

	<p style="text-align: center;"><b>RAND WATER</b></p> <p style="text-align: center;"><b>QUALITY MANAGEMENT SYSTEM</b></p> <p style="text-align: center;"><b>PROCUREMENT STRATEGY</b></p>	<p>Form No: RW SCM 00033 F</p> <p>Revision No.: 06</p> <p>Effective Date: 28 June 2022</p>
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### BID DESCRIPTION

**THE IMPLEMENTATION OF TURNKEY TENDER FOR THE CONSTRUCTION OF VARIOUS  
PALMIET SYSTEM INFRASTRUCTURE PROJECTS IN VARIOUS AREAS, PALMIET  
SYSTEM – INTEGRATED EXECUTION PROGRAMME  
PACKAGE6: SUB-PACKAGE 09**

### BID NUMBER

RW10401015/22

DATE: 24 November 2022

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## 1. PURPOSE

The purpose of the document is to outline the recommended strategy to be followed in procuring the <Turnkey Tender for the Construction of Various Palmiet System Infrastructure in various areas, Palmiet System - Integrated Execution Programme Package 6, Sub-package 09 > for a period of <six years>.

The commercial strategy will be set by the Bid Specification Committee (BSC). The recommendation by the End User on the procurement strategy and duration of the contract in the market may be considered but the confirmation of such strategy will be done by the BSC.

## 2. PROJECT SCOPE SUMMARY

Project Number	High Level Scope of Work
P.04463 H43 Pipeline	Construction of H43 pipeline from Graham Road in Glen Austin Midrand, to Lyttelton in Pretoria East. The new pipeline is 1700mm for the first 4,1km and 1200mm diameter for the remaining 13,3km. The total length of this pipeline is 17,5km long. The associated chamber work, valves, pipe jackings, earthworks, geotechnical studies are also included.
P.04859 H14 Pipeline	Construction of H14 pipeline replacement from Thaba Tshwane to Kwaggaspoort in Pretoria. The new pipeline is 1000mm diameter and 3,1km long. The associated chamber work, valves, pipe jackings, earthworks, geotechnical studies are also included.

*The table is applicable for cidb related bids. Remove this table for non-cidb related bids.*

<b>Contracting Strategy</b>	Turnkey
<b>Classification</b>	Complex work

### 3. BID DOCUMENT TYPE

Indicate the type of contract that will be used.

	Document Type	Indicate the applicable Bid Document
a)	Request for Bid – Construction (based on the FIDIC Red Book)	<input type="checkbox"/>
b)	Request for Bid - Design and Build (based on the FIDIC Yellow Book)	<input type="checkbox"/>
c)	Request for Bid – Turnkey (based on the FIDIC Silver Book)	<input checked="" type="checkbox"/>
d)	Request for Bid - Professional Services (based on the FIDIC White Book)	<input type="checkbox"/>
e)	Short Form of Contract (based on the FIDIC Green Book)	<input type="checkbox"/>
f)	Supply / Supply and Delivery Contract	<input type="checkbox"/>
g)	Request for Proposal	<input type="checkbox"/>

## 4. RECOMMENDED STRATEGY

### 4.1. LOCAL CONTENT REQUIREMENTS

Given that the Integrated Execution Programme Bidding is based on EPC/Turnkey procurement, the bidder must indicate in their Bid submission (Table SBD 6.2) applicable items as per the designated sectors (shown below), which must be in line with the Bidder's proposal.

#### Local Content Declaration

- |     |  |   |  |
|-----|--|---|--|
| 1.  | Does this bid include <b>Buses (Bus Body)</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 2.  | Does this bid include <b>Textiles, Clothing, Leather And Footwear</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 3.  | Does this bid include <b>Steel Products And Components For Construction, Steel Value Added Products And Components</b> ? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| 4.  | Does this bid include <b>Canned / Processed Vegetables</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 5.  | Does this bid include <b>Pharmaceutical Products</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 6.  | Does this bid include <b>Rail Rolling Stock</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 7.  | Does this bid include <b>Set Top Boxes</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 8.  | Does this bid include <b>Furniture Products</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 9.  | Does this bid include <b>Solar Water Heater Components</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 10. | Does this bid include <b>Electrical and Telecom Cables</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 11. | Does this bid include <b>Valves Products and Actuators</b> ?   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| 12. | Does this bid include <b>Residential Electricity Meters</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 13. | Does this bid include <b>Working Vessels / Boats and Components</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 14. | Does this bid include <b>Conveyance Pipes</b> ?  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| 15. | Does this bid include <b>Transformers and Shunt Reactors</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 16. | Does this bid include <b>Solar PV Components</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 17. | Does this bid include <b>Two Way Radio Terminals and Associated Equipment</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 18. | Does this bid include <b>Rail Signaling and Rail Permanent Way</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 19. | Does this bid include <b>Wheely Bins</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 20. | Does this bid include <b>Fire Fighting Vehicles</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 21. | Does this bid include <b>Pumps, Medium Voltage Motors and Associated Accessories</b> ?                                   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 22. | Does this bid include <b>Plastic Pipes</b> ?   | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| 23. | Does this bid include <b>Industrial Lead Acid Batteries</b> ?  | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

24. Does this bid include **Bulk Material Handling equipment and components?** ☐ Yes ☒ No
25. Does this bid include **Air Insulated Medium Voltage Switchgear Products?** ☐ Yes ☒ No
26. Does this bid include **Cem I to Cem V or Masory Cement types** ☒ Yes ☐ No

## 4.2. GATEKEEPERS

### 4.2.1. TEST FOR RESPONSIVENESS

#### 4.2.1.1. Standard test for responsiveness criteria

The following test for responsiveness remains unchanged.

DESCRIPTION	APPLICABILITY
a. Completed and Signed form of offer	Applicable
b. Letter of Good Standing from the Department of Labour or an Accredited Institution.	Applicable
c. The use of correction fluid or any other similar substance to make corrections is not permitted.	Applicable
d. Bidders must be registered with the CIDB, or are capable of being so prior to the evaluation of submissions, in a contractor grading designation equal to or higher than a contractor grading designation determined in accordance with the CIDB grading of this bid; in accordance with the CIDB prescripts.	Applicable
e. Submission of Socio-Economic Development (SED) proposal in accordance with Rand Water's requirements and the signing of the SED schedule in its entirety.	Applicable

#### 4.2.1.2. Project Specific test for responsiveness criteria

The Requestor may indicate which of the below are applicable to the project.

DESCRIPTION	APPLICABILITY
a. Letter of Good Standing from the Department of Labour or accredited institutions b. <i>(non-construction related bids)</i>	Applicable
c. Fully completed Local Content Declaration Forms for each of the designated sectors as provided and minimum stipulated thresholds for this bid.	Not Applicable

#### 4.2.2. OTHER RECOMMENDED TEST FOR RESPONSIVENESS CRITERIA

State any other criteria that are recommended for test for responsiveness. The recommended test for responsiveness must be fair and not lead to prejudice.

DESCRIPTION	APPLICABILITY
a. Bidder must subcontract a minimum of 30% of the value of the contract to multiple QSE entities that are minimum 51% black owned. <i>The following evidence must be submitted:</i> a. <i>Subcontracting agreement stipulating the percentage to be subcontracted</i> b. <i>CSD report/s for Subcontractor/s</i> c. <i>CIDB Registration for Subcontractor/s, where CIDB related works are subcontracted Where CIDB related works are subcontracted, each Subcontractor must also be registered with the appropriate CIDB grading in accordance with the value of the work to be undertaken by that Subcontractor. Where the CIDB requirement for subcontracted work is not met, this pre-qualifier has not been met.</i> d. <i>Proof of B-BBEE status for Subcontractor/s</i>	Applicable
b. The bidding entity must have the ability to execute all required Engineering Consulting services in accordance with the Engineering Act of SA, Engineering Profession Act 46 of 2000. Proof of employment or signed contract agreement with the relevant Engineering Consultant or Consulting company must be submitted with the tender	Applicable for construction related bids
c. A signed Letter of intent for Incorporation or proof of Incorporated registration must be submitted for all Partnership bid submissions (such as JVs, Consortia, etc.).	Applicable

#### 4.3. FUNCTIONALITY CRITERIA

A weighted score-card approach is used to evaluate the technical compliance of the tenders against the specifications. Bids need to have a weighted score of 70% or more to technically qualify for further evaluation.

Description	Recommended Weighting
a. Record of Previous Experience relevant to the current scope/ work (with contactable client ref.)	15
b. Human Resource Capacity	25
c. Plant & Equipment resource capacity	10
d. Project Risk Management	10
e. Detailed Project Programme	10
f. Method Statement	15
g. SHERQ	5
h. Financial Health	10
<b>TOTAL</b>	<b>100</b>

#### 4.4. COMMERCIAL

4.4.1. Pricing Schedule will be included in the bid document.

#### 4.5. PENALTIES

PENALTY TABLES					
DELAYS ON ITEMS ATTRACTING PENALTIES	Value of Contract (Excl VAT.) in millions R				
	<1	≥1<5	≥5<20	≥20<50	≥50
PROGRAMME AND PRELIMINARY DOCUMENTS (Rand's per day delay)	1 000	5 000	10 000	10 000	10 000
DRAWINGS AND DESIGN PACK (Rand's per day delay)	2 500	10 000	15 000	20 000	25 000
SECTIONAL COMPLETION	1% of the value of the outstanding work/ week				
OVERALL COMPLETION	1% of the value of the outstanding work/ week				
COMMISSIONING (Rand's per day delay)	5 000	10 000	15 000	20 000	25 000
REMEDYING OF DEFECTS					
a) Critical to asset functioning/ running (Rand's per day delay)	5 000	25 000	50 000	50 000	50 000



b) Not critical to asset functioning/ running (Rand's per day delay)	500	2 500	5 000	5 000	5 000
SHERQ					
a)SHERQ non conformances, corrective and preventative actions not resolved within the agreed target dates	500	2 500	5 000	5 000	5 000
Agreed target dates exceeding 5 working days					
b)Non-reporting of SHERQ incidents and statistics within the required timeframe	500	2 500	2 500	5 000	5 000
Within a shift / Within 24 hrs					
c) Repeat SHERQ non conformances	1 000	5 000	10 000	10 000	10 000
d) Overtime Work without the required approvals during Construction phase (Rands)	1 000	5 000	10 000	10 000	10 000
SED Implementation					
Failure to implement SED objectives (Rands per day delay)	1 000	5 000	10 000	10 000	10 000

#### 4.6. OBJECTIVE CRITERIA

##### BBBEE STATUS (P<sub>P</sub> = 10/20 maximum)

Quantification of procurement contribution to B-BBEE

Points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of point (90/10 system)	Number of point (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

Bidders will not be disqualified from the bidding process for not submitting a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. **Such a bidder will score zero (0) out of maximum of 10 for B-BBEE**

##### a) Objective Criteria

Refer to the criteria as stated in [T1.3 Evaluation Criteria](#) of this bid document.

A bid must be awarded to the bidder who scored the highest total number of points in terms of the preference point systems (price and B-BBEE points), unless objective criteria in terms of section 2(1)(f) of the Act justify the award of the bid to another bidder.

#### **4.7. INSURANCE**

Rand Water covers all projects with specific exclusions as advised by the Risk Finance Department. All projects/contracts excluded above will require a separate insurance policy which must be budgeted and paid for under the project/contract.

The Requestor must clarify all insurance aspects relating to the project to be advertised with the Risk Finance Department.

Public Liability Insurance or Professional Indemnity should be provided as part of the bid submissions.

#### **4.8. ENTERPRISE DEVELOPMENT AND SOCIO-ECONOMIC DEVELOPMENT**

Rand Water intends to achieve the objective of promoting an environment that is healthy, safe, efficient, productive, harmonious, free from disruption and localises opportunities for communities in close proximity to projects that are implemented.

Rand Water as a State-Owned Enterprise shares the same economic transformation aspirations as the Government of the Republic of South Africa. Improving participation of previously disadvantaged individuals through enterprise development (ED) and socio-economic development (SED) is one of Rand Water's ways of aiding the process, as provided for the by the ED and SED Strategy.

The applicability of ED and SED in non-construction projects must be discussed with the Supply Chain Management Division, prior to signing off on the Procurement Strategy.

#### **4.9. CONTRACT AWARD STRATEGY**

A contract will be established according to the approved bidding process, with the successful bidder based on the applicable contract type and Rand Water-specific conditions.

Based on previous contract of this nature, the maximum number of suppliers to be awarded this contract is recommended to be one (1).

## **5. BUDGET**

Total estimated budget: R1,250,000,000.00

Cost Centre: 11420

Internal Order: 104010015

## 6. PROJECT RISK MANAGEMENT

The following risks are associated with the project and would need to be mitigated as implementation occurs:

- 6.1. Working in dolomatic areas
- 6.2. Working in built up / residential areas
- 6.3. Community Work stoppages due to SED implementation
- 6.4. Employee Strikes
- 6.5. Delayed project implementation due to poor performance by Contractor and sub-contractors
- 6.6. Inclement weather

## 7. ESTIMATED COMMENCEMENT DATE

The envisaged commencement date for the above project is 1 March 2024

## 8. SIGNATURES

**Requestor:**

  
.....  
Precious Hlatshwayo  
**Project Manager**

.....  
Donovan Govender  
**Programme Manager - PMS**

**Supply Chain Management Division:**

.....  
Emmanuel Nzilo  
**Supply Chain Manager**