfy the requirements of auditors, to automatically generate payment certificates, report on progress against targets set or to check and verify data entries etcetera.

The Service Provider shall cooperate with the Employer to identify and/or create new data fields in either the Service Provider's computer system, or that of the Employer to produce reports of a specialised nature, the cost of which shall be included in other rates. Where reports are developed within the Service Provider's computer system, the full cost shall be for the Service Provider's account.

### **A1119 REPEATED WORK DUE TO CANCELLATIONS OR MODIFICATION**

Wherever it occurs that work is cancelled by the Employer before completion, the Service Provider shall be entitled to be paid for the work actually done up to the time of cancellation in accordance with the applicable tendered rates, subject always to any further or contrary provisions in the particular specifications relevant to the work involved.

Wherever it occurs that work already performed is amended before its final submission and has to be redone to take into account the change, the work actually performed is remunerable in accordance with the tendered rates and is subject to further payment if the work is redone, subject always to any further or contrary provisions in the particular specifications relevant to the work involved.

The Service Provider shall not be entitled to additional payment if any work undertaken by itself or its subcontractors must be redone due to any fault of its own.

### **A1120 PROJECT MANAGEMENT**

Notwithstanding that the Specifications are compiled in different sections, or that separate specifications and terms of reference will apply to Third Parties, the various Specifications, any separately drafted specifications and terms of reference shall be read as one and the Service Provider shall manage all its duties in terms of the contract as a whole, including those carried out by Subcontractors and Third Parties.

The Employer shall not entertain any claim for additional costs, nor for any delay of any programme, nor accept poor quality work that arises out of a lack of coordination between the various people or groupings of people employed by the Service Provider, or its Subcontractors or appointed Third Parties, or its own management of the processes followed in the execution of its duties

### **A1121 PROVISIONS IN RESPECT OF ITIS**

It is required of the Service Provider to use ITIS to enter all data pertaining to the administration of all property and the entry of all valuations, as further described in the Specifications relating to each of the disciplines of work. The Service Provider shall enter into ITIS any data generated by its subcontractors.

ITIS is a system that satisfies the requirements of the Auditor-General, and although many data checks are performed by it, it is not guaranteed to identify and report all errors that might be made by the Service Provider in the entry of data. This is and shall always remain the responsibility of the Service Provider, who shall be held responsible for the accuracy of all data entered into the system.

The Service Provider shall keep and maintain separate records indicating how the data was derived that is entered into ITIS and which must be sufficient to regenerate the entry of data

into ITIS.

ITIS is continually being developed and improved and new features added to it. The Service Provider shall be required to meet periodically with the Employer to discuss ITIS related matters.

It must be noted that individual users will be required to registered as such on the ITIS system and will need to provide identification documentation while doing so. No person will be allowed to use the system unless logging in using his/her own name and log in details.

If any problems are encountered in the use of ITIS by any user, the individual user must report the problems to [itisissues.nra.co.za](mailto:itisissues.nra.co.za), for each and every day that the problem is encountered. This will allow SANRAL's software developers to determine the extent of any problems, the severity, and the frequency of the problems so that resources can be applied according to the urgency of problems.

## **A1122 POLICIES AND PROCEDURES**

The policies and procedures contained in these tender/contract documents, or developed and implemented during the contract shall be diligently complied with by the Service Provider.

Whenever subcontracts are let or Third Parties are engaged, these parties shall be fully made aware of any policies and procedures in existence that apply to the work to be undertaken and shall be bound to comply with them.

Any manual or procedure drafted and implemented by the Service Provider upon the written instruction of and paid for by the Employer shall become the property of the Employer, and shall, if so instructed by the Employer, become supplementary Specifications. Payment for such manuals and procedures drafted upon the instruction of Employer shall be made in terms of these Specifications. Any document, or modified document produced in this regard shall be submitted to the Employer for approval, who shall be entitled to use the documentation without any restriction and as it pleases in its sole discretion.

## **A1123 CONFIDENTIALITY AND ACCURACY OF INFORMATION**

All information which is received relating to this contract shall be treated as being confidential and shall not be used for personal gain, nor shall quoted prices, or any information which the Service Provider has access to though its engagement in the contract be discussed with any person not in the employ of the Service Provider or the Employer. All information furnished in the course of carrying out the Service Provider's duties shall be true and fair and shall not be intended to mislead any person or entity.

Upon the termination of the contract, the Service Provider, after having certified that all data paid for by the Employer has been transferred to the system of the Employer it must be deleted from the electronic records of the Service Provider.

No copies of the Employer's data shall be made by the Service Provider and he shall not use any of the Employer's information to gain competitive advantage in any tender after the

termination of the contract.

#### **A1124 FAIR COMPETITION**

Any arrangement, which might in the long term prevent the effective operation of fair competition, shall be avoided.

#### **A1125 VALUE AND EFFICIENCY OBJECTIVES**

When administering property, or when obtaining services and other goods, a course of obtaining optimum value and efficiency to the best advantage of the Employer shall be pursued, and all Government policies and legislation adhered to.

The Service Provider shall, at all times, be familiar with and comply with the Treasury Regulations, the SCM policy of the Employer and legislation that governs procurement and the disposal of assets.

#### **A1126 INTEGRITY AND CODE OF ETHICAL CONDUCT**

The Service Provider, as well as any subcontractors, third party appointees, or other Service Providers associated with this contract shall observe the following ethical standards, principles and behaviour, which includes, but is not limited to;

- a) ensuring that value for money is obtained by promoting fair, open and accessible competition when procuring or renewing contracts and by ensuring continuous and effective contract management,
- b) accepting responsibility, being fully accountable, maintaining comprehensive documentation and making use of justifiable evaluation criteria,
- c) maintaining confidentiality and respecting the rights of suppliers or potential suppliers in relation to their intellectual property, and keeping confidential any commercially sensitive or proprietary information,
- d) ensuring that every process is transparent, free from bias or the perception of bias, and that the benefits of all information, assistance and concessions apply to, or are equally available to all tenderers,
- e) ensuring that there is no actual or perceived conflict of interest in any tendering process by including full and frank disclosure of any past, present or proposed future relationships, connections, or interests in tenderers,
- f) fostering a high standard of professional competence,
- g) managing the risks of unethical contract management behaviour by staff, by instituting appropriate protocols, implementing effective supervision and taking remedial action where necessary,

- h) creating an ethical culture of contract management, reinforced by effective monitoring and performance management tools,
- i) ensuring ethical and lawful behaviour by both private sector and public sector suppliers by communicating required standards and closely monitoring compliance,
- j) establishing mutual trust and respect for people and property,
- k) acting in a way that does not compromise the standing of the Employer,
- l) optimising the use of resources at the Service Provider's disposal so as to provide the maximum benefit to the Employer and to create a client directed quality service,
- m) complying with the laws of the Country,
- n) honouring contractual obligations,
- o) repudiating and avoiding all business practices which are improper and which are in discord with accepted moral principles.

#### **A1127                    GIFTS AND HOSPITALITY**

Gifts of money or goods, including the sale of materials or services at artificially low prices that are not available to the general public, personal favours and hospitality which might impinge, or might be deemed by others to impinge upon the Service Provider's sound business judgement, shall not be accepted.

#### **A1128                    CORPORATE GOVERNANCE**

In order to achieve the ideals of good governance, dealings with Service Providers, suppliers, lessees, purchasers and the Employer should be handled observing strict adherence to the following principles:

- a) Preserve the highest standards of honesty, integrity, impartiality and objectivity,
- b) Be fair, efficient and courteous in all dealings with people,
- c) Achieve the highest professional standards all times,
- d) During any process of procurement, provide clear specifications of requirements that encourage innovation and keen pricing, and strive for the highest professional standards in the management of contracts,
- e) Pay promptly for work done in accordance with these specifications,
- f) Respond promptly, courteously and efficiently to suggestions, enquiries and complaints of the public and the Employer,

- g) Conform with the latest “King” codes pertaining to Corporate Governance.
- h) Conform to all legislation governing Supply Chain Management when dealing with funds that are used to procure goods and services on behalf of SANRAL.
- i) Comply with all legislation governing the various professional services rendered in terms of the contract.

It is required that the Service Provider designate a member of its personnel as a Compliance Officer for the purposes of this contract, who shall be able to identify himself/herself as such to relevant stakeholders on site

## **A1129 OCCUPATIONAL HEALTH AND SAFETY**

The Service Provider shall conform in all respects with the OHS Act and Regulations, shall provide all necessary training, appoint the appropriate personnel with the applicable qualifications, develop and maintain OHS manuals and procedures and report monthly to the Employer concerning Occupational Health and Safety matters.

The Service Provider, as the Employer of Subcontractors and Third Parties, must in turn ensure that they are compliant through, but not limited to, training, assistance with the maintenance of OHS documentation and ad hoc inspections and audits.

Prior to commencing any services, the Service Provider must provide the Employer with a plan indicating how the Service Provider will comply with the provisions of the Occupational Health and Safety Act. This plan must be updated and submitted for the noting of the Employer every year. The Employer may direct the Service Provider to undertake any actions to remedy unsafe working conditions, all at the Service Provider’s cost.

It is important to note that some of the property maintenance activities to be performed by the Service Provider fall under the Construction Regulations of the OHS Act, and the Service Provider must ensure that the requirements of the Construction Regulation are adhered to by the Service Provider as well as any Sub-Service Providers employed to carry out such maintenance activities. The Employer reserves the right to stop any unsafe activities, which the Service Provider or Sub-Service Providers undertake and may only continue with the work once the activity can be executed safely.

Wherever so required, the Service Provider shall designate members of its personnel who take responsibility for Occupational Health and Safety.

## **A1130 OWNERSHIP OF DRAWINGS AND OTHER DATA**

All original documents furnished and/or supplied by the Employer to the Service Provider and all documents, plans, computer programmes and other data prepared by the Service Provider in connection with this contract shall be lodged with the Employer and shall become the property of the Employer upon their submission to and acceptance by the Employer. Any documents produced or procured at the Employer’s cost shall become the property of the Employer and

shall be surrendered to the Employer upon the termination of the contract.

#### **A1131            COPYRIGHT**

The copyright in all documents prepared by the Service Provider and paid for in terms of this contract shall be vested in the Employer who shall have the right to use them for other purposes.

#### **A1132            DATA OBTAINED FROM OTHER SOURCES**

The attention of the Service Provider is specifically drawn to the fact that the Employer shall not be held responsible for any losses and damages suffered by the Service Provider arising out of the use of data sourced by the Service Provider from private vendors. The Service Provider shall always remain responsible for the verification of the accuracy of data provided by such vendors.

#### **A1133            PAYMENT OF OTHERS**

The Service Provider shall ensure the timely payment of sub-contractors, municipalities and any third party engaged in providing services to the Service Provider. The Service Provider shall pay all its sub-contractors **within 7 days** of receiving payment from SANRAL or **within 30 days** of receiving a valid and undisputed invoice from sub-contractor whichever occurs first.

Any charges incurred for the late payment of such services shall be for the Service Provider's account and may attract a penalty and interest which shall not be claimed from SANRAL.

Failure to comply shall constitute a material breach of the agreement leading to an administrative penalty of 2% of previous total invoice, which such penalty shall not be claimed from SANRAL.

The service provider shall also pay interest to the affected subcontractor on any late payments made after 30 days at a rate as published /**prevailing prime rates plus 2% p.a**, calculated daily from the due date until date of payment, which interest shall not be claimed from SANRAL.

It is mandatory that proof of payment to subcontractors with each invoice to SANRAL is submitted.

SANRAL may from time-to-time, as it deems necessary in its sole and absolute discretion, retain the monthly payable retention amount which may only be paid out at the end of every 3 months once SANRAL is satisfied that all subcontractors have been paid.

#### **A1134            BBBEE RATING**

The Service Provider shall annually have its BBBEE Rating updated by an Accredited Verification Agency or Verification Agency that is in possession of a valid pre-assessment letter from the South African National Accreditation System as currently set out in terms of



Government Notice 810 of 31 July 2009, or as any further legislation may dictate in future. The rating of the Service Provider may not be lower during the contract period than that obtained at the commencement of the contract, unless such a change is the result of new regulations being imposed by the Government to calculate these ratings, failing which the Service Provider shall submit a plan to the Employer for approval indicating how it intends to bring itself back to the same rating, or a higher rating than at tender stage.

#### **A1135 KEY PERSONNEL**

It is expected by the Employer that the key personnel listed in the Returnable Schedules at the time of tender will be available over the full period of the contract. With the exception of absences from the workplace in terms of the Basic Conditions of Employment Act, the non-availability of these specific personnel, with their training, skills and experience, during the period of the contract shall be regarded by the Employer as non-compliance with the offer made by the Tenderer and accepted by the Employer.

Should the Service Provider wish to restructure its business, or should any of the key personnel no longer be available for any reason, the Service Provider shall bring the matter to the attention of the Employer with a proposal as to how to overcome the future absence of the key person(s), or how it wishes to restructure its business for the consideration of the Employer.

The Service Provider shall be liable to a penalty, as described in these Specifications, if any of the key personnel mentioned in the Returnable Schedules at the time of tender is not available on a full time basis for a period of longer than two months during the course of the contract without the approval of the Employer, which approval shall not be unreasonably withheld.

#### **A1136 SECURITY OF ELECTRONIC DATA**

Excepting for the data that is entered in the ITIS system of the Employer, the Service Provider shall no less frequently than weekly back up the data on local servers, personal computers, and, where applicable, mobile devices to a central thief and fire proof facility that is neither used by, nor is accessible to any other staff than the information technology staff of the Service Provider, and which is adequately protected against power failures, spikes, lightning strikes and any other event that may cause loss of data.

The Service Provider shall employ a rigorously followed strategy of backing up of information to an offsite location and shall perform a complete back-up of all data no less than once per week.

#### **A1137 SECURITY OF LEGAL DOCUMENTS**

The Service Provider shall keep all paper-based records belonging to the Employer in conditions protected against fire, theft, insect, vermin and water damage.

Any document that may be regarded as a security or proof of a right, such as a lease agreement, shall be kept in a fire and thief proof safe to which access is restricted to only those persons having proper authority to examine or withdraw the records from the facility.

There must always be an electronic record of all legal documents on the computer system of the Employer.

## **A1138            LEGISLATIVE FRAMEWORK**

The following legislation, *inter alia*, relates to and governs the property portfolio, wherever applicable;

- a) The South African National Roads Agency Limited and National Roads Act 7 of 1998,
- b) Preferential Procurement Policy Framework Act 5 of 2000,
- c) Broad Based Black Economic Empowerment Act 53 of 2003,
- d) Occupational Safety and Health Act 1993 (Act 85 of 1993),
- e) Public Finance Management Act 1 of 1999 (as amended by Act 29 of 1999),
- f) Employment Equity Act 55 of 1998,
- g) Promotion of Access to Information Act 2 of 2000,
- h) Promotion of Administrative Justice Act 3 of 2000,
- i) The Protection of Personal Information Act 4 of 2013,
- j) Deeds Registry Act 1937 (Act 47 of 1937),
- k) Land Survey 1997 (Act 8 of 1997),
- l) Alienation of Land Act 1981 (Act 68 of 1981),
- m) Geomatics Profession Act 2013 (Act 19 of 2013),
- n) Estate Agency Affairs Act 1976 (Act 112 of 1976),
- o) Expropriation Act 1975 (Act 63 of 1975),
- p) Extension of Security of Tenure Act 1997 (Act 62 of 1997),
- q) Interim Protection of Informal Rights Act 1996 (Act 31 of 1996),
- r) Land Titles Adjustment Act 1993 (Act 111 of 1993),
- s) Maritime Zone Act 1994 (Act 15 of 1994),
- t) Mineral and Petroleum Resources Development Act 2002 (Act 28 of 2002),

- u) Mining Titles Registration Amendment Act 2004,
- v) National Environmental Management Act 1998 (Act 107 of 1998),
- w) National Heritage Resources Act 1999 (Act 25 of 1999),
- x) National Water Act 1998 (Act 36 of 1998),
- y) The South African Geographical Names Council Act 1998 (Act 118 of 1998),
- z) Sectional Titles Act 1986 (Act 95 of 1986),
- aa) Sectional Titles Schemes Amendment Act 2011 (Act 8 of 2011),
- bb) Spatial Data Infrastructure Act 2003 (Act 54 of 2003),
- cc) Spatial Planning and Land Use Management Act 2013 (Act 16 of 2013),
- dd) State Land Disposal Act 1961 (Act 48 of 1961),
- ee) Subdivision of Agricultural Land Act 1970 (Act 70 of 1970),
- ff) The Amended Property Sector Code, published in the Government Gazette, No. 40910 of 9 June 2017.

## **A1200 ESTABLISHMENT AND MANAGEMENT OBLIGATIONS**

### **A1201 SCOPE**

This section covers the establishment of the Service Provider's organisation and his general obligations. It covers recurring general obligations, risks and liabilities and general items of cost not covered elsewhere.

### **A1202 ESTABLISHMENT**

The Service Provider shall, after the award and acceptance of the contract, position itself to commence with the works within the time allowed after the commencement date. The Employer is not prescriptive as to what is included in this item, other than to suggest to the tenderer that all items and services of a once-off, fixed cost nature should be included in the tendered rate.

### **A1203 TIME RELATED COSTS**

The Service Provider shall, under this section, provide for recurring costs and expenses that are not covered by any of the work items described in any of the other Specifications, and that cannot be recovered as reimbursable expenses.

The Employer is not prescriptive in any manner whatsoever as to what is to be included or excluded in the tendered rate, but a Service Provider would typically include his own office rental costs and other overheads that cannot be quantified and recovered under the payment items for work undertaken. The rate tendered may, for example, cover "management expenses", or "management fees", or insurance cover, the costs of providing a guarantee, the costs of office security, the cost of hiring back-office personnel, all being those expenses that are not necessarily covered by other payment items, and which may be incurred in the process of delivering the services required. Other examples may include computer expenses, data management, quality management, organisational planning, unspecified data entry, and the various operating expenses necessary to keep an office functioning.

The Employer may call upon the tenderer to disclose, during the tender evaluation process, how the tendered rate has been calculated.

### **A1204 RECORDING AND SUBMITTING EMPLOYMENT DATA**

The Employer is obliged to report employment data to others. The Service Provider is obliged (and it is a condition of payment) to gather certain data and capture it using the Project Information Management System (PIMS) interface provided by the Employer.

Employment data must be captured in respect of each person benefitting as an employee or employer through the appointment of the Service Provider and includes own staff and those of sub-contractors, appointees and entities that have been awarded contracts in terms of this contract.

A separate specification is available for this work and is attached in volume 5.

## **A1205            PAYMENT**

### **Establishment and management obligations**

<b>Item</b>		<b>Unit</b>
A12.01	Establishment for property administration	Lump Sum
A12.02	Time related obligations	Month
A12.03	Capturing employment data	Record

The rate for establishment for Property Administration shall be payable once only at the beginning of the contract and shall include full remuneration for the cost of setting up business to enable the Service Provider to commence the work required under the contract.

The unit of measurement for time related obligations shall be the number of months over the duration of the contract and represents full compensation for the Service Provider's general obligations which are mainly a function of the contract time. The payment shall include complying with the General Conditions of Contract and the requirements of the Specifications, including the effecting of insurances and guarantees, all general office overheads, profit, financing costs, risks, legal and contractual responsibilities, and other costs and obligations of a general nature which are not specifically measured for payment under any other items of payment. The lump sum will be paid monthly, pro rata for parts of a month, from the date on which the contract commences until the end of the contract, plus any extension thereof as provided for in the General Conditions of Contract.

Payment for capturing employment data shall be for the number of records entered over the life of the contract. It must be noted that the report of records captured until each month end must be printed, scanned into the record management system of the Employer and a printed copy included with each invoice of the Service Provider. It is important to note that payment of the entire invoice will be withheld until proof of entry of employment data is provided with the Service Provider's invoice.

**The sum of all items under this section over the full period of the contract may not exceed 20% of the total tender amount, VAT excluded.**

## **A1300            TRANSITIONAL ARRANGEMENTS**

### **A1301            SCOPE**

This section covers the duties of the Service Provider with respect to taking on the work and operations immediately after the commencement date, and the scaling down of its operations in the last three months prior to the termination date.

### **A1302            TAKING ON OF OPERATIONS**

The Service Provider must note that the commencement of its contract will precede the termination of the contract of the previous Service Provider.

The previous Service Provider may be required to complete any work started by it prior to the termination of its contract and which cannot logically be handed over to a new Service Provider in mid-process. Consequently, the Service Provider will not be required to take on cases which are in progress unless it is advantageous for the Employer to make such an arrangement.

To facilitate a smooth handing over process, this contract provides for the new Service Provider to employ the previous Service Provider, while applying the same terms and conditions as the previous Service Provider's contract with the Employer, including its priced schedule of quantities. The cost of paying the previous Service Provider shall be included in the Service Provider's accounts, using the payment items provided. Payment of the previous Service Provider shall be made within 30 days of their invoice. The Service Provider must plan its own schedule of invoices to ensure that the previous Service Provider can be paid within this period. It is envisaged that this overlapping period shall not exceed 3 months.

Within 10 working days of the commencement of the contract, a "change management committee" must be established with the Employer and the previous and new Service Providers as members. This committee must meet as often as mutually agreed between the parties to remain fully up to date with the process of handing over the work, and to ensure that any difficulties are addressed in time and with the least disruption and conflict.

The Service Provider shall consider the programme existing at the time, and in liaison with the previous Service Provider and within 7 calendar days of establishment of the change management committee, prepare a change management plan indicating how it will commence its operations. The programme must show what resources will be applied to take on new work and indicate which work will be completed by the previous Service Provider. The Service Provider shall further indicate any meetings, training periods, or other thing required to be undertaken to ensure a smooth transfer of duties to the Service Provider.

When planning the taking on of operations, the Service Provider must consider that files exist in both the Employer-contracted mass storage facilities (e.g. Metrofile), as well as in the offices of the previous Service Provider. Many, but not all files stored at mass file storage have been closed, whilst the files kept in the offices of the previous Service Provider are for the most part, works in progress, or have been retrieved from storage for the purposes of acquiring information.

Access to files stored in mass file storage is only available upon the approval of the responsible

person designated by the Employer.

Access to and control over all files not being worked on by the previous Service Provider and which are not stored in mass file storage shall be taken over by the Service Provider during the initial period of the contract in accordance with the programme agreed to with the previous Service Provider and the Employer.

The Service Provider shall, with the assistance of the Employer and whenever deemed by the Employer to be required, perform the training of staff in respect of all aspects of its duties, including, but not limited to the use of and adherence to the filing system, the input of data into ITIS, the various surveying, property management and valuation operations to be performed, and shall familiarise itself with the Land Acquisition (LAC) Programme, shall prepare and implement its quality management programme and do all things necessary to acquaint itself with the duties to be performed under the contract and commence operations so that, upon the termination of the services of the previous Service Provider, the new Service Provider is able to fully perform all duties required of it.

### **A1303                      PREPARATION FOR HANDING OVER OF CONTRACT**

During the last three months of its contract, the Service Provider shall progressively scale down its operations in preparation for a full handing over of its duties and responsibilities to a new Service Provider.

The Service Provider shall ensure that all documentation is scanned as required and recorded in the document retrieval system of the Employer, after which the originals must be filed. All files not being worked on shall be properly coded and shall in turn be placed in coded boxes and despatched to the mass file storage facilities designated by the Employer. The respective codes shall be recorded and loaded into the document management system of the Employer. The Service Provider shall also ensure that all data is correct and accurate and up to date in the ITIS / SAP system.

A programme for the handing over of operations shall be submitted by the end of the first week of the three months handing over period for the approval of the Employer. This programme shall include every element of the Service Provider's operations and shall indicate the dates at which each element of the operations is proposed to be taken over by the new Service Provider, what work the Service Provider shall complete before termination of the contract and shall further indicate any meetings, training periods, or other thing required to be undertaken in order to ensure a smooth transfer of its duties to the new Service Provider.

The Service Provider shall, if so instructed by the Employer, no longer take on any new work, but shall finish off any work already commenced.

## **A1304            PAYMENT**

### **Taking on operations**

<b>Item</b>		<b>Unit</b>
A13.01	Engagement of previous Service Provider	PC Sum
A13.01(a)	Mark up on engaging previous Service Provider	Percent
A13.02	Plan and program taking on operations	Lump Sum
A13.03	Taking over files and documentation	Lump Sum
A13.04	Taking on operations	Month

Payment for engaging the previous Service Provider shall be remunerated at cost, for which a mark-up shall be paid at the tendered rate.

Payment for planning and programming of taking on operations shall be made once only upon the presentation to the Employer of a satisfactory change management plan programme for the taking over of documentation, and the commencement of operations.

Payment for taking over files and documentation shall include, but not be limited to the supervised loading of the files in the possession of the previous Service Providers, their transport to their new place of keeping, and their supervised offloading and placing into a filing system.

Payment for taking on operations shall be made monthly for the first three months of the contract and shall include, but not be limited to compensation for all managerial effort, training of staff to perform the various duties required, training in the contents and use of the respective files and filing system and the input of data into ITIS, familiarisation with the programme, and the implementation of a quality management system.

### **Handing over of operations**

<b>Item</b>		<b>Unit</b>
A13.05	Plan and programme handing over operations	Lump Sum
A13.06	Handing over operations	Month

Payment for planning and programming for handing over operations shall be made once only upon the presentation to the Employer of a satisfactory plan and programme for the handing over of documentation, and the termination of operations.

Payment for handing over operations shall be made monthly for the last three months of the contract and shall include, but not be limited to all assistance to be given to the new Service Provider to plan and execute the handing over process, and the despatch, at the cost of the Employer, of all closed files to the off-site mass file storage facility designated by the Employer.



## **A1400 HANDLING OF DOCUMENTATION**

### **A1401 SCOPE**

This section covers the handling of documentation, the management of files and correspondence, and the storage and retention of documentation.

### **A1402 GENERAL**

All correspondence and documentation generated or received during the contract that is relevant to the contract shall become the property of the Employer, and the Service Provider shall handle it and store it in strict conformance with the requirements of the National Archives and Records Service. The Service Provider shall be responsible for obtaining these requirements and for adhering to them.

Unless otherwise specially provided for, none of the duties and responsibilities covered in this section shall be paid for separately, and all costs associated therewith shall be covered by other rates.

Aside of the software that will be provided to the Service Provider by the Employer, the Service Provider shall purchase and use only properly licensed software.

The Employer uses various off-site filing contractors, with each office having its own. All files that are closed by the Service Provider shall be bar coded and placed in boxes that shall also be bar coded. All retrieval information for each file and each box shall be recorded on the Metrofile system prior to its despatch to Metrofile. The attention of the Service Provider is specifically drawn to the importance of correctly and completely recording all retrieval information required by Metrofile prior to despatching any boxes of documents to them, as later retrieval is likely to be made very difficult or nearly impossible if the retrieval information is inaccurate or incomplete in any way.

### **A1403 DOCUMENTATION AND FILING**

#### **A1403(a) RECORDING OF DOCUMENTS IN THE SYSTEM OF THE EMPLOYER**

All documents prepared for the purposes of the contract shall be generated using the most recent edition of the Microsoft Office package. Other software packages, such as Computer Aided Design packages may be used by the Service Provider for the generation of plans and sketches in terms of the contract, provided that the prior approval of the Employer is obtained.

#### **A1403(a)(i) DOCUMENT MANAGEMENT SYSTEM**

The Employer utilises an electronic document management system, currently “Open Text” as a document management and retrieval system for all documents generated or received by it,

and the Service Provider shall be required to either directly enter all contract related correspondence between itself and others as well as all reports, certificates, plans, sketches and diagrammes generated through the carrying out of its duties into Open Text or ITIS in a Microsoft or other approved format as the case may require, or to scan any documentation relevant to the project after it is produced or received and enter it into the system of the Employer in .pdf format. The entered documentation shall be correctly linked to the properties by means of entering all codes and fields provided for in the ITIS land register, unless it has no relevance to any specific property.

#### **A1403(a)(ii) FILE MANAGEMENT SYSTEM**

The Service Provider may be obliged to purchase an electronic file management system approved of or designated by the Employer. This system shall continually be used to track files as they move between the Service Provider's various staff, and the in-office and off-site filing facilities and shall be a system entirely independent of the electronic document management system and ITIS systems of the Employer. These systems may be obtained from a variety of sources including mass file storage warehouses. A Contract Instruction is required to be issued by the Employer for any costs proposed to be incurred.

The purchased software and licences shall be registered in the Employer's name and shall be surrendered to the Employer upon termination of the contract.

#### **A1403(b) MANAGEMENT OF FILES AND CORRESPONDENCE**

The Service Provider shall immediately after generating or receiving a document of any kind, ensure that it placed on the document retrieval system of the Employer (currently Open Text or EDMS), and thereafter place a copy of the document on the correct case file. When any case has been completed, the case file shall forthwith be coded, placed in a coded box and be sent to the mass file storage facility designated by the Employer, after updating the document retrieval system of the Employer. The Employer shall be responsible for all charges invoiced by the Employer's mass file storage facility.

#### **A1404 REQUIREMENTS FOR PAPER DOCUMENTATION**

The Service Provider shall obtain and familiarise itself with the legislation and requirements of the National Archives and Records Service and apply their approved methods for the storage and keeping of the documentation and files of the Employer.

All documentation generated or received shall be printed on paper and shall be accurately filed in files that are numbered according to the system approved by the National Archives and Records Service. The approved filing system of the Employer is contained in Volume 5.

#### **A1405 CORRESPONDENCE REGISTERS**

The Service Provider shall maintain separate up to date registers of all incoming and outgoing correspondence and documentation. Each must reflect the date of receipt or despatch of the

correspondence, the recipient or sender as the case may be, and the file number onto which the correspondence is placed.

Any documents delivered to, or received from the Employer by hand, shall also be recorded in separate registers, and whether delivered or received, must be signed for. These registers need to reflect only the date of receipt or delivery, the title of each of the documents delivered or received and a column for the signature of the recipient.

The cost of maintaining these registers is for the Service Provider's own account.

## **A1406          PAYMENT**

### **File Management System**

<b>Item</b>		<b>Unit</b>
A14.01	Purchase of internal file management system	PC. Sum
A14.01(a)	Mark up on file management system	Percent
A14.02	License charges	PC sum
A14.02(a)	Mark up on license charges	Percent

If the Employer elects to purchase an updated or upgraded file management system, payment shall be made to the Service Provider for its procurement. The purchased upgraded software and licences shall be registered in the Employer's name and shall be surrendered to the Employer upon termination of the contract.

The Service Provider shall be reimbursed the actual costs of the licensing and maintenance of the file management software employed to manage the case files of the Employer, plus a mark-up.

All other costs for the handling of documentation are for the Service Provider's account.

## **A1500 REIMBURSABLE COSTS**

### **A1501 SCOPE**

This section covers costs that are reimbursable, which includes but is not limited to;

- a) Accommodation and subsistence allowance,
- b) Travelling by Air,
- c) Travelling on land,
- d) Materials and the acquisition of documents,
- e) Formal charges incurred on behalf of the Employer, if not covered by other Specifications,
- f) Direct costs for scrutiny, inspections, application and other formal charges raised by competent authorities,
- g) Courier service/Delivery costs, with the prior approval of the Employer,
- h) Any other costs incurred on behalf of the Employer with the Employer's approval,
- i) Printing and duplication costs.

Items not included in the Specifications which the Service Provider considers reimbursable, must be adequately motivated and submitted for consideration by the Employer.

### **A1502 ACCOMMODATION AND SUBSISTENCE**

National Treasury's cost saving measures must be applied by the Employer in this contract. The Service Provider shall be advised from time to time what is allowed and what may be claimed.

The Service Provider shall keep the records required by National Treasury for the duration of the contract plus two (2) years.

### **A1503 TRAVELLING BY AIR**

In cases where travelling by air is the most economical means of transport, economy class air travel shall be reimbursed by the Employer.

Copies of invoices of actual costs must be submitted with the Service Provider's invoices in all cases.

### **A1504 TRAVELLING ON LAND**

National Treasury's cost saving measures must be applied by the Employer in this contract. The Service Provider shall be advised from time to time what is allowed and what may be claimed.

The Service Provider shall keep the records required by Treasury for the duration of the contract

plus two (2) years.

#### **A1505 THE ACQUISITION OF MATERIALS AND DOCUMENTS**

The direct costs of the acquisition from other parties of relevant documents, diagrammes, records, drawings, data or maps, which shall become the property of the Employer, are reimbursable. Where these costs are covered by other sections of these Specifications, they shall not be reimbursed under this item.

Proof of cost must be kept for the duration of the contract plus two (2) years.

#### **A1506 FORMAL CHARGES INCURRED ON BEHALF OF THE EMPLOYER**

Direct costs for scrutiny, inspections, application fees and other formal charges raised by competent authorities are reimbursable to the Service Provider by the Employer.

#### **A1507 INSPECTION AND SCRUTINY COSTS**

The Employer shall reimburse the Service Provider for any costs raised by other authorities for inspections and the scrutiny of work produced by the Service Provider.

#### **A1508 COURIER SERVICE/DELIVERY COSTS**

The moving of files and documents directly related to this contract between the offices of the Service Provider in performing its duties is remunerable, provided that copies of invoices are kept for auditing purposes for the duration of the contract, plus two (2) years.

#### **A1509 OTHER COSTS INCURRED ON BEHALF OF THE EMPLOYER**

Costs incurred on behalf of the Employer and approved by the Employer by means of a Contract Instruction shall be paid at cost and be subject to a mark-up at the tendered percentage. The mark-up must allow for all costs of attending to the matter.

The Employer shall indicate from whom Deeds and Cadastral, and other GIS based information necessary for the execution of the contract, or the development of the ITIS system of the Employer shall be acquired.

#### **A1510 PRINTING AND DUPLICATION**

Printing and duplication shall be reimbursable at the tendered rates, provided that the devices, or software controlling the printing devices are able to count the number of printed documents in various departments and can distinguish between different page sizes and media types.

Provision is made for;

- a) Monochrome A4 on paper,
- b) Colour on A4 paper,
- c) Monochrome A3 on paper,
- d) Colour on A3 paper,
- e) Monochrome on A3 using synthetic translucent media,
- f) Colour on A3 using synthetic translucent media,
- g) Colour on A0 paper,
- h) Laminating of A4 sheets,
- i) Laminating of A3 sheets,
- j) Laminating of A0 sheets.

## **A1511            ADVERTISING**

The Service Provider shall be required, at times to advertise tenders to solicit tenants, buyers, professional subcontractors, etc.

The media in which advertising is to be done and the proposed costs thereof shall always be discussed and agreed with the delegated project manager of the project from the Employer.

## **A1512            PAYMENT**

### **Reimbursable Costs**

<b>Item</b>		<b>Unit</b>
A15.01	Overnight accommodation	PC Sum
A15.01(a)	Mark up on Accommodation	%
A15.02	Meals	PC Sum
A15.02(a)	Mark up on meals	%
A15.03	Flight costs	PC Sum
A15.03(a)	Mark up on flight costs	%
A15.04	Use of rented Vehicles	PC Sum
A15.04(a)	Mark up on rented vehicles	%
A15.05	Use of private and company vehicles	PC Sum
A15.05(a)	Mark up on private and company vehicles	%
A15.06	Acquiring materials and documents	PC Sum
A15.06(a)	Mark up on materials and documents	%
A15.07	Formal charges	PC Sum
A15.07(a)	Mark up on formal charges	%
A15.08	Scrutiny, inspections and application fees	PC Sum
A15.08(a)	Mark up on Scrutiny, inspection and application fees	%
A15.09	Courier service/Delivery costs	PC Sum
A15.09(a)	Mark up on Courier service/Delivery costs	%
A15.10	Other costs approved by the Employer	PC Sum
A15.10(a)	Mark up on other costs approved by the Employer	%
A15.11	Printing and Duplication;	

A15.11(a)	Monochrome A4 on paper	No.
A15.11(b)	Colour on A4 paper	No.
A15.11(c)	Monochrome A3 on paper	No.
A15.11(d)	Colour on A3 paper	No.
A15.11(e)	Monochrome on A3 using synthetic translucent media	No.
A15.11(f)	Colour on A3 using synthetic translucent media	No.
A15.11(g)	Colour on A0 paper	No.
A15.11(h)	Laminating of A4 sheets	No.
A15.11(i)	Laminating of A3 sheets	No.
A15.11(j)	Laminating of A0 sheets	No.
A15.12	Advertising costs	PC sum
A15.12(a)	Administration involving advertising	%

For all items paid under the PC sums above, scanned and printed proof of the costs, plus, where applicable, calculations of the mark-up must be submitted to the Employer with each invoice and must be kept by the Service Provider in a neat and orderly fashion for audit purposes for a period equal to the contract period, plus two (2) years. The mark up, in each case, shall be full remuneration for all procurement, attendance to the work by staff, overheads and profit.

Meals for staff working out of office will be paid for at the Treasury rates and shall distinguish between breakfasts, lunches and evening meals, as specified by Treasury.

In respect of the use of private and company vehicles, detailed weekday log sheets must be maintained for each vehicle for which costs are claimed from the Employer. Details must include vehicle details sufficient to identify the business kilometres travelled, and the destinations travelled to. The monthly claim of the Service Provider must be the total claimed at ruling Treasury rates for all company and private vehicles used for the work of the Employer. Details must be kept for auditing and verification for the duration of the contract, plus two (2) years by the Service Provider, or lead partner (if a partnership or JV).

Printing and duplication shall be reimbursable at the tendered rates, provided that the devices, or software controlling the printing devices are able to count the number of printed documents in various departments and can distinguish between different page sizes and media types. Documentation submitted by the Service Provider with its invoice shall include scanned and printed reports indicating the printer counts for the past month. These reports must be kept available for audit by the Service Provider for the duration of the contract, plus two (2) years. Where devices are used that are not equipped to count as envisaged, a detailed register must be kept which indicates what was printed and on what date, and keep record of a job card number, claim date or other detail that can be traced to justify the remuneration claimed.

Advertising costs shall be remunerated under A15.12 at cost, with a percentage mark-up being payable for the administration involved in procuring and managing the advertising.

## **A1600            PENALTIES AND DEDUCTIONS**

### **A1601            SCOPE**

This section covers the imposition of penalties as described in these and the other Specifications included in this contract.

### **A1602            GENERAL**

Penalties shall be calculated in terms of a point system, and shall be levied against payments due to the Service Provider for any lack of performance outlined in these Specifications. These penalties are to be escalated as are any other payment items and shall be reflected in the payment certificate as negative values prior to the application of the escalation formula.

Every month, penalties and performance points will be accumulated. At the thresholds provided below, a penalty amount will be deducted from the monthly payment due to the Service Provider.

### **A1603            PENALTY POINTS FOR INCOMPLIANCE**

Penalty points will be allocated at the end of each calendar month. The table below defines the severity of the incompliance and the penalty points to be awarded, which shall be determined by the project manager of the Employer.

#### **Penalty Points**

	<b>Bad</b>	<b>Worse</b>	<b>Worst</b>
<b>1. Incompliance, minor consequence</b>	1	2	3
<b>2. Incompliance, important consequence</b>	2	4	6
<b>3. Breach, serious matter</b>	8	14	20

The Employer may, in its sole discretion, interpolate between the points in categories 2 and 3.

### **A1604            PERFORMANCE POINTS**

The Service Provider shall be rewarded with the following performance points at the end of each month.



**Performance points**

<b>Performance Points</b>	<b>Description</b>
3	General performance is satisfactory and complies with the contract.
4	General Performance shows diligence and Service Provider acts in the Employer's best interests.
5	General performance is exemplary and indicates a proactive approach to the work.

**A1605 SUM OF POINTS**

The final points shall be calculated as follows:

**Final = (Points for every incompliance added together)- (month's point for performance)**

The Employer shall explain the reasons for the penalty points imposed on the Service Provider, and the Service Provider shall include the relevant penalty amount in the invoice for the work done in the month.

The Service Provider shall have 90 days in which to make representations to the Employer to overturn any penalty imposed on the Service Provider.

The sum of penalties and performance points shall not be considered if the result is 0 or lower.

**A1606 PENALTY AMOUNTS**

After adding all penalties together for the month preceding, the following penalty amounts shall be deducted from the amount owing to the Service Provider.

**Penalty Amounts**

<b>Month's Final Points</b>	<b>Consequence</b>
1	Warning only
2	R 5 000
3	R 10 000
4	R 12 000
5	R 14 000
6	R 16 000
7	R 18 000
8	R 20 000
9	R 23 000
10	R 26 000
11	R 29 000
12	R 35 000
13	R 50 000
14	R 75 000

Month's Final Points	Consequence
20	Termination of contract / Service Provider on terms

## **A1607 PENALTIES FOR FAILURE TO SUBCONTRACT**

Failure to meet the targets described in Section A2100 shall incur a penalty at the end of the contract determined as follows:

$$P = (0.15 * (D - D_o) * CA) / 100$$

Where;

D= Required subcontract percentage,

D<sub>o</sub>= Achieved subcontract percentage,

CA= the contract Sum,

P= monetary value of the penalty payable. If P is negative, no bonus shall be paid.

## **A1608 PAYMENT**

### **Penalties**

Item		Unit
A16.01	Penalties for incompliance	Prov Sum
A16.02	Penalties for failure to meet subcontract targets	Sum

In respect of A16.01, the amount of the penalties shall be levied against the monthly invoice of the Service Provider and shall be reflected in the pricing schedule as a negative amount.

A16.02 shall be levied against the second last invoice of the Service Provider.

## **A2000      SUB-CONTRACTS AND OTHER SERVICES**

## **A2100 SUBCONTRACTING REQUIREMENTS**

### **A2101 SCOPE**

These specifications cover the various forms of contract participation, or subcontracting by the Service Provider.

There shall be three kinds of subcontracting;

- a) Domestic subcontracting,
- b) Nominated subcontracting,
- c) Selected subcontracting.

### **A2102 GENERAL**

A subcontract shall be valid only if it is a written agreement by which the Service Provider entrusts performance of a part of the Services to others.

The Employer shall have no contractual relationships with subcontractors. However, if a subcontractor is found by the Employer to be incompetent, the Employer may request the Service Provider to either provide a subcontractor with qualifications and experience acceptable to the Employer as a replacement, or to resume the performance of the relevant part of the Services himself.

The Service Provider shall be responsible for the acts, defaults and negligence of subcontractors and their agents or employees in the performance of the Services, as if they were the acts, defaults or negligence of the Service Provider, his agents or employees. Approval by the Employer of the subcontracting of any part of the contract or of the engagement by the Service Provider of subcontractors to perform any part of the Services shall not relieve the Service Provider of any of its obligations under the contract.

At all times the Service Provider shall ensure that subcontractors;

- a) Are able to provide the quality of work required,
- b) Ideally, are located in the area in which the work occurs,
- c) Are removed from the contract if they do not perform satisfactorily,
- d) Who are in good standing in terms of the Compensation for Occupational Injuries and Disease Act (COIDA) and have a letter of proof,
- e) Who are registered on the Central Supplier Database,
- f) Who have provided a Tax Clearance Pin, and SBD 4, 8 and 9 form to the Service Provider,

- g) Have provided an original or certified copy of the BEE certificate, or shall be awarded BBBEE points as provided for in the Treasuring regulations, where applicable,
- h) Have provided full details of the entity and the people proposed to be employed doing the work under the subcontract for the purposes of reporting employment statistics, covered under section A3200.

The Service Provider shall manage and administer the services provided by subcontractors in such a manner as to ensure compliance with all requirements of the specifications.

In the case of nominated and selected subcontractors, the Service Provider shall advise the Employer without delay of the variation or termination of any subcontract for the performance of all or part of the Services.

Procurement documents shall be made available on electronic media.

The Service Provider shall not charge tender deposits or fees unless so approved by the Employer.

Although it is often necessary to make such meetings obligatory, the attendance of tender clarification meetings should be made optional.

## **A2103                      DOMESTIC SUBCONTRACTORS**

Domestic subcontractors are suppliers over which the Service Provider shall exercise its own discretion and control and which are not subject to the supply chain policies of the Employer,.

The Service Provider is required to be transparent, fair, and open and as far as possible, provide work to the targeted groups as further required below.

## **A2104                      NOMINATED CONTRACTORS**

In this instance, the SCM process obligatory to SANRAL is not enforced on the Service Provider and these specifications shall determine the procurement process.

Nominated subcontractors shall be designated by the Employer and the Service Provider shall procure the services from the party, or parties nominated. This method will be used when the Employer has specific needs and reasons to use a nominated subcontractor(s), and there is either only one, or very few parties that can provide the required services, or there is an existing contract between the Employer and another Service Provider whose services can also be applied under this contract.

When procuring a nominated subcontractor, the Service Provider shall negotiate the terms of subcontract, ensure that the nominated subcontractor has the competency, finances and resources to perform the work and obtain prices for delivering the required service. The Service Provider shall then submit the documentation to the Employer for consideration. The Employer shall, in its sole discretion, accept or reject the proposed terms and conditions, or require amendments to be made.

The Service Provider shall, thereafter appoint the nominated subcontractor, and manage it as it would any other subcontractor subject to this section A2100.

## **A2105                      SELECTED SUBCONTRACTORS**

Selected subcontractors are typically third-party specialists, e.g. land-legal experts, specialist valuers, or the providers of professional or specialised goods and services that are identified to be needed to deliver the services required under this contract. The Supply Chain Management requirements governing the Employer do not apply to the procurement by the Service Provider of selected subcontractors. These specifications shall govern the appointment of selected subcontractors.

Either Employer or the Service Provider may identify the need for specialist goods or services not otherwise available under the contract, and after discussion of the matter, agree that the services of a selected subcontractor is required, and which form of procurement is to be followed. The form of procurement by the Service Provider must be supported by a market research report which addresses matters such as;

- a)      The skills, services, or goods required,
- b)      The demographic profile of the potential respondents,
- c)      The number of potential respondents,
- d)      The likely value of the work to be done,
- e)      The urgency of the procurement.

Unless there is a reason approved by the Employer to use a specific supplier, subcontracts to procure selected subcontractors are to be made available to as many specialist selected subcontractors as possible, using any of the means allowed by the Employer, which includes, but is not limited to;

- a)      By means of panels and lists kept by the Service Provider,
- b)      By means of obtaining quotes,
- c)      By way of tenders.

The Employer shall indicate whether quotes or tenders must be called for. If quotes are called for, it is preferable to obtain 5-8 quotes. However, it occurs at times that there are not as many potential respondents available, or that parties do not respond to calls for quotes. If fewer responses than expected are received, the matter must be discussed with the Employer, who shall indicate if the process must be repeated, or if the received quote(s) may be accepted as a representative market response, and accepted.

Tenders may be sought for selected subcontractors by having their professional bodies communicate the procurement to their members by using their databases of all their registered,

practising persons and entities.

Where this is not possible, or for any other reason is not achievable or preferred, the Employer and Service Provider shall decide if tender advertisements are to be placed with advertisers. If so, advertisements shall be placed in at least two widely read and representative newspapers and consider the languages spoken in the area that tenders are to be advertised. The choice of newspapers should depend on the size and value of the tender concerned, the likely tenderers, and the likely response to the tender advertisement. The cost of advertising as opposed to the likely benefit of reaching more potential tenderers must be considered, and the most beneficial course of action for the Employer followed.

The Service Provider shall prepare and submit a procurement document for the work to its own bid specification committee. Once approved by the Service Provider's bid specification committee, the Service Provider must refer the document in Microsoft Word format to the Employer for consideration.

Following the discussion or review of the draft documents by the Employer, the Service Provider shall accept all the tracked changes and incorporate the comments from the Employer into the procurement document to finalise the document. Electronic media (CD, memory stick, SD card, etc.) containing the final tender document with all the changes indicated as tracked changes is to be submitted to the Employer.

The Service Provider shall allow sufficient time for tenderers to prepare complete bids.

The evaluation of tenders must be undertaken by the Service Provider in a formal evaluation committee. The tender report must be comprehensive, and address issues including, but not limited to the compliance of the tenderers with the tender rules/conditions of tender, an assessment of their BBBEE component, the work provided to SMMEs, the balance and reasonableness of their rates, their submissions contained in the various forms, any qualifications they may have included, their financial capacity, the validity of their VAT registration, their good standing with SARS and tax registration.

It must be noted that, provided that fair and adequate notice (by way of advertisement, lists, panels, seeking of quotes) has been given, a single or limited response to the procurement is acceptable; provided that the Service Provider can show, by means of a market research report, or by having asked potential respondents for their reasons for not having responded, that the procurement has been fair and equitable and that the poor response to the call for proposals is not through any fault in the procurement process. It is essential that the lowest, or only price submitted is checked to be market related and is neither unrealistically low, or high.

The Service Provider shall submit a procurement report once completed to the Employer within a reasonable period of not exceeding 7 working days for consideration and approval. Once approved, the Service Provider shall appoint the selected subcontractor within a reasonable period and avoid unnecessary delays and further manage it as any other subcontractor.

The Service Provider shall be held liable for any sanction or penalty described in A1600 of these Specifications for avoidable acts or omissions that lead to or could potentially lead to audit findings being made by either, or both of the Employer's internal or external auditors.

## **A2106 PRO-FORMA DOCUMENTS**

The Service Provider shall, wherever agreements/contract documents are to be used frequently, standardise them by creating proformas to simplify further procurement. The proformas must be submitted for the consideration and approval of the Employer, who may in its sole discretion, instruct that any proforma be amended, or replaced.

The Service Provider shall, for each service or task intended to be outsourced to subcontractors, thereafter, finalise a set of tender documents based on the approved pro-forma contract document.

## **A2107 CONTRACT PARTICIPATION**

The Service Provider shall note that there are two main reasons for requiring the Service Provider to allow others to participate in the Scope of Work by making work available to subcontractors. These are;

- a) The Employer requires services to be managed and performed by a single entity to enhance data quality, the management of programmes and data flow and the entry of data into ITIS/SAP, in order to remove any potential for conflict of interests and goals to be achieved between separate entities and to ensure that the Service Provider is guaranteed a predictable and steady flow of work, with peaks in workload being able to be handled by means of short to medium term subcontracts,
- b) To allow for the provision of work to smaller and targeted entities that would normally be precluded from tendering for the whole of the work required to be done, due to their capacity constraints.

In view of the above arrangements, the Service Provider must always be ready, at short notice, to procure domestic subcontractors. It must, as far as possible have generally applicable proforma documents available to procure selected subcontracts for specialist services with the agreement of the Employer. No delay of work, consideration of payment for accelerating work, or working overtime will be considered unless the requirements for outsourcing work have been complied with.

## **A2107(a) PREQUALIFICATIONS**

The Service Provider shall determine if the services sought from domestic and selected subcontractors will fall into Type A or Type B in the table below, based on the estimated cost of the service (including VAT, excluding CPA), and procure domestic and selected subcontractors that comply with the indicated BBBEE contribution levels.



	<b>Type A</b>	<b>Type B</b>
<b>Estimated cost of the Works</b>	<b>≤ R10m</b>	<b>&gt;R10m</b>
Prequalification criteria	BBBEE Level 1 to 2 and EME	BBBEE Level 1 to 4 and QSE or Generic

Note: Any proposed deviation from the requirements of this table must be motivated by the Service Provider based on market research and requires the written prior approval of the Employer.

## **A2107(b) PARTICIPATION TARGETS**

**It is a requirement that 30% by total value of the contract must be subcontracted to black-owned entities.**

Compliance with the above for the purposes of determining penalties shall be measured two months before the end of the contract. On a monthly basis, as part of the Service Provider' reporting requirements progress against the targets must be displayed on a cumulative graph.

## **A2108 PAYMENT OF SUBCONTRACTED PARTIES**

It is a requirement that the previous Service Provider, and all subcontractors be paid within 30 days of their invoices to the Service Provider, and the Service Provider must schedule its own invoices to the Employer, accordingly, failing which, penalties shall be payable by the Service Provider as provided for in A1600.

The Service Provider shall check the accounts and process the payments of subcontractors. No payment may be rejected in its entirety if any one part of the detailed statement, or claim for payment, is questionable whilst other parts of it are reasonable and acceptable.

## **A2109 EMERGENCY PROCUREMENT OF NOMINATED OR SELECTED SUBCONTRACTORS**

Emergency procurement procedures may be followed to avoid potential conflict, or deal with occurring conflict, to avoid financial or material losses to the Employer, to avoid physical threat to any person, or for any other sound reason agreed to between the Service Provider and the Employer.

The Service Provider must immediately inform the Employer of the occurrence of any situation that may be considered an emergency, and also propose a solution to the emergency.

**A2110 PAYMENT****Subcontracting**

<b>Item</b>		<b>Unit</b>
A21.01	Negotiations with nominated contractors	No
A21.02	Payment of nominated subcontractors	PC sum
A21.02(a)	Administration of nominated subcontractors	%
A21.03	Compiling of documents to procure selected subcontractors;	
A21.03(a)	Quotes	No.
A21.03(b)	Tenders	No.
A21.04	Obtaining prices from selected subcontractors;	
A21.04(a)	Obtain quotes by direct contact	No.
A21.04(b)	Obtain quotes or tenders using professional databases	No.
A21.04(c)	Tender advertisements in newspapers	PC Sum
A21.10(c)(i)	Mark-up on tender advertisement costs	Percent
A21.05	Evaluation, the preparation of reports in the case of;	
A21.05(a)	Quotes	No.
A21.05(b)	Tenders	No.
A21.06	Remuneration of selected subcontractors	PC Sum
A21.06(a)	Administration of selected subcontractors	Percent
A21.07	Compiling or amending proforma procurement documents	Hr

The Service Provider shall be paid the tendered rate in A21.01 for negotiating the terms and conditions of contract and obtaining a pricing schedule from each nominated subcontractor, all subject to the approval of the Employer.

The Service Provider shall be remunerated for the actual cost of employing the nominated subcontractor from item A21.02, and shall be paid an administrative fee at the tendered percentage for its attendance to the subcontract.

For compiling a quotation or a tender document, payment shall be made under A21.03(a) or (b) for procuring selected subcontractors.

The Service Provider shall be remunerated for obtaining quotes by making direct contact with prospective selected subcontractors using A21.04(a) or by using the respective profession's representative bodies to invite quotations or tenders using A21.04(b).

The rates tendered under item A21.05 (a) and (b) shall be paid for evaluating and preparing evaluation reports of the quotes and tenders of prospective selected subcontractors. Where applicable, it shall include all correspondence between the respondents and the Service Provider, regardless of whether or not the quote or tender is finally awarded.

The invoices of selected subcontractors will be remunerated at cost from the PC sum provided under A21.06 while the Service Provider shall be paid an administration fee at the tendered percentage under A21.06(a).

The Service Provider shall be paid the tendered hourly rate under A21.07 for compiling, editing and finalising each of the proforma documents provided in liaison with the Employer.

## **A2200 SPECIAL ASSIGNMENTS, INVESTIGATIONS AND UNSPECIFIED SERVICES**

### **A2201 SCOPE**

The work to be undertaken under this section covers special work to be undertaken by the Service Provider, as well as the delivery of minor services that are included in the contract, but not specifically specified.

### **A2202 DESCRIPTION**

When required by the Employer to do so, the Service Provider shall either provide a person or a team of people employed by the Service Provider as may be nominated by the Employer, or a person or a team of people suggested by the Service Provider and approved of by the Employer to deal with any work of an investigative nature, prepare a document or report of any kind or to undertake a special task, provided that it is related to the scope of work.

**Neither special assignments, nor any portion thereof may be used, if other payment items are available.**

Prior to any minor works being carried out, the Service Provider shall submit a breakdown of the costs to be incurred for the consideration of the Employer. Where materials are to be supplied, quotations must be provided. If applicable, transport costs must be shown as well as any other incidental charges that will be claimed by the party doing the work.

### **A2203 PAYMENT**

#### **Special assignments, investigations and unspecified services**

<b>Item</b>		<b>Unit</b>
A22.01	Special assignments, investigations and related services;	
A22.01(a)	Senior professional	hour
A22.01(b)	Other professional	hour
A22.01(c)	Technical staff	hour
A22.01(d)	Non-management, non-technical staff with appropriate skills	hour
A22.02	Materials, labour and other direct costs for minor works	PC. Sum
A22.02(a)	Percentage mark up on materials and direct costs	Percent

The services rendered by the Service Provider in respect of special assignments, investigations and related services shall be measured by the hour, or part thereof, in the categories of people falling into sub-items (a) to (d).

Special assignments may only be ordered by a person delegated to do so in terms of the Employer's Delegations to the Service Provider.

The Service Provider shall be remunerated under A22.02 for the materials supplied and other direct costs incurred to enable the special assignment to be carried out at cost, plus the percentage tendered under A22.02(a) for its overheads and administration when performing the procurement of the materials and labour supplied for the minor works. Expenditure under the Prime Cost Sum may only be incurred in terms of a Contract Instruction issued by a person delegated to do so in terms of the Employer's Delegations to the Service Provider.

All other costs, as far as possible, must be claimed under the applicable tendered rates.

## **A3000 BUSINESS MANAGEMENT REQUIREMENTS**

## **A3100            ACCOUNTING SERVICES**

### **A3101            SCOPE**

This section covers financial accounting, strategic and business planning, the appointment of auditors and the provision of secretarial services.

### **A3102            FINANCIAL ACCOUNTING**

The Service Provider is mandated to carry out numerous duties and responsibilities which involve the incurring of expenses on behalf of, and the receipt of income due to the Employer. In view of this, it must accept and bear responsibility for the management of all such expenditure and income.

The Service Provider shall be required, in terms of section 36 (1) of the South African National Roads Agency Limited and National Roads Act (Act 7 of 1998), to keep and maintain full financial and administrative records in connection with the financial management and administration of the property portfolio.

The management and administration of accounts shall be done in accordance with the General Reporting Accounting Practice (“GRAP”) and any prescription of the Public Finance Management Act 1999 (Act 1 of 1999) and National Treasury regulations. The Service Provider shall make these records, which must include financial statements in a format acceptable to the Employer’s auditors, available for the inspection of Employer or its appointed agents for this purpose at all reasonable times. The Service Provider shall be expected to ensure that, in keeping and maintaining the financial and management accounts, it complies with Section 36(2) of the Employer’s Act. The Act requires accurate reflection of the Employer’s state of affairs in order to comply with the Companies Act. The Service Provider shall furthermore ensure that proper controls and documentation of processes are in place at all times, to the satisfaction of the Employer and the Auditor-General.

The Service Provider shall comply with sections 50 and 51 of the PFMA, in terms of which the Employer, as a public entity, is obliged to ensure the reasonable protection of its assets and records and comply with all the relevant financial prescripts required by law. In order for the Employer to meet with these requirements, the Service Provider shall implement and comply with the GRAP or any other approved financial reporting framework, as amended, timeously, particularly, but not limited to investment property, non-current assets held for sale, property, plant and equipment (PPE), contingent liabilities and assets and leases.

For the purposes of this contract, it will be required of the Service Provider to provide the Employer with the following, in a format that can be integrated with its General Ledger within its Enterprise Resource Planning (ERP) system in My SAP;

- a) Balance Sheet,
- b) Income and Expenditure Forecasts and Reports/Statements on actuals,
- c) Profit and Loss for all Properties (Land Parcels and Commercial Properties leased and not leased),
- d) Cash Flow Statements,

- e) Debtors report,
- f) Lease register (a lease data base must be kept),
- g) Lease renewal register,
- h) Explanatory notes in line with GRAP,
- i) Report of the commercial properties held for sale,
- j) Report of the land parcels held for sale,
- k) VAT Returns and Reconciliations,
- l) Commitment register.

Some of the following data will be collected by other Service Providers. For year-end reporting, the following reports and reconciliations are required;

Description
<b>REPORTS FROM PROPERTY MANAGEMENT</b>
1. Land Listing ( <i>OOP, Road Reserve -specified, Road Reserve - parcels and Land not IP</i> ) 2. Buildings Listing 3. Investment Property Listing ( <i>include columns for identifying Toll and non toll, vacant property and improved properties</i> ) 4. Investment Property Listing 5. Wayleave & Servitude Register 6. Property Lease Register <i>Schedules to be reconciled as follows:</i>
<b><u>1. Land</u></b> Opening listing Additions ( <i>New acquisitions/registrations into SANRALs name</i> ) Disposals ( <i>Transfer of ownership/title out of SANRALs name to an external party</i> ) Transfer to IP ( <i>Change in classification for SANRAL from Land to IP</i> ) Transfer from IP ( <i>Change in classification for SANRAL from IP to Land</i> ) Held For Sale Closing Listing (as at 31 Mar)
<b><u>2. Buildings (OOP listed buildings)</u></b> Opening listing as at 1 April Additions ( <i>New acquisitions/registrations into SANRAL's name</i> ) Disposals ( <i>Transfer of ownership/title out of SANRAL's name to an external party</i> ) Closing Listing (as at 31 Mar)
<b><u>3. Investment Property (IP)</u></b> Opening Listing as at 1 April Additions ( <i>New acquisitions/registrations into SANRAL's name</i> ) Disposals ( <i>Transfer of ownership/title out of SANRAL's name to an external party</i> ) Transfer to Land ( <i>Change in classification for SANRAL from IP to Land</i> ) Transfer from IP ( <i>Change in classification for SANRAL from Land to IP</i> ) Closing Listing (as at 31 Mar 2020) Split between vacant IP and improved IP reconciled to total investment Property amount per submitted schedule.
<b><u>4. Held For Sale (HFS)</u></b> Opening listing as at 1 April 2019



Additions ( <i>New properties identified for HFS as per agreed criteria</i> ) Disposals ( <i>Transfer of ownership/title out of SANRALs name to an external party</i> ) Closing listing (as at 31 Mar 2020)
<b><u>5. Wayleave &amp; Servitude Register</u></b> ( <i>See Tab "Wayleave &amp; Servitude"</i> ) Opening listing as at 1 April Additions ( <i>New acquisitions/registrations into SANRALs name</i> ) Disposals ( <i>Transfer of ownership/title out of SANRALs name to an external party</i> ) Closing listing (as at 31 Mar)
<b><u>6. Property lease register</u></b> ( <i>See Tab "Lessee" and "Lessor"</i> )
<b>ELECTRONIC PROPERTY REPORTS</b> 1. Investment Property Costing Schedule ( <i>Cost for income generating properties and cost for incurred for properties not generating revenue</i> ) 2. Future rental income receivables calculated based on signed agreements, firm commitments split between: <i>Next 12 months; Two (2) - five (5) years; and Beyond 5 years.</i> 3. Audit Pack file with AFS/TB/GL, schedules, registers, VAT, and all other evidence supporting all account balances and adjusting journals. 4. Contingent rates liabilities ( <i>Municipal rates liability basis of assumptions used.</i> ) 5. All lease agreements and new agreements entered into during the financial year 6. . Valuation reports for all properties 7. Formats for all registers and schedules will be agreed on commencement of contracts

The Employer has developed policies and procedures for *inter alia*, dealing with unrecoverable debts on leased properties (bad debts), and cash management. The Service Provider must adhere to these policies.

The onus of ensuring the successful integration of all required financial data and/or statements, reports and cash flows into the Employer's systems shall solely lie with the Service Provider and the Employer shall not be held liable, nor will it be responsible for any costs incurred by the Service Provider, of whatsoever nature. The Employer uses SAP as its financial management system, and generally, it is able to import Excel spreadsheets. The Service Provider's system must be fully (100%) compatible and be able to export data in this format. The Service Provider's system must be accessible by the Employer without any obstructions, meaning the Employer must always have access control protocols. Failure to integrate with the Employer's systems will result in a material breach of the contract, and the Employer may cancel the contract with immediate effect without incurring any penalties whatsoever for cancellation of contract.

Further to the above, the Service Provider shall provide the Employer with;

- a) Details in respect of all surplus land including;
  - i) Description and situation,
  - ii) Date of Acquisition or valuation,
  - iii) Purchase Price or valuation amount,
  - iv) Cost/Value of improvements.

- b) All accounting information, which shall be produced monthly, unless otherwise specified in other Specifications,
- c) A report concerning the Service Provider's adherence to Statutes and Accounting Standards, including IFRS,
- d) A budget which shall be prepared annually for the purposes of land acquisition, based on the expected expenditure in accordance with the LAC programme,
- e) A budget, prepared annually, of all income and expenditure.

The Service Provider shall be responsible for the preparation of actual income and expenditure schedules as well as forecasts that shall be submitted monthly. These schedules should reflect the following items:

- a) Lease rental received
- b) Levies received from Direct Access Service Agreements
- c) Acquisitions and disposals of land
- d) Other income
- e) Advertising costs
- f) Rates, refuse and sewerage,
- g) Electricity and water,
- h) Repairs and maintenance,
- i) Property expenses
- j) Bad and doubtful debts,
- k) Interest paid,
- l) Legal Fees,
- m) Bank charges
- n) Interest received.
- o) Profit and Loss

Notwithstanding the above, nothing shall preclude the Service Provider from being required by the Employer to add to or further break down any of the above items.

In addition to its adherence to and compliance with all accounting requirements, the Service Provider shall perform the following duties in respect of the financial management of the contract;

- a) Maintain, on behalf of Employer, full records reflecting and containing original tax invoices for VAT Return purposes,
- b) Verify and arrange payment of;
  - i) Compensation payable in respect of land acquired on behalf of Employer,
  - ii) Rates, taxes and other local authority charges,
  - iii) Services rendered in connection with the cleaning, maintenance, repair or demolition and security of all leased properties,
  - iv) All legal fees relating to recovery of lease rentals.
- c) Provide accounting services for the operation of the portfolio as specified, or as agreed with the Employer from time to time,
- d) Send every tenant a statement each month indicating the rent and all other charges due by the tenant,

- e) Collect monies due by debtors and payable to the Employer in terms of any activity related to the portfolio,

Maintain full records of the execution of all actions pertaining to any statutory duties that Employer may be bound to by virtue of their ownership of property, and in respect of which, the Service Provider is responsible.

### **A3103 STRATEGIC AND BUSINESS PLANNING**

The Service Provider shall formulate and annually submit for the approval of the Employer, a strategic, business and budgetary plan addressing all aspects of the contract for the portfolio by the date agreed upon between the Parties. This plan may be altered from time to time during the year by agreement between the Parties. The Service Provider's attention is specifically drawn to the distinction between the annual budget and forecasting, as set out above, in that the former will be annually updated and the latter, monthly updated. The Plan must include the Service Providers' business activities including but not limited to;

- a) Proposed objectives and performance targets relating to the contract,
- b) Strategies for achieving such objectives,
- c) Proposed capital work programme,
- d) Financial information,
- e) Revenue policy,
- f) Management programme for the contract,
- g) Profit and Loss for all Properties (Land Parcels and Commercial Properties leased and not leased),
- h) Property lease renewal register,
- i) Other information considered relevant to the contract.

### **A3104 MONTHLY REPORTS**

The Service Provider shall furnish to the Employer, as soon as practicable but not later than 7 days after the end of each month, detailed monthly financial reports including;

- a) Balance sheet,
- b) income and expenditure accounts,
- c) cash flow schedule for a rolling 12 months,
- d) debtor's age analysis,
- e) Notes to balance sheet to the Employer in such formats as may be agreed between the Parties from time to time.

The Service Provider shall attend, and present reports at the monthly management meetings or any meetings called from time to time by either the Employer or the Service Provider.

### **A3105 SECRETARIAL SERVICES**

The Service Provider shall attend and provide the secretarial services for all meetings to be conducted between the Employer and Service Provider, including but not limited to ITIS / SAP

meetings, and the monthly management meetings.

The Service Provider shall be required to, within 7 calendar days of the date of any meetings, circulate records/minutes of the proceedings of the meetings to all role-players or members of committees.

## **A3106 PENALTIES**

The following penalties, as described in more detail in these Specifications, will be applicable;

- a) A penalty for not producing all financial statements, returns or cash flows within 7 business days after the end of each month,
- b) A penalty for not having reconciled any or all accounts within 15 days after the Employer's Financial Year End,
- c) A penalty for not providing minutes or recordings or recordings and circulating same within 5(five) days of the meeting,
- d) A penalty for not complying with SCM requirements,
- e) A penalty for not complying the Employer's policies and procedures,
- f) A penalty for **material** external audit findings by AGSA.

See section A1600.

## **A3107 PAYMENT**

### **Accounting and reporting services**

<b>Item</b>	<b>Unit</b>
A31.01 Monthly accounting	Month
A31.02 Attendance concerning the integrated report	No.
A31.03 Provision of monthly reports	No.

The Service Provider shall be paid monthly for monthly accounting.

The Service Provider shall be paid once annually for his attending to the annual report.

The provision of monthly reports will be paid for monthly.

### **Secretarial services**

<b>Item</b>	<b>Unit</b>
A31.04 Secretarial services including minutes of meetings	No.

In respect of meetings held between the Employer and the Service Provider, the tendered rate shall be paid for each meeting's minutes that have been drafted and sent to all role players and attendees, only if circulated within the 7 calendar day period.

Note that the format and requirements of monthly and annual report may change and this will be communicated as and when it deemed fit by the employer. At each reporting period, a list of requirements and due dates will be communicated.

## **A3200 MONTHLY REPORTING**

### **A3201 SCOPE**

This section covers monthly progress reporting.

### **A3202 REPORTING REQUIREMENTS**

During the transitional period during which a new Service Provider is taking over from a previous Service Provider, the Employer acknowledges that some reports tabled at meetings may be incomplete, not reflect the entire scope of works, or be inaccurate. After the end of the 3-month transitional period, the Service Provider shall be required to fully comply with these requirements.

The Service Provider shall prepare a monthly report for discussion at a contract meeting containing the following in each of the indicated sections;

#### **A3202(a) MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting must be circulated within 7 calendar days of the previous meeting, and the agenda of the current meeting must be provided no later than 7 calendar days before the next meeting.

#### **A3202(b) FINANCIAL**

- i) Management accounts as required in terms of Section **Error! Reference source not found.**,
- ii) Schedule reflection actual versus budgeted monthly expenditure of the summary items in the payment certificate,
- iii) Cash flow forecast for the next three months,
- iv) Land alienation schedules reflecting properties sold but not yet transferred.

#### **A3202(c) GENERAL PROPERTY MANAGEMENT**

##### **a) Leases**

- i) A tabular report indicating the details of lessees who have defaulted on their lease agreements divided into categories of rental default and other default, together with explanatory notes,
- ii) A report indicating the number of leased properties vs. the number of leased properties inspected, by Employer's Region,

iii) A report indicating the number of lease escalations due in the month and the number attended to,

i) A bar chart indicating, firstly, the number of leases expired in the month and secondly, the number further attended to by extension and thirdly, by the procurement of another tenant and fourthly, left without a tenant.

## **b) Municipal Accounts**

A tabular report indicating in rows the municipality involved, the number of properties for which accounts are to be received, the number of valuations considered appropriate, the number of accounts correctly compiled and incorrectly compiled, the number of objections lodged, together with status quo comments, the number of accounts paid in the month and the total value paid.

## **A3202(d) LEGAL ISSUES**

A table indicating in rows the dates the issues became apparent, details of the issues, the status quo of the actions being taken, the attorneys appointed, any contingent liabilities and an estimate of legal costs.

## **A3202(e) ILLEGAL OCCUPATIONS AND LAND INVASIONS**

i) A table indicating in rows the National Route and section, property description, date of invasion or occupation, number of occupants/invaders, and the actions taken.

## **A3202(f) LAND ALIENATIONS**

- i) A tabular report indicating the status quo with respect to all actions taken in the alienation of land including properties subdivided, transfers completed. The valuations of properties that are in the process of alienation must be shown, as well as the price ultimately obtained,
- ii) Projections of income and expenditure in the land sales process,
- iii) Progress made against the annual alienation programme.

## **A3202(g) ISSUES REQUIRING THE REACTION OF THE EMPLOYER**

i) a list included in the monthly management meeting minutes indicating all matters referred to the Employer for consideration and the status quo of these matters. A separate report is not required.

## **A3202(h) SUBCONTRACTING REPORT**

A report of the appointments of Third Parties and subcontractors, including;

- a) Name of appointee, telephone and fax numbers,
- b) Type of work,
- c) Brief description of scope of work items involved / terms of reference
- d) Value of appointment,
- e) SMME percentage involvement,
- f) HDI percentage involvement,
- g) Percentage of tender price spent to date,
- h) BBBEE rating provided by an accredited rating agency

### **A3202(i) EMPLOYMENT REPORT**

Computer based software for capturing employment data is available from the Employer, which MUST be used on a continuous basis to capture the employment details of the Service Provider and all subcontractors. Proof in the form of a report from this software must be attached to each monthly invoice, before it will be paid by the Employer.

Required details will include, but is not limited to;

- a) Company name, registration number,
- b) Company contact person, contact details,
- c) BBBEE scorecard/affidavit? If so, which one and what level, expiry date?
- d) CIDB status if applicable,
- e) BBBEE status, i.e. EME, QSE non-compliant?
- f) Estimates of expenditure,
- g) Actual expenditure,
- h) Vendors categorised as Black, non-Black,
- i) Male/female/male youth/female youth and hours worked; training provided,
- j) Military veteran, and hours worked,
- k) Identity card image of each person employed.

### **A3202(j) BBBEE CONTRIBUTION**

The Service Provider must report any change to its BBBEE status at the monthly management meetings. A separate report is therefore not required.

### **A3202(k) PENALTY REPORT**

Include a report, for each penalty item, indicating the penalty item, description and penalty incurred.



**A3203                  PAYMENT**

Item		Unit
A32.01	Reporting	Month

Payment shall be paid monthly for all reports required to be produced, regardless of the number of individual reports contained in the report pack and regardless of the frequency of any of the reports required to be produced.

## **A4000      INFORMATION AVAILABLE FOR PROPERTY ADMINISTRATION**

## **A4100            INFORMATION AVAILABLE TO THE SERVICE PROVIDER**

### **A4101            SCOPE**

This section covers the property and property owner data available on the computer system of the Employer. It is dealt with in broad terms only, with more details being provided under the various sections of property administration.

### **A4102            GENERAL**

The property assets of the Employer have been captured on the Employer's computer system. Details which may be necessary for the work of the Service Provider include the properties defined by property name, their cadastral coordinates, ownership details (not all properties have been registered in the Employer's name as yet), details of the municipalities in which they fall, the values of properties, diagrammes of lease areas, lessee details, etc.

Where applicable, the Service Provider shall be required to update the computer system with new data, verify existing and new data and where necessary, correct original data.

Where paper records must be kept, any file opened by the Service Provider must be correctly referenced in accordance with the National Archives and Records Services Act, and the Employer's file management system.

The Employer purchases frequently updated data from a third-party vendor which includes:

- a)    Spatial cadastral data: all cadastral data in a buffer 5 km either side of national road centrelines in rural areas, and 500 m either side of national roads in urban areas, updated quarterly.
- b)    Title Deeds: All data since April 2007, which includes owner data and cadastral changes. This data is made available to the vendor by the Deeds Office and is updated monthly by the Employer.

The Employer has implemented SAP and it is therefore expected that various interfaces be fully created by the Service Provider to work directly on the Employer's system for administering the Employer's property.

## **A5000      GENERAL PROPERTY ADMINISTRATION**

## **A5100 ILLEGAL OCCUPATIONS AND LAND INVASIONS**

### **A5101 SCOPE**

This section covers the management of illegal occupations and land invasions.

### **A5102 GENERAL**

The Employer is statutorily obliged to ensure that land under its jurisdiction is not invaded or occupied illegally. The Employer must do so in accordance with applicable legislation such as the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 19 of 1998 (the “PIE” Act) and other applicable Acts.

Illegal occupations and land invasions inside the road reserve are dealt with by the Employer’s Routine Road Management (RRM) contractors, although the Service Provider may be required to give advice or render assistance.

The Service Provider shall make every effort to ensure that illegal occupations and land invasions are dealt with expeditiously and shall do so with due regard to all applicable legislation and in accordance with the guidelines contained in Chapter 5 of the Employer’s Statutory Control Guideline Manual, included in Volume 5.

The Service Provider shall be responsible for appointing and supervising subcontractors and the management of all actions taken to remove the unlawful occupants and land invaders. Subcontractors shall be appointed in terms of these specifications.

In situations where persons have been in occupation of the Employer’s land for some time and have established themselves, the “PIE” Act is applicable and the Employer must either bring an Application to Court for an order enabling the eviction of the occupiers from the land, or alternatively, make arrangements for their relocation to other land by agreement with the relevant authority. It must be borne in mind that legal action in these circumstances is costly and the process is lengthy and should be avoided if possible.

Regular property inspections are carried out by the Routine Road Maintenance contractors.

Where a RRM contractor has identified an illegal occupation or land invasion outside of the road reserve, it shall report the matter to the Employer, who shall, if deemed necessary, instruct the Service Provider to assist by managing the problem through to resolution, and appointing service providers and experts as agreed with the Employer.

## A5103            PAYMENT

### Illegal Occupations and Land Invasions

Item		Unit
A51.01	Involvement of personnel in managing illegal occupations and land invasions;	
A51.01(a)	Senior manager	hr
A51.01(b)	Middle manager	hr
A51.01(c)	Junior manager	hr
A51.01(d)	Other staff	hr

Payment for the involvement of personnel in the various categories of A51.01 (a) to (d) shall be made for the person-hours of the people involved in actions taken to deal with illegal occupations and land invasions, but shall exclude the person-hours spent by any of the people in obtaining quotes or preparing subcontracts, advertising tenders, tender evaluation, and managing these subcontracts, as this is covered by the Service Provider's mark up on the costs of these subcontracts. Subcontracts are dealt with elsewhere in the specifications.

Travelling and subsistence expenses incurred in the carrying out of the Service Provider's duties shall be paid for as provided for in these specifications.

## **A5200            COLLECTION OF FEES AND LEVIES IN RESPECT OF STATUTORY CONSENTS**

### **A5201            SCOPE**

This section covers the collection of fees and levies in terms of the agreements entered into with Direct Access Service and Rest Area owners, and agreements relating to other rights of access to the Employer's property.

### **A5202            GENERAL**

The Employer grants applicants for access to National Roads to Direct Access Service and Rest Areas, communications infrastructure and pipeline owners, etc, subject to certain conditions and the signing of Agreements. For granting these rights, the applicants often undertake to pay the Employer a negotiated fee, or levy.

### **A5203            PROCEDURES**

The Service Provider shall:

- a) Monthly liaise with the Employer to record new agreements,
- b) Inform companies that levies become payable on the dates specified in the agreements,
- c) In accordance with the agreed terms of the agreements and required frequency of payment, issue VAT Tax Invoices no later than ten working days prior to payment falling due,
- d) Collect and administer fees, or levies payable according to the agreements,
- e) Ensure that companies pay within the time limits stipulated in the agreements,
- f) Keep records of fees paid, outstanding payments, turnover figures, and other relevant information and report it to the Employer on a monthly basis, and where available, enter the data into the computer system of the Employer.
- g) Wherever required by the Employer, appoint Attorneys to collect debts.

### **A5204            DEBT COLLECTION**

In the event of fees and levies falling behind with payments by more than seven calendar days, the Service Provider shall:

- a) Issue a statement and reminder to the debtor within 3 three days, demanding payment within ten days,

- b) If the debt remains unpaid after the notice period of ten calendar days, within three calendar days issue a further reminder and statement, making a final demand for payment within ten days,
- c) If the debt still remains unpaid after the final demand period has lapsed, appoint an attorney within three calendar days to collect the debt,
- d) If the debtor remains in default, instruct the attorney to advise what options are available, such as a Judgement, withdrawal of rights and permissions, etc.

## **A5205            PENALTIES**

Penalties shall be imposed, as provided for in these specifications, for:

- a) Missing any expiry and/or escalation date,
- b) Missing a payment due date without taking further actions as required.

## **A5206            PAYMENT**

### **Collection of fees due in terms of Statutory Consents**

<b>Item</b>	<b>Unit</b>
A52.01            Collection of levies and fees	No.
A52.02            Debt collection regarding statutory consents	hr.

The Service Provider will receive a fixed payment at the tendered rate for the collection of fees and levies payable, when due, in respect of each agreement managed by the Service Provider. Payment shall be made for each invoice and statement issued to a debtor when due, and shall include the receiving of payment, the keeping of financial and other records, the entry of records into the Employer's database and remuneration for any other cost relating thereto.

As payment is made for each invoice and statement issued, the payment method accommodates different frequencies of payment falling due.

Payment under A52.02 shall be made for every hour that the Service Provider is engaged in debt collection, which includes all actions taken, except that separate payment in accordance with the specifications for hiring Third Parties shall be made for the costs incurred in contracting the services of Third Parties to collect overdue amounts, with the approval of the Employer.



## **A5300 LEASING OF PROPERTY**

### **A5301 SCOPE**

This section covers the leasing of the Employer's properties to third parties, and the renting by the Employer of property owned by others.

### **A5302 GENERAL**

The Service Provider shall, on behalf of the Employer, lease out properties outside of declared road reserves and properties within the road reserves of yet-to-be constructed national roads wherever possible. The Employer wishes to obtain the highest return on any properties that are leased while, at the same time, promoting Government policies, minimising the cost of owning properties, avoiding the risk of illegal occupation and invasion and keeping security costs as low as possible. The possibility of making repairs and doing essential maintenance to realise a higher income must be considered.

It must be noted that the Service Provider shall be acting as the appointed Agent of the Employer regarding leasing, and that leasing is subject to the Treasury Regulations and Practise notes and SCM policies of the Employer.

In order to execute proper portfolio administration, it shall be required of the Service Provider to maintain a lease diary and management system on ITIS/SAP indicating the dates of commencement, the dates for escalation of rental, payments, renewal and termination, all rents collected and outstanding as well as the reports of inspections carried out.

Existing lease information held by the Employer shall be provided to the Service Provider through the ITIS/SAP interface.

The Service Provider shall continuously monitor existing leases to identify properties which could be more viably disposed of rather than leased out.

The Service Provider shall manage and administer the collection of monthly rents and perform debt collection.

Unless National Treasury later allows otherwise, the letting of immovable state property must be at market related tariffs. No property may be let free of charge, or a free utilisation agreement entered into, regardless of whether it is an invasion risk.

Any new lease agreement proposed to be concluded with a tenant proposing to utilise the property for a purpose other than would be allowed by its current zoning must be considered by the Service Provider, who shall make a recommendation to the Employer whether to allow or deny the proposal. If necessary, the proposed tenant must obtain local authority approval before an agreement is signed.

The Service Provider shall attend to all aspects relating to concluding new lease agreements in respect of the Employer's property which shall include, but not be limited to:

- a) Monitoring the land portfolio to identify any leasable land,

- b) Releasing land to the market,
- c) Obtaining rental valuations of the properties intended to be leased out,
- d) Conducting a structural inspection of any improvements to ensure that the properties are habitable, safe and do not pose a risk to the Employer and tenant.
- e) Concluding lease agreements,
- f) Updating of the lease management system
- g) When instructed to do so by the Employer, find suitable rental property for the Employer's purposes.
- h) Drafting of new lease agreements, reviewing existing lease agreements, and attend to all commercial legal matters as required from time-to-time.

### **A5303 NEW LEASES AND LEASE RENEWALS**

The Service Provider must no less than each six months, review the property portfolio of the Employer to identify further properties for leasing. This may be done using the Employer's GIS system and applying filters to list properties for further investigation. Once a list of potentially leasable properties has been drawn, the Service Provider shall review the list and select properties for further evaluation. The Service Provider shall be expected to advise the Employer concerning the filter criteria and parameters used to conduct the data base search.

The Service Provider shall produce a report indicating the search criteria, and in table format, the list of properties meeting the criteria, with short reasons for rejecting or accepting properties for further analysis. The further analysis should consider the economics of the lease, the risks and costs that the Employer wishes to avoid by leasing, and the conclusions made.

Before leasing any property for the first time, or before renewing an existing lease, the Employer shall consider if, or when the property may be needed for road purposes. A decision must be made to simply keep the property, alienate it, consider it for development, or lease it until it is later needed.

If a property has public access to a formal road, and is to be leased for the first time, a lease valuation must be done to determine what lease amount may be expected. If a reserve price is to be stipulated, this lease valuation must be used to inform the reserve price stipulated, along with any other relevant consideration that may increase or decrease the finally adopted reserve price. Obtaining a rental valuation is covered under the Valuations section of these specification (See A6100), while advertising costs are reimbursable under section A1500.

Thereafter, an open public tender lessee procurement procedure must be followed which accommodates and promotes legislation, the Property Sector Code, and the policies of the Employer.

Advertising costs are covered under section A1500.

Tenders received must be evaluated in accordance with the empowerment formula contained in A5700 hereof and be compared with the lease valuation to determine if the tender process has delivered the expected results. The matter must then be submitted by the Service Provider to the Employer for consideration and further disposal in terms of the Delegations.

If any property is “landlocked” and has no access to a formal public road, the Service Provider must obtain a lease valuation and thereafter invite all adjoining landowners to bid for the property in a closed bidding process that complies as far as possible with legislation and the policies of the Employer. Tenders received must be evaluated in accordance with the Empowerment section contained in A5700 hereof.

In the event of the highest offer not comparing reasonably with the lease valuation, an analysis must be performed to determine what the most cost-beneficial course of action would be for the Employer. Chapter 9 of Part 4, read with Chapter 16 of Part 6 of the Treasury Regulations published in terms of the Public Finance Management Act of 1999, as amended, must be used as guidance and the following considered to achieve the most beneficial outcome for the Employer;

- a) the financial and practical consequences of not entering into a lease or entering into a lease at a rate lower than market value,
- b) minimising of wasteful expenditure,
- c) minimising the cost of ownership of the property (including the cost of
- d) security and maintenance),
- e) the potential for unlawful occupation of the property,
- f) the potential for any improvements on the property to be unlawfully occupied vandalised or otherwise reduced in value.

A calculation must be performed in which the offered rental and savings, such as, but not limited to the following, are added together;

- a) security costs,
- b) maintenance costs,
- c) municipal charges,
- d) loss of value due to vandalism and theft of property.

The Employer may accept a lower rental amount in the interests of preventing avoidable costs and losses for SANRAL to comply with the aims of Chapters 9 and 16 of the Treasury Regulations. Where necessary, applicable approvals must be obtained.

There must be annual adjustments made to accommodate the prevailing lease escalation.

The renewing of leases with tenants in good standing is permissible, under the following conditions;

- a) If there has been any interest in the property from other potential lessees, or SANRAL wishes not to renew the lease, the lease must be terminated, and a tender process followed, or SANRAL may elect to do otherwise with the property,
- b) Upon the end of any second lease period, a fresh lease valuation must be performed, and the lease amount adjusted accordingly. If the tenant declines to pay the new lease amount without good reason, the lease must be terminated with reasonable notice and new lease tenders called for.

A lease tender procedure need not be followed if organs of State and any sphere of Government wishes to lease property from the Employer, providing that Regulation 16 of the Treasury Regulations relating to market value is adhered to, or a Treasury approval relaxing the requirements of market value has been granted.

No lease tender process need be followed if any property on which a project is envisaged that furthers the aims of education, benefits a cause to improve the conditions in a needy community, or which furthers the aims of Government policy provided that Regulation 16 of the Treasury Regulations relating to market value is adhered to, or a Treasury approval relaxing the requirements of market value has been granted.

## **A5304 LEASE DIAGRAMS**

A lease diagram is a diagram of the area leased, which must be compiled whenever only a portion of a registered property is leased, and not the entire property. If an entire property is leased, the lease area will match the property's cadastral boundaries, and the Service Provider shall update the status of the property to reflect that is the subject of a lease, on ITIS/SAP.

If a portion of a larger property is leased, a lease diagram on an A3 sheet must be compiled showing the coordinates of the boundaries of the leased area, which will enable the leased area to be accurately reflected on a GIS database. The coordinates of the lease diagram must be loaded into the Employer's lease facility available on the ITIS/SAP database system, together with all other details required to complete the record. For these purposes, a registered surveyor may, with the agreement of the Employer, be engaged to conduct the survey.

## **A5305 REGISTERING OF LONG TERM LEASES**

Legislation requires any lease for a period exceeding nine years and eleven months to be registered in the Deeds Office. Where this is required, the Service Provider obtain the necessary Power of Attorney from the Employer to act on its behalf and shall ensure that the lease agreement is signed in the presence of a notary public, attend to all requirements, and register the lease.

## **A5306 LEASING OF THIRD PARTY-OWNED PROPERTY**

The Employer rents space in developments, communities and in the rural areas for various purposes such as toll kiosks, route service facilities and construction project community centres.

The Service Provider shall be required to identify potential properties for the Employer and its contractors or agents.

If only one, or very few options exists, rental valuations must be used to inform which options are best for the Employer and to ensure that the prices are market related.

If several properties could be available, a request for proposals must be solicited, and evaluated in accordance with section A5700, where applicable.

The Service Provider shall negotiate the terms and conditions of a lease agreement to the best advantage of the Employer with the preferred candidate landlord.

The proposed agreement must be submitted to the Employer for consideration and approval.

The Employer shall be the signatory of the lease agreement and shall attend to paying the rental.

The Service Provider shall be responsible for regularly inspecting the rented property and ensuring that it is being used properly and without damage to the property.

Where the occupant requires an improvement or repair to the property, the Service Provider shall consider the matter and recommend a course of action to the Employer.

Although the lessee will be the Employer, who shall also pay the rentals, the Service Provider shall remain responsible for inspections, dealing with the landlord and managing the renewals or terminations of all these properties.

## **A5307 MANAGEMENT OF EXISTING LEASES**

The Service Provider shall attend to all aspects relating to the Employer's lease portfolio which shall include, but not be limited to;

- a) Continuously monitoring existing leases to identify properties which will be more viable to be disposed of,
- b) Issuing invoices and/or statements, collecting or paying monthly rents and performing debt collection,
- c) Ensuring implementation of escalations, and attending to renewals,
- d) Handling evictions by contracting the services of specialist attorneys in accordance with relevant legislation and with the approval of the Employer,
- e) Inspecting leased properties to ensure that lessees comply with all conditions pertaining to the maintenance of the property and their duty of care, and that they are utilising the

property in accordance with its approved zoning, or consent use, or temporary departure therefrom. The Service Provider shall be fully responsible and liable for any situation leading to the imposition of fines and penalties imposed by local authorities if the Service Provider does not timeously detect such abuses by tenants. The Service Provider shall take all necessary actions to remedy the incompliance of tenants with their conditions of lease and shall be liable to penalties for not doing so,

- f) Attending to any nuisance, or complaint caused by the actions of lessees and wherever necessary, take steps to either prevent these problems, or evict the lessee.

## **A5308 DEBT COLLECTION AND EVICTIONS**

In the event of lessees falling behind with payments by more than calendar 21 days, the Service Provider shall:

- a) Forthwith issue a statement and reminder to the lessee demanding payment within ten calendar days,
- b) If the debt remains unpaid after the notice period, issue a further reminder and statement, making a final demand for payment,
- c) If the debt remains unpaid after the final demand period has lapsed, with the agreement of the Employer, appoint an attorney to collect the debt,
- d) If the lessee remains in default, instruct the attorney to advise what options are available, such as a Judgement, eviction, etc.

If debt collection agencies are to be appointed, they should be appointed as selected subcontractors, as dealt with in section A2100.

## **A5309 INSPECTIONS**

Prior to leasing any property for the first time, Service Provider shall perform a full inspection of the property to identify any problems that may reduce the potential lease income, or pose a risk to a prospective tenant. The Service Provider must produce an inspection report containing its findings and recommendations, and discuss it with the Employer. If maintenance and repairs are required, they must be conducted in terms of the specification covering subcontracting, in section A2100.

If registered electricians or plumbers are required to issue certificates of compliance, the Service Provider must perform the inspections, or they must be procured as selected subcontractors.

After soliciting a tenant, an inspection must (again) be conducted with both the tenant and Service Provider in attendance. The inspection report must be signed off by both parties, a copy provided to the tenant with the lease agreement, and the report filed on the ITIS/SAP system of the Employer.

Each leased property must be fully inspected, using a standard checklist prepared by the Service Provider to ensure that nothing is overlooked at least once a year.

The purpose of inspecting leased properties is to;

- a) Ensure the lessor's compliance with the terms of the lease regarding maintenance, their duty of care, their use of the property, compliance with OHS and that the property is not losing value as a result of any degradation other than normal wear and tear,
- b) Identify risks that the Employer may be exposed to because of the unauthorised use of, or alterations made to the property, the lack of integrity of the improvements, the bad state of drainage of surface water and sewage systems, infestations by pests, electrical wiring, plumbing and any other thing that may expose the Employer to risk or loss, or expose the tenant to danger,
- c) Check the compliance by lessors to the requirements of the SAHRA legislation, if improvements are 60 years or older, or have been declared to be heritage sites,
- d) Identify maintenance needs that are covered by the lease agreement, and have not been done,
- e) Identify maintenance that should be done to preserve the value of the property and which could not reasonably be expected of the lessee.

A report for each property inspected must be filed on the ITIS/SAP system of the Employer.

## **A5310 PENALTIES**

Penalties shall be imposed for any neglect to perform in accordance with these specifications.

## **A5311 PAYMENT**

### **Leasing of property**

<b>Item</b>		<b>Unit</b>
A53.01	Semi-annual review of property portfolio	No
A53.02	Concluding new lease agreements	No
A53.03	Lease diagrams;	
A53.03(a)	Services of a registered surveyor	Prov sum
A53.11(a)(i)	Administration of surveyor	%
A53.04	Registration of long term leases	No
A53.05	Securing rental properties for the occupation of the Employer	No

A53.06	Manage lease diaries and programmes	Month
A53.07	Existing leases;	
A53.07(a)	Invoicing and processing of income	No
A53.07(b)	Debt collection	hour
A53.07(c)	Inspections of leased properties	No
A53.07(d)	Actions taken following lease inspections	hour
A53.07(e)	Lease renewals	No

The Service Provider shall be paid at the tendered rate under A53.01 for reviewing the data drawn from the ITIS/SAP system to identify any properties that may be leased. Payment shall be made upon the presentation of the required report.

Under A53.02, the Service Provider shall be paid for each new lease opportunity identified and successfully concluded, including the costs of investigating the alternatives of disposing of, or leasing out the property, dealing with applicants and the updating of all relevant records on the ITIS / SAP system.

Payment shall be made for the compilation of lease diagrams under Item A53.03. The services of a registered surveyor to accurately locate the lease area coordinates and prepare the lease diagram shall be paid under A53.03(a), a mark-up under A53.03(a)(i),

The Service Provider shall be paid for the notarial registering of long-term leases at the unit rate under A53.04.

The Service Provider shall be paid for each rental property secured under A53.05.

The Service Provider shall be paid monthly under A53.06 for the management of the lease diary and programme on ITIS / SAP.

The Service Provider will receive a payment under item A53.07 (a) for invoicing and processing income relating to rentals, deposits, and the recovery of utility costs. Payment shall be made on the basis of each invoice issued to a debtor when due, and shall include the receiving of payment, the keeping of financial and other records, and remuneration for any other incidental cost relating thereto.

Payment under A53.07(b) shall be made for every hour that the Service Provider is engaged in debt collection, which includes all actions taken, except that separate payment in accordance with the specifications for hiring subcontractors shall be made for the costs incurred in contracting the services of subcontractors to collect overdue amounts, with the approval of the Employer, and shall be paid for under A2100..

The Service Provider shall be paid for each leased property inspected and report filed under item A53.07(c).

Payment for actions taken under A53.07(d) following leased property inspections shall be made for each hour that the Service Provider is actively engaged in performing the actions required to address the issues raised during the inspections. Payment excludes the costs incurred in contracting the services of subcontractors to assist the Service Provider in taking actions that



are outsourced with the approval of the Employer, and which shall be paid for in accordance with A21.06.

The Service Provider shall be paid under A53.07(e) for concluding lease renewals.

## **A5400            MUNICIPAL ACCOUNTS**

### **A5401            SCOPE**

This section covers municipal accounts.

Handling municipal accounts entails the checking of property details to ensure that the Employer is correctly liable for the rates being charged by the relevant municipality, ensuring that municipal valuations are fair and reasonable, verifying rates categories, ensuring that rates are calculated correctly with reference to statutory discounts and rebates and the payment by the Service Provider of the municipal accounts received. It also entails dealing with disputes about rates and valuations via the relevant statutory provisions on behalf of the Employer.

The work also includes pro-actively identifying properties for which rates may be payable and ensuring that rates accounts are received.

### **A5402            IDENTIFICATION OF LIABILITY FOR MUNICIPAL ACCOUNTS**

Within 3 months of commencement, the Service Provider shall check all properties included in the Land Register to ensure that municipal accounts are received for all properties owned by the Employer from all municipalities through which National Roads pass. A facility will be provided in ITIS / SAP to run this check. The Service Provider shall follow up on all cases where accounts are due but are not received to ensure that the Employer is not blacklisted or otherwise penalised for the non-payment of accounts. Thereafter, the Service Provider shall monthly follow up on all accounts not received to correct any such situation.

### **A5403            CHECKING OF MUNICIPAL ACCOUNTS**

The Service Provider shall annually (especially when rates are adjusted) scrutinise all municipal rates accounts to ensure that they are correct in respect of the property description, extent, ownership or control, rates category, and that the municipal valuations are reasonable and fair compared with the valuations compiled by the other service providers of the Employer.

The Service Provider must ensure that rates are correctly calculated considering the rates category, and statutory rebates and discounts. The account details shall then be entered into ITIS / SAP.

If it is found that the valuation is excessive, the rates category is incorrect, the Employer is not the owner or controlling authority or rates are calculated incorrectly, the Service Provider shall take the necessary corrective actions, including querying, objecting or appealing to the accounts or valuations.

The Service Provider must report to the Employer on such actions taken on a monthly basis.

## **A5404 PAYMENT OF MUNICIPAL ACCOUNTS**

The Service Provider shall, following the payment of a municipal rates account, enter the payment details into the ITIS system. The Service Provider shall undertake further investigations into the account if the amount of the account has changed substantially since the last account paid. If no changes have been made to the amount charged, the Service Provider shall make payment. The Service Provider shall be liable for any penalties imposed on the Employer in respect of late payments made, or payments not made, unless the late or non-payment was beyond the control of the Service Provider.

Prior to the payment of any new municipal account received, the Service Provider shall first confirm ownership or control of the property. If the account is found to have been properly compiled and is due by the Employer, the Service Provider shall make payment. If not, the Service Provider shall, if necessary, embark upon a process to dispute the account and take all necessary steps to have the matter resolved, and notify the Employer of the occurrence and of the actions taken.

## **A5405 OBJECTIONS TO AND APPEALS AGAINST MUNICIPAL VALUATIONS**

The Service Provider will be taking over numerous objections and appeals against municipal valuations that have not been finalised by municipalities. These must be “picked up” from the previous Service Provider and diligently pursued in view of the amount of money involved.

The Service Provider shall, for the purposes of querying, objecting to and appealing against municipal valuations, ensure that the minimum practical number of staff is utilised, all of whom shall not be more or less qualified and experienced than is reasonably required to undertake the task.

In order to enable the Service Provider to react within the time allowed by Municipalities to object or appeal, the Service Provider shall subscribe to and continuously monitor relevant publications and notices in respect of municipal valuations.

General or supplementary valuation rolls open for inspection and objection must be identified and studied to determine if any properties owned or controlled by the Employer appears in such valuation roll. This task shall include identification of Employer-owned or controlled property, confirmation of ownership or control, confirming of the extent and rates category and comparing municipal valuations with valuations done by the Service Provider and other Service Providers before this contract.

The Service Provider shall diligently object in terms of Section 50 of the Municipal Property Rates Act, No. 6 of 2004 (MPRA), query in terms of Section 78 of the MPRA or appeal in terms of Section 54 of the MPRA against decisions of the municipal valuer in response to objections.

Objections and appeals may only be lodged if correction of the excessive valuation will result in an annual rates reduction of R 5 000 or more. As a general rule, appeals in terms of Section 54 should only be pursued if the potential saving to SANRAL exceeds R10 000, but in all cases

where the cost of pursuing an appeal is likely to exceed the saving, the matter must be referred to the Employer for a decision on the matter.

Where newly published general or supplementary valuations, or municipal valuations as they appear on rates accounts, appear to be excessive by reference to valuations undertaken by the previous or other service providers and taking into account the rates reduction guidelines set out above, the Service Provider shall compile a valuation report of the property in question, which complies with IVSC and / or RICS Redbook standards, reflecting the correct statutory date of valuation. The valuation report shall be attached to the query, objection or appeal as the case may be.

In cases where the Service Provider deems it appropriate, reasons for the decision of a municipal valuer in response to an objection shall be requested in terms of Section 53 of the Act.

## **A5406          PAYMENT**

### **Municipal accounts**

<b>Item</b>		<b>Unit</b>
A54.01	Analysis in ITIS to determine liability for accounts	Lump Sum
A54.02	Monthly following up of received accounts not yet received	No
A54.03	Checking of single property municipal accounts	No.
A54.04	Checking of multiple property municipal accounts	No.
A54.05	Payment of municipal accounts	No.

Regarding A54.01, payment shall be made on a once off basis for determining which accounts are not being received for properties owned or controlled by the Employer.

Payment shall be made under item A54.02 for each municipal account that should have been received, has been followed up, and is then subsequently received.

Payment shall be made under item A54.03 per rates account, once annually, for every municipal rates account checked.

The Service Provider shall be remunerated for every municipal account paid under item A54.05, after the details have been entered into the ITIS/SAP system, the payment of the account has been made, and the accounting system has been updated. The amounts actually paid to the municipalities shall be paid from the portfolio account administered by the Service Provider.

### **Monitoring valuation rolls, objections, appeal and queries in respect of municipal valuations**

<b>Item</b>		<b>Unit</b>
A54.06	Monitoring of municipal valuation rolls	Month
A54.07	Objections in terms of Section 50 of the MPRA, No. 6 of 2004	No.
A54.08	Queries in terms of Section 78 of the MPRA, No. 6 of 2004	No.
A54.09	Requesting reasons for a decision of a municipal valuer in terms of Section 53 of the MPRA, No. 6 of 2004	No
A54.10	Appeals in terms of Section 54 of the MPRA, No. 6 of 2004;	
A54.10(a)	Professional Valuer	Hr
A54.10(b)	Professional Associated Valuer	Hr
A54.10(c)	Candidate Valuer	Hr
A54.10(d)	Non-Valuer Staff	Hr
A54.11	Remunerable Fees for lodging objections and appeals	Prov. Sum
A54.11(a)	Mark up for handling fee payments	Percent
A54.12	Valuation Reports for queries, objections or appeals in terms of Sections 50, 54 and 78 of the MPRA, No. 6 of 2004	No.

Payment under A54.06 for monitoring provincial gazettes and local media for supplementary and general valuation rolls of municipalities where the Employer owns or control property, identification of Employer owned or controlled property in municipal valuation rolls, checking entries in municipal valuation rolls for accuracy and correctness in terms of ownership, control, extent, description, rates category and valuation shall be a fixed monthly amount regardless of whether any general or supplementary valuation rolls are open for inspection and objection in any given month.

The rate for lodging objections and/or queries under A54.07 and A54.08 shall be payable per property for which an objection or query is lodged.

Remuneration under A54.09 will be payable per written request for reasons.

The unit of measurement under A54.10 (a) to (d) for the services of professional and candidate Valuers and non-Valuer staff engaged in the process of appealing against valuations shall be

the number of hours that the Service Provider is involved in consultations, meetings, Appeal Board hearings and in the preparations for such hearings, measured by the various categories of personnel.

Any fees charged by Municipalities for the lodging of objections, queries and appeals, or for furnishing of reasons, are remunerable at cost, plus a mark-up at the tendered percentage rate.

The fees for Valuation reports under A54.12 shall be the number of valuation reports compiled and attached to submitted queries, objections or appeals.

## **A5500                    CONTINGENT RATES LIABILITY STATEMENTS**

### **A5501                    SCOPE**

The Service Provider shall bi-annually determine and report to the Employer the maximum potential rates liability that it may incur for the remainder of the financial year for various categories of properties owned or controlled by the Employer, based on the following presumptions;

- a) That all properties owned or controlled by the Employer are rateable,
- b) That all municipalities calculate rates based on the Employer's valuation of its properties,
- c) That all municipalities apply uniform rates based on the average rates of a sample of properties.

Bidders' attention is drawn to any amendments applicable to the municipal rating of road reserve properties, regarded as "Public Service Infrastructure" in terms of the Municipal Property Rates Act, No. 6 of 2004.

The statements must reflect the following four categories of properties;

- a) Investment properties,
- b) Other properties,
- c) Candidate investment properties,
- d) Owner-occupied properties.

### **A5502                    DESCRIPTION**

The Service Provider shall submit a Contingent Rates Liability Statement for the ensuing financial year to the Employer, before 30 April of each year. This figure must be updated before end of September for the remaining 6 months of the financial year to reflect the latest municipal rates that became effective on 1 July.

The four mentioned categories are dealt with below;

#### **a) Investment Properties**

The rates liability shall be based on the Investment Property valuations per category of property provided by the Employer, which is based on the valuations provided by other service providers for the financial year immediately preceding that for which the Contingent Rates Liability Statement must be issued.

The potential rates liability must be calculated using the average rates calculated from a random sample of 20 municipalities, which must include all the metropolitan municipalities.

The Investment Property portfolio is divided into four sub-categories, to which the average municipal rate calculated must be applied;

- i) “Agriculture”,
- ii) “Residential”,
- iii) “Vacant Land”,
- iv) “Business and Commercial”.

**b) Other Properties**

Other properties is a subset of Investment Properties, identified and classified by the Employer. The potential rates liability shall be based on a total valuation provided by the Employer and the average “Vacant Land” municipal rate calculated from the mentioned sample.

**c) Candidate Investment Properties**

These are properties that satisfy all investment property identification criteria, except a threshold value that determines which properties are valued individually every year by other service providers.

The Employer shall provide a value upon which the potential rates calculation must be based, using the average “Vacant Land” municipal rate.

**d) Owner-Occupied Properties**

The Employer shall provide a total valuation for two sub-categories of this category, which is based on valuations done by other service providers.

The Service Provider shall calculate potential rates liability for these categories on the mentioned total valuation for each category based on the average municipal rates for the rates categories “Vacant Land” and “Business and Commercial”

**A5503                      PAYMENT**

**Contingent Rates Liability Statements**

Item		Unit
A55.01	April Annual Contingent Rates Liability Statement;	
A55.01(a)	Professional Valuer	Hr
A55.01(b)	Professional Associated Valuer	Hr



A55.01(c)	Candidate Valuer	Hr
A55.01(d)	Other Staff	Hr
A55.02	September Annual Contingent Rates Liability Statement;	
A55.02(a)	Professional Valuer	Hr
A55.02(b)	Professional Associated Valuer	Hr
A55.02(c)	Candidate Valuer	Hr
A55.02(d)	Other Staff	Hr

The Service Provider shall be paid at the tendered hourly tariff for each level of staff indicated for the amount of time spent on actual work necessary to provide a Contingent Rates Liability Statement to the satisfaction of the Employer. Payment shall distinguish between the end of April figures, and the end of September updates.

Auditable time sheets must be kept which show the name of the person and professional status of the person involved, dates, hours of work and a brief task description.

## **A5600            ALIENATION OF SURPLUS LAND**

### **A5601            SCOPE**

This section covers the alienation of surplus land.

It must be noted that a moratorium on the alienation of State-owned land that was placed in the last five years has been lifted. It is possible that such a moratorium could be re-instated barring sale of any state-owned land.

### **A5602            GENERAL**

The Service Provider shall be required to identify surplus land that can either be sold out of hand or made available by tender in conjunction with the Employer's Regional Offices.

Reference shall be made to, inter alia, Treasury regulation No. 16A7: Disposal and letting of state assets (refer Volume 5), the Employer's SCM policy item 7: Policies and Procedures for the Management of the Property Portfolio as amended from time to time by the Employer (refer to Volume 5).

The Service Provider shall provide the Employer with an Annual Operational Planning Process for Disposal Management (reference shall be made to the Employer's SCM policy item 2.1.2 and 2.1.3). The Service Provider shall also provide an immovable asset management plan and register in respect of land alienation, complying with the sections designated by the Employer of the Government Immovable Asset Management Act, 2007 (Act No. 19, 2007).

In the case of unsolicited offers being received, the matter shall be referred to the Employer recommending that the property be retained or sold, with reasons for doing so. If the Employer is prepared to dispose of the property, further interest must be sought by advertising the property.

### **A5603            PROCEDURES TO BE FOLLOWED PRIOR TO ALIENATION**

The Service Provider shall perform the following procedures:

- a) The Service Provider shall be required to proactively identify surplus land to be released to the market, and to prepare an annual property sales plan,
- b) Confirm whether the property intended to be sold is registered in the Employer's name,
- c) Provide the Employer with an opportunity to consider retaining the property for later ennoblement,
- d) Obtain confirmation that the land, or portion thereof, will not be required for future road purposes and obtain approval from the Employer (relevant regional office) that the property may be alienated,
- e) Ensure that no portion of the property forms part of the National Road Reserve,

- f) Liaise with the Department of Agriculture, Land Reform and Rural Development in respect of land claims and land reform requirements,
- g) Liaise with the Department of Public Works and the local municipality having jurisdiction over the land
- h) Obtain written confirmation from relevant State Departments in terms of existing policies that any such property will not be utilised and/or required by them to further Government's objectives,
- i) Obtain a valuation of the asset to be alienated,
- j) Proceed with sale by way of tender or direct sale procedure,
- k) Prepare a submission to the Employer for approval of the sale by a person having delegated authority,
- l) Prepare a submission to the Minister of Transport for the approval of sales with a value exceeding the amount stipulated in Section 26(t) of the Act.

All land sale transactions shall be executed in terms of the Alienation of Land Act, 1981 (Act 68 of 1981) and any deposits or monies received shall be administered in terms of the Estate Agency Affairs Act, 1976 (Act 112 of 1976).

#### **A5604                      ADVERTISEMENT AND TENDER PROCESSES**

The Service Provider shall place advertisements inviting interested parties to submit tender offers in at least two popular and relevant newspapers in the area in which the asset that is to be alienated is located. Where it is foreseen to be beneficial and cost effective depending on the value of the property, the tender shall also be advertised in a newspaper that is circulated nationally. Advertisement costs are covered in section A1500.

The Service Provider shall draw up all documents required, including, but not limited to advertisements, tenders, memoranda for approval, Agreements of Sale for the signature of the Employer and the buyer as well as dealing with all documentation and matters relating to the conveyancing of alienated land. The requirements of the Employer's Alienation Policy must be complied with.

The Service Provider shall note that the disposal of any land is subject to the approval of the Employer's Board of Directors.

#### **A5605                      EXCLUSIONS AND DIRECT NEGOTIATIONS**

Unless the Policy of the SANRAL Board stipulates otherwise, property without direct access and which cannot function as an independent unit may be offered to the adjacent owner(s).

In instances where there is more than one owner that could purchase the property, tenders shall be invited. If any, or the other adjacent owner(s) is/are not interested in acquiring the land, he/she or they shall stipulate so in writing to the Service Provider. The Service Provider shall, if more than one adjacent property owner is interested in the land, invite all to make offers, but if only one is interested in the property, shall negotiate a sale on the basis of current market value.

The option of creating access to landlocked land by way of acquiring an access servitude must be considered before offering the land to the adjacent neighbours.

## **A5606 DATA CAPTURE**

The Service Provider shall capture the following details in ITIS against the relevant RDS number:

- a) Date on which the sale of land has been approved by the Employer,
- b) Item (reference) Number of the approval,
- c) Type of Sale (Tender process, Donation etc.),
- d) Purchaser's name,
- e) Purchase price,
- f) Date registered in name of purchaser,
- g) Title deed No in respect of transfer into name of purchaser,
- h) Extent of land sold,
- i) Complete all other relevant fields in ITIS (servitudes, etc.).

## **A5607 PAYMENT**

### **Alienation of surplus land**

<b>Item</b>		<b>Unit</b>
A56.01	Annual plan for property sales	No.
A56.02	Investigation of properties for alienation	No.
A56.02(a)	Disposal of surplus land;	
A56.07(a)(i)	By way of advertisement or open tender	No.
A56.07(a)(ii)	Through a process of negotiation	No.

Payment under A55.01 for preparing an annual property sales plan shall be made once only per year.

Payment shall be made under A55.02 for each property identified as marketable surplus land by means of drawing reports off the ITIS system, confirming that such surplus land is registered in the Employer's name, performing analyses to determine whether or not ennoblement is a desirable option, obtaining confirmation that the property or any portion thereof will not be required for future road purposes and obtaining approval from the Employer (relevant regional offices) that the property may be alienated. The Service Provider shall also ensure that no portions of the property forms part of an existing or future national road reserve, that the property does not fall within an area affected by land claims and land reform requirements, and that no State Departments requires it to further any of the Government's objectives.

The Service Provider shall be paid under A56.02 at the tendered rate for each surplus property that is sold by advertising it or calling for tenders, or through a process of negotiation. In both cases, the tendered rate shall include obtaining the approval of the Employer to alienate the property, managing any land surveying and valuation processes, managing the processes of obtaining approval for the subdividing of and/or consolidation with other land adjoining the property, managing programmes and performing any other administrative function listed or implied in the rate tendered.

The costs incurred in the hiring and managing of subcontractors as well as the costs of advertising, subsistence and travel and any other remunerable costs described in the relevant specifications, shall be paid for in terms of the relevant specifications.

## A5700 EMPOWERMENT FORMULA FOR SALES AND LEASES

### A5701 SCOPE

This section covers the methods to be used to calculate the preference points in respect of procurement to seek the highest price (typically lessees and the buyers of the Employer's property).

Because the Service Provider will be dealing with state-owned assets, the regulations concerning preferential procurement must be complied with, excepting that at the time of tender, the procurement regulations focus on soliciting the lowest price and omit dealing with sales and leases.

### A5702 FORMULA TO BE USED

The following formula for soliciting the highest offer shall be used;

$$P_s = X \left( 1 - \left( \frac{P_{max} - P_t}{P_{max}} \right) \right)$$

Where;

- X = 0.8 is the solicited sale price is higher than R30 thousand but below R50 million and 0.9 of the solicited sale price is above R50 million
- X = 0.8 for leases
- P<sub>s</sub> = points scored for the price of the tender under consideration,
- P<sub>max</sub> = price of highest acceptable tender or offer,
- P<sub>t</sub> = price of tender or offer under consideration.

To the value(s) of P<sub>s</sub> calculated above, add points for BBBEE, (as currently stated in the regulations promulgated in terms of Act 53 of 2003), which may be amended during the course of the contract;

Specific goals	Criteria	10 points		20 points	
		Point allocation	Maximum points	Point allocation	Maximum points
B-BBEE Level	Level 1	10.00	10.00	20.00	20.00
	Level 2	9.00		18.00	
	Level 3	6.00		14.00	
	Level 4	5.00		12.00	
	Level 5	4.00		8.00	
	Level 6	3.00		6.00	
	Level 7	2.00		4.00	
	Level 8	1.00		2.00	
	Non-compliant contributor	0.00		0.00	

**A6000 VALUATIONS**

## **A6100 VALUATIONS FOR LEASES AND DISPOSAL OF PROPERTY**

### **A6101 SCOPE**

This section covers the valuation of property with a view to determining rentals and escalation rates in respect of proposed lease agreements, compensation payable to the Employer in respect of servitude rights over property owned by the Employer and for determination of the purchase price in respect of Employer owned property that is for sale.

### **A6102 GENERAL**

The Service Provider shall provide valuations in accordance with the generally accepted valuation methods adopted by the Council for Valuers, or set out by the Statutory Body for the Property Valuers Profession, and with due consideration of any applicable legal opinion or court ruling provided, or otherwise available.

The Service Provider shall be required, upon the instruction of the Employer, to compile valuations for purposes of determining rentals and escalation rates in respect of proposed lease agreements, compensation payable to the Employer in respect of servitude rights over property owned by the Employer and for determination of the purchase price in respect of Employer owned property that is for sale.

### **A6103 PAYMENT**

#### **Valuations for rentals and disposal of property or property rights valuations**

<b>Item</b>		<b>Unit</b>
A61.01	Market rental and value valuations for leases and disposal of property or property rights;	
A61.01(a)	Professional Valuer	No.
A61.01(b)	Professional Associated Valuer	No.

Performing ad-hoc valuations shall be paid per property for valuations performed, considering the registration level of the Valuer involved. Subsistence and travel will be paid for under the relevant specification item. Payment is subject to the entry of the data into ITIS and/or the document management system of the Employer.

In the case of multiple adjoining properties that are, or will be, leased or sold jointly and for which a single market rental or market valuation as a functional unit is required, a single fee under A61.01(a) or (b) shall be paid.



**A7000      OTHER SERVICES**

## **A7100            ALTERATIONS**

### **A7101            SCOPE**

This section deals with alterations to the offices and buildings owned by the Employer from time to time.

### **A7102            GENERAL**

Examples of alterations that the Employer may require may include, but is not limited to;

- a) Security infrastructure and maintenance,
- b) Property maintenance,
- c) Revised office layouts,
- d) Revised parking layouts,
- e) Relocation of entrances or alterations thereto,
- f) Any other cosmetic or functional alteration required.

It is envisaged that alterations will be carried out by nominated or selected subcontractors and hence, will contribute towards the participation goals of the contract. However, most offices include proprietary products and installations, which may result in the employer designating nominated subcontractors from whom the work must be procured.

Services required may include, but is not limited to;

- a) Architects,
- b) Interior designers,
- c) Builders,
- d) Various contractors and suppliers,
- e) Engineers in the various disciplines of engineering,
- f) Specialist advisors

### **A7103            DEFINITION OF WORK**

In keeping with the requirements for subcontracting, the Employer and Service Provider shall jointly agree on the terms of reference and scope of work to be undertaken and also agree on the method of procurement.

It is expected that the Service Provider shall be required to appoint a series of professionals, suppliers and contractors in order to deliver a single alteration.

The Service Provider shall be required to procure the necessary subcontractors as provided for in sections A2100, A1500, and A2200.

Payment of these subcontractors will be made under section A2110.

## **A8000                    ADDITIONAL INFORMATION**

### **A8000 PRICING INSTRUCTIONS**

- (a) Measurement and payment shall be in accordance with the relevant provisions of the Specifications as amended in the Scope of Works.
- (b) The units of measurement described in the Bill of Quantities (Price Schedule) are metric units. Abbreviations used in the Bill of Quantities are detailed in the Specifications.
- (c) For the purposes of the Bill of Quantities, the following words shall have the meanings hereby assigned to them.
  - (i) Unit: The unit of measurement for each item of work as defined in the Specifications or the Scope of Works.
  - (ii) Quantity: The number of units of work for each item.
  - (iii) Rate: The payment per unit of work for which the Service Provider tenders to do the work.
  - (iv) Amount: The product of the quantity and the rate tendered for an item.
  - (v) Lump Sum: An amount tendered for an item, the extent of which is described in the Bill of Quantities, the Scope of Work or elsewhere, but of which the quantity of work is not measured in units.
  - (vi) Prime cost: Is a specific type of Provisional Sum where payment is made on the production of invoices showing the cost price of the implementation or installation of the service required. Services rendered in this manner carry a mark-up for which a rate is offered at tender stage to cover all the Contractor's overhead charges and profit in providing the item or services.
  - (vii) Provisional Sum: A sum (if any) which is specified in the contract as a provisional sum, for the execution of any part of the works or the supply of materials or services.
- (d) Unless otherwise stated, items are measured in the units described in the Specifications.
- (e) It will be assumed that prices included in the Bill of Quantities are based on Acts, Ordinances, Regulations, By-laws, International Standards and National Standards.
- (f) The prices and rates in the Bill of Quantities are fully inclusive prices for the work described under the items, and include all duties, taxes (except Value Added Tax) and other levies payable by the Service Provider. Such prices and rates cover all costs and expenses that may be required in and for the execution of the work described in accordance with the provisions of the Scope of Work, and shall cover the cost of all general risks, liabilities and obligations set forth or implied, as well as overhead charges and profit. These prices will be used as a basis for assessment of payment for additional work that may have to be carried out.

- (g) Where the Scope of Work requires drawings and reports or other information to be provided, all costs associated therewith are deemed to have been provided for and included in the unit rates and sum amount tendered such items, unless specifically provided for in the Specifications and Bill of Quantities.
- (h) An item against which no price is entered will be considered to be covered by the other prices or rates in the Pricing Schedule.
- (i) The quantities set out in the Bill of Quantities are approximate and do not necessarily represent the actual amount of work to be done. The quantities of work accepted and certified for payment will be used for determining payments due and not the quantities given in the Bill of Quantities.
- (j) Reasonable compensation will be received where no pay item appears in the Bill of Quantities in respect of work required in terms of the Contract and which is not covered in any other pay item.
- (k) The short descriptions of the items of payment given in the Bill of Quantities are only for the purposes of identifying the items. More details regarding the extent of the work entailed under each item appear in the Scope of Work and Specifications.
- (l) The item numbers appearing in the Bill of Quantities refer to the corresponding item numbers in the Specifications.
- (m) The pricing schedules are provided electronically. A printout of the entire completed Bill of Quantities must be signed and attached to the tender as well as an electronic copy of the priced Bill of Quantities. In the event of any discrepancy between the signed printed copy, and the electronically submitted copy, the tender rates in the signed copy will govern. The item numbers and description of the PDF document will govern. The item numbers and description of the PDF document will govern. For all addenda issued relating to the pricing schedule, the item numbers, description and quantities of the issued document will govern.

Signed:.....Date:.....  
 Name:.....Position.....  
 Tenderer:.....