

# MATATIELE LOCAL MUNICIPALITY



**MATATIELE**  
LOCAL MUNICIPALITY

## INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT POLICY


<u>POLICY INFORMATION</u>	
<u>DATE OF COUNCIL ADOPTION:</u>	22/05/2024
<u>COUNCIL RESOLUTION NUMBER:</u>	CR 652/22/05/2024
<u>POLICY NUMBER:</u>	MLM/BTO/P31

Infrastructure Procurement Policy Effective 01 July 2024

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 522 9770 Prepaid Sales: 079 523 302 Finance Office: 039 727 3565 Disaster and Fire: 039-2806587/079 523 2223  
Police(SAPS): 039-7379901/9995 Water: 032 320 1476 Ambulance: 10177 Traffic: 079 522 9774

  
MR. LMATIWANE  
MUNICIPAL MANAGER  
22/05/24  
DATE

  
CLLR. S. MNGENELA  
MAYOR  
22/05/24  
DATE

  
CLLR N NGWANYA  
SPEAKER COUNCIL  
22/05/24  
DATE

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3565 Disaster and Fire: 039-2560610/079 523 2273  
Police(SAPS): 039-7379964/9965 Water: 062 520 1476 Ambulance: 10177 Traffic: 079 522 9774

Authority	Date
HOD Approval	
MM Approval	
Council Approval	
Date of next Review	

### Approval of Policy

Please note that the implementation of the policy contained in this document is subject to approval and signing off by all relevant Heads and/or Committees, including but not limited to:

- Municipal Manager; and
- Municipal Council.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 0770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3505 Disaster and Fire: 059-2560610/079 523 2223  
Police(SAPS): 039-7373904/4905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 522 0774

projects, or projects which may be negatively impacted by the diversion of funds to such large projects, to make their inputs in the project approval process. Projects which are categorized as strategic integrated projects are given priority in planning, the obtaining of statutory approvals and implementation by the Presidential Coordinating Commission.

### **Procurement and supply chain management reform**

The South African Planning Commission's National Development Plan 2030: *Our future – make it work* proposes that the following five areas be focused on in designing a procurement system that is better able to deliver value for money, while minimizing the scope for corruption:

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 222 Finance Office: 079 737 3565 Disaster and Fire: 030-2560510/079 573 2223  
Police(SAPS): 020-7379004/9905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 522 9770



- differentiate between the different types of procurement which pose different challenges and require different skills sets;
- adopt a strategic approach to procurement above the project level to balance competing objectives and priorities rather than viewing each project in isolation;
- build relationships of trust and understanding with the private sector;
- develop professional supply chain management capacity through training and accreditation; and
- incorporate oversight functions to assess value for money.

National Treasury's 2015 Public Sector Supply Chain Management Review expresses the view that supply chain management (SCM) is one of the key mechanisms enabling government to implement policy which traditionally has been misunderstood and undervalued. This Review, which identified the need for SCM reform, suggests that if such reforms are implemented as envisaged in terms of section 217 of the Constitution, the benefits will be enormous, namely that:

- good-quality service delivery will be increasingly possible, with significant improvements in the welfare of South Africa's citizens, and especially the poor who rely heavily on government for support;
- the economy will grow as economic infrastructure is expanded and efficiently maintained;
- goods, services and infrastructure will be bought at lower costs;
- innovation will result in different approaches to the commodities used in some sectors; and
- for suppliers, the cost of doing business with the state should decrease substantially.

Public procurement that is unrelated to infrastructure delivery typically relates to goods and services that are standard, well-defined and readily scoped and specified. Once purchased, goods invariably need to be taken into storage prior to being issued for use. Services are most often of a routine and repetitive nature with well understood interim and final deliverables which do not require strategic inputs or require decisions to be made regarding the fitness for purpose of the service outputs.

In contrast, procurement relating to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure covers a wide and diverse range of goods and services, which are required to provide or alter the condition of immovable assets on a site. Accordingly, the procurement process for the delivery of infrastructure involves the initial and subsequent recurring updating of planning processes at a portfolio level flowing out of an assessment of public sector service delivery requirements or business needs. Thereafter it involves planning at a project level, and the procurement and management of a network of suppliers, including subcontractors, to produce a product on a site. There is no need to store and issue materials or equipment unless these are issued to employees responsible for the maintenance or operation of infrastructure, or are issued free of charge to contractors for incorporation into the works.

Infrastructure delivery is the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure. There is an urgent need to separate supply chain management requirements for general goods and services from those for infrastructure delivery in order to improve project outcomes.

## **Government's Infrastructure Delivery Management System**

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 073 522 9770 Prepaid Sales: 019 523 522 Finance Office: 031 737 3565 Disaster and Fire: 033-2562040/079 523 2223  
Police(SAPS): 033-7372904/9925 Water: 062 520 1476 Ambulance: 10177 Traffic: 079 522 9774

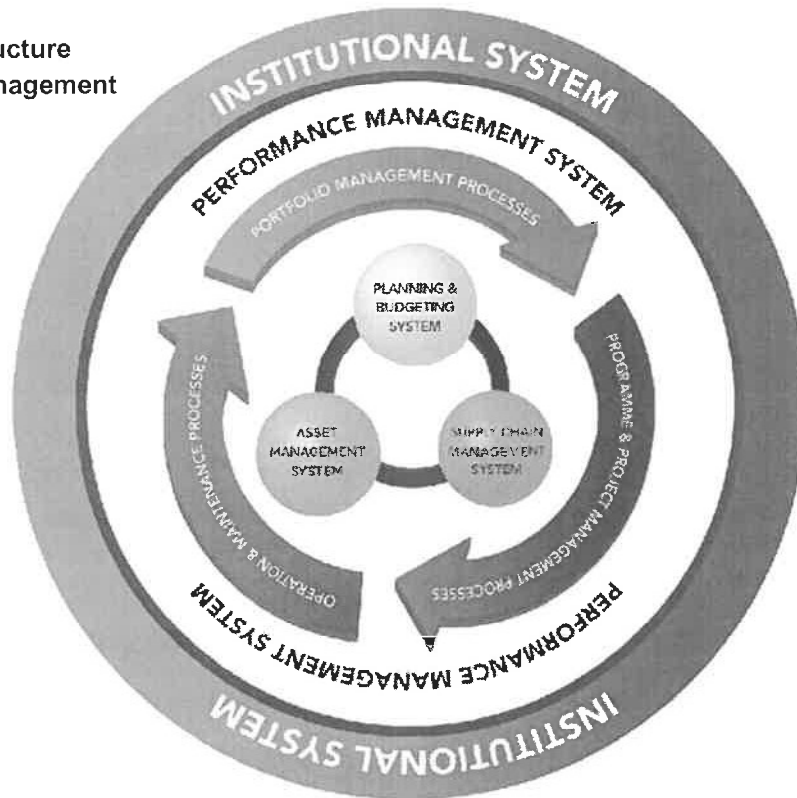
Government's Infrastructure Delivery Management System (IDMS) comprises three core systems, namely, a planning and budgeting, a supply chain management and an asset management system, all of which have forward and backward linkages. These core systems are located within portfolio, programme and project management, and operation and maintenance processes. Collectively these processes and systems, together with a performance management system, establish the institutional system for infrastructure delivery as indicated in the following sketch.

ii

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3505 Disaster and Fire: 039-2560010/079 523 2223  
Police(SAPS): 039-7379504/5905 Water: 022 320 1476 Ambulance: 10177 Traffic: 079 522 9774

**The Infrastructure  
Delivery Management  
System**



The IDMS is supported by legislation and performance monitoring. It has a strong focus on the effective and efficient functioning of the supply chain management system.

### **Standard for Infrastructure Procurement and Delivery Management**

This Standard for Infrastructure Procurement and Delivery Management (SIPDM) covers the supply chain management system for infrastructure delivery. It has been framed around the five focus areas proposed by the National Planning Commission for the design of a procurement system and draws upon the work of the 2015 Public Sector Supply Chain Management Review. It is issued as an instruction in terms of Section 76(4)(c) of the Public Finance Management Act of 1999 (Act No.1 of 1999) and is applicable to the following organs of state:

- a) a national or provincial department as defined in the Public Finance Management Act;
- b) a constitutional institution entity as listed in schedule 1 of the Public Finance Management Act;
- c) a public entity as listed in schedules 2 and 3 of the Public Finance Management Act of 1999; and
- d) any organ of state which implements infrastructure delivery projects on behalf of another organ of state.

This standard also forms an integral part of the Model SCM Policy for Infrastructure Delivery Management which has been issued as a Treasury guideline determining a standard for municipal supply chain management policies in terms of Section 168 of the Municipal Finance Management Act of

*Where Nature, Agriculture, Tourism are Investments of Choice.*


Electrical Services: 079 522 9770. Prepaid Sales: 079 522 9720. Finance Office: 079 737 3505. Disaster and Fire: 079 2060610/079 522 2223  
Police(SAPS): 029-7379904/9905. Water: 082 520 1476. Ambulance: 101777. Traffic: 079 522 9774

2003 (Act No. 56 of 2003) in support of Regulation 3(2) of the Supply Chain Management Regulations. Accordingly, the standard applies to a municipality or municipal entity whose council or board of directors, respectively, adopts the aforementioned guideline standard.

Underlying this standard is the notion that the effective and efficient functioning of the supply chain management system for the procurement and delivery of infrastructure will realise value for money and good-quality service delivery. Value for money may be regarded as the optimal use of resources to

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 073 522 9770 Prepaid Sales: 079 525 522 Finance Office: 039 737 3565 Disaster and Fire: 039 2560610/079 523 2223  
Police(SAPS): 039-73 77904/0905 Water: 052 520 1475 Ambulance: 10177 Traffic: 079 522 9774



# INTRODUCTION

## Public infrastructure

South African citizens are surrounded by public infrastructure. Offices and facilities provide places of work for officials. Schools, hospitals and clinics provide essential services. Roads and railways not only enable travel, but also distribute goods and services. Border posts, harbors and airports are the physical links with neighboring countries and the world. Dams provide water for human consumption and agricultural and industrial purposes. Networks deliver water and electricity to consumers and convey industrial effluent, soil water and wastewater to treatment works. Such infrastructure is foundational to a better life for all. However, investment in economic infrastructure will not necessarily lead to economic growth. Infrastructure which provides improvements or efficiencies in services, production or export capabilities, and which is delivered and maintained in a manner that minimizes waste of materials, time and effort in order to generate the maximum possible amount of value, is most likely to contribute to economic growth.

Infrastructure is required by the state and state-owned businesses to deliver services to citizens. Each organ of state has a legislated mandate. Some organs of state generate revenue but require capital to expand their revenue generating services, while others are totally reliant on funding from the fiscus to satisfy their infrastructure needs. The fiscus has limited financial resources to fund infrastructure projects. New infrastructure projects need to be budgeted for, taking into account future operation and maintenance costs and current commitments. Accordingly, organs of state requiring funds for infrastructure projects compete for budget allocations. Projects need to be prioritized both within an organ of state and between organs of state. Such prioritization is sometimes based on political prerogatives while at other times it is based on objective decision-making criteria, which take into account factors such as overarching government wide, long and medium-term policies and plans, including integrated sector plans and mandates.

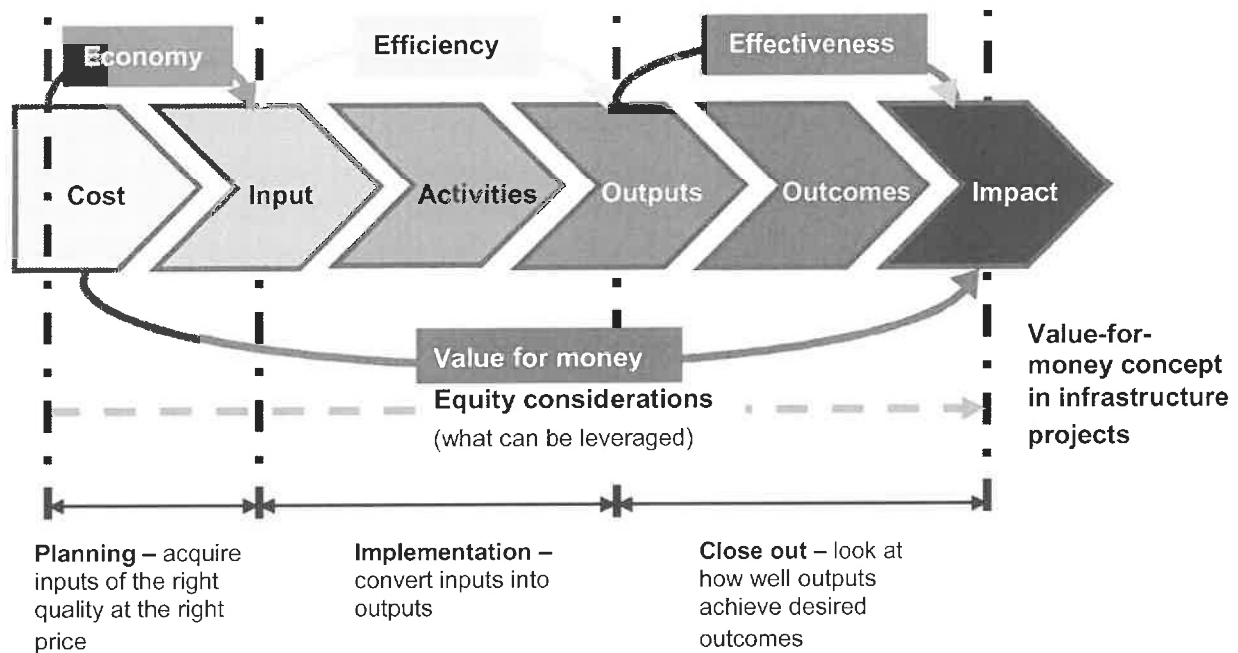
The time taken between the submission of a project proposal and a final decision by an organ of state to implement a project can, depending upon the nature, complexity and size of a project and requirements for statutory approvals, take several years. Funding may also be required to develop project proposals so that informed decisions can be made regarding their implementation. In the first instance, initiation reports need to be developed to outline the business case. Should funding be made available to progress the proposal, a prefeasibility report is required on major capital projects to determine whether or not it is worthwhile to proceed to the feasibility stage where sufficient information is presented to enable a final decision to be made regarding the implementation of a project. On smaller projects of a routine nature, a strategic brief is required to brief the professional team so that they can develop a viable and integrated concept for the project. A final decision to proceed to implementation is based on a concept report.

The initiation reports and feasibility reports on major capital projects, above a threshold, other than those initiated by municipalities, require cabinet or executive council approval. This enables the inputs of other organs of state in the national and provincial spheres of government who may have competing

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 522 9770 Prepaid Sales: 019 523 322 Finance Office: 019 737 3565 Disaster and Fire: 019 2100010/019 523 2223  
Police(SAPS): 019-7379604/9905 Water: 019 520 1476 Ambulance: 10177 Traffic: 019 522 9774

achieve the intended outcomes. Underlying value for money is an explicit commitment to ensure that the best results possible are obtained from the money spent, or maximum benefit is derived from the resources available. It is about striking the balance between the three “E’s”, namely, economy, efficiency and effectiveness, whilst being mindful of a fourth “E” – equity – as indicated in the diagram below.



The critical starting point in delivering value for money through infrastructure projects is, in the first instance, to align such projects with strategic objectives, priorities, budgets and plans, and thereafter, during the planning phase, to clearly define objectives and expected outcomes, as well as parameters such as the timelines, cost and levels of uncertainty. This frames the value-for-money proposition that needs to be implemented at the point in time that a decision is taken to proceed with a project, i.e. it establishes “economy” and identifies “equity”. The end point is to compare the projected outcomes against the actual outcomes, i.e. to confirm the “effectiveness” of the project in delivering value for money.

Implementation sits between “economy” and “effectiveness” in the results chain framework. It needs to be executed “efficiently” in order to minimize time delays, scope creep and unproductive costs, and to mitigate the effects of uncertainty on objectives so as to maintain the value-for-money proposition formulated at the outset of the project. This necessitates that the implementer of an infrastructure project exercises due care and reasonableness during implementation. Failure to do so may result in substandard or unacceptable performance, which results in a gap between intended and achieved outcomes. This gap puts value for money for a project at risk and may result in unintended consequences, such as community instability and unrest.

Organs of state which are required to implement this standard need to establish a suitable supply chain management policy for infrastructure procurement and delivery management in order to do so.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 522 9770 Prepaid Sales: 019 523 302 Finance Office: 030 737 3565 Disaster and Fire: 059-2560510/019 523 2222  
Police(SAPS): 033-7379904, 9905 Water: 082 010 1476 Ambulance: 10177 Traffic: 019 522 9774

*Where Nature, Agriculture, Tourism are Investments*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 722 Finance Office: 059 737 3560 Disaster and Fire: 011 256 1340  
Police(SAPS): 039-7372904/0905 Water: 082 529 1476 Ambulance: 10177 Traffic: 079 522 9774

# Standard for Infrastructure Procurement and Delivery Management

## Table of contents

### Contents

1	SCOPE .....	11
4.1	Control framework for infrastructure delivery management .....	20
4.2	Stage 0: Project initiation .....	25
	Control framework for infrastructure procurement .....	39
4.3	Specific requirements relating to the evaluation of submissions .....	48
6	DEMAND MANAGEMENT .....	58
8	CONTRACT MANAGEMENT .....	63
10	DISPOSAL MANAGEMENT .....	65
11	ASSESSMENT OF SUPPLY CHAIN MANAGEMENT PERFORMANCE .....	65
13	INFRASTRUCTURE PROCUREMENT REQUIREMENTS .....	67
14.4	Design competitions .....	75
	Tender, submission and auction data .....	79
	Annexure A: Record of Addenda to tender documents .....	88
	Annexure B: Proposed amendments and qualifications .....	89
	Annexure C: Referencing schedule: Broad-Based Black Economic Empowerment status .....	90
	Annexure D: Compulsory Declaration .....	94

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 0770 Prepaid Sales: 079 523 332 Finance Office: 039 737 3565 Disaster and Fire: 039 250 0610/079 523 2273  
Police(SAPS): 020 737 7704/7705 Water: 082 519 1476 Ambulance: 10177 Traffic: 079 522 0774



# 1 SCOPE

1.1 This standard establishes a supply chain management system for infrastructure procurement and delivery management by organs of state which are subject to the Public Finance Management Act, the Local Government: Municipal Finance Management Act, or which implement infrastructure projects on behalf of another organ of state in terms of section 238 of the Constitution of the Republic of South Africa, 1996. This standard:

- a) provides a control framework for the planning, design and execution of infrastructure projects, the tracking of such projects and the monitoring of performance which:
  - 1) enables risks to be proactively managed;
  - 2) is capable of being audited;
  - 3) is aimed at ensuring that any infrastructure acquired or to be acquired:
    - is in accordance with the legal mandates and strategic priorities;
    - is delivered in the right quantity and quality, and at the right place and time;
    - is financially, economically and technically viable and offers value for money over its life cycle;
    - is affordable in terms of existing budget and future budgetary projections after taking into account life cycle costs;
    - is acquired in accordance with any required statutory permissions;
    - makes optimal utilisation of existing infrastructure as demand patterns change over time;
    - can be readily and economically maintained; and
    - is aligned between those who design and construct infrastructure, and those who subsequently occupy, use and manage the infrastructure;
- b) provides a control framework for infrastructure procurement;
- c) establishes requirements for the following matters as applied to infrastructure procurement and delivery management:
  - institutional arrangements;
  - demand management;
  - acquisition management;
  - contract management;
  - logistics management;
  - disposal management;
  - reporting of supply chain management information;
  - regular assessment of supply chain management performance;
  - risk management and internal control; and
- d) establishes minimum requirements for infrastructure procurement.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 079 707 3560 Disaster and Fire: 079 2562010/079 523 2223  
Police(SAPS): 019-7339904/9205 Water: 082 530 1416 Ambulance: 10177 Traffic: 079 522 9774

**1.2** This standard facilitates the allocation of clear responsibilities for performing activities and making decisions at gates.

**1.3** The standard does not apply to:

- a) the storage of goods and equipment, following their delivery to an organ of state, which are stored and issued to contractors or to employees of that organ of state;
- b) the disposal or letting of land;
- c) the conclusion of any form of land availability agreement;
- d) the leasing or rental of moveable assets;

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 073 522 9770 Prepaid Sales: 079 528 020 Finance Office: 099 737 3505 Disaster and Fire: 080 2560010/079 523 2223  
Police(SAPS): 029-7379004/9905 Water: 082 520 1478 Ambulance: 10177 Traffic: 079 522 9774

- e) public private partnerships; and
- f) the provision of municipal services by means of external mechanisms referred to in Chapter 8 of the Municipal Systems Act.

**1.4** The standard includes the procurement of goods and services necessary for a new facility, as delivered to be occupied and used as a functional entity.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 5770 Prepaid Sales: 079 523 322 Finance Office: 099 737 3565 Disaster and Fire: 030-2560510/079 523 2227  
Police(SAPS): 020-7379904/7905 Water: 052 520 1176 Ambulance: 10177 Traffic: 079 522 5774

## 2 TERMS AND DEFINITIONS

- 2.1 For the purposes of this document, the definitions and terms given in SANS 10845-1, SANS 10845-2 and the following apply.

**adjudication:** a form of dispute resolution where, unlike other means of resolving disputes involving a third party intermediary, the outcome is a decision by a third party which is binding on the parties in dispute and is final unless and until reviewed by either arbitration or litigation

**Advance payment:** sum of money paid to the contractor after the contract is signed but before work starts or goods or services or any combination thereof are supplied

**Alteration:** changing, extending or modifying the character or condition of infrastructure

**Building:** infrastructure that has the provision of shelter for its occupants or contents as one of its main purposes, usually partially or totally enclosed and designed to stand permanently in one place

**Building tuning:** the review and fine-tuning of all the system settings made during the pre-occupation commissioning, so that the re-commissioning which takes place at the end of the 12-month tuning period results in settings which reflect how the occupants actually behave and the building responds to climatic conditions

**Construction:** everything that is constructed or results from construction operations

**Control budget:** the amount of money which is allocated or made available to deliver or maintain infrastructure associated with a project or package, including site costs, professional fees, all service and planning charges, applicable taxes, risk allowances and provision for price adjustment for inflation

**Contract management:** applying the terms and conditions, including the agreed procedures for the administration thereof

**Contractor:** person or organisation that contracts with the employer to provide goods or services or any combination thereof covered by the contract

**Defect:** non-conformity of a part or component of the works to a requirement specified in terms of a contract

**Employer:** organ of state intending to or entering into a contract with a contractor

**Framework agreement:** an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

**Gate:** a control point at the end of a process where a decision is required before proceeding to the next process or activity

**Gateway review:** an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

**Infrastructure:**

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 222 Finance Office: 079 737 3565 Disaster and Fire: 029 2560610/079 523 2223  
Police(SAPS): 033-733 7934/7905 Water: 012 520 1475 Ambulance: 10177 Traffic: 079 522 9774


- a) immovable assets which are acquired, constructed or which result from construction operations; or
- b) movable assets which cannot function independently from purpose-built immovable assets

**Infrastructure delivery:** the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 030 737 3565 Disaster and Fire: 029 2540610/079 523 2223

Police(SAPS): 029-7379924/9935 Water:082 020 1476 Ambulance: 10177 Traffic: 019 522 7774



**Infrastructure procurement:** the procurement of goods or services including any combination thereof associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

**Maintenance:** the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

**Major capital project:** an infrastructure project or a series of interrelated infrastructure projects on a single site having an estimated cost, including those required for new facilities or systems to become fully operational, above a prescribed threshold

**Major public entity:** a public entity included in the list in Schedule 2 to the Public Finance Management Act

**Metropolitan municipality:** a Category A municipality as provided for in section 155 of the Constitution of the Republic of South Africa, 1996

**National government business enterprise:** a public entity included in the list in Schedule 3B to the Public Finance Management Act

**Operation:** combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

**Operations and maintenance support plan:** a plan which establishes the organisational structure required for the operation and maintenance of the works over its service life, and the office, stores, furniture, equipment, Information and Communications Technology (ICT), engineering infrastructure and staff training requirements

**Order:** an instruction to provide goods, services or any combination thereof under a framework agreement

**Organ of state:** an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

**Package:** work which is grouped together for delivery under a single contract or an order

**Portfolio:** collection of projects or programmes and other work that are grouped together to facilitate effective management of that work to meet a strategic objective

**Procurement document:** documentation used to initiate or conclude (or both) a contract or the issuing of an order

**Procurement strategy:** selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement

**Programme:** the grouping of a set of related projects in order to deliver outcomes and benefits related to strategic objectives which would not have been achieved had the projects been managed independently

**Provincial government business enterprise:** a public entity included in the list in Schedule 3D to the Public Finance Management Act

**Public private partnership:** a commercial transaction between an organ of state and a private party in terms of which the private party:

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 227 Finance Office: 089 737 3565 Disaster and Fire: 030-0940610/019 523 2223  
Police(SAPS): 081-7379904/79905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 522 9771

- a) performs an institutional function on behalf of the organ of state or acquires the use of state property for its own commercial purposes; and
- b) assumes substantial financial, technical and operational risks in connection with the performance of the institutional function or use of state property; and
- c) receives a benefit for performing the institutional function or from utilizing the state property, either by way of:

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9779 Prepaid Sales: 079 523 372 Finance Office: 039 777 0565 Disaster and Fire: 039-2560610/079 523 2273  
Police(SAPS): 039-3379301/0905 Water: 082 530 1476 Ambulance: 10117 Traffic: 079 523 9771

- 1) consideration to be paid by the organ of state which derives from a revenue fund or, where an organ of state is a national government business enterprise or a provincial government business enterprise, from the revenues of such institution; or
- 2) charges or fees to be collected by the private party from users or customers of a service provided to them; or
- 3) a combination of such consideration and such charges or fees

**Quality:** totality of features and characteristics of a product or service that bears on the ability of the product or service to satisfy stated or implied needs

**Refurbishment:** modification and improvements to existing infrastructure in order to bring it up to an acceptable condition

**Rehabilitation:** extensive work to bring infrastructure back to acceptable functional conditions, often involving improvements

**Repair:** physical action taken to restore the required function of a faulty item

**Retention sum:** sum retained for a certain period to offset costs which may arise from the contractor's failure to comply fully with the contract

**Service delivery agreement:** an agreement between two or more organs of state setting out the terms and conditions and roles and responsibilities regarding infrastructure delivery which promotes and facilitates inter-institutional relations and the principles of participation, cooperation and coordination

**Service life:** the period of time after acquisition or construction during which the infrastructure or its parts meet or exceed the performance demanded or expected to be fulfilled

**Stage:** a collection of logically related activities in the infrastructure delivery cycle that culminates in the completion of a major deliverable

**Statutory permission:** any relevant approval, consent or permission in terms of any legislation required to plan and deliver the infrastructure

**Target contract:** a cost reimbursement contract in which a preliminary target cost is estimated and on completion of the work the difference between the target cost and the actual cost is apportioned between the parties to the contract on an agreed basis.

**Value for money:** the optimal use of resources to achieve intended out

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3563 Disaster and Fire: 039-2540610/079 523 3223  
Police(SAPS): 033-7379901/9905 Water: 082 526 1476 Ambulance: 10177 Traffic: 079 523 9774



### 3 NORMATIVE REFERENCES

#### 3.1 Acts of Parliament

The following referenced Acts of Parliament are indispensable for the application of this document:

- Architectural Profession Act, 2000 (Act No. 44 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Constitution of the Republic of South Africa, 1996
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- Engineering Profession Act, 2000 (Act No. 46 of 2000)
- Landscape Architectural Profession Act, 2000 (Act No. 45 of 2000)
- Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- Municipal Systems Act, 2000 (Act No. 32 of 2000)
- National Archives and Record Services of South Africa Act, 1996 (Act No. 43 of 1996)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Quantity Surveying Profession Act of 2000 (Act No. 49 of 2000)
- South African Schools Act, 1996 (Act No. 84 of 1996)

#### 3.2 Standards

The following referenced standards and the forms of contract identified in this standard are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

- South African Bureau of Standards, SANS 10845-1, *Construction procurement – Part 1: Processes, methods and procedures*
- South African Bureau of Standards, SANS 10845-2, *Construction procurement – Part 2: Formatting and compilation of procurement documentation*
- South African Bureau of Standards, SANS 10845-3, *Construction procurement – Part 3: Standard conditions of tender*
- South African Bureau of Standards, SANS 10845-4, *Construction procurement – Part 4: Standard conditions for the calling for expressions of interest*
- Standard for Uniformity in Construction Procurement, Construction Industry Development Board

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 330 Finance Office: 079 737 3566 Disaster and Fire: 033-2562610/079 573 2223  
Police(SAPS): 033-7379904/9905 Water: 022 520 1476 Ambulance: 10177 Traffic: 079 522 9773

## 4 CONTROL FRAMEWORKS

### 4.1 Control framework for infrastructure delivery management

#### 4.1.1 General

- 4.1.1.1** The control framework for the management of infrastructure delivery shall comprise the applicable stages and gates as set out in Figure 1 and the key deliverables described in Table 1. Stages 3 to 9 may be omitted where the required work does not involve the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure. Stages 5 and 6 may be omitted if sufficient information to proceed to stage 7 is contained in the stage 4 deliverable. Decisions to proceed to the next stage shall at each gate, subject to the provisions of 4.1.1.2, be based on the acceptability or approval of the end-of-stage deliverable.
- 4.1.1.2** A stage shall only be complete when the deliverable has been approved or accepted by the person or persons designated in the institutional arrangements to do so. Activities associated with stages 5 to 9 may be undertaken in parallel or series, provided that each stage is completed in sequence.
- 4.1.1.3** The level of detail contained in a deliverable associated with the end of each stage shall be sufficient to enable informed decisions to be made to proceed to the next stage. In the case of stages 3 to 6, such detail shall, in addition, be sufficient to form the basis of the scope of work for taking the package forward in terms of the selected contracting strategy.
- 4.1.1.4** Prefeasibility and feasibility reports shall be required as end-of-stage deliverables for stages 3 and 4, respectively, where one or more of the following applies:
- a) the major capital project is required for:
    - 1) a major public enterprise where the total project capital expenditure exceeds R1,5 billion; or
    - 2) an organ of state subject to the Public Finance Management Act other than a major public enterprise where the total project capital expenditure exceeds R1,0 billion including VAT, or where the expenditure per year for a minimum of three years exceeds R250 million per annum including VAT;
  - b) the project is not:
    - 1) a building project with or without related site works; or
    - 2) a process-based, somewhat repetitive or relatively standardised project where the risk of failing to achieve time, cost and quality objectives is relatively low; or
  - c) the organ of state's infrastructure procurement and delivery supply chain management policy requires that prefeasibility and feasibility reports be produced during stages 3 and 4 respectively.

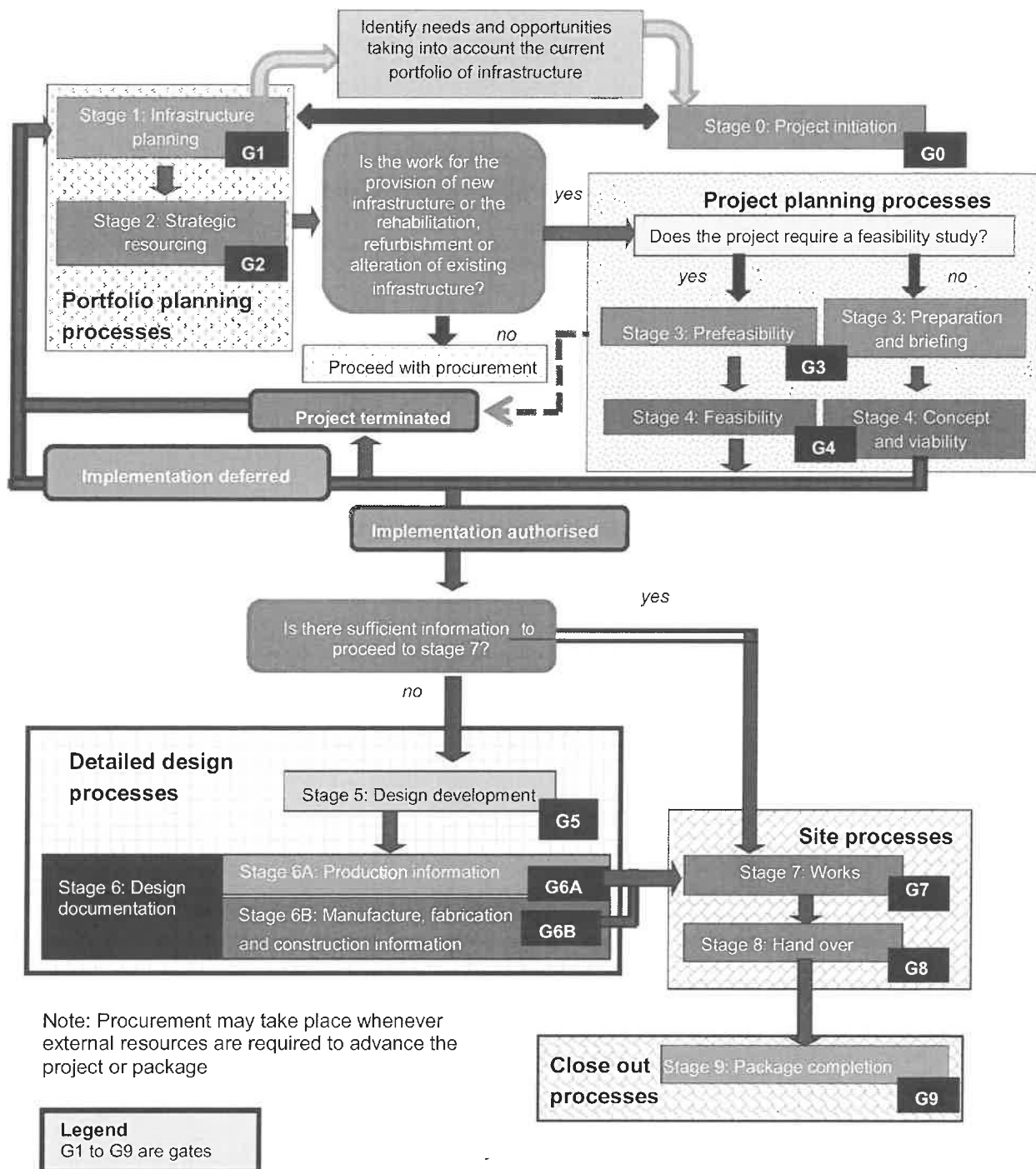
*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9779 Prepaid Sales: 079 522 327 Finance Office: 079 727 3565 Disaster and Fire: 039-2560010/079 523 2223  
Police(SAPS): 029-7579904/9005 Water: 087 520 1476 Ambulance: 10177 Traffic: 079 522 9774

- 4.1.1.5** Stages 3 and 4 shall be repeated for each package if the acceptance at stage 4 is for the acceptance of a project comprising a number of packages which are to be delivered over time.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 312 Finance Office: 019 737 3505 Disaster and Fire: 0800 7500610/079 522 2223  
Police(SAPS): 019 737 5904, 19905 Water: 082 320 1476 Ambulance: 10177 Traffic: 079 522 9774



**Figure 1: Stages and gates associated with the control framework for infrastructure delivery management**

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 370 Finance Office: 039 737 3505 Disaster and Fire: 039 2300610/079 523 2221

Police(SAPS): 039-7379901/9905 Water: 042 520 1476 Ambulance: 10177 Traffic: 079 522 9774

**Table 1: End-of-stage deliverables**

Stage		End-of-stage deliverable
No	Name	
0	Project initiation	An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope
1	Infrastructure planning	An infrastructure plan which identifies and prioritises projects and packages against a forecasted budget over a period of at least five years
2	Strategic resourcing	A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where needs are met through own procurement system, a procurement strategy
3	Prefeasibility	A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage
	Preparation and briefing	A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages
4	Feasibility	A feasibility report which presents sufficient information to determine whether or not the project should be implemented
	Concept and viability	A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages
5	Design development	A design development report which develops in detail the approved concept to finalise the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages
6	Design documentation	6A Production information Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction
		6B Manufacture, fabrication and construction information Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables manufacture, fabrication or construction to take place
7	Works	Completed works which are capable of being occupied or used
8	Handover	Works which have been taken over by the user or owner complete with record information
9	Package completion	Works with notified defects corrected, final account settled and the close out report issued

**4.1.1.6** The infrastructure plan (stage 1), which is informed by demand management requirements as set out in 6.2, initiation reports (stage 0), decisions made during stages 3 and 4 and work in

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 070 522 9770 Prepaid Sales: 019 323 322 Finance Office: 039 730 3565 Disaster and Fire: 039 2560010/079 323 2023  
Police(SAPS): 039-7379004/3505 Water: 082 520 1470 Ambulance: 10177 Traffic: 079 522 9774

progress in stages 5 to 9, and the procurement strategy (stage 2) shall be reviewed and updated at least once a year.

**4.1.1.7** An organ of state may, if it deems it necessary, add additional gates to the control framework presented in Figure 1.

**4.1.1.8** The approval of the infrastructure plan and the securing of the necessary budget shall be obtained prior to advancing to stage 3. All subsequent stages shall only be proceeded with if the necessary budget is in place.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 525 372 Finance Office: 030 727 2565 Disaster and Fire: 056-2560610/079 523 2233  
Police(SAPS): 030-7379904/19911 Water: 012 523 1470 Ambulance: 10177 Traffic: 079 522 1974

- 4.1.1.9** The approvals or acceptances at each gate shall be retained for record purposes for a period of not less than five years of such acceptance or approval in a secured environment, unless otherwise determined in terms of the National Archives and Record Services of South Africa Act.

## **4.2 Stage 0: Project initiation**

- 4.1.2.1** Projects, or groups of projects having a similar high-level scope, which are appraised, shall address particular strategic needs or business opportunities which fall within the organ of state's legislated or sanctioned mandate.

- 4.1.2.2** Objective decision-making criteria based on factors such as those relating to strategic objectives, national, provincial or regional priorities, the level of stakeholder support, legislative compliance, risk considerations and financial justification shall be used to motivate the acceptance of a project into the infrastructure plan.

- 4.1.2.3** The initiation report for a project shall as a minimum:

- a) provide a project description and high-level scope of work;
- b) outline key issues and solution options that were interrogated;
- c) outline options that were evaluated;
- d) indicate the high-level business case; and
- e) provide the estimated project cost and indicative high-level schedule.

- 4.1.2.4** The decision-making criteria, findings, assumptions and recommendations shall be documented in the initiation report.

- 4.1.2.5** Stage 0 is complete when the initiation report is accepted.

## **4.1.3 Stage 1: Infrastructure planning**

- 4.1.3.1** The infrastructure plan for a portfolio of projects or packages which require implementation shall cover a period of not less than five years. Such a plan shall be:

- a) described by the high-level scope of work for each project, the proposed time schedule, the estimated total project cost and annual budget requirement, the geographical location, any known encumbrances and estimated timeframes for removing these encumbrances; and
- b) aligned with all prescribed planning, budgeting, monitoring and reporting requirements.

- 4.1.3.2** Stage 1 is complete when the infrastructure plan is approved.

## **4.1.4 Stage 2: Strategic resourcing**

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 320 Finance Office: 039 751 3595 Disaster and Fire: 039 2560010/079 523 2223

Police(SAPS): 039 753 79000/10605 Water: 012 320 1476 Ambulance: 10177 Traffic: 079 522 9774

**4.1.4.1** A delivery management strategy shall be developed following the conducting of a spend, organisational and market analysis. Such a strategy shall indicate how needs are to be met for each category of spend through one or more of the following:

- a) a public private partnership;
- b) another organ of state on an agency basis;
- c) another organ of state's framework agreement;
- d) own resources; or
- e) own procurement system.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 522 9770 Prepaid Sales: 019 523 320 Finance Office: 019 737 3565 Disaster and Fire: 019 2560610/019 523 2223  
Police(SAPS): 019 7379904/9905 Water: 022 520 1176 Ambulance: 10177 Traffic: 019 522 9774



**4.1.4.2** A procurement strategy shall, based on the spend, organisational and market analysis, document the selected packaging, contracting, pricing and targeting strategy and procurement procedure for all required goods or services or any combination thereof including professional services.

**4.1.4.3** The procurement strategy shall include the rationale for adopting a particular option.

**4.1.4.4** Organs of state who engage another organ of state to provide agency services shall develop a delivery management and procurement strategy covering the projects which are subject to an agency agreement (see 5.2), in consultation with that organ of state.

**4.1.4.5** Stage 2 is complete when the delivery and procurement strategy is approved.

#### **4.1.5 Stage 3: Preparation and briefing or prefeasibility**

**4.1.5.1** The strategic brief shall as necessary:

- a) confirm the scope of the package and identify any constraints, including those relating to occupational health and safety;
- b) establish the project criteria, including the performance and reliability requirements, design life, service life of components, function, maintenance and replacement requirements, mix of uses, scale, location, quality, value, time, safety, health, environment and sustainability;
- c) identify procedures, organizational structure, key constraints, statutory permissions (e.g. environmental, heritage, social, planning, building control), and utility approvals, policies (e.g. environmental, developmental, social, maintenance or facilities management) and strategies to take the package forward;
- d) identify risks that need to be mitigated;
- e) identify interfaces between packages as necessary; and
- f) establish the control budget for the package, ownership costs and schedule for the package or series of packages.

**4.1.5.2** The prefeasibility study shall as necessary:

- a) document the owner or user requirements specification;
- b) shortlist the options that were considered;
- c) provide a preliminary design for study options;
- d) provide preliminary capital estimate and the proposed schedule; and
- e) present the study outcomes.

**4.1.5.3** Stage 3 is complete when the prefeasibility report or the strategic brief, as required, is accepted.

#### **4.1.6 Stage 4: Concept and viability or feasibility**

**4.1.6.1** The concept report shall as necessary:

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 320 Finance Office: 033 730 3500 Disaster and Fire: 033 7500010/079 523 2223  
Police(SAPS): 033 7370001/9905 Water: 033 320 1470 Ambulance: 10177 Traffic: 079 522 9774

- a) document the initial design criteria and design options or the methods and procedures required to maintain the condition of infrastructure for the package;
- b) establish the detailed brief, scope, scale, form and cost plan for the package;
- c) provide an indicative schedule for documentation and construction or maintenance services associated with the package;
- d) contain a site development plan or other suitable schematic layouts of the works;
- e) describe the statutory permissions, funding approvals or utility approvals required to proceed with the works associated with the package;

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 019 523 320 Finance Office: 039 737 3551 Disaster and Fire: 039 523 2223  
Police(SAPS): 020-7379404/9905 Water: 052 520 1476 Ambulance: 10177 Traffic: 079 522 9774

- f) include a baseline risk assessment for the package, and a health and safety plan which is required in terms of the requirements of the Construction Regulations issued in terms of the Occupational Health and Safety Act;
- g) contain a risk report linked to the need for further surveys, tests, other investigations and consents and approvals, if any, during subsequent stages and identified health, safety and environmental risk;
- h) contain an operations and maintenance support plan which establishes the organisational structure required for the operation and maintenance of the works resulting from the package or series of packages over its service life, and the office, stores, furniture, equipment, Information and Communications Technology (ICT), engineering infrastructure and staff training requirements;
- i) confirm the financial sustainability of the project; and
- j) establish the feasibility of satisfying the strategic brief for the package or series of packages within the control budget established during stage 3 and, if not, motivate a revised control budget.

**4.1.6.2** A feasibility report shall as a minimum provide the following:

- a) details regarding the preparatory work covering:
  - 1) a needs and demand analysis with output specifications; and
  - 2) an options analysis;
- b) a viability evaluation covering:
  - 1) a financial analysis; and
  - 2) an economic analysis, if necessary;
- c) a risk assessment and sensitivity analysis;
- d) a professional analysis covering:
  - 1) a technology options assessment;
  - 2) an environmental impact assessment; and
  - 3) a regulatory due diligence; and
- e) implementation readiness assessment covering:
  - 1) institutional capacity; and
  - 2) a procurement plan

**4.1.6.3** Stage 4 is complete when the feasibility report or the concept report, as required, is accepted.

#### **4.1.7 Stage 5: Design development**

**4.1.7.1** The design development report shall as necessary:

- a) develop in detail the accepted concept to finalise the design and definition criteria;
- b) establish the detailed form, character, function and costings;

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 8770 Prepaid Sales: 079 523 322 Finance Office: 079 737 5565 Disaster and Fire: 059-2502610/079 513 7223  
Police(SAPS): 029-7315920/9905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 522 9474

- c) define all components in terms of overall size, typical detail, performance and outline specification;
- d) describe how infrastructure, or elements or components thereof, are to function, how they are to be safely constructed, how they are to be maintained and how they are to be commissioned; and
- e) confirm that the package or series of packages can be completed within the control budget or propose a revision to the control budget.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 523 0770 Prepaid Sales: 078 573 320 Finance Office: 039 737 3565 Disaster and Fire: 039 2562610/019 523 2223  
Police(SAPS): 039-7379104/9905 Water: 082 530 1470 Ambulance: 10177 Traffic: 019 522 9074

**4.1.7.2** Outline specifications shall be in sufficient detail to enable a view to be taken on the operation and maintenance implications of the design and the compatibility with existing plant and equipment.

**4.1.7.3** Stage 5 is complete when the design development report is accepted.

#### **4.1.8 Stage 6: Design documentation**

**4.1.8.1** Stage 6A (Production information) is complete when all the production information that is required to be accepted prior to being issued for construction, manufacturing or fabrication purposes has been accepted.

**4.1.8.2** Stage 6B (Manufacture, fabrication and construction information) is complete when the manufacture, fabrication and construction information is accepted as being in accordance with the production information.

#### **4.1.9 Stage 7: Works**

Stage 7 is complete when:

- a) completion of the works is certified in accordance with the provisions of the contract; or
- b) the goods and associated services are certified as being delivered in accordance with the provisions of the contract.

#### **4.1.10 Stage 8: Handover**

**4.1.10.1** The handover stage shall include as necessary the training of the end user's or the owner's staff in the operation of the delivered infrastructure.

**4.1.10.2** The record information shall as relevant:

- a) accurately document the condition of the completed works associated with a package;
- b) accurately document the works as constructed or completed;
- c) contain information on the care and servicing requirements for the works or a portion thereof;
- d) contain information or instructions on the use of plant and equipment;
- e) confirm the performance requirements of the design development report and production information;
- f) contain certificates confirming compliance with legislation, statutory permissions and the like; and
- g) contain guarantees that extend beyond the defects liability period provided for in the package.

**4.1.10.3** Record information shall, as relevant, provide those tasked with the operation and maintenance of infrastructure with the information necessary to:

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 522 9770 Prepaid Sales: 019 523 222 Finance Office: 019 737 3563 Disaster and Fire: 019 2560610/019 523 2223  
Police(SAPS): 019-7379904/9905 Water: 019 520 1170 Ambulance: 10177 Traffic: 019 522 9774

- a) understand how the designers intended the works, systems, subsystems, assemblies and components to function;
- b) effectively operate, care for and maintain the works, systems, subsystems, assemblies and components to function;
- c) check, test or replace systems, subsystems, assemblies or components to ensure the satisfactory performance of works, systems, subsystems, assemblies and components over time;

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3565 Disaster and Fire: 039 2500512, 079 513 2223

Police(SAPS): 039 2277004/9905 Water: 022 520 1416 Ambulance: 10177 Traffic: 079 522 9774

- d) develop maintenance plans;
- e) determine stock levels for components and assemblies that need to be regularly replaced; and
- f) budget for the operation and maintenance of the works, systems, subsystems and components over time.

**4.1.10.4** Arrangements shall be put in place to secure and safeguard the works from the time that the contractor's liabilities for damage to the works end until such time that the works are handed over to the end user or owner who shall accept such liabilities.

**4.1.10.5** Stage 8 is complete when the end user or owner accepts liability for the works.

#### **4.1.11 Stage 9: Close out**

**4.1.11.1** The close out report for the package shall outline what was achieved in terms of at least the following:

- a) the performance parameters outlined in 12;
- b) unit costs of completed work or major components thereof; and
- c) key performance indicators relating to developmental objectives.

**4.1.11.2** The close out report shall make suggestions for improvements on future packages of a similar nature. Such a report should also comment on the performance of the contractor and, if relevant, include building tuning or similar reports.

**4.1.11.3** Stage 9 is complete when, as relevant, defects certificates or certificates of final completion are issued in terms of the contract, the final amount due to the contractor in terms of the contract is certified and the close out report is accepted.

#### **4.1.12 Approval of high-value national and provincial major capital projects**

**4.1.12.1** The approval process for major capital projects described in 4.1.12.2 to 4.1.12.6 shall apply to all national and provincial projects where the value of such projects including VAT exceeds:

- a) national and provincial departments and constitutional institutions: R7,5 billion
- b) major public enterprise, national government business enterprise, provincial government business enterprise and other public entities, the lessor of:
  - 1) R10 billion; or
  - 2) 4% of the organ of state's total assets or, if applicable, 2% of the organ of state's total revenue as reflected in its latest audited financial statements.

**4.1.12.2** The end-of-stage deliverables for stage 0 (initiation report) and stage 4 (feasibility report) in the control framework for the management of infrastructure delivery (see Figure 1) shall, after taking into account the comments and recommendations of the relevant treasury, be approved by:

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 522 9770 Prepaid Sales: 079 525 320 Finance Office: 079 737 3565 Disaster and Fire: 059-2500610/079 525 2223  
Police(SAPS): 020-7379304/9935 Water: 082 520 1475 Ambulance: 10177 Traffic: 019 522 9774

- a) cabinet, in the case of national departments, constitutional institutions and public entities listed in schedules 2, 3A and 3B of the Public Finance Management Act; or
- b) the executive council, in the case of provincial departments and public entities listed in schedules 3C and 3D of the Public Finance Management Act.

**4.1.12.3** The end-of-stage deliverables for stage 3 (prefeasibility) shall, after taking into account the comments and recommendations of the relevant treasury, be approved by:

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 029 737 3565 Disaster and Fire: 039-2560510/079 523 2223  
Police(SAPS): 030-7379904/9905 Water: 032 520 1476 Ambulance: 10177 Traffic: 079 522 9774



- a) the relevant member of the cabinet, in the case of national departments, constitutional institutions and public entities listed in schedules 2, 3A and 3B of the Public Finance Management Act; or
- b) the relevant member of the executive council, in the case of provincial departments and public entities listed in schedules 3C and 3D of the Public Finance Management Act.

**4.1.12.4** The initiator of the inception, prefeasibility and feasibility reports shall submit such reports to the relevant treasury for comment prior to making a submission to cabinet, the relevant minister, executive council or relevant member of the executive council, as applicable. The relevant treasury shall within three weeks of receiving a report submit comments and recommendations to the initiator who may revise such reports in the light of the comments and recommendations made, and:

- a) request the relevant treasury to make comments and recommendations on the revised reports; or
- b) submit the report together with the latest version of the relevant treasury comments and recommendations for approval.

#### **4.1.13 Gateway reviews**

##### **4.1.13.1 Gateway reviews for major capital projects above a threshold**

**4.1.13.1.1** All major capital projects having an estimated capital expenditure equal to or above the threshold established in Table 2 shall have a gateway review of the end-of-stage 4 deliverable, prior to the acceptance of such deliverable. The review shall be initiated by the organ of state which intends implementing the project. The focus of such a review shall in the first instance be on the quality of the documentation, and thereafter on:

- a) deliverability (the extent to which a project is deemed likely to deliver the expected benefits within the declared cost, time and performance envelope);
- b) affordability (the extent to which the level of expenditure and financial risk involved in a project can be taken up on, given the organisation's overall financial position, both singly and in the light of its other current and projected commitments); and
- c) value for money.

**Table 2: Thresholds for gateway reviews of major capital projects**

Organ of state	Other
National department	
Provincial department or metropolitan municipality	
Municipality other than a metropolitan municipality	
Major public entity	
National government business enterprise	
Provincial government business enterprise	

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 332 Finance Office: 079 737 3560 Disaster and Fire: 039-2562610/079 523 2223  
Police(SAPS): 039-7379904/9905 Water: 081 550 1470 Ambulance: 10177 Traffic: 079 522 9774

R100 million
R100 million
R50 million

R250 million
R100 million

Electrical Services: 079 522 9770 Prepaid Sales: 079 570 322 Finance Office: 059 737 3565 Disaster and fire: 039 256610/079 573 2223  
Police(SAPS): 010-7377004/9995 Water: 082 500 1476 Ambulance: 10177 Traffic: 079 522 9774

professional engineer in terms of the Engineering Profession Act, a professional quantity surveyor in terms of the Quantity Surveying Profession Act or a professional architect in terms of the Architectural Profession Act. The members of the team shall, as relevant, have expertise in key technical areas, cost estimating, scheduling and implementation of similar projects.

**4.1.13.1.3** The relevant treasury shall be notified of a proposed gateway review for a major capital project, three weeks prior to the conducting of such a review. Such notification shall be accompanied by a brief outline of the proposed project or package, the names and qualifications of the reviewers and the timeframes for the review. The relevant treasury may nominate additional persons to serve on the review team.

**4.1.13.1.4** The gateway review team shall base its findings primarily on:

- a) the information contained in the end-of-stage deliverables;
- b) supplementary documentation, if any, provided by key staff obtained during an interview process; and
- c) interviews with key staff members and stakeholders.

**4.1.13.1.5** The gateway review team shall issue a report at the conclusion of a gateway review which indicates the team's assessment of the information at the end of a stage and provides findings or recommendations on areas where further work may be undertaken to improve such information.

**4.1.13.1.6** Aspects in the report shall be flagged as being:

- a) code red: team considers the aspect to pose a significant risk to the project or package;
- b) code amber: team considers the aspects which indicate a minor risk to the project or package; or
- c) code green: team considers the aspect to have been given adequate consideration to the extent that it is unlikely to jeopardise the success of progressing to the next stage, or minor adjustments may be required before proceeding.

**4.1.13.1.7** The contents of the gateway review report shall be taken into account when accepting the stage 4 deliverable. A stage 4 deliverable shall not be accepted until such time that all code red risks have been addressed in the stage 4 end-of-stage deliverable.

#### **4.1.13.2 Gateway reviews initiated by the relevant treasury**

**4.1.13.2.1** A relevant treasury may at any time institute a gateway review of any of the end-of-stage deliverables associated with the control framework, irrespective of the estimated cost of a project. The focus of such a review shall be determined by the relevant treasury. The implementer of a project shall be notified of the review and its focus at least three weeks prior to the conducting of the review.

**4.1.13.2.2** The implementer shall provide a person to lead the review and one other person to serve on the team, both of whom satisfy the requirements of 4.1.13.1.2.

**4.1.13.2.3** The gateway review shall be conducted substantially in accordance with the provisions of

*Where Nature, Agriculture, Tourism are Investments of Choice.*


Electrical Services: 079 522 9770 Prepaid Sales: 079 523 320 Finance Office: 039 737 3565 Disaster and Fire: 039 7560610/079 523 2222  
Police(SAPS): 039 7379904/9905 Water: 082 529 1476 Ambulance: 10111 Traffic: 079 522 9774

4.1.13.1.4 to 4.1.13.1.6.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 320 Finance Office: 039 737 3565 Disaster and Fire: 039 2560610/079 523 2223

Police(SAPS): 039 7375924/2905 Water: 052 570 1470 Ambulance: 10177 Traffic: 079 522 9774

A stylized graphic of a mountain peak, rendered in dark grey and light grey, located in the bottom right corner of the page.

## Control framework for infrastructure procurement

### 4.2.1 General

4.2.1.1 Infrastructure procurement shall be implemented in accordance with the provisions of the control framework indicated in Figure 2 which contains:

- a) procurement gates;
- b) framework agreement gates;
- c) reporting points, where applicable, for interfacing with the Construction Industry Development Board's (CIDB) register of projects; and
- d) a gate relating to the interface with a financial management system.

4.2.1.2 The activities associated with the control framework indicated in Figure 2 are set out in Tables 3 and 4 whenever a negotiated, competitive selection or competitive negotiations procedure is applied, with the exception of the shopping procedure. Procurement Gates 6 and 7 may be combined in the case of the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure.

4.2.1.3 The level of detail contained in the documentation upon which a decision is made at a gate shall be sufficient to enable informed decisions to be made to proceed to the next activity or to undertake a particular procedure.

4.2.1.4 The approvals or acceptances at each gate shall be retained for record and audit purposes for a period of not less than five years of such acceptance or approval in a secured environment, unless otherwise determined in terms of the National Archives and Record Services of South Africa Act.

### 4.2.2 Specific requirements relating to the review of procurement documents

4.2.2.1 The approval of procurement documents at Procurement Gate 3 or Framework Agreement Gate 2 shall be based on the contents of a procurement documentation review report. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, such a report shall be prepared by one or more persons who participated in the review and who are registered as:

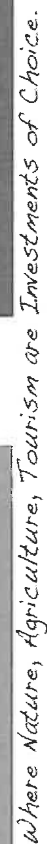
- a) a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act or a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
- b) a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or
- c) a professional quantity surveyor in terms of the Quantity Surveying Professions Act.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3565 Disaster and Fire: 039-2560610/079 523 9293  
Police(SAPS): 039-4379904/9925 Water: 032 520 1476 Ambulance: 10177 Traffic: 039 522 9774

*Where Nature, Agriculture, Tourism are Investments of C*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3365 Disaster and Fire: 039-750410/7504523  
Police(SAPS): 009-7379904/9703 Water: 012 520 1476 Ambulance: 10177 Traffic: 079 522 9774



Electrical Services: 079 522 9770 Prepaid Sales: 079 523 232 Finance Office: 039 757 3365 Disaster and Fire: 029 252210, 079 523 2123  
Police (SAPS): 039 2570504/79005 Water: 082 520 1414/E Ambulance: 10177 Traffic: 079 522 9774

Figure 2: Control framework for procurement (acquisition and contract management) processes

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 019 521 9770 Prepaid Sales: 019 523 322 Finance Office: 036 737 3565 Disaster and Fire: 039 2560616/039 573 2223  
Police(SAPS): 082 3339064/79065 Water: 012 510 1406 Ambulance: 101 111 Traffic: 019 622 9714



**Table 3: Procurement activities and gates associated with the formation and conclusion of contracts above the threshold for the quotation procedure**

Activity		Sub-Activity*		
1	Establish what is to be procured  (Applies only to goods and services not addressed in a procurement strategy developed in terms of 4.1)	1.1	Prepare broad scope of work for procurement	
		1.2	Estimate financial value of proposed procurement	
		1.3 <b>PG1</b>	Obtain permission to start with the procurement process	
2	Decide on procurement strategy  (Applies only to goods or services not included in a procurement strategy developed in terms of 4.1)	2.1	Establish opportunities for using procurement to promote developmental procurement policies, if any	
		2.2	Establish contracting and pricing strategy	
		2.3	Establish targeting strategy	
		2.4	Establish procurement procedure	
		2.5 <b>PG2</b>	Obtain approval for procurement strategies that are to be adopted, including specific approvals to approach a confined market or the use of the negotiation procedure	
3	Solicit tender offers	3.1	Prepare procurement documents	
		3.2 <b>PG3</b>	Obtain approval for procurement documents	
		3.3 <b>PG4</b>	Confirm that budgets are in place	
		3.4	Invite: • tender offers; or • expressions of interest (qualified procedure or restricted competitive negotiations procedure)	
		3.5	Receive submissions	
		3.6	Open and record submissions received	
4	Evaluate tender offers	4.1	Qualified procedure, proposal procedure or competitive negotiations procedure only	Evaluate and prepare evaluation report on submissions received
		4.2 <b>PG5</b>		Obtain authorisation to proceed with next phase of tender process
		4.3		Invite tender offers from qualified respondents or selected tenderers
		4.4		Open and record submissions received and, if necessary, repeat 4.1 to 4.4
		4.5	Evaluate tender offers and prepare a tender evaluation report	
		4.6 <b>PG6</b>	Confirm recommendations contained in the tender evaluation report	
5	Award contract	5.1	Notify unsuccessful tenderers of outcome	
		5.2	Compile contract document	
		5.3 <b>PG7</b>	Award contract	
		5.4	Capture contract award data on management systems	
		5.5 <b>GF1</b>	Upload data in financial management and payment system	

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 5965 Disaster and Fire: 039-2560610/079 523 2223

Police(SAPS): 039-7370904/5905 Water: 062 520 1476 Ambulance: 10177 Traffic: 079 522 9771

*Where Nature, Agriculture, Tourism are Investments of the*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 922 Finance Office: 039 737 3555 Disaster and Fire: 039-2550610/039-522 2223.  
Police(SAPS): 039-1379904/9995 Water: 082 520 1406 Ambulance: 10177 Traffic: 079 522 9774

**Table 3 (concluded)**

Activity		Sub-Activity*	
6	Administer contracts and confirm compliance with requirements	6.1	Administer contract in accordance with the terms and provisions of the contract
		6.2	Confirm compliance with requirements
		6.3	Capture contract completion / termination data
		6.4 <b>PG8A</b>	Obtain approval to waive penalties or low performance damages
		6.5 <b>PG8B</b>	Obtain approval to notify and refer a dispute to an adjudicator, or for final settlement to an arbitrator or court of law
		6.6 <b>PG8C</b>	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage
		6.7 <b>PG8D</b>	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively
		6.8 <b>PG8E</b>	Obtain approval to cancel or terminate a contract
		6.9 <b>PG8F</b>	Obtain approval to amend a contract
		6.10	Close out the contract

\* Shaded cells indicate the presence of a procurement gate

**Table 4: Procurement activities and gates associated with the issuing of an order in terms of a framework agreement**

Activity*	
1 <b>FG1</b>	Confirm justifiable reasons for selecting a framework contractor where there is more than one framework agreement covering the same scope of work
2	Prepare procurement documents
3 <b>FG2</b>	Obtain approval for procurement documents
4 <b>FG3</b>	Confirm that budgets are in place
5	Quotations amongst framework contractors not invited: Issue draft order documentation and consult with contractor and prepare evaluation report Quotations amongst framework contractors invited: Invite quotations from all framework contractors participating in the agreement, receive and evaluate submissions and prepare evaluation report
6 <b>FG4</b>	Authorise the issuing of the order
7	Log order onto management system
8	Issue order to contractor
9	Notify issuing of order to oversight person
10	Administer orders in accordance with contract and confirm compliance with requirements

\*Shaded cells indicate the presence of a framework gate

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 737 3563 Disaster and Fire: 020-2560610/079 523 7223  
Police(SAPS): 039-7377004/79905 Water: 062 520 1476 Ambulance: 10177 Traffic: 019 522 9771

**4.2.2.2** The review of procurement documents associated with the negotiation, competitive selection or competitive negotiation procedure shall confirm that:

- a) the procurement documents have been formatted and compiled in accordance with the requirements of SANS 10845-2, this standard and, where applicable, the CIDB Standard for Uniformity in Construction Procurement, and are aligned with the approved procurement strategy;

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 6770 Prepaid Sales: 079 512 322 Finance Office: 029 737 3565 Disaster and Fire: 029-2549610/079 523 0223  
Police(SAPS): 039-7379904/9905 Water: 082 529 1476 Ambulance: 06177 Traffic: 079 512 9974

- b) appropriate prompts for judgement are included in procurement documents in accordance with the requirements of SANS 10845-1 whenever quality is evaluated and scored in the evaluation of calls for expressions of interest or tender offers;
- c) the selected form of contract in the case of a tender that is solicited is in accordance with the requirements of 14.5.3 and any standard templates required by the organ of state have been correctly applied;
- d) the necessary approval has been obtained for additional clauses or variations to the standard clauses in the conditions of contract, conditions of tender or conditions for the calling for expressions of interest, as relevant, not provided for in the organ of state's approved templates;
- e) the selected submission data in the case of a call for an expression of interest, or tender data and contract data options in the case of a tender, are likely to yield best value outcomes;
- f) the scope of work adequately establishes what is required and the constraints to the manner in which the contract work is to be provided, and satisfies the drafting requirements of SANS 10845-1;
- g) the submission or returnable documents are necessary and will enable submissions to be evaluated fairly and efficiently; and
- h) the risk allocations in the contract and pricing data are appropriate.

**4.2.2.3** The review of procurement documentation associated with the issuing of an order shall confirm that:

- a) any standard templates required by the organ of state have been correctly applied;
- b) the necessary approval has been obtained for additional clauses or variations to the standard clauses in the conditions of contract not provided in the organ of state's approved templates or the contract;
- c) the scope of work adequately establishes what is required and the constraints to the manner in which the contract work is to be provided;
- d) the provisions for competition amongst framework contractors, if relevant, and the selected options are likely to yield best value outcomes; and
- e) the risk allocations are appropriate.

**4.2.2.4** The review conducted to confirm the provisions of 4.2.2.2 and 4.2.2.3 shall identify sections, if any, which require amendments or improvements.

**4.2.2.5** The documentation review report shall:

- a) list the names and qualifications of the team members;
- b) confirm that the documents are in accordance with the requirements of this standard;
- c) capture any comments or opinions which the team may wish to express; and
- d) recommend that the procurement documents be accepted with or without modifications.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 573 522 Finance Office: 079 737 3545 Disaster and Fire: 079-2560610/079 523 2223  
Police(SAPS): 039-7579904/9905 Water: 082 520 1406 Ambulance: 10177 Traffic: 079 522 9774

## 4.3 Specific requirements relating to the evaluation of submissions

- 4.2.3.1 The authorisation to proceed with the next phase (Procurement Gate 5), the approval of tender evaluation recommendations (Procurement Gate 6) and the authorisation for the issuing of an order (Framework Agreement Gate 4) shall be based on the contents of an evaluation report.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 033 737 3065 Disaster and Fire: 039-2560610/079 523 2723  
Police(SAPS): 039-7579904/9900 Water: 032 510 1475 Ambulance: 06177 Traffic: 079 522 9774

- 4.2.3.2** The evaluation report shall be prepared by one or more persons who are conversant with the nature and subject matter of the procurement documents or the framework contract, and who are registered as:
- a) a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act;
  - b) a professional engineer or professional engineering technologist in terms of the Engineering Profession Act;
  - c) a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
  - d) a professional project manager or a professional construction manager in terms of the Project and Construction Management Professions Act; or
  - e) a professional quantity surveyor in terms of the Quantity Surveying Profession Act.
- 4.2.3.3** All communications with respondents and tenderers during the procurement process to obtain information and clarifications shall be made in writing through the employer's agent named in the submission or tender data. Records of all communications in this regard shall be made and retained for auditing purposes.
- 4.2.3.4** Submissions shall be evaluated strictly in accordance with the provisions of the procurement documents (see Annex C of SANS 10845-3 and Annex C of SANS 10845-4, as relevant). Where quality is evaluated, at least three persons who satisfy the requirements of 4.2.3.2 shall undertake such evaluation. Quality shall be scored in terms of the prompts for judgement, with fixed scores assigned to each prompt, either individually and averaged or collectively, as appropriate.
- 4.2.3.5** Those involved in the evaluation of submissions shall record their scores for quality against each of the criteria during the process of evaluation, preferably with notes to substantiate the scores. Individuals should record their own markings on a separate sheet. These documents shall be placed on file as an audit trail and may form the basis of any debriefing that takes place.
- 4.2.3.6** Evaluation reports shall be prepared in accordance with the content headings and relevant guidelines contained in Tables 5 or 6, with modifications as necessary where a two-envelope, two-stage process or competitive negotiation procedure is followed. Such reports shall contain extracts from the procurement documents which are linked to the evaluation of submissions, such as eligibility criteria, criteria associated with evaluation methods, preferencing, quality criteria (including prompts for judgement), the method by which tenders are reduced to a common base and lists of returnable documents. Such references shall enable those who are tasked with making decisions based on these documents to do so without having to refer back to submissions in order to understand the content of the report.
- 4.2.3.7** An evaluation report which recommends the award of a contract shall contain in annexures the reports, if any, of prior processes, e.g. a call for an expression of interest, a round in a competitive negotiation procedure or a stage in a competitive selection procedure.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 332 Finance Office: 033 737 3565 Disaster and Fire: 039-2560610/079 523 2223  
Police(SAPS): 033-7379604/9905 Water: 052 530 1476 Ambulance: 10177 Traffic: 079 522 9774

- 4.2.3.8** An evaluation report covering the application of the negotiated procedure for the award of a contract or the issuing of an order, shall confirm that the negotiated amounts are market-related and represent value for money. Where the total of the prices associated with a target cost contract is negotiated, the total of prices shall be certified as being fair and reasonable by a professional quantity surveyor registered in terms of the Quantity Surveying Profession Act or a professional engineer registered in terms of the Engineering Profession Act.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 573 322 Finance Office: 030 737 3565 Disaster and Fire: 029-2360610/079 523 2223  
Police(SAPS): 039-7379504/9905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 522 9771



**Table 5: Content of an evaluation report relating to an expression of interest**

Section heading		Subsection heading		Guidelines for the preparation of content
1	Summary	-	-	<p>Provide an overview of the parameters associated with the expression of interest, preferably in tabular form, including the following as relevant:</p> <ul style="list-style-type: none"> <li>• Contract / project no and contract / project description</li> <li>• Purpose of the expression of interest</li> <li>• Media in which advertisement was placed</li> <li>• Advertisement date(s)</li> <li>• Estimated value of contract or orders which are likely to be awarded during the term of the contract, if applicable</li> <li>• Date from which documents were available</li> <li>• Number and title of addenda issued</li> <li>• Closing date</li> <li>• Details of clarification meeting, including date and place, if any</li> <li>• Number of submissions made</li> <li>• Number of responsive submissions received</li> <li>• Recommended outcomes of the process</li> </ul>
2	An overview of the evaluation process	-	-	<p>Provide an overview of the procurement process, indicating the eligibility criteria that were applied. State points relating to evaluation criteria, prompts for judgement and weightings relating thereto. Reproduce the list of returnable documents. Provide, if applicable, an overview as to how the quality aspects of the submissions were scored.</p> <p>Record that those involved in the evaluation of tenders have no conflicts of interest or have declared any conflict of interest that they may have, and the nature of such conflict.</p>
3	Evaluation process	3.1	Submissions received	<p>List the submissions that were received.</p> <p>Describe any noteworthy events regarding the opening of submissions, e.g. the returning of late submissions.</p>
		3.2	Completeness of submissions received	<p>Compare submissions received against the list of returnable documents. State if any submissions were incomplete and outline how clarifications were obtained.</p> <p>Confirm if respondents took into account addenda, if any, in their submission.</p>
		3.3	Responsiveness of respondents	<p>Identify which of the submissions received were non-responsive and provide clear reasons for declaring respondents to be non-responsive.</p>
		3.4	Evaluation of submissions	<p>Record the manner in which submissions were evaluated.</p> <p>Record, where relevant, and preferably in a tabular form, the scores for each of the evaluation criteria and the total score (excluding those who failed to score above a threshold, if any).</p>
		3.5	Reasons for disqualification on the grounds of corrupt or fraudulent practice	<p>State reasons if applicable.</p>
		3.6	Compliance with legal	<p>Confirm as relevant that respondents are not barred from</p>

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 327 Finance Office: 039 717 9565 Disaster and Fire: 039-2560610/079 523 2023

Police(SAPS): 039-7327904/9905 Water: 082 520 1476 Ambulance: 10127 Traffic: 079 522 9774

		requirements		participation, tax matters are in order, are registered, etc.
4	<b>Tender recommendation</b>	-	-	Make a recommendation for the outcome of the process, e.g. admit to a database or prequalify / shortlist respondent to be invited to submit tender offers. Record the names and qualifications of those who performed the evaluation.
5	<b>Confirmation of recommendations</b>	-	-	Make provision for the confirmation or amendment of the recommended action.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9773 Prepaid Sales: 079 523 322 Finance Office: 030 737 3505 Disaster and Fire: 030-2560610/079 523 2273  
Police(SAPS): 020-13779504/9705 Water: 082 520 1470 Ambulance: 10177 Traffic: 079 522 9774

**Table 6: Content of an evaluation report relating to the solicitation of tender offers**

Section heading		Subsection heading		Guidelines for the preparation of content
1	Summary	-	-	<p>Provide an overview of the parameters associated with the solicitation of the tender, preferably in tabular form, including the following as relevant:</p> <ul style="list-style-type: none"> <li>• Contract / Project / Tender number</li> <li>• Contract description</li> <li>• Contract duration</li> <li>• Purpose of tender</li> <li>• Contracting strategy, pricing strategy, form of contract and targeting strategy</li> <li>• Procurement procedure and method of tender evaluation</li> <li>• Tender validity expiry date</li> <li>• Alternative tenders (not permitted or state conditions under which permitted)</li> <li>• Media in which advertisement was placed, if not a nominated or qualified competitive selection procedure or a restricted competitive negotiations procedure</li> <li>• Date of advertisement(s)</li> <li>• Date from which documents were available</li> <li>• Details of clarification meeting, including date and place, if any</li> <li>• Tender closing date</li> <li>• Number and title of addenda issued</li> <li>• Number of tenders received</li> <li>• Number of responsive tenders</li> <li>• Recommended tender(s)</li> <li>• Cost estimate (budget), unless a framework contract</li> <li>• Lowest responsive and realistic tender used for comparative purposes (tender price, specific goals, etc.)</li> </ul>
2	An overview of the tender evaluation process	-	-	<p>Provide an overview of the procurement process, indicating the eligibility criteria that were applied and the evaluation criteria. State specific goals and points relating to preferences, as well as any quality evaluation criteria, prompts for judgement and weightings relating thereto.</p> <p>Reproduce the list of returnable documents.</p> <p>Provide an overview as to how the quality aspects of the tender were scored.</p> <p>Record that those involved in the evaluation of tenders have no conflicts of interest or have declared any conflict of interest that they may have, and the nature of such conflict.</p>
3	Tender evaluation process	3.1	Tender offers received	<p>List the tender offers that were received.</p> <p>Describe any noteworthy events regarding the opening of submissions, e.g. the returning of late tenders and the declaring of submissions non-responsive on the grounds that they were not received in the prescribed manner.</p>
		3.2	Completeness of tenders received	<p>Compare tender submissions received against list of returnable documents. State if any tender submissions received were incomplete and indicate what was not complete. Indicate what</p>

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9773 Prepaid Sales: 079 523 320 Finance Office: 039 237 3565 Disaster and Fire: 039 250610/079 523 2223

Police(SAPS): 020-7379904/9905 Water: 082 520 1476 Ambulance: 10177 Traffic: 079 572 9774

			steps were taken to make incomplete tenders complete, only where this does not affect the competitive position of the tenderer in question. List all communications with tenderers. Confirm if tenderers took into account addenda, if any, in their tender submission.
		<b>3.3</b>	<b>Responsiveness of tenderers</b>
			Identify which of the tenders received were non-responsive and provide clear reasons for declaring such tenders to be non-responsive.

**Table 6 (concluded)**

Section heading		Subsection heading		Guidelines for the preparation of content
3	Tender evaluation process (continued)	3.4	Evaluation of tender offers	Record the manner in which tenderers were reduced to a common basis: Record preferably in a tabular form: <ul style="list-style-type: none"> <li>the scores for each of the evaluation criteria;</li> <li>the total score (excluding those who failed to score above a threshold);</li> <li>the pricing parameters that were tendered to enable compensation events to be evaluated of contractors to be paid in cost reimbursable or target cost contract.</li> </ul> Provide reasons for not granting a preference or considering a financial offer to be unrealistically low.
		3.5	Reasons for disqualification on the grounds of corrupt or fraudulent practice	State reasons if applicable.
		3.6	Compliance with legal requirements	Confirm as relevant that tenderers are not barred from participation, tax matters are in order, are registered, etc.
		3.7	Acceptability of preferred tenderer	State any reasons why the tenderer with the highest points should not be considered for the award of the tender, e.g. commercial risk, restrictions, lack of capability and capacity, legal impediments, etc. Also state any arithmetical corrections that have been made.
4	Outcome of the evaluation	-	-	Make a recommendation for the award of the tender and state any qualifications / conditions associated with such an award. Record the names and qualifications of those who performed the evaluation.
5	Confirmation of recommendations	-	-	Make provision for the recommendations for the award of the tender to be confirmed or amended.

#### 4.2.4 Authorisation to proceed with the next phase of the procurement process

The person authorised to enable a procurement process to progress to the next phase of the process shall review the evaluation report and either refer the report back to those responsible for such a report or authorise the procurement process to proceed to the next phase after:

- confirming that the report is complete and addresses all considerations necessary to make a decision;
- confirming the validity and reasonableness of reasons provided for the elimination of tenderers or respondents; and
- considering commercial risks and identifying any risks that have been overlooked which warrant investigation prior to taking a final decision.

#### 4.2.5 Authorisation for issuing of an order

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 521 322 Finance Office: 039 737 3565 Disaster and Fire: 039-0360610/079 023 2273

Police(SAPS): 039-7379904/9905 Water: 052 520 1476 Ambulance: 10177 Traffic: 079 522 9774

The person responsible for authorising an order shall, prior to authorising the issuing of an order:

- a) confirm that the required goods or services, or any combination thereof, are within the scope of work associated with the relevant framework contract; and
- b) consider the recommendations of the evaluation report where competition amongst framework contracts takes place (see 14.3.6) or a significant proportion of the total of the prices is negotiated, based on the financial parameter contained in the framework contract, and either

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 5170 Prepaid Sales: 079 523 322 Finance Office: 039 737 3565 Disaster and Fire: 020-0560610/079 523 2223  
Police(SAPS): 039-7379904/9905 Water: 082 520 1475 Ambulance: 10177 Traffic: 079 522 9771

confirm the reasonableness of such recommendations and sign the acceptance of the order, or refer the evaluation report and recommendation back to those who prepared it.

## 5 INSTITUTIONAL ARRANGEMENTS

**5.1** Organs of state who are responsible for infrastructure delivery shall establish a suitable infrastructure procurement and delivery supply chain management policy to implement this standard. Such a policy shall as a minimum:

- a) assign responsibilities for approving or accepting deliverables associated with a gate in the control framework or authorising a procurement process or procedure;
- b) establish committees which are required by law, or equivalent quality management and governance arrangements;
- c) establish delegations for the awarding of a contract or the issuing of an order; and
- d) establish ethical standards for those involved in the procurement and delivery of infrastructure.

**5.2** An agency agreement shall be entered into between organs of state where responsibilities for implementation are delegated or assigned, or with a school governing body, established in terms of section 16 of the South African Schools Act, that makes a substantial financial contribution to a project. Such an agreement shall:

- a) establish principles and requirements relating to the recovery of cost associated with the rendering of the service, claims for payments made on an agency basis including the release of retention sums, the settling of claims for payment and the documentation required to accompany such claims; and
- b) include a service delivery agreement which as relevant sets out at least the following:
  - 1) overall aims, objectives and priorities;
  - 2) governance structures;
  - 3) reporting requirements;
  - 4) the scope of the services to be performed by the implementer during each financial year;
  - 5) the projects and packages which are included in the infrastructure plan and which are to be delivered, and the timeframes for doing so;
  - 6) the roles and responsibilities of the parties to the agreement, including requirements for the engagement and management of stakeholders;
  - 7) delegations to the implementer to accept end-of-stage deliverables on an agency basis;
  - 8) contributing resources, including human resources; and
  - 9) dispute resolution procedures.

**5.3** The agency agreement shall be reviewed annually and amended or revised as necessary.

**5.4** The implementer's supply chain management system shall be used to procure goods or services, or any combination thereof, for infrastructure covered by the agency agreement referred to in 5.2.

*Where Nature, Agriculture, Tourism are Investments of Choice.*

Electrical Services: 079 522 9770 Prepaid Sales: 079 523 322 Finance Office: 039 757 3565 Disaster and Fire: 039 2560610/079 523 2223  
Police(SAPS): 039-7379964/79965 Water: 082 520 1476 Ambulance: 01177 Traffic: 079 522 9774