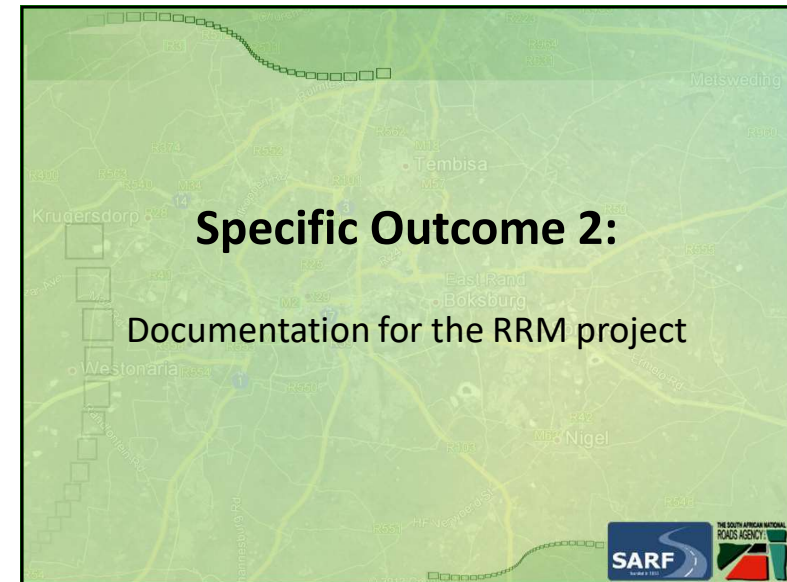


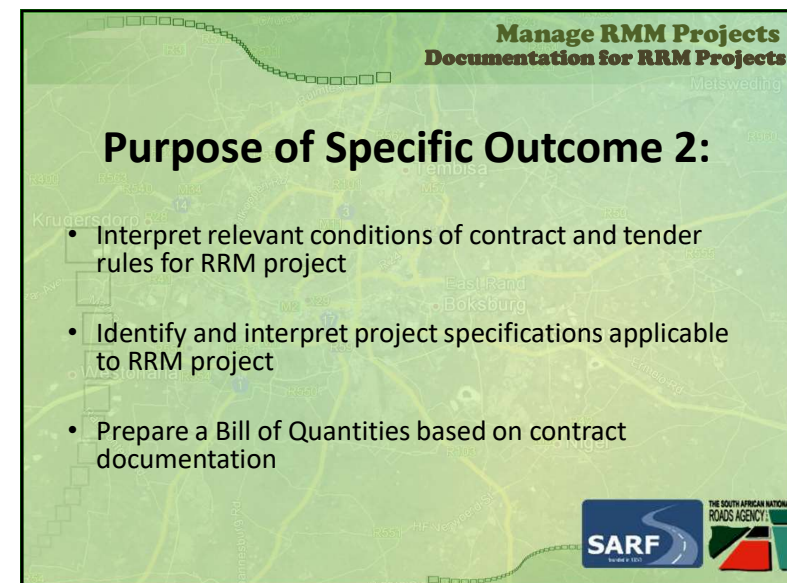
1



2



3





4

Manage RMM Projects
Documentation for RRM Projects

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



5

Manage RMM Projects
Documentation for RRM Projects

General Conditions of Contract

2.1 General Conditions

- 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

6

Manage RMM Projects
Documentation for RRM Projects

Standard Specification of RRM

2.2 Standard Specification

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.'




7

Manage RMM Projects
Documentation for RRM Projects



Standard Specification of RRM

2.2 Standard Specification

- 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


8

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY


9

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY


10

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

End-result Specification

- Definition:
 - Final characteristics of product stipulated
 - Minimum construction method requirements
- Advantages:
 - Use statistical methods to estimate material quality
 - Random sampling
 - Allow contractor innovation
 - Efficiency & lower cost

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY


11

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

End-result Specification

- Disadvantages:
 - Statistical requirements often complex
 - Resource intensive from agency side

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY

12

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

SARF
SARF
SARF

13

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

SARF
SARF
SARF

14

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

SARF
SARF
SARF

15

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

SARF
SARF
SARF

16

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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		

SARF
Standard 1000

THE SOUTH AFRICAN NATIONAL ROADS AGENCY

17

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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	Road studs			x			x
M4400	Guardrail erection and maintenance			x			x
M4500	Dazzle screen erection and replacement		x			x	

SARF
Standard 1000

THE SOUTH AFRICAN NATIONAL ROADS AGENCY

18

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

SARF
Standard 1000

THE SOUTH AFRICAN NATIONAL ROADS AGENCY

19

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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	

SARF
Standard 1000

THE SOUTH AFRICAN NATIONAL ROADS AGENCY

20

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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	

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

21

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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		

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

22

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

- 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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

23

2.2 Standard Specification

**Manage RMM Projects
Documentation for RRM Projects**

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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

24

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

25

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

26

Manage RMM Projects
Documentation for RRM Projects
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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

27

Manage RMM Projects
Documentation for RRM Projects
Example

Example: (SANRAL 2001)

Particular specification		Schedule of Quantities					
SECTION	DESCRIPTION	ITEM NO	DESCRIPTION	UNIT	QUANTITY	RATE	AMOUNT
SECTION M1100: PAVEMENT LAYERS REPAIR							
M1102 EXECUTION OF WORK							
(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) 93%						
SECTION M1100: PAVEMENT LAYERS REPAIR							
M1102 EXECUTION OF WORK							
(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) 93%						
SECTION M1100: PAVEMENT LAYERS REPAIR							
M1102 EXECUTION OF WORK							
(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) 93%						

Which one is correct?

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

28

2.4 Reserved work activities
2.4.1 Background

**Manage RMM Projects
Documentation for RRM Projects**

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).

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

29

2.4 Reserved work activities
2.4.1 Background

**Manage RMM Projects
Documentation for RRM Projects**

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

30

2.4 Reserved work activities
2.4.2 CIDB

**Manage RMM Projects
Documentation for RRM Projects**

Construction Industry Development Board (CIDB)

- Construction plays a vital role in South Africa's economic and social development.
- It provides physical infrastructure and the backbone for economic activity.
- It is also a large scale provider of employment.
- The CIDB promotes a regulatory and developmental framework for the construction industry (CIDB, 2011).

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

31

2.4 Reserved work activities
2.4.2 CIDB

**Manage RMM Projects
Documentation for RRM Projects**

Focus of CIDB

- Sustainable growth, capacity development and empowerment,
- Improved industry performance and best practice,
- A transformed industry, underpinned by consistent and ethical procurement practices,
- Enhanced value to clients and society (CIDB, 2011).

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

32

2.4 Reserved work activities
2.4.2 CIDB

Manage RMM Projects Documentation for RRM Projects

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).

SARF
THE SOUTH AFRICAN NATIONAL
ROADS AGENCY

33

2.4 Reserved work activities
2.4.3 Definitions

Manage RMM Projects Documentation for RRM Projects

Definitions

Term	Definition
Black Enterprise (BE)	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.) Note: BE status must be proofed by a BE verification certificate
Black People (BP):	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

SARF
THE SOUTH AFRICAN NATIONAL
ROADS AGENCY

34

2.4 Reserved work activities
2.4.3 Definitions

Manage RMM Projects Documentation for RRM Projects

Definitions

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:

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

In addition, Targeted Enterprises must be:

- CIDB registered where applicable;
- tax compliant prior to award of the subcontract;
- must be a company in which the Main Contractor has no equity/shareholding
- CQIDA compliant prior to award of the subcontract

SARF
THE SOUTH AFRICAN NATIONAL
ROADS AGENCY

35

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.

SARF
THE SOUTH AFRICAN NATIONAL
ROADS AGENCY

36

Manage RMM Projects
Documentation for RRM Projects

2.4 Reserved work activities
2.4.4 SMME/BE in RRM contracts

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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

37

Manage RMM Projects
Documentation for RRM Projects

2.4 Reserved work activities
2.4.5 Work reserved for SMME/BE

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

38

Manage RMM Projects
Documentation for RRM Projects

2.4 Reserved work activities
2.4.5 Work reserved for SMME/BE

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

39

Manage RMM Projects
Documentation for RRM Projects

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

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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

40

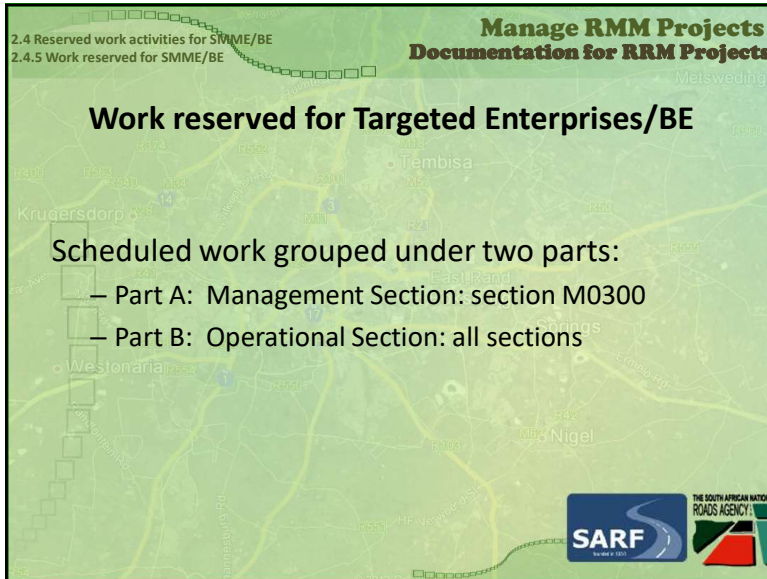
2.4 Reserved work activities for SMME/BE
2.4.5 Work reserved for SMME/BE

Manage RMM Projects Documentation for RRM Projects

Work reserved for Targeted Enterprises/BE

Scheduled work grouped under two parts:

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



SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

41

2.5 Reserved work for specialist contractors

Manage RMM Projects Documentation for RRM Projects

Work reserved for specialist subcontractors

- Expert service outside expertise of conventional contractor
- Expensive/specialist equipment
- Activities such as:
 - M0400: Route Patrol
 - M1100: Concrete channel construction and maintenance of existing channels



SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

42

2.5 Reserved work for specialist contractors

Manage RMM Projects Documentation for RRM Projects

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.



SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY


43

2.6 Manage the tender process

Manage RMM Projects Documentation for RRM Projects

Manage the tender process

The main contractor appointment



SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

44

Manage RMM Projects
Documentation for RRM Projects

Manage the tender process

Involved in tender process:

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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

45

Manage RMM Projects
Documentation for RRM Projects

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

46

Manage RMM Projects
Documentation for RRM Projects

Stages of the tender process

Day 0	Submission of Tenders/Proposals
Day 30	Appointment of service provider
	Submission of Road Condition Report
Day 120	Submission of draft Tender Documents for the Works
Day 165	Tender advertisement
Day 166	Submission of final Tender Documents for the Works
Day 175	Clarification meeting
Day 195	Closing of tender
Day 210	Submission of Tender Evaluation Report
Day 210	Award of tender
Day 240	Signing of Contract Documentation
	Works Handover
30 Days after issue of Performance Certificate for the Works	Submission of final Contract Reports & as-built data

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

47

Manage RMM Projects
Documentation for RRM Projects

Stages of the tender process

Day 0	Submission of Tenders/Proposals
Day 30	Appointment of service provider
	Submission of Road Condition Report
Day 120	Submission of draft Tender Documents for the Works

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

48

Manage RMM Projects
Documentation for RRM Projects

2.6 Manage the tender process
2.6.1 Main contractor appointment
2.6.1.1 Stages of tender process

Stages of the tender process

Day 165	Tender advertisement
Day 166	Submission of final Tender Documents for the Works
Day 175	Clarification meeting
Day 195	Closing of tender
Day 210	Submission of Tender Evaluation Report

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

49

Manage RMM Projects
Documentation for RRM Projects

2.6 Manage the tender process
2.6.1 Main contractor appointment
2.6.1.1 Stages of tender process

Stages of the tender process

Day 210	Award of tender
Day 240	Signing of Contract Documentation
	Works Handover
30 Days after issue of Performance Certificate for the Works	Submission of final Contract Reports & as-built data

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

50

Manage RMM Projects
Documentation for RRM Projects

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

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

51

Manage RMM Projects
Documentation for RRM Projects

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

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

52

Manage RMM Projects
Documentation for RRM Projects

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

Region:	Western Region
Contract Number:	N 002-266-2011/1
Project Number:	N 002-266-2011/1
Contract Description:	ROUTINE ROAD MAINTENANCE ON NATIONAL ROUTE 2 SECTION 6 TO 8: RIVERSDALE TO SOUT RIVER
Tender Notice:	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 tenderers 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 tenderers who comply with the criteria stated in the Tender Data. CLOSING DATE (AT 14:00): 21 October 2011
Tender Documents	The physical address for collection of tender documents is The Regional Manager (Western Region), The South African National Roads Agency Ltd, Bgc du Cap, Building 5, Corner Wille van Schoor Avenue and Middel Street, Belville (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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

53

Manage RMM Projects
Documentation for RRM Projects

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

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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

54

Manage RMM Projects
Documentation for RRM Projects

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

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

55

Manage RMM Projects
Documentation for RRM Projects

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

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY


56

Manage RMM Projects
Documentation for RRM Projects

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

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY


57

Manage RMM Projects
Documentation for RRM Projects

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.

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY

58


Manage RMM Projects
Documentation for RRM Projects

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

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.

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY


59

Manage RMM Projects
Documentation for RRM Projects

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



- 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

- 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 data.

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY

60


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.

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY

61


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 .

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY

62


2.6 Manage the tender process
2.6.1 Main contractor appointment
2.6.1.6 Adjudication

Manage RMM Projects Documentation for RRM Projects

Evaluating methods:

Method 1: Financial offer

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

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY

63


2.6 Manage the tender process
2.6.1 Main contractor appointment
2.6.1.6 Adjudication

Manage RMM Projects Documentation for RRM Projects

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.

 THE SOUTH AFRICAN NATIONAL ROADS AGENCY

64


2.6 Manage the tender process
2.6.1 Main contractor appointment
2.6.1.6 Adjudication

Manage RMM Projects Documentation for RRM Projects

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.



65


2.6 Manage the tender process
2.6.1 Main contractor appointment
2.6.1.6 Adjudication

Manage RMM Projects Documentation for RRM Projects

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.



66

2.6 Manage the tender process
2.6.1 Main contractor appointment
2.6.1.6 Adjudication

Manage RMM Projects Documentation for RRM Projects

Evaluating methods: Method 4 - Example


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

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

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




67

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

Manage RMM Projects 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



68

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

Manage RMM Projects Documentation for RRM Projects

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

69

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

Manage RMM Projects Documentation for RRM Projects

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

70

2.6 Manage the tender process
2.6.2 SMME/BE Sub-Contractors appointment

Manage RMM Projects Documentation for RRM Projects

Manage the tender process SMME/BE Sub-contractors appointment

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

71

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

Manage RMM Projects Documentation for RRM Projects

Stages of the tender

- The tender process for SMME/BE sub-contractors differ from main contractor.
- RM and main contractor's representative work closely together.
- The SMME/BE sub-contractor process has in two phases:
 - a pre-qualification phase; and
 - the tender phase.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

72

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

Stages of the tender

Day 0	Prequalification advertisement
Day 6	Prequalification advertisement
Day 18	Prequalification meeting/Site meeting
Day 25	Prequalification closure
Day 32	Adjudication to PMT
Day 39	Approval by PMT
Day 45	Invitation to tender to short listed applicants/Site meeting
Day 53	Tender clarification meeting
Day 74	Tender closure
Day 81	Tender report to PMT/Site meeting
Day 83	Approval of recommended sub-contractors by PMT
Day 90	Sub-contractors on site

SARF
THE SOUTH AFRICAN NATIONAL ROADS AGENCY

73

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

Stages of the tender

- The pre-qualification of tenders must clearly state the following:
 - applicable conditions pertaining to the tenders;
 - nature and scope of the portion of the works; and
 - time and place where tender documents may be obtained.

SARF
THE SOUTH AFRICAN NATIONAL ROADS AGENCY

74

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

Pre-qualification of SMME/BE sub-contractors

Quality	Location	20 points
	Previous experience	
	Management	
	Relevant construction equipment	
	Legal requirements	
Preference	Financial requirements	10 points

SARF
THE SOUTH AFRICAN NATIONAL ROADS AGENCY

75

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

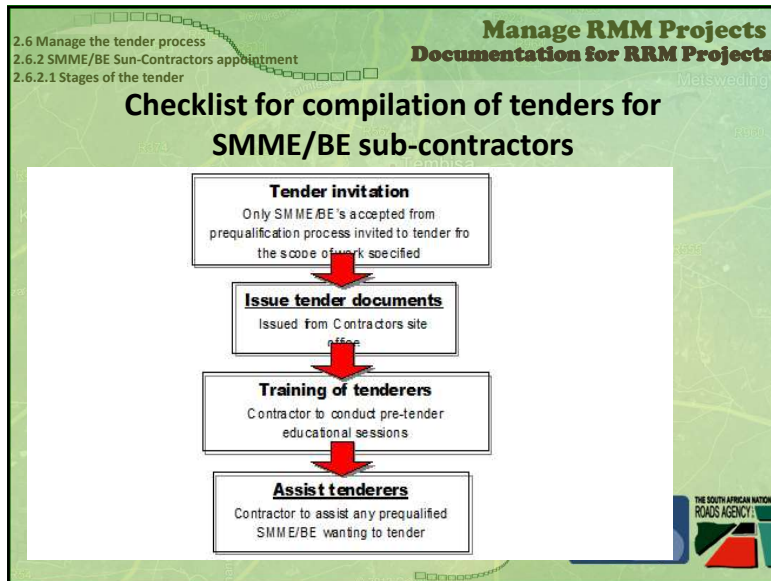
Checklist for compilation of tenders for SMME/BE sub-contractors

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>Subcontractors 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	✓

SARF
THE SOUTH AFRICAN NATIONAL ROADS AGENCY

76



77

Manage RMM Projects
Documentation for RRM Projects

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

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).

THE SOUTH AFRICAN NATIONAL ROADS AGENCY SARF

78

Manage RMM Projects
Documentation for RRM Projects

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

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,

THE SOUTH AFRICAN NATIONAL ROADS AGENCY SARF

79

Manage RMM Projects
Documentation for RRM Projects

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

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

THE SOUTH AFRICAN NATIONAL ROADS AGENCY SARF

80


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:

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).



81


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

Manage RMM Projects Documentation for RRM Projects

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.



82


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.



83

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% 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	



84


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.



85


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.



86

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.



87


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 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.



88

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	One or more tenders within 10% window of TOA	<ul style="list-style-type: none"> ONLY those tenders falling within the 10% window of the Target Operational Amount for the operational work will be considered, tenders falling outside the 10% window will be rejected and not considered any further.
2	All tenders outside 10% window of TOA – negotiate tender sum	<ul style="list-style-type: none"> If no successful tender is obtained within the 10% window, PMT negotiate Works with tenders for tender sum to be within the 10% window. If negotiations are unsuccessful, the next evaluation category will be pursued.
3	All tenders outside 10% window of TOA – evaluate tender sum	<ul style="list-style-type: none"> All tenders received outside of the 10% window but are considered not acceptable. PMT may then evaluate the acceptable tenders, and make a recommendation to the Employer for approval
4	All tenders outside 10% window of TOA – tender sum not acceptable	<ul style="list-style-type: none"> 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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

89

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

	$W_1 = 70 \times P_m / P$ Where: P = comparative offer of tender offer under consideration P_m = comparative offer of the most favourable (lowest) tender offer	<ul style="list-style-type: none"> Evaluation based on the tendered amount for the subcontractor's establishment on site and general obligations (Section M0300) and operational work
	W_2 = points awarded for quality	<ul style="list-style-type: none"> Evaluation based on the points awarded to the tenderers in the pre-qualification process. 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
	W_3 = points awarded for preference	<ul style="list-style-type: none"> Evaluation based on the points awarded to the tenderers in the pre-qualification process. If no pre-qualification process, then the sub-contract tender shall include the same criteria for preference as the pre-qualification process

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

90

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:

$$W_c = W_2 \left(1 + \left(\frac{S - S_m}{S_m} \right) \right)$$

Where:

W_2 = 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_m = sum of the score for quality and financial offer of the submission scoring the highest number of points

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

91

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:

$$W = WC + WP$$

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

92

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.




93

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



94


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 55,267.20	YES
B	R 55,800.00	R 54,720.00	R 55,267.20	NO
C	R 54,950.00	R 54,720.00	R 55,267.20	YES
D	R 55,020.00	R 54,720.00	R 55,267.20	YES
E	R 54,772.00	R 54,720.00	R 55,267.20	YES
Lowest	R 54,500.00			



95

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, W0 and Wp according to criteria specified in the tender.

Step 3:
Calculate Wc

Step 4:
Calculate W



96

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	$= 70 \cdot (54,500/54,500)$ $= 70.00$	13.00	8.00	83.00	$= 90 \cdot (1 + (83.00 - 87.65/87.65))$ $= 85.23$	$= 85.23 + 8.00$ $= 93.23$
C	$= 70 \cdot (54,500/54,950)$ $= 69.43$	17.00	7.00	86.43	$= 90 \cdot (1 + (86.43 - 87.65/87.65))$ $= 88.75$	$= 88.75 + 7.00$ $= 95.75$
D	$= 70 \cdot (54,500/55,020)$ $= 69.34$	15.00	9.00	84.34	$= 90 \cdot (1 + (84.34 - 87.65/87.65))$ $= 86.60$	$= 86.60 + 9.00$ $= 95.60$
E	$= 70 \cdot (54,500/54,772)$ $= 69.65$	18.00	9.00	87.65	$= 90 \cdot (1 + (87.65 - 87.65/87.65))$ $= 90.00$	$= 90.00 + 9$ $= 99.00$

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

97

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 5:

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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

98

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

Manage RMM Projects Documentation for RRM Projects

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

99

2.7 Community Participation

Manage RMM Projects Documentation for RRM Projects

Community Participation

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

100

Manage RMM Projects
Documentation for RRM Projects

2.7 Community Participation

- 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

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

101

Manage RMM Projects
Documentation for RRM Projects

2.7 Community Participation

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

102

Manage RMM Projects
Documentation for RRM Projects

2.7 Community Participation

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

103

Manage RMM Projects
Documentation for RRM Projects

2.7 Community Participation

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.

SARF THE SOUTH AFRICAN NATIONAL ROADS AGENCY

104

