

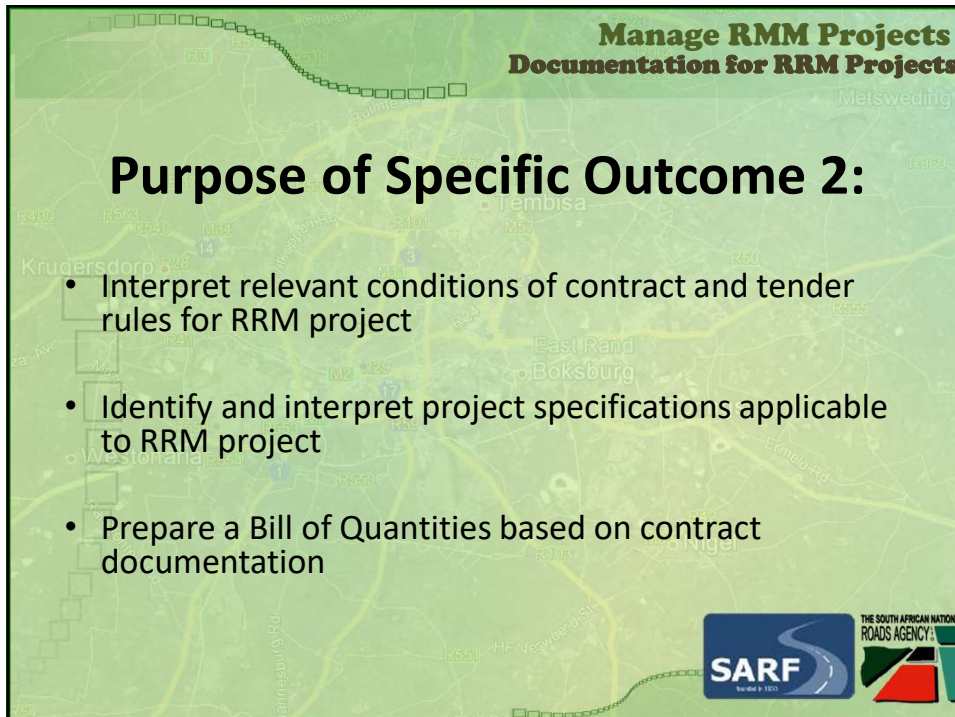
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## Purpose of Specific Outcome 2:

- Understand & compile RRM contract documentation
- Oversee & assist in tender, adjudication & awarding process

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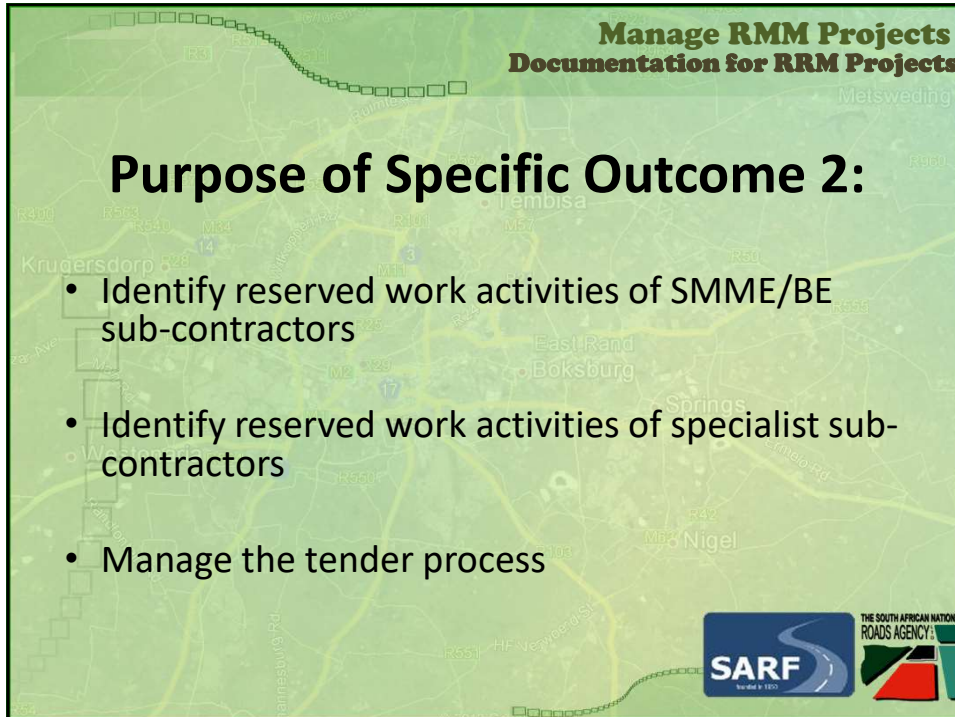
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## Purpose of Specific Outcome 2:

- Interpret relevant conditions of contract and tender rules for RRM project
- Identify and interpret project specifications applicable to RRM project
- Prepare a Bill of Quantities based on contract documentation

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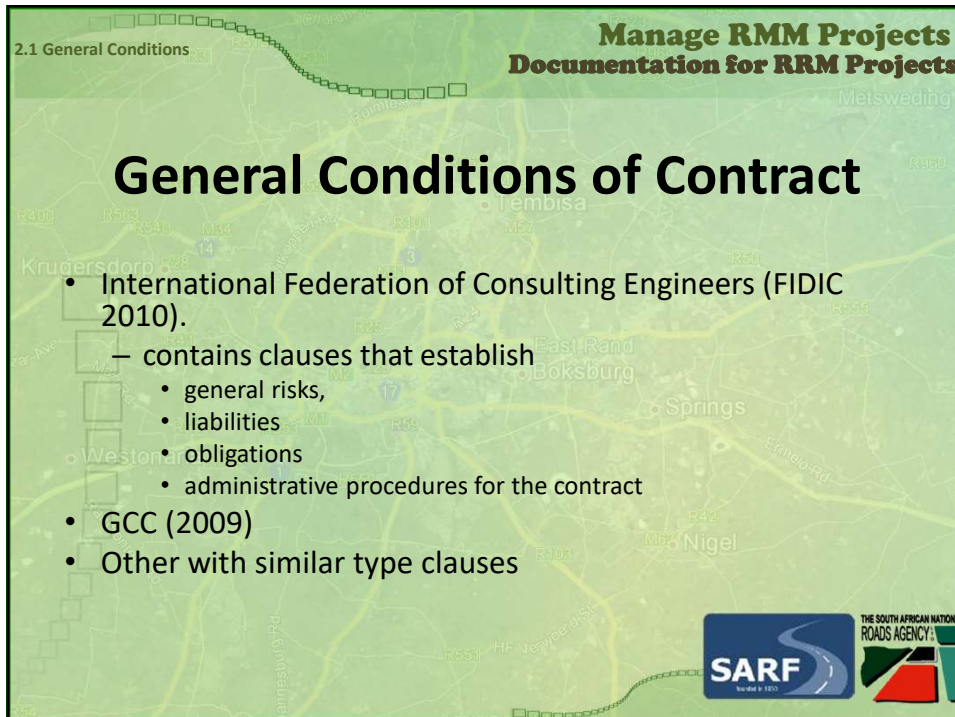
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## Purpose of Specific Outcome 2:

- Identify reserved work activities of SMME/BE sub-contractors
- Identify reserved work activities of specialist sub-contractors
- Manage the tender process

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## General Conditions of Contract

- International Federation of Consulting Engineers (FIDIC 2010).
  - contains clauses that establish
    - general risks,
    - liabilities
    - obligations
    - administrative procedures for the contract
- GCC (2009)
- Other with similar type clauses

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2.2 Standard Specification

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## Standard Specification of RRM

Standard specifications in SA derived by two committees:

1. The Committee of State Road Authorities (**CSRA**)
  - responsible for most standards and specifications,
2. The Committee of Land Transport Officials (**COLTO**)
  - 'Standard Specifications for Road and Bridge Works for State Road Authorities.'

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2.2 Standard Specification

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## Standard Specification of RRM

- Method specifications:
  - Client specifies method to complete project
  - Contractor follows method stipulated

**OR**

- End-result specifications:
  - Client knows what product to expect
  - Contractor knows what is expected of him

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2.2 Standard Specification

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## Method Specification

- Definition:
  - Specific material selection
  - Specific construction operations
- Advantages:
  - Greater competition amongst tenderers than normal product specification
  - Familiar, straightforward to write
  - Minimal agency involvement

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2.2 Standard Specification

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## Method Specification

- Disadvantages:
  - Agency responsible for performance of product
  - Stifle contractor innovation
  - Not statistically based (100% compliance not possible)
  - “substantial compliance” = vague & undefined, leads to disputes
  - Material quality spot checks not random & do not reflect overall quality

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2.2 Standard Specification

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## SANRAL Specifications

Type and involvement of parties

Standard Specifications		TYPE			RESPONSIBILITY		
		Method	End-result	Both	Contractor	RM	Both
M0400	Route patrol services	x			x		
M0500	Accommodation of traffic	x			x		
M1100	Pavement layers repair			x			x
M1200	Repair of potholes, edge breaks and surface failures			x			x
M1300	Crack sealing			x			x
M1400	Bleeding repair			x			x

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2.2 Standard Specification

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## SANRAL Specifications

Type and involvement of parties

Standard Specifications		TYPE			RESPONSIBILITY		
		Method	End-result	Both	Contractor	RM	Both
M1500	Crack and joint sealing of concrete pavements			x			x
M1600	Surface treatment of surfaced roads	x			x		
M1700	Repair of slope failures and washaways			x			x
M2100	Repair and maintenance of inlet and outlet structures			x			x

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M2200 Subsoil drain installation and maintenance			x			x
M2300 Cleaning of waterway structures			x			x
M2400 Cleaning of prefabricated culverts			x			x
M2500 Cleaning of concrete drains and channels			x			x

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M2600 Cleaning and maintenance of existing earth channels			x			x
M2700 Edge build-up removal		x			x	
M2800 Concrete channel construction and maintenance of existing channels			x			x
M3100 Fencing			x			x

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M3200 Collection and removal of debris and litter		x				x
M3300 Shoulder repairs	x					x
M3400 Maintenance of arrestor bed	x					x
M3500 Stabilisation of cuttings	x			x		
M4100 Erection and repair of permanent road traffic signs	x			x		

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M4200 Road sign cleaning and removal of illegal signs			x			x
M4300 Roadstuds			x			x
M4400 Guardrail erection and maintenance			x			x
M4500 Dazzle screen erection and replacement		x			x	

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M4600 Road markings	x			x		
M4700 Maintenance of lay-byes and rest areas			x			x
M5100 General erosion protection			x			x
M5200 Gabion protection			x			x

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M6100 Controlling vegetation growth: mowing and cutting			x			x
M6200 Chemical control of veg. and eradication of undesirable vegetation		x			x	
M6300 Removal of undesirable vegetation: physical eradication		x			x	

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M6400 Maintenance and establishment of plants, trees and shrubs			x			x
M6500 Establishment of grass			x			x
M7100 Emergency standby team	x			x		
M7200 All-emergency normalisation		x			x	

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2.2 Standard Specification

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# SANRAL Specifications

Type and involvement of parties

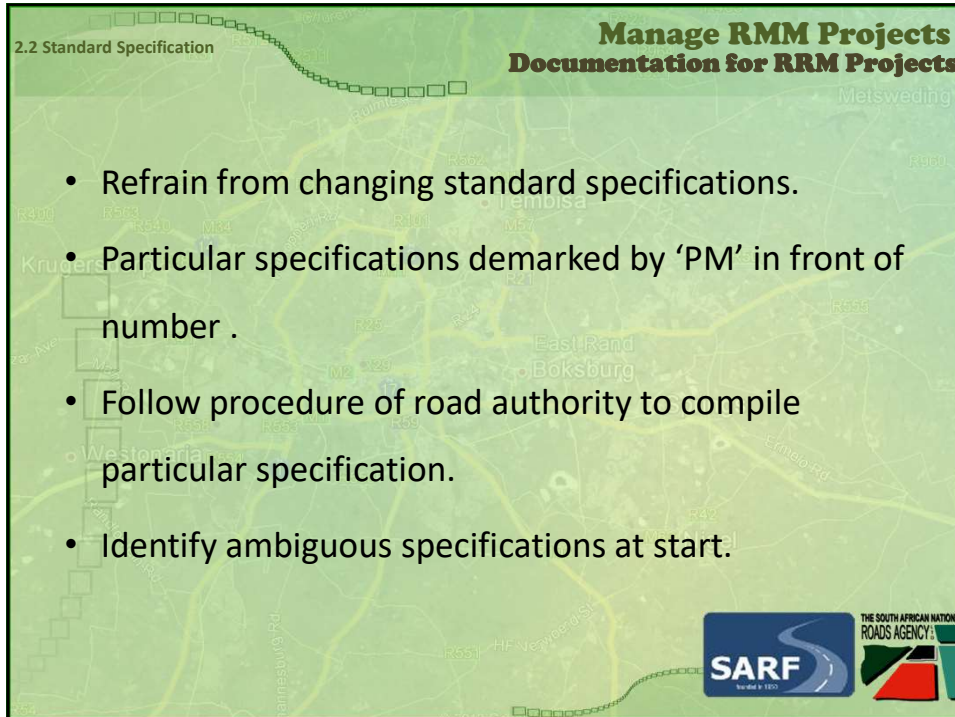
Standard Specifications	TYPE			RESPONSIBILITY		
	Method	End-result	Both	Contractor	RM	Both
M8100 Minor repairs to structures	x			x		

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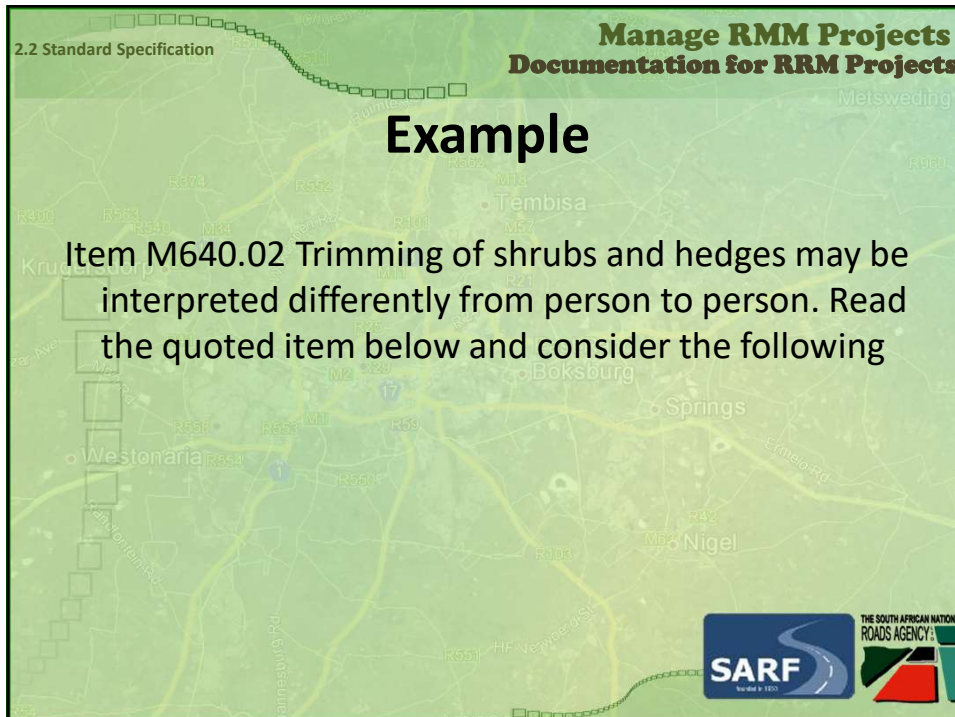
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2.2 Standard Specification

- Refrain from changing standard specifications.
- Particular specifications demarked by 'PM' in front of number .
- Follow procedure of road authority to compile particular specification.
- Identify ambiguous specifications at start.

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2.2 Standard Specification

## Example

Item M640.02 Trimming of shrubs and hedges may be interpreted differently from person to person. Read the quoted item below and consider the following

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2.2 Standard Specification

## Manage RMM Projects Documentation for RRM Projects

### Example

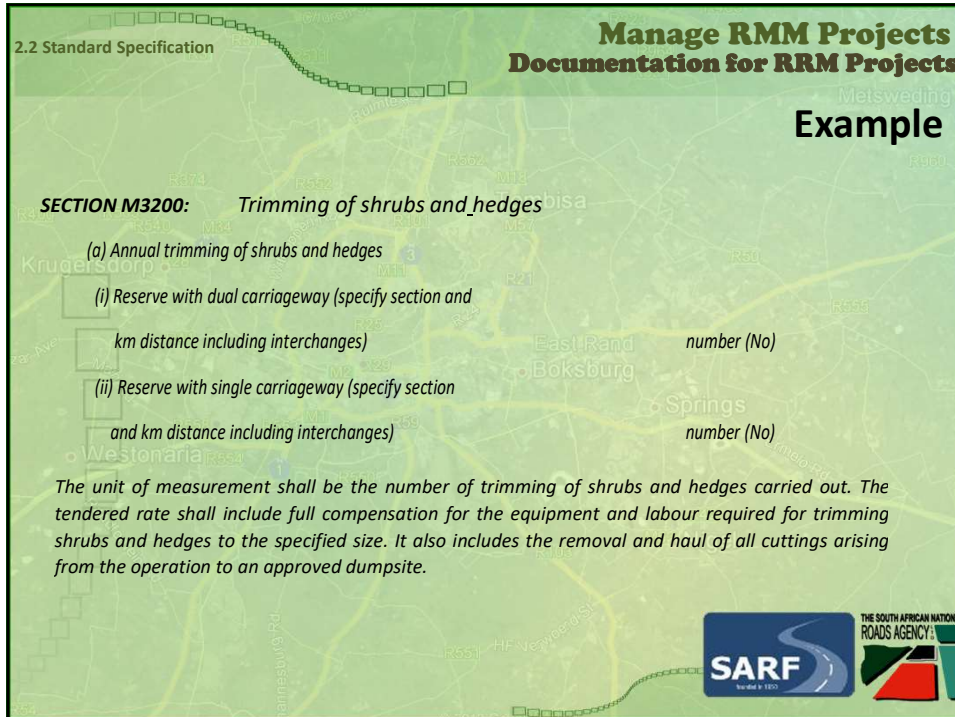
**SECTION M3200: Trimming of shrubs and hedges**

(a) Annual trimming of shrubs and hedges

(i) Reserve with dual carriageway (specify section and km distance including interchanges) number (No)

(ii) Reserve with single carriageway (specify section and km distance including interchanges) number (No)

The unit of measurement shall be the number of trimming of shrubs and hedges carried out. The tendered rate shall include full compensation for the equipment and labour required for trimming shrubs and hedges to the specified size. It also includes the removal and haul of all cuttings arising from the operation to an approved dumpsite.



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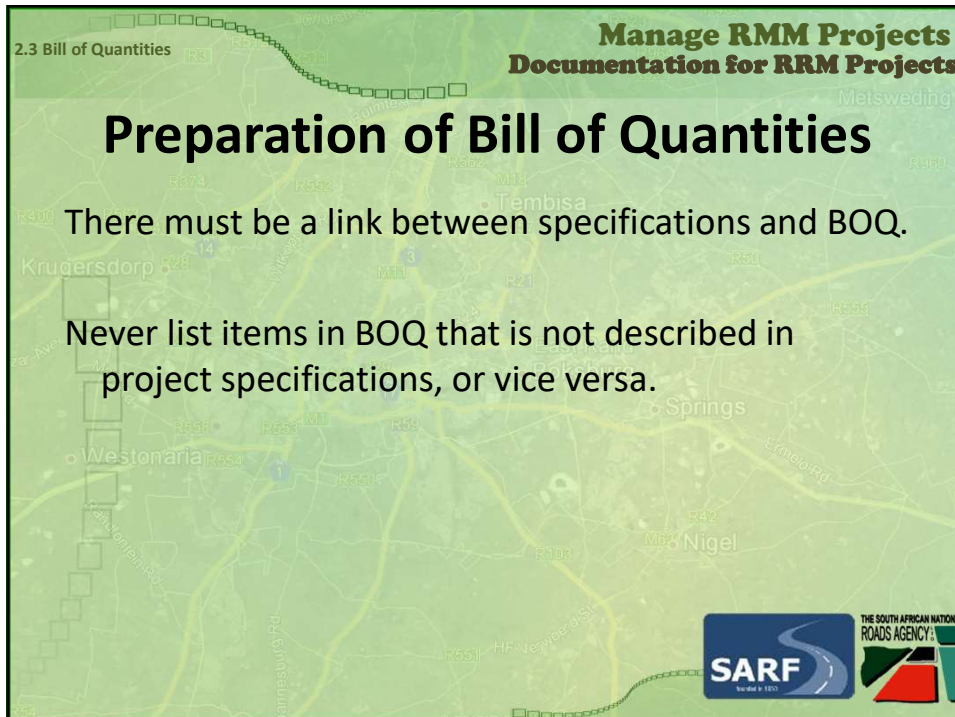
2.3 Bill of Quantities

## Manage RMM Projects Documentation for RRM Projects

### Preparation of Bill of Quantities

There must be a link between specifications and BOQ.

Never list items in BOQ that is not described in project specifications, or vice versa.



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2.3 Bill of Quantities

## Manage RMM Projects Documentation for RRM Projects

Metsweding

# Preparation of Bill of Quantities

A Bill of Quantities (BoQ) is a document that lists all the work items and quantity for each item to be priced by the contractor during the tender period.

A BoQ is also sometimes called a Schedule of Quantities (SoQ).

A BoQ for a specific RRM project is compiled from the project specifications applicable to the project.

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2.3 Bill of Quantities

## Manage RMM Projects Documentation for RRM Projects

Metsweding

# Example

**Example: (SANRAL, 2001)**

Particular specification		Schedule of Quantities					
<b>SECTION M1100: PAVEMENT LAYERS REPAIR</b> <b>M1102 EXECUTION OF WORK</b> (b) Backfilling of excavation for pavement failures The excavation shall be backfilled with approved gravel, crushed stone or asphalt and compacted to a <b>Mod AASHSTO density</b> as specified below: Base (0 – 150mm below final base level) 98% Subbase (150 – 300mm below final base level) 95% Selected (300 – 600mm below final base level) 93% Fill (Below 600mm of final base level) 90%		ITEM NO	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
		M110.04	Backfilling of pavement layers to compaction as specified				
		(a)	Subbase layer (95% of modified AASHSTO density)				
		(i)	Areas up to 50 m <sup>2</sup>	m <sup>2</sup>	10		0.00
		(ii)	Areas 50.1 m <sup>2</sup> to 100m <sup>2</sup>	m <sup>2</sup>	10		0.00
		(iii)	Areas greater than 100 m <sup>2</sup>	m <sup>2</sup>	10		0.00

Particular specification		Schedule of Quantities					
<b>SECTION M1100: PAVEMENT LAYERS REPAIR</b> <b>M1102 EXECUTION OF WORK</b> (b) Backfilling of excavation for pavement failures The excavation shall be backfilled with approved gravel, crushed stone or asphalt and compacted to a Mod AASHSTO density as specified below: Base (0 – 150mm below final base level) 98% Subbase (150 – 300mm below final base level) 95% Selected (300 – 600mm below final base level) 93% Fill (Below 600mm of final base level) 90%		ITEM NO	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
		M110.04	Backfilling of pavement layers to compaction as specified				
		(a)	Subbase layer (97% of modified AASHSTO density)				
		(i)	Areas up to 50 m <sup>2</sup>	m <sup>2</sup>	10		0.00
		(ii)	Areas 50.1 m <sup>2</sup> to 100m <sup>2</sup>	m <sup>2</sup>	10		0.00
		(iii)	Areas greater than 100 m <sup>2</sup>	m <sup>2</sup>	10		0.00

Particular specification		Schedule of Quantities					
<b>SECTION M1100: PAVEMENT LAYERS REPAIR</b> <b>M1102 EXECUTION OF WORK</b> (b) Backfilling of excavation for pavement failures The excavation shall be backfilled with approved gravel, crushed stone or asphalt and compacted to a Mod AASHSTO density as specified below: Base (0 – 150mm below final base level) 98% Subbase (150 – 300mm below final base level) 95% Selected (300 – 600mm below final base level) 93% Fill (Below 600mm of final base level) 90%		ITEM NO	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
		M110.04	Backfilling of pavement layers to compaction as specified				
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		(ii)	Areas 50.1 m <sup>2</sup> to 100m <sup>2</sup>	m <sup>2</sup>	10		0.00
		(iii)	Areas greater than 100 m <sup>2</sup>	m <sup>2</sup>	10		0.00

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2.4 Reserved work activities  
2.4.1 Background

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## SMME/BE activities

Legislative controls promote empowerment of Small, Medium and Micro Enterprises (**SMME TARGETED ENTERPRISES**) to:

- improve their capability
- grow the economy
- develop employees to be meaningful participants in the organisation (CIDB, 2011).

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2.4 Reserved work activities  
2.4.1 Background

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## Targeted Enterprises/BE activities

- The legislation in place is the following:
  1. The Constitution of the Republic of South Africa, 1993;
  2. Public Finance Management, 1999 (Act No. 1 of 1999);
  3. Preferential Procurement Policy Framework, 2000 (Act No. 5 of 2000);
  4. Broad-Based Black Economic Empowerment, 2003 (Act No. 53 of 2003); and
  5. Construction Industry Development Board Act, 2000 (Act No. 38 of 2000) and Regulations.

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2.4 Reserved work activities  
2.4.2 CIDB

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# CIDB

- Contractors required by law to register
- Registration establishes capability of contractor (grading)
- Reduces risk to contractor and to client
- Grading consists out of two elements:
  - Maximum tender value of projects which a contractor may perform (might change in the near future); and
  - Specified class of works, such as General Building (GB), Civil Engineering (CE), Electrical Engineering (EE) or Specialist Works (SW).

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2.4 Reserved work activities  
2.4.3 Definitions

## Manage RMM Projects Documentation for RRM Projects

# Definitions

Term	Definition
<b>Black Enterprise (BE)</b>	1. A company or economic activity that is at least 50.1% owned by black persons; and 2. Where there is substantial management control by Black People.  (Ownership = economic interest, Management = the membership of any board or similar governing body of the enterprise.) <u>Note:</u> BE status must be proofed by a BE verification certificate
<b>Black People (BP):</b>	African, Coloured or Indian persons who are natural persons; and: 1. are citizens of the Republic of South Africa by birth or descent; or 2. are citizens of the Republic of South Africa by naturalisation before the commencement date of the Constitution of the Republic of South Africa Act of 1993; or 3. became citizens of the Republic of South Africa after the commencement date of the Constitution of the Republic of South Africa Act of 1993, but who, but for the Apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalisation prior to that date

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2.4 Reserved work activities  
2.4.3 Definitions

## Manage RMM Projects Documentation for RRM Projects

# Definitions

Targeted Enterprise



**Targeted Enterprise**

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

- A. an EME or QSE which is at least 51% owned by black people;
- B. an EME or QSE which is at least 51% owned by black people who are youth;
- C. an EME or QSE which is at least 51% owned by black people who are women;
- D. an EME or QSE which is at least 51% owned by black people with disabilities;
- E. an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
- F. a cooperative which is at least 51% owned by black people;
- G. an EME or QSE which is at least 51% owned by black people who are military veterans

In addition, Targeted Enterprises must be:

- A. CIDB registered where applicable;
- B. tax compliant prior to award of the subcontract;
- C. must be a company in which the Main Contractor has no equity/shareholding
- D. COIDA compliant prior to award of the subcontract



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2.4 Reserved work activities  
2.4.3 Definitions

## Manage RMM Projects Documentation for RRM Projects

# Definitions

**NOTE:** In order to qualify as a BE & Targeted Enterprise the contractor must have a CIDB contract grading designation as specified by the agency.

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2.4 Reserved work activities  
2.4.4 SMME/BE in RRM contracts

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## SMME/BE in Targeted Enterprises contracts

- Incorporating SMME/BE sub-contractors:
  - Improves their capability
  - Grows the economy
  - Develop employees
- RRM contract must provide
  - Mentoring,
  - Guidance
  - Assistance
 to SMME; by the Contractor until the end of the contract period as described in the project document

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2.4 Reserved work activities  
2.4.5 Work reserved for SMME/BE

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## Work reserved for Targeted Enterprises/BE

Each agency has its own policies regarding SMME/BE sub-contractors  
Learners must be familiar with relevant policies:

The scope of the work described in this section shall be based on the Employer's 14 principles for project liaison, sub-contracting and labour sourcing in all SANRAL projects, which are stipulated below:

1. Establish project liaison committees (PLCs) in each project to create a platform for project liaison, works execution, sub-contracting and employment facilitation.
2. SANRAL to chair PLCs and provide secretarial support. Representation to comprise: SANRAL; contractor; consultant; business representatives; traditional representatives; provincial and municipal government representatives (not politicians); community representatives; and any other critical local stakeholder that may be deemed necessary by the PLC.
3. Project Liaison Officer (PLO) selection to be done under the auspices of the PLC.
4. Definition of a target area (sometimes referred to as a local area or traffic area) to be done under the auspices of the PLC.
5. Setup a database of contractors and suppliers (and consultants where relevant) to be done under the auspices of PLC. The final database to be signed off by the PLC.

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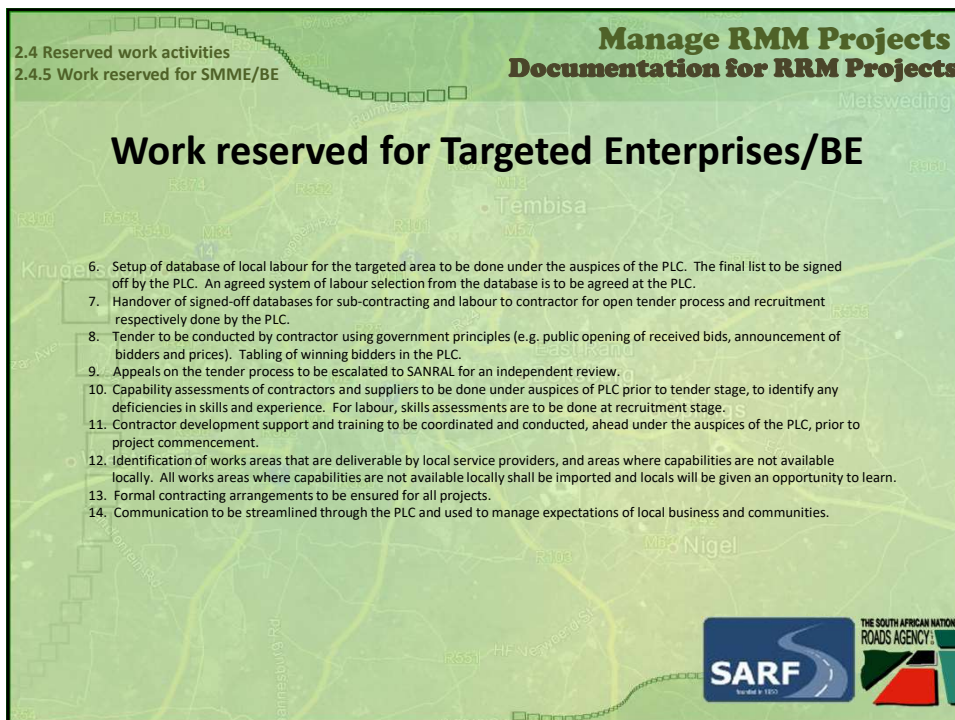
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2.4 Reserved work activities  
2.4.5 Work reserved for SMME/BE

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### Work reserved for Targeted Enterprises/BE

6. Setup of database of local labour for the targeted area to be done under the auspices of the PLC. The final list to be signed off by the PLC. An agreed system of labour selection from the database is to be agreed at the PLC.
7. Handover of signed-off databases for sub-contracting and labour to contractor for open tender process and recruitment respectively done by the PLC.
8. Tender to be conducted by contractor using government principles (e.g. public opening of received bids, announcement of bidders and prices). Tabling of winning bidders in the PLC.
9. Appeals on the tender process to be escalated to SANRAL for an independent review.
10. Capability assessments of contractors and suppliers to be done under auspices of PLC prior to tender stage, to identify any deficiencies in skills and experience. For labour, skills assessments are to be done at recruitment stage.
11. Contractor development support and training to be coordinated and conducted, ahead under the auspices of the PLC, prior to project commencement.
12. Identification of works areas that are deliverable by local service providers, and areas where capabilities are not available locally. All works areas where capabilities are not available locally shall be imported and locals will be given an opportunity to learn.
13. Formal contracting arrangements to be ensured for all projects.
14. Communication to be streamlined through the PLC and used to manage expectations of local business and communities.



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2.4 Reserved work activities for SMME/BE  
2.4.5 Work reserved for SMME/BE

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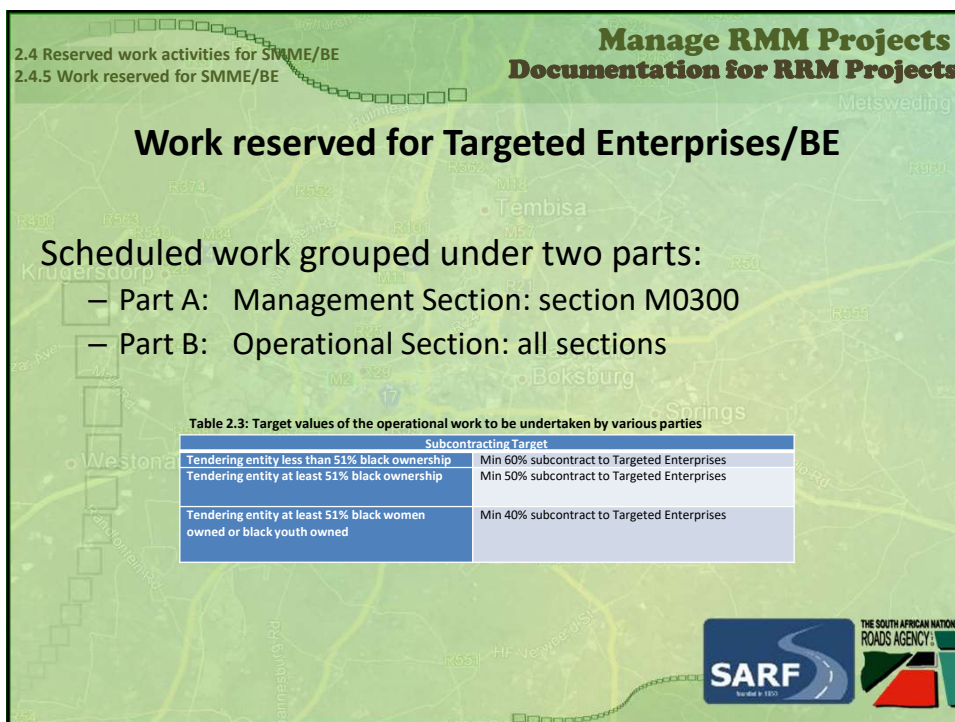
### Work reserved for Targeted Enterprises/BE

Scheduled work grouped under two parts:

- Part A: Management Section: section M0300
- Part B: Operational Section: all sections

**Table 2.3: Target values of the operational work to be undertaken by various parties**

Subcontracting Target	
Tendering entity less than 51% black ownership	Min 60% subcontract to Targeted Enterprises
Tendering entity at least 51% black ownership	Min 50% subcontract to Targeted Enterprises
Tendering entity at least 51% black women owned or black youth owned	Min 40% subcontract to Targeted Enterprises



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2.5 Reserved work for specialist contractors

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## Work reserved for specialist subcontractors

- Specialist sub-contractors are usually required to be rated as 3 CE or more with CIDB.
- Spillage of oils or other toxic/hazardous material = subcontract a specialist oil recycling company.



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2.6 Manage the tender process

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## Manage the tender process

### *The main contractor appointment*



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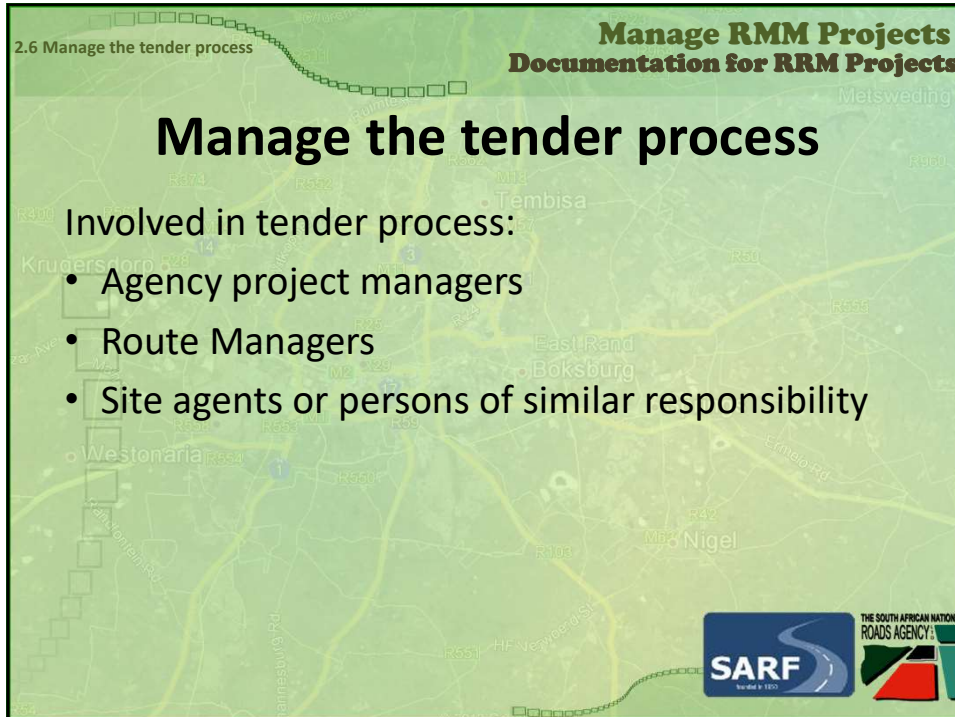
2.6 Manage the tender process

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## Manage the tender process

Involved in tender process:

- Agency project managers
- Route Managers
- Site agents or persons of similar responsibility



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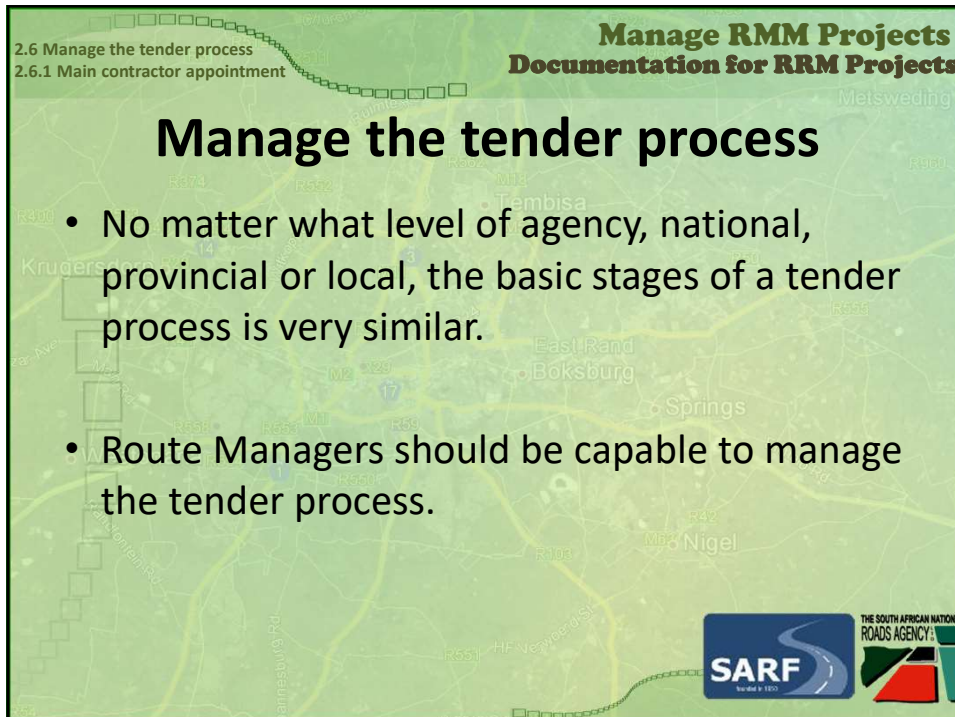
2.6 Manage the tender process

2.6.1 Main contractor appointment

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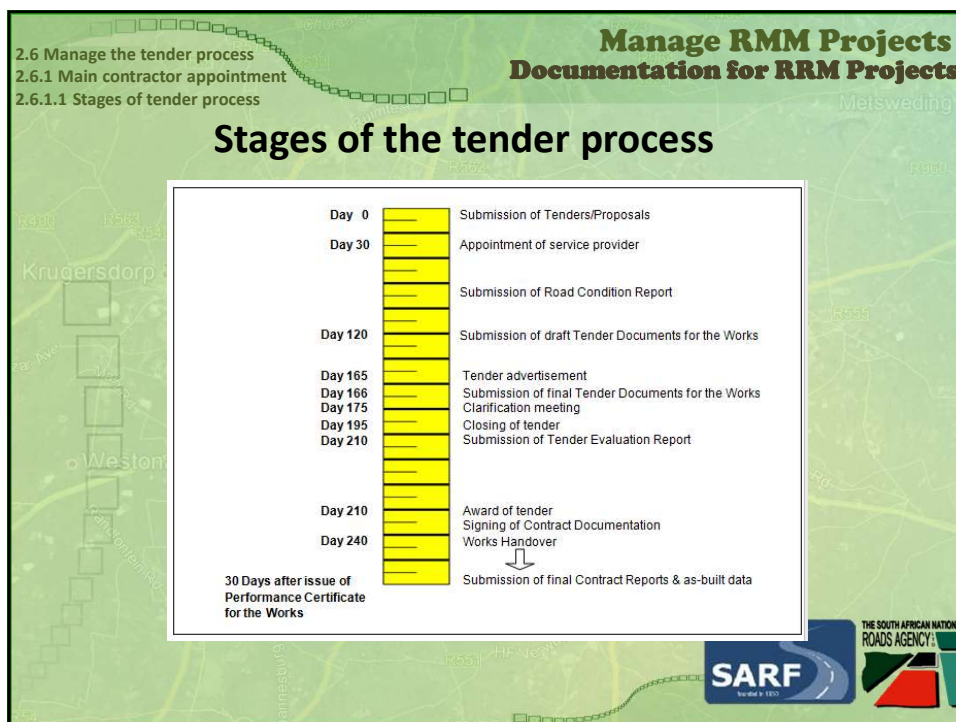
## Manage the tender process

- No matter what level of agency, national, provincial or local, the basic stages of a tender process is very similar.
- Route Managers should be capable to manage the tender process.

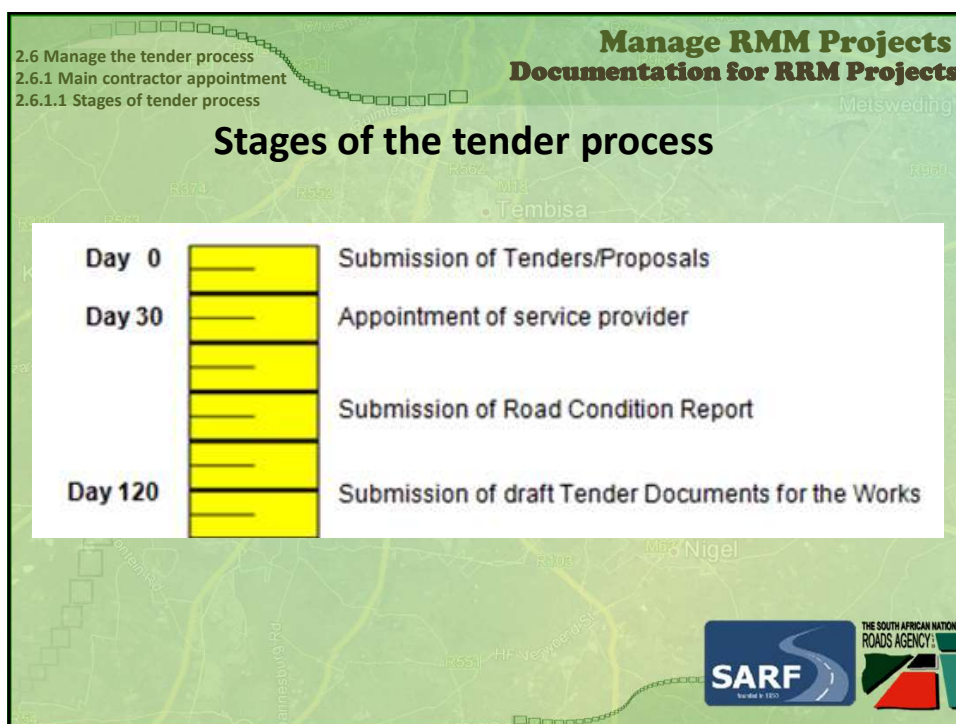


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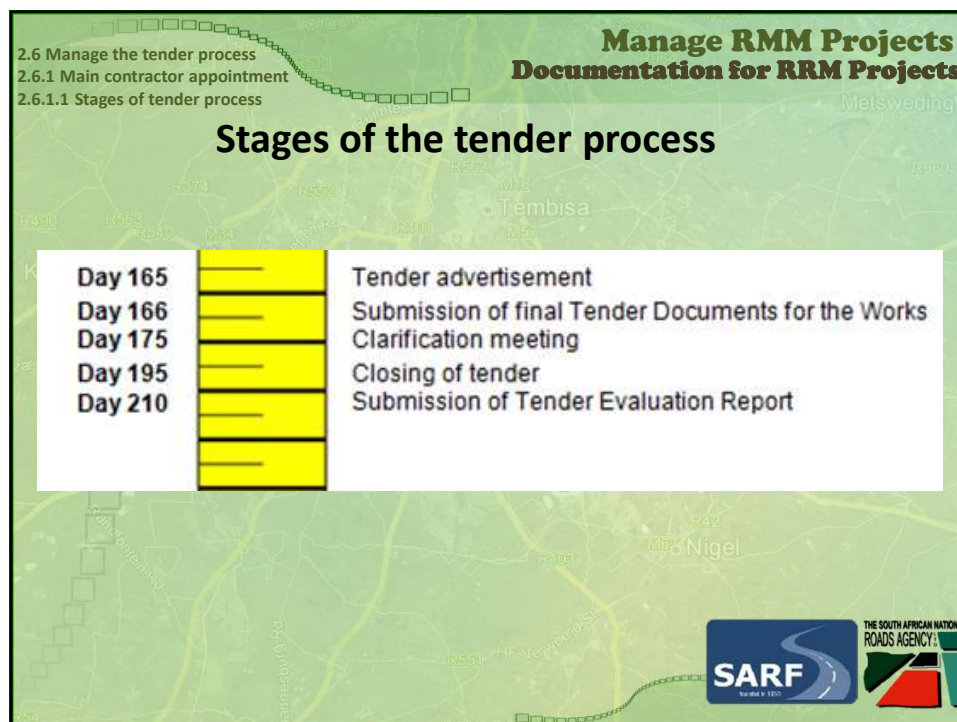




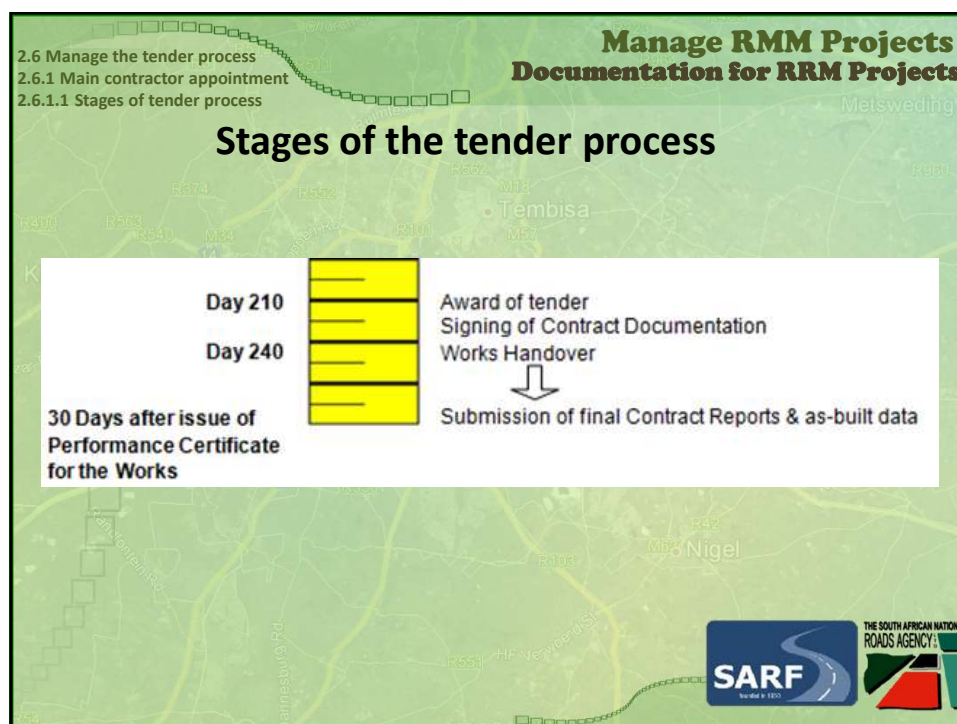
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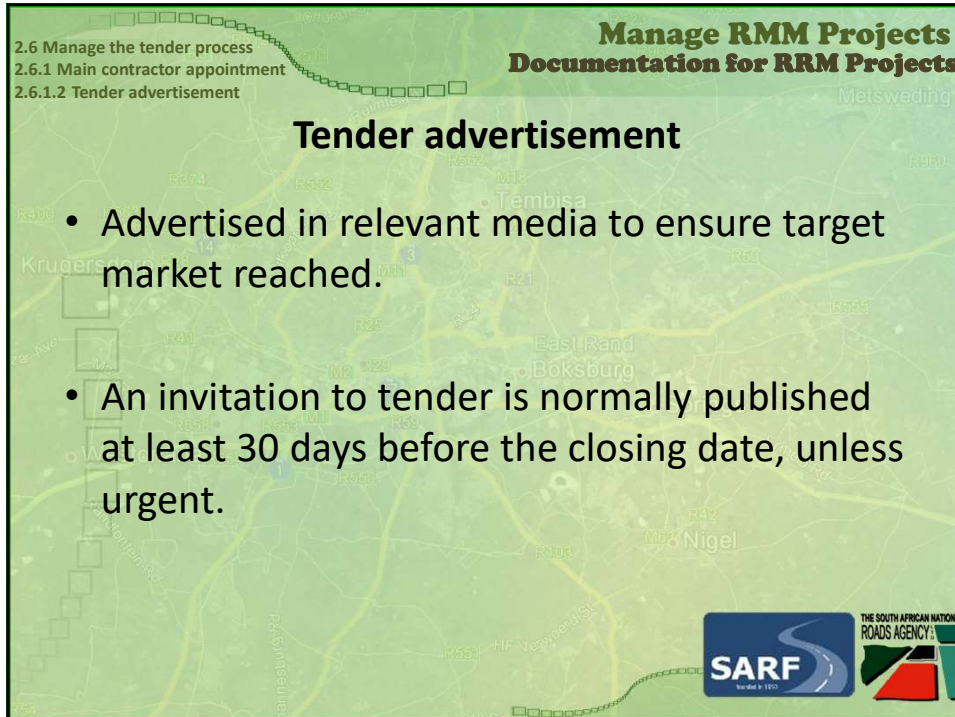
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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.2 Tender advertisement

## Manage RMM Projects Documentation for RRM Projects

### Tender advertisement

- Advertised in relevant media to ensure target market reached.
- An invitation to tender is normally published at least 30 days before the closing date, unless urgent.



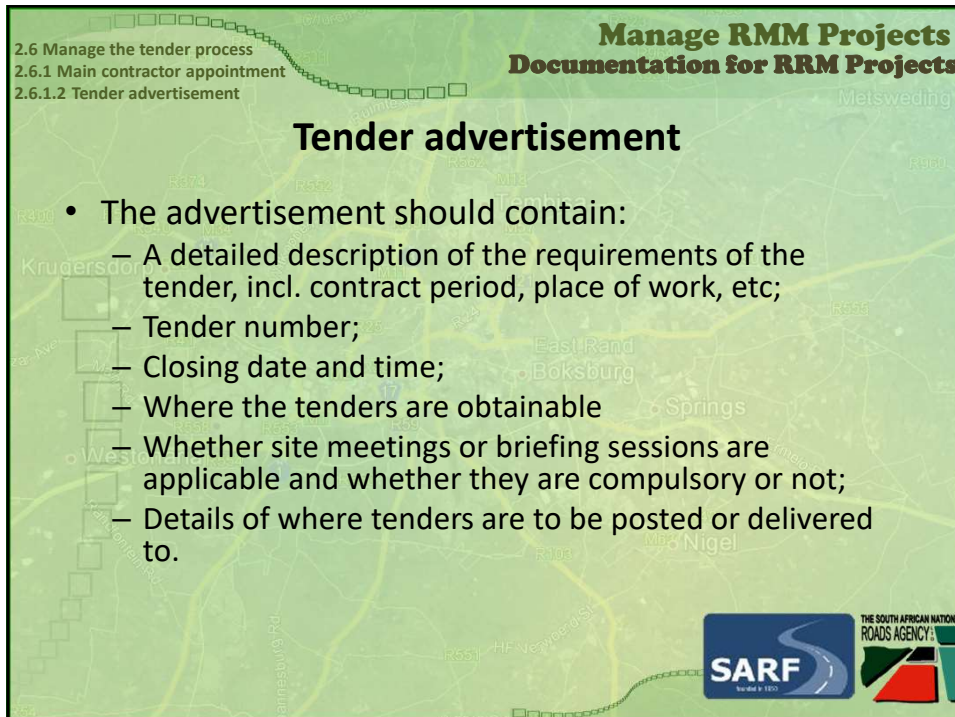
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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.2 Tender advertisement

## Manage RMM Projects Documentation for RRM Projects

### Tender advertisement

- The advertisement should contain:
  - A detailed description of the requirements of the tender, incl. contract period, place of work, etc;
  - Tender number;
  - Closing date and time;
  - Where the tenders are obtainable
  - Whether site meetings or briefing sessions are applicable and whether they are compulsory or not;
  - Details of where tenders are to be posted or delivered to.



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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.2 Tender advertisement

## Manage RMM Projects Documentation for RRM Projects

<b>Region:</b>	Western Region
<b>Contract Number:</b>	N.002-068-2011/1
<b>Project Number:</b>	N.002-068-2011/1
<b>Contract Description:</b>	ROUTINE ROAD MAINTENANCE ON NATIONAL ROUTE 2 SECTION 6 TO 8: RIVERSDALE TO SOUT RIVER
<b>Tender Notice:</b>	The South African National Roads Agency Limited (SANRAL) invites tenders for the Routine Road Maintenance on National Route 2 Section 6 to 8: Riversdale to Sout River. This project is in the province of Western Cape. Only <b>tenders</b> , who are registered with the Construction Industry Development Board with a contractor grading designation of 6CE or higher are eligible to tender. Preferences are offered to <b>tenders</b> who comply with the criteria stated in the Tender Data. CLOSING DATE (AT 14:00): 21 October 2011
<b>Tender Documents</b>	The physical address for collection of tender documents is The Regional Manager (Western Region), The South African National Roads Agency Ltd, 800 du Cap, Building 5, Corner Willie van Schoor Avenue and Muspel Street, Bellville (Tel 021 957 4600) where documents may be collected from Monday, 26 September 2011 during the hours 08:00 to 16:00 (Monday to Friday). A non-refundable fee of R300.00 is required, payable by means of direct deposit or electronic funds transfer to The South African National Roads Agency Limited, Bank: ABSA Bank Limited, Branch Number: 335545, Account Number: 1045510073. Call SANRAL office Tel (021) 957-4612 for reference number.(Do not make a payment before you have received a reference number) Proof of payment must be provided on the collection of Tender Documentation. Tender documents will be issued in electronic format on CD

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.3 Clarification meeting

## Manage RMM Projects Documentation for RRM Projects

### Clarification Meeting

- A meeting or information/briefing session arranged by 'management' consultant
- Between date of publication of the advertisement and closing of the tender
- Brief presentation highlighting contractual requirements
- The headings of the minutes used as agenda points

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.3 Clarification meeting

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### Clarification Meeting

Important discussion points from agenda:

- Introduction of the project team,
- Details regarding the scope of work,
- Important general & particular specifications are highlighted,
- Important sections of the tender document is noted and
- Questions from the tenderers are answered.



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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.4 Closing of tender

## Manage RMM Projects Documentation for RRM Projects

### Closing of tender

- Instruction on closing tender in tender data in the tender documents:
  - Closing date
  - Time and location of where to submit
  - Procedure for opening received tenders.
- No late tender submissions considered by the agency.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.4 Closing of tender

### Closing of tender

- Specify that tenders be posted or delivered to a physical address
- Fax or e-mail submissions could lead to disputes
- SANRAL does not allow fax or e-mail tender submissions

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.5 Opening of tender

### Opening of tender

- Two-envelope system (if stated in the tender data)
- Valid tender submissions should be opened in the presence of tenderers' agents
- Tender submissions for which requests for withdrawal have been submitted will not be opened.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.5 Opening of tender

## Manage RMM Projects Documentation for RRM Projects

### Opening of tender

At the opening of tenders, announce the following:

- The name of each tenderer whose tender offer is opened,
- The total of his prices,
- Preferences claimed and
- Time for completion, if any, for the main tender offer only.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.5 Opening of tender

## Manage RMM Projects Documentation for RRM Projects

### Opening of tender

Two-envelope system specified in tender data, i.e. submit a technical proposal (envelope 1) and financial proposal (envelope 2)

**1st**

- Open ONLY technical proposal of valid tenders.
- Evaluate the quality of the proposals – score points for quality as stated in tender data.
- Advise tenderers remaining in contention for contract of time & place of opening of financial proposals

**2nd**

- Announce score obtained for technical proposals of tenderers remaining in contention for contract.
- Open financial proposals of valid tenders.
- Announce total price & preference claimed.
- Evaluate the financial proposals further as per tender J--

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.6 Adjudication

## Manage RMM Projects Documentation for RRM Projects

# Adjudication

Before evaluation for adjudication, three checks :

1. Determine grounds for rejection or disqualification
2. Test for responsiveness.  
A responsive tender is one that conforms to all the terms, conditions and specifications of the tender documents without material deviation or qualification.
3. Check responsive tenders for arithmetical errors and imbalanced rates.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.6 Adjudication

## Manage RMM Projects Documentation for RRM Projects

# Adjudication

How to deal with arithmetical errors:

- Discrepancy between the amounts in figures and in words, the amount in words shall govern.
- Error in the line item total (Total = Unit rate X Quantity), the unit rate governs and the line item is corrected.
- Obvious misplacement of the decimal point in the unit rate, the unit rate is corrected.
- Error in the total of the prices (because of other corrections or tenderer's addition of prices) the total of the prices is corrected .

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.6 Adjudication

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## Evaluating methods:

### Method 1: Financial offer

- Rank tender offers from most favourable to least favourable.
- Recommend highest ranked tenderer, unless compelling reasons not to.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.6 Adjudication

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## Evaluating methods:

### Method 2: Financial offer & preference

- Score tender evaluation points for financial offer.
- Confirm tenderers are eligible.
- Calculate total tender evaluation points.
- Recommend tenderer with the highest number of tender evaluation points.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.6 Adjudication

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## Evaluating methods:

Method 3: Financial offer & quality:

- Score quality, rejecting all tenders that fail to score the minimum points for quality.
- Score tender evaluation points for financial offer.
- Calculate total tender evaluation points.
- Recommend tenderer with the highest number of tender evaluation points.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.6 Adjudication

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## Evaluating methods:

Method 4: Financial offer, quality & preferences :

- Score quality, rejecting all tender offers that fail to score the minimum number of points for quality.
- Score tender evaluation points for financial offer.
- Score tender evaluation points for preferencing.
- Calculate total tender evaluation points.
- Recommend tenderer with the highest number of tender evaluation points.

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.6 Adjudication

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## Evaluating methods: Method 4 - Example

**F.3.11.2** The score for financial offer is calculated using Formula 3 (option 1) where  $W_1$  is:

90 where the financial value inclusive of VAT of all responsive tenders received have a value in excess of R500,000.00; or  
80 where the financial value inclusive of VAT of one or more responsive tender offers equals or is less than R500,000.00.

The evaluation of the financial offer will be based on the amounts tendered for the management price and operational price as follows:

$$N_F = W_1 \frac{(N_{FM} + N_{FO})}{80}$$

$N_F$  = total number of points awarded for tender price  
 $N_{FM}$  = number of points awarded for management price

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.7 Awarding of tender

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Documentation for RRM Projects**

## Awarding of tender

- Awarded within 14 days after closing or within the validity period.
- The consultant is responsible for an adjudication report  
*Adjudication report:*
  - Brief summary of all submitted tenders
  - Which were not valid
  - Summarising calculations done for scoring the tenders

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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.7 Awarding of tender

## Awarding of tender

- A recommendation report is made by the consultant.
- Recommendation report submitted to SANRAL
- Considered by the SANRAL tender board, makes final decision.
- SANRAL project manager issues a letter of award to the successful tenderer.
- The SANRAL project manager also notifies unsuccessful tenderers.
- Alternatively, the award is published, naming the successful tenderer and contract price.






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2.6 Manage the tender process  
2.6.1 Main contractor appointment  
2.6.1.8 Signing of the contract

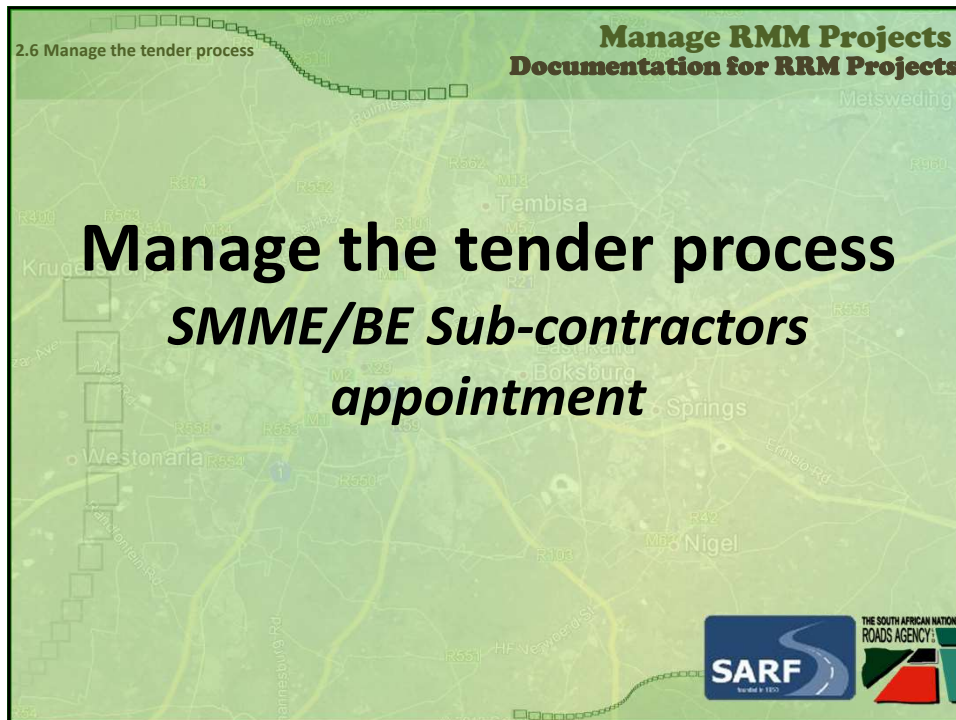
## Signing of the contract

- All contract documents must be signed by representatives of the contractor and SANRAL (client).
- Contract documents are compiled by the consultant according to the latest proforma.
- Two copies of contract documents are signed by contractor and SANRAL. One original signed copy kept by SANRAL, other kept by contractor.
- If documentation not signed by the contractor and the client, there is no binding contract.

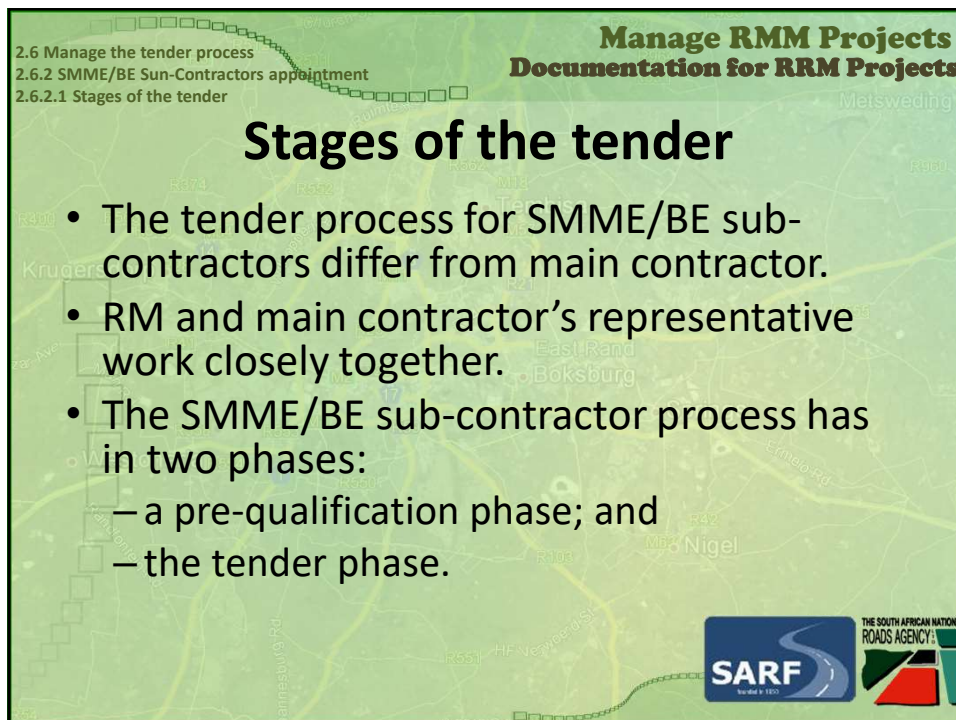



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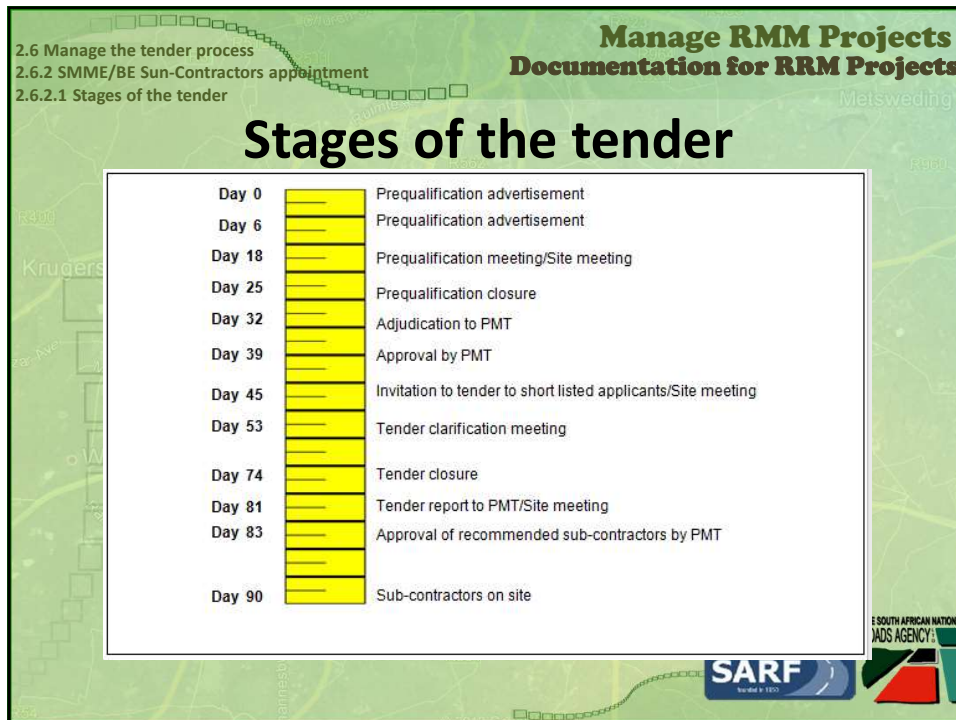




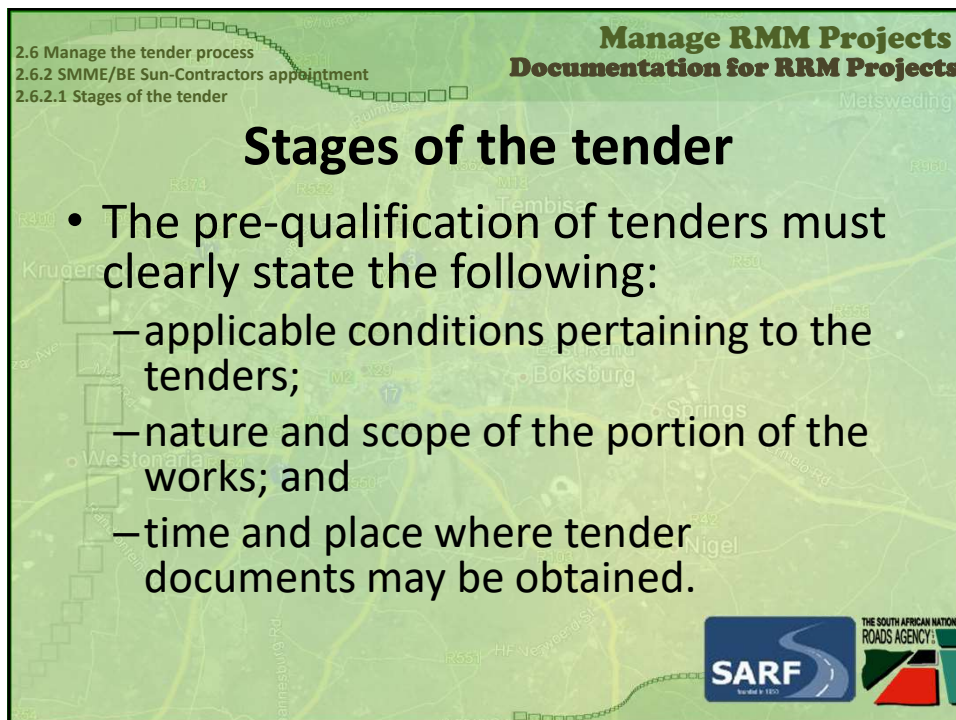
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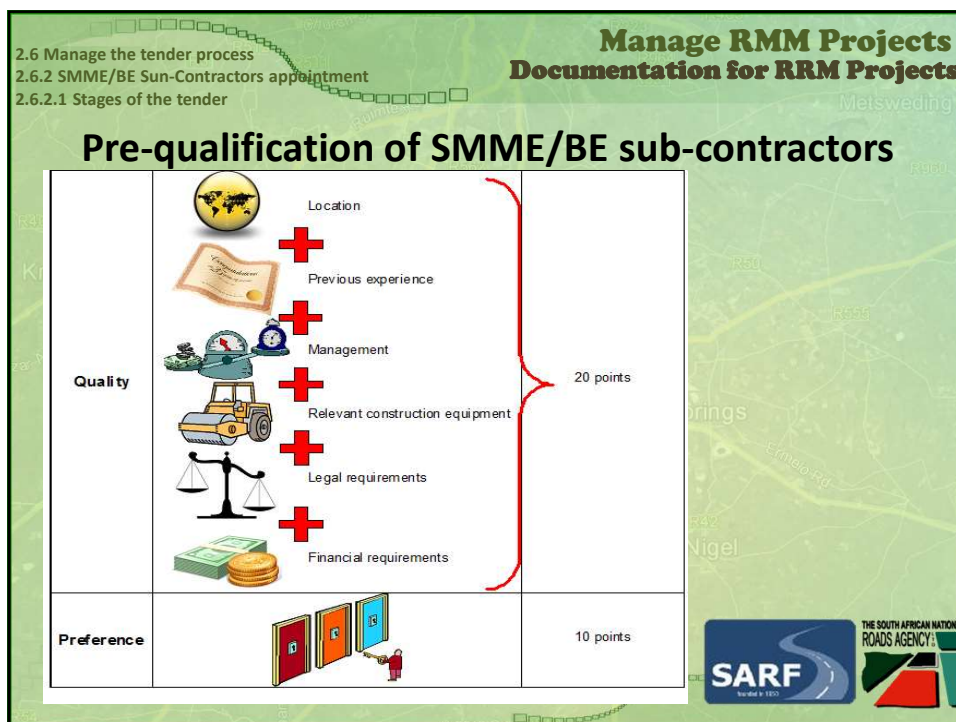
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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.1 Stages of the tender

## Manage RMM Projects Documentation for RRM Projects

### Checklist for compilation of tenders for SMME/BE sub-contractors

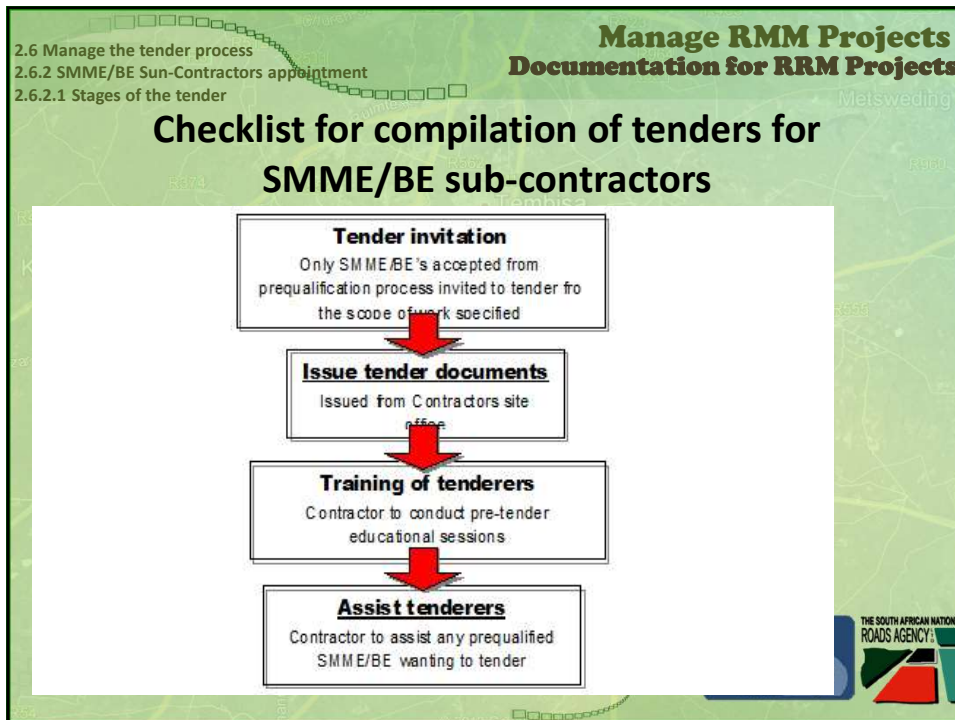
**Table 2.5: Checklist for compilation of tenders for SMME/BE sub-contractors**

1.	Sub-contract should be compiled in such a way that the all the objectives and principles pertaining to the use and development of SMME/BE sub-contractors is achieved.	✓
2.	It must be clearly specified that the <i>Subcontractor's Establishment on Site and General Obligations (Section M0300)</i> may not exceed 15% of the subcontract tender amount. However, if it does exceed 15% the tenderer shall clearly set out his reasons for tendering in this manner	✓
3.	Nothing contained in the specification shall be deemed to constitute or imply any warranty given by the Contractor to any party that any SMME to whom a subcontract is awarded in accordance	✓

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.1 Stages of the tender

## Manage RMM Projects Documentation for RRM Projects

### Training of tenderers

The Contractor conducts pre-tender educational information training sessions for all the pre-qualified tenderers ensuring tenderers comprehend the following pertinent issues:

- conditions pertaining to the eligibility of tenderers;
- scope and extent of the portion of the works;
- implications of the liabilities and responsibilities;
- implications of the tendered rates and prices;
- performance related penalties;
- proper procedures for the submission of the tender; and
- procedures and basis on which tenders will be adjudicated (SANRAL, 2010).

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.1 Stages of the tender

## Manage RMM Projects Documentation for RRM Projects

# Assistance to tenderers

The Contractor shall train, mentor, guide and assist the pre-qualified tenderers wishing to submit tenders to:

- Properly complete and submit their tender,
- Advice and guidance on rates,
- How to submit valid, balanced and rational tenders,



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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.1 Stages of the tender

## Manage RMM Projects Documentation for RRM Projects

# Assistance to tenderers

Mentoring, guidance and assistance by the Contractor shall:

1. Be given at a level that
  - corresponds to the particular basic level of subcontract.
  - corresponds to the capability which could reasonably be expected of potential SMME
2. Be given in a manner which is neither prescriptive, dictatorial, nor coercive



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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.1 Stages of the tender

**Manage RMM Projects  
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## Assistance to tenderers

Mentoring, guidance and assistance by the Contractor shall:

3. Not be utilised by the Contractor to manipulate the rates and prices submitted, to his advantage;
4. Be given in a manner which does not unfairly prejudice or favour any particular eligible party wishing to submit a tender; and
5. Ensure that the contractor's tendered rates are not disclosed (SANRAL, 2010).

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.2 Closing of tender

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## Closing of tenders

Tenders shall close at the stipulated date and time, and be deposited in a proper tender box at the Contractor's site office.

Tenders shall be opened in public in the presence of the Engineer and Contractor.

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.3 Evaluation & adjudication

## Manage RMM Projects Documentation for RRM Projects

# Evaluation & Adjudication

### Procedure

The tenders will be evaluated using the criteria of financial, plus quality and preference as determined by the prequalification process.

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.3 Evaluation & adjudication

## Manage RMM Projects Documentation for RRM Projects

# Evaluation & Adjudication

Two stages:

First stage - Financial		
Operational work within 10% window		Evaluation based on financial criteria for the operational portion of the work
Second Stage – Financial, quality and preference		
Financial	70 points	Evaluation based on the financial, quality and preference criteria. The points awarded for the second stage will be used to determine the tender evaluation points for each tender.
Quality	20 points	
Preference	<u>10 points</u>	
Total	100 points	

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.3 Evaluation & adjudication

## Manage RMM Projects Documentation for RRM Projects

### Evaluation & Adjudication

Before evaluation, the Contractor shall disclose any interest he has in a tenderer, and confirm that he has not disclosed his rates to any tenderer.

The Contractor shall evaluate all tenders and submit a tender evaluation report based on the Employer's pro-forma document, to the PMT for approval.

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.3 Evaluation & adjudication

## Manage RMM Projects Documentation for RRM Projects

### Evaluation & Adjudication

The PMT shall have the right to interview any tenderer for the purpose of:

- clarifying any aspect of the tender;
- verifying eligibility of the tenderer;
- querying out of balance rates;
- querying the reasons for tendering in excess of the specified percentage limit for Establishment on Site and General Obligations (Section M0300) ;
- requesting the tenderer to balance his rates for the items of operational work without changing the tender sum.

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.3 Evaluation & adjudication



## Manage RMM Projects Documentation for RRM Projects

# First stage of tender evaluation

The first stage of the evaluation will be based on the financial criteria for the operational portion of the work.

The Target Operational Amount for the operational work is based on the target rates for the items of operational work.

The individual tendered rates may be outside the 10% window of the target rates, but the rates would need to be verified as being reasonable, and balanced if necessary.



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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.3 Evaluation & adjudication

## Manage RMM Projects Documentation for RRM Projects

# The PMT may need to make allowance for the tenders being outside the 10% window for a particular sub-contract due to factors such as:

- A difference in base dates in scope of work.
- A variation in the scope of work may occur where the operational work for the sub-contract differs from that specified in the Works in terms of location and extent, in which case a revision to the Contractor's balanced tendered rates may be required.

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2.6 Manage the tender process

2.6.2 SMME/BE Sun-Contractors appointment

2.6.2.3 Evaluation & adjudication

## Manage RMM Projects

### Documentation for RRM Projects

1		<p>One or more tenders within 10% window of TOA</p> <ul style="list-style-type: none"> <li>ONLY those tenders falling within the 10% window of the Target Operational Amount for the operational work will be considered,</li> <li>tenders falling outside the 10% window will be rejected and not considered any further.</li> </ul>
2		<p>All tenders outside 10% window of TOA – negotiate tender sum</p> <ul style="list-style-type: none"> <li>If no successful tender is obtained within the 10% window, PMT negotiate Works with tenderers for tender sum to be within the 10% window.</li> <li>If negotiations are unsuccessful, the next evaluation category will be pursued.</li> </ul>
3		<p>All tenders outside 10% window of TOA – evaluate tender sum</p> <ul style="list-style-type: none"> <li>All tenders received outside of the 10% window due to the factors described above. PMT may then evaluate the acceptable tenders, and make a recommendation to the Employer for approval</li> </ul>
4		<p>All tenders outside 10% window of TOA – tender sum not acceptable</p> <p>All tenders received are outside of the 10% window but are considered not acceptable. The scope of work put out for re-tender, with an amended scope of work if necessary. Whilst the re-tender process is underway, PMT instruct Contractor to execute the Works at rates tendered by the Contractor in the BoQ. The value of this work shall be excluded from the target value of work to be sublet</p>

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2.6 Manage the tender process

2.6.2 SMME/BE Sun-Contractors appointment

2.6.2.3 Evaluation & adjudication

## Manage RMM Projects

### Documentation for RRM Projects

## Second stage of tender evaluation

	<p><math>W_t = 70 \times P_m / P</math></p> <p>Where:</p> <p>P = comparative offer of tender offer under consideration</p> <p><math>P_m</math> = comparative offer of the most favourable (lowest) tender offer</p>	<ul style="list-style-type: none"> <li>Evaluation based on the tendered amount for the subcontractor's establishment on site and general obligations (Section M0300) and operational work</li> </ul>
	<p><math>W_q</math> = points awarded for quality</p>	<ul style="list-style-type: none"> <li>Evaluation based on the points awarded to the tenderers in the pre-qualification process.</li> <li>If no pre-qualification process, the sub-contract tender shall include the same criteria for quality as the pre-qualification process, or exclude quality as a criteria if it is not appropriate</li> </ul>
	<p><math>W_p</math> = points awarded for preference</p>	<ul style="list-style-type: none"> <li>Evaluation based on the points awarded to the tenderers in the pre-qualification process.</li> <li>If no pre-qualification process, then the sub-contract tender shall include the same criteria for preference as the pre-qualification process</li> </ul>

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.3 Evaluation & adjudication

## Manage RMM Projects Documentation for RRM Projects



# Evaluation of tender offer

The score for quality and financial offer will be combined, before the addition of the score for preference as follows:

$$W_c = W_3 \left( 1 + \left( \frac{S - S_m}{S_m} \right) \right)$$

Where:

- W3 = number of evaluation points for quality and financial offer and equals 90
- S = sum of the score for quality and financial offer of the submission under consideration
- S<sub>m</sub> = sum of the score for quality and financial offer of the submission scoring the highest number of points

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.4 Award of SMME/BE tender

## Manage RMM Projects Documentation for RRM Projects

# Award of SMME/BE tender

For each tender, the total number of points obtained for quality and financial equal to WC will be added to the points for preference. The tender will be awarded to the tenderer who has scored the highest number of total points.

The total evaluation points awarded will be:

$$W = WC + WP$$



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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.4 Award of SMME/BE tender



## Manage RMM Projects Documentation for RRM Projects

# Award of SMME/BE tender

If tender amount falls within the 10% window of the Target Tender Amount, the PMT may do the award.

If recommendation outside windowed Target Tender Amount, Employer must approve prior to award.

The PMT must award the subcontracts in a combination which is the most economical for the Employer when one subcontractor scores the highest points on more than the limited number of subcontracts.



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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.4 Award of SMME/BE tender

## Manage RMM Projects Documentation for RRM Projects

# Example: (page 55)

Given data:      Tender Operation Amount      = R 54,720.00  
                         Total Tender Amount              = R 62,381.00

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.4 Award of SMME/BE tender

## Manage RMM Projects Documentation for RRM Projects

### Example: (page 55)

**Step 1:**  
Identify tendered TOAs outside 10% window of TOA calculated.  
These tenders are not considered in further evaluation. In this example sub-contractor B's tender is not considered further.

	Sub-contractor TOA	TOA	- 10%	+ 10%	Within +/- 10% window
A	R 54,500.00	R 54,720.00	R 54,172.80	R 55,267.20	YES
B	R 55,800.00	R 54,720.00	R 54,172.80	R 55,267.20	NO
C	R 54,950.00	R 54,720.00	R 54,172.80	R 55,267.20	YES
D	R 55,020.00	R 54,720.00	R 54,172.80	R 55,267.20	YES
E	R 54,772.00	R 54,720.00	R 54,172.80	R 55,267.20	YES
Lowest	R 54,500.00				

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.4 Award of SMME/BE tender

## Manage RMM Projects Documentation for RRM Projects

### Example: (page 55)

**Step 2:**  
Calculate W1, Wo and Wp according to criteria specified in the tender.

**Step 3:**  
Calculate Wc

**Step 4:**  
Calculate W

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.4 Award of SMME/BE tender

## Manage RMM Projects Documentation for RRM Projects

### Example: (page 55)

	Financial ( $W_f$ (70))	Quality ( $W_q$ (20))	Preference ( $W_p$ (10))	$S = W_f + W_q$ (90)	$W_c = W_s \left( 1 + \left( \frac{S - S_m}{S_m} \right) \right)$	$W = W_c + W_p$
A	$= 70 \times (54,500/54,500)$ $= 70.00$	13.00	8.00	83.00	$= 90 \times (1 + (83.00 - 87.65/87.65))$ $= 85.23$	$= 85.23 + 8.00$ $= 93.23$
C	$= 70 \times (54,500/54,950)$ $= 69.43$	17.00	7.00	86.43	$= 90 \times (1 + (86.43 - 87.65/87.65))$ $= 88.75$	$= 88.75 + 7.00$ $= 95.75$
D	$= 70 \times (54,500/55,020)$ $= 69.34$	15.00	9.00	84.34	$= 90 \times (1 + (84.34 - 87.65/87.65))$ $= 86.60$	$= 86.60 + 9.00$ $= 95.60$
E	$= 70 \times (54,500/54,772)$ $= 69.65$	18.00	9.00	87.65	$= 90 \times (1 + (87.65 - 87.65/87.65))$ $= 90.00$	$= 90.00 + 9$ $= 99.00$

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2.6 Manage the tender process  
2.6.2 SMME/BE Sun-Contractors appointment  
2.6.2.4 Award of SMME/BE tender

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### Example: (page 55)

Step 5:  
Award tender to highest scoring (W)  
sub-contractor, namely sub-contractor B.

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2.6 Manage the tender process  
2.6.2 SMME/BE Sub-Contractors appointment  
2.6.2.5 Signing of contract

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# Signing of Contract

- All contract documents must be signed by representatives of the consultant, contractor and the sub-contractor.
- The contract is between the main contractor and the sub-contractor.
- Three copies of the contract document are signed. (One original signed copy kept by consultant, one by contractor and one by sub-contractor.) Copies of the signed documentation must be kept on site.
- If the documentation not signed by the contractor and the sub-contractor, there is no binding contract.

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2.7 Community Participation

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# Community Participation




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2.7 Community Participation

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- The Contractor should utilise the community participative process to facilitate harmonious relationships on the project.
- Established community communication channels should be used.
- Some of the suggested elements of construction activity that should be discussed by the PLC are:
  - Procurement of targeted enterprises;
  - Procurement of labour; and
  - Assistance with general community/project liaison

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2.7 Community Participation

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**Public Liaison Committee duties**

- Available on site monthly during normal working hours and at other times as the need arises.
- To determine, in consultation with Contractor, the need for relevant training.
- To communicate daily with the Contractor and the Engineer to determine the labour requirements
  - numbers and skill,
  - identify possible labour dispute
  - assist in their resolution.

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2.7 Community Participation

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## Public Liaison Committee duties

- To attend all meetings in which the community and/or labour is present or is required to be represented. In particular he will attend the first part of the monthly/site meeting to report on the local community labour and SMME involvement.
- To inform labour of their conditions of temporary employment and to inform labourers as early as possible when their period of employment will be terminated.

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2.7 Community Participation

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## Public Liaison Committee duties

- To attend disciplinary proceedings to ensure that hearings are fair and reasonable.
- To keep a daily written record of his interviews and project liaison.
- All such other duties as agreed upon between all parties concerned.

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