



public works  
& infrastructure

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Department:  
Public Works and Infrastructure  
**REPUBLIC OF SOUTH AFRICA**

**DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE**  
**Quantity Surveying Services**

**PROCUREMENT DOCUMENTATION GUIDELINES**  
**FOR BUILDING CONTRACTS**

**FEBRUARY 2023**

# PROCUREMENT DOCUMENTATION GUIDELINES FOR BUILDING CONTRACTS

## 1 TYPES OF PROCUREMENT DOCUMENTS

### 1.1 CONTRACTS NOT EXCEEDING R500 000.00 (VAT INCLUDED)

1.1.1 Method of procurement: Quotations

1.1.2 Type of document:

1.1.2.1 Quotations for contracts with a value less than R30 000.00 (VAT included): Prescripts of the Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations are not applicable, but may be applied if and when appropriate

1.1.2.2 Quotations for contracts with a value equal to or exceeding R30 000.00 (VAT included): Prescripts of the Preferential Procurement Policy Framework Act, Act 5 of 2000 and its associated Regulations are applicable

### 1.2 CONTRACTS EXCEEDING R500 000.00 (VAT INCLUDED)

1.2.1 Method of procurement: Tenders

1.2.2 The JBCC Principal Building Agreement is applicable to all building contracts within this value threshold

1.2.3 The following two options are applicable:

#### 1.2.3.1 Option 1

Type of document: Bills of Quantities

- Bills of Quantities are drawn up according to the measuring system stated in the schedule
- JBCC Preliminaries form part of the document
- CPAP (escalation) can be applied to any contract but is deemed inappropriate where the anticipated contract value is low and the contract period is less than a year

#### 1.2.3.2 Option 2

Type of document: Lump Sum document suitable for minor works contracts of simple content

- No Bills of Quantities. The Lump Sum document may include a schedule of rates drawn up according to the measuring system stated in the schedule. It is essential that the document includes a project specification and/or set of drawings to identify the full scope of works
- JBCC Preliminaries form part of the document
- CPAP (escalation) can be applied to any contract but is deemed inappropriate where the anticipated contract value is low and the contract period is less than a year

It is however recommended that CPAP (escalation) be made not applicable on a minor works contract of simple content

## 2 GENERAL NOTES

- 2.1 The Consultant Quantity Surveyor will be required to execute his work in accordance with the conditions stated in the Letter of Appointment, or the Tender or Quotation Document for Quantity Surveying Services, the principles as set out in the "Manual for Consultant Quantity Surveyors" (QS 001) and any written supplementary instructions issued by the Department

The Project Manager must acquaint himself fully with the contents of the above and must ensure that all relevant principles, instructions, etc. are complied with

- 2.2 The Standard for Uniformity in Construction Procurement published in terms of the Construction Industry Development Board (CIDB) Act, 2000 (Act no. 38 of 2000), the Standardized Construction Procurement Documents for Engineering and Construction Works as issued by the CIDB and any other relevant documentation pertaining thereto must be studied and all principles in this regard must be applied to all procurement documentation, practices and procedures

## 3 COMPILING OF PROCUREMENT DOCUMENTS

- 3.1 The three volume approach has been adopted by the Department for procurement documents for building contracts (JBCC) and engineering contracts (GCC)

This guideline document is intended to assist the Consultant Quantity Surveyor with the compilation of procurement documents for building contracts (JBCC) only, but can also be used for engineering contracts (GCC), provided that all JBCC procurement documents referred to in the table below, as well as in items 4, 5 and 6 below, are replaced with the relevant GCC procurement documents

The procurement documents shall be formatted and compiled under the standard headings and sequencing of documents for the three volume approach, as indicated in the table below

The Departmental Project Manager will be responsible for the completion of all procurement forms, as well as for assembling the procurement documents

The Consultant Quantity Surveyor must advise and may, wherever required, assist the Departmental Project Manager with the completion of relevant procurement forms

- 3.2 The Standard for Uniformity in Construction Procurement has no requirement for colour coding component documents. It is nevertheless recommended that any colour identification of component documents be undertaken in accordance with the provisions of SANS 10403, as this standard is recognized by the CIDB as best practice

SANS 10403 suggests that for ease of identification of the various sections, each section may be printed on different coloured paper or be separated with coloured paper. Where this is done, the colours for each subcomponent should be as indicated in the table below

The Department recommends that the documentation be printed on white paper and be separated with the relevant coloured pages

- 3.3 The standard headings, sequencing of documents and colour coding for the three volume approach for building contracts (JBCC), are as indicated in the table below:

### THREE VOLUME APPROACH (JBCC)

DESCRIPTION	COLOUR	DOCUMENT
Cover Page	Choice	DPW Procurement Document Cover Sheet
<b>VOLUME 1: TENDERING PROCEDURES</b>	White	Separation sheet
<b>T1.1 Tender Notice and Invitation to Tender</b>	White	Separation sheet
Notice and Invitation to Tender	White	PA-04 (EC)
<b>T1.2 Tender Data</b>	Pink	Separation sheet
Tender Data	Pink	DPW-03 (EC)

DESCRIPTION	COLOUR	DOCUMENT
<b>VOLUME 2: RETURNABLE DOCUMENTS</b>	Yellow	Separation sheet
<b>T2.1 List of Returnable Documents</b>	Yellow	Separation sheet
List of Returnable Documents	Yellow	PA-09 (EC)
<b>C1.1 Form of Offer and Acceptance</b>	Yellow	Separation sheet
Form of Offer and Acceptance	Yellow	DPW-07 (EC)
<b>C2.2 Bills of Quantities / Lump Sum Document (if a returnable document)</b>	Yellow	Separation sheet
Preliminaries for inclusion in Bills of Quantities and Lump Sum Documents based on the JBCC documentation	Yellow	Departmental pro-forma document (Sections A, B and C)
Building Work / Specification	Yellow	Separation sheet
Bills of Quantities / Specification and Schedule of Rates / Final Summary	Yellow	Project specific
<b>T2.2 Returnable Documents required for tender evaluation purposes</b>	Yellow	Separation sheet
Declaration of Interest and Bidder's Past Supply Chain Management Practices	Yellow	PA-11
Certification of Independent Bid Determination	Yellow	PA-29
Resolution of Board of Directors	Yellow	PA-15.1
Resolution of Board of Directors to enter into Consortia or Joint Ventures	Yellow	PA-15.2
Special Resolution of Consortia or Joint Ventures	Yellow	PA-15.3
Site Inspection Meeting Certificate	Yellow	DPW-16 (EC)
Preference Points Claim Form in terms of the Preferential Procurement Regulations 2011	Yellow	PA-16
Particulars of Tenderer's Projects	Yellow	DPW-09 (EC)
Declaration Certificate for Local Production and Content for Designated Sectors	Yellow	PA-36
<b>T2.2 Returnable Documents that will be incorporated into the contract</b>	Yellow	Separation sheet
Declaration of Designated Groups for Preferential Procurement	Yellow	PA-40
Record of Addenda to tender documents	Yellow	DPW-21 (EC)
Schedule of Proposed Subcontractors	Yellow	DPW-15 (EC)
Particulars of Electrical Contractor	Yellow	DPW-22 (EC)
Mechanical / Electrical / Security Work material and equipment schedules	Yellow	Project specific. Prepared by relevant consultant
Schedule for Imported Materials and Equipment	Yellow	DPW-23 (EC)
<b>T2.2 Returnable Documents: Other Documents that will be incorporated into the contract</b>	Yellow	Separation sheet
Other documents to be incorporated into the contract	Yellow	Documents as required
<b>VOLUME 3: CONTRACT</b>	Yellow	Separation sheet
<b>Part C1: Agreement and Contract Data</b>	Yellow	Separation sheet
<b>C1.2 Contract Data</b>	Yellow	Separation sheet
Contract Data	Yellow	Project specific. DPW-04 (EC)
<b>C1.3 Form of Guarantee</b>	White	Separation sheet
Form of Guarantee	White	DPW-10.1(EC) / DPW-10.3 (EC)
<b>Part C2: Pricing Data</b>	Yellow	Separation sheet
<b>C2.1 Pricing Instructions</b>	Yellow	Separation sheet
Pricing Instructions	Yellow	Project specific. PG-02.2 (EC)
<b>C2.2 Bills of Quantities / Lump Sum Document (if not a returnable document)</b>	Yellow	Separation sheet
Preliminaries for inclusion in Bills of Quantities and Lump Sum Documents based on the JBCC documentation	Yellow	Departmental pro-forma document (Sections A, B and C)
Building Work / Specification	Yellow	Separation sheet
Bills of Quantities / Specification and Schedule of Rates / Final Summary	Yellow	Project specific
<b>Part C3: Scope of Work</b>	Blue	Separation sheet
<b>C3 Scope of Work</b>	Blue	Separation sheet
Scope of Work	Blue	Project specific. PG-01.2 (EC)
HIV/AIDS Specification and Schedules	Blue	Standard PW 1544 Specification and Schedules

DESCRIPTION	COLOUR	DOCUMENT
Occupational Health & Safety Specification	Blue	Project specific. Prepared by Principal Agent
Other technical specifications that are required	Blue	Specifications as required
<b>Part C4: Site Information</b>	Green	Separation sheet
<b>C4 Site Information</b>	Green	Separation sheet
Site Information	Green	Project specific. PG-03.2 (EC)

#### 4 PRICING INSTRUCTIONS

The document PG-02.2 (EC): Pricing Instructions (JBCC) which is to be included in Part C2: Pricing Data of the "Contract" can be obtained electronically from the Departmental Project Manager

The document must be adjusted as necessary by the Consultant Quantity Surveyor / Project Manager to suit the specific project

#### 5 SCOPE OF WORK

The document PG-01.2 (EC): Scope of Work (JBCC) which is to be included in Part C3: Scope of Work of the "Contract" can be obtained electronically from the Departmental Project Manager

The document must be adjusted as necessary by the Consultant Quantity Surveyor / Project Manager to suit the specific project

#### 6 SITE INFORMATION

The document PG-03.2 (EC): Site Information (JBCC) which is to be included in Part C4: Site Information of the "Contract" can be obtained electronically from the Departmental Project Manager

The document must be adjusted as necessary by the Consultant Quantity Surveyor / Project Manager to suit the specific project

#### 7 CALCULATION OF PENALTIES

Penalties applicable to each stage and/or phase of the project to be stipulated in the Contract Data applicable to the project [DPW04 (EC) JBCC Contract Data or DPW05 (EC) GCC Contract Data].

##### 7.1 CALCULATION OF PENALTY PER DAY (EXCLUDING VAT)

The table below to be used as a guide to determine penalties.

CONTRACT PERIOD	RATE PER R100 OF ESTIMATE
1 month	27,5 cents
1,5 months	22 cents
2 months	16,5 cents
2,5 months	13,5 cents
3 months	11 cents
3,5 months	9,5 cents
4 months	8,5 cents
4,5 months	7,5 cents
5 months	6,25 cents
6 months	5,75 cents
7 months	4,75 cents
8 months	4 cents

CONTRACT PERIOD	RATE PER R100 OF ESTIMATE
9 months	3,75 cents
10 months	3,5 cents
11 months	3 cents
12 months	2,75 cents
14 months	2,5 cents
15 months	2,25 cents
16 months	2 cents
18 months	1,75 cents
20 months	1,5 cents
21 months	1,5 cents
24 months	1,25 cents
30 months	1 cent
36 months	1 cent
42 months	1 cent

## 7.2 PENALTY PER DAY ROUNDED OFF AS FOLLOWS:

R 0	– R 500	nearest	R 5
R 501	– R 1 000	nearest	R 10
R 1 001	– R 5 000	nearest	R 50
R 5 001 and above		nearest	R 100

### 7.2.1 EXAMPLE

$$\begin{aligned}
 \text{Estimated contract value} &= \text{R2 500 000 (excluding VAT)} \\
 \text{Construction period} &= 12 \text{ months} \\
 &= \text{R2 500 000} \times \frac{0.0275}{100} \\
 &= \text{R687-50/day}
 \end{aligned}$$

$$\begin{aligned}
 \text{Therefore rounded off} \\
 \text{to the nearest R10-00} &= \text{R690-00/day}
 \end{aligned}$$

## 7.3 PENALTIES ON CONTRACTS IN PHASES

Penalties must be calculated proportionally on the estimated contract value of each phase.

## 8. CONTRACT PRICE ADJUSTMENT

### 8.1 DEFINITIONS

- 8.1.1 Annual Financial Statement: A financial disclosure published as part of the department's annual Report.
- 8.1.2 Commitments: Commitments represent goods/services that have been approved and/or contracted, but where delivery has not taken place at the reporting date.
- 8.1.3 Construction Period: The interval over which the terms of a contract apply from Site Hand Over date to Practical Completion date.
- 8.1.4 Contractor: The party contracting with the employer for the execution of construction works.
- 8.1.5 Contract Period: The interval over which the terms of a contract apply from bid award date to Final Delivery date.
- 8.1.6 CPAP: Contract Price Adjustment Provision is a mechanism to provide a level of recompense accepted as fair to employer, contractor and subcontractor for fluctuations in the cost of labour, plant, materials and goods that are required on projects.
- 8.1.7 Elemental Cost Analysis: Systematic breakdown of the cost of a building/structure, into smaller components that make up a building/structure, in order to determine the cost of each element.
- 8.1.8 Employer: Department of Public Works and Infrastructure (DPWI).
- 8.1.9 Escalation: Anticipated changes in cost or price of specific goods or services in a given economy over a period of time.
- 8.1.10 Fixed Price Contracts: Contracts for which price fluctuation are not applicable.
- 8.1.11 GCC: General Conditions of Contract applicable to engineering and construction works.

- 8.1.12 Haylett Formula: A composite index that represents the input costs of building contractors or subcontractors.
- 8.1.13 Head of Projects: The Director or Deputy Director heading project Execution/Management units.
- 8.1.14 JBCC: Joint Building Contracts Committee form of contract for general building works.
- 8.1.15 Pre-tender Escalation: Anticipated price fluctuations projected for a project at planning stage and takes into account the period between the date of estimate and the planned tender date
- 8.1.16 Post-tender Escalation: Anticipated price fluctuations projected for a project over the construction period .i.e. status 5B to 6A in the Works Control System (WCS).
- 8.1.17 Principal Contractor: A contractor responsible for the execution/management of the overall construction works.
- 8.1.18 Professional Consultant: A person registered as a professional with the South African Council for the Quantity Surveying profession or the Engineering Council of South Africa.
- 8.1.19 Professional Engineer: A person registered as a professional with the Engineering Council of South Africa.
- 8.1.20 Professional Quantity Surveyor: A person registered with the South African Council for Quantity Surveying profession.
- 8.1.21 Project Budget Administrator (PBA): Administrator with the delegated authority to update project financial commitments on WCS.
- 8.1.22 Project Manager: A person responsible for managing the delivery of projects within DPWI.
- 8.1.23 Sub-contractor: The party that manages/executes a portion of a contract of the principal contractor.
- 8.1.24 Work Control System (WCS): Project management system used by the departmental staff in the value chain of delivering construction projects

## 8.2 APPLICATION OF CONTRACT PRICE ADJUSTMENT

- 8.2.1 Construction cost escalation is a recognised economic reality that needs to be catered for under particular circumstances. An instrument referred to as CPAP has therefore been put in place to compensate contractors for fluctuations in costs during the construction period, i.e. status 5B to 6A in WCS.
- 8.2.2 The main purpose of the contract price adjustments is to assist contractors to tender for projects at rates and costs that are valid and applicable at the time of tender. Fluctuations in costs are then provided for and calculated using the Haylett Formula, or other formulae that may be prescribed by the department/employer in the contract with the contractor.
- 8.2.3 The final cost of a project remains estimated or provisional until the end of construction and finalisation of the final account. Only once all works and costs have been reconciled will the total final project cost be determined because, until then, CPAP remains a forecasted estimated commitment.
- 8.2.4 CPAP is not applicable to fixed price contracts. Should the adjustment of contract prices be necessary on a fixed price contract, during construction and due to circumstances beyond the cause or control of the Contractor, a different consideration and approval process shall apply.
- 8.2.5 CPAP should be included for contract with a Construction Period exceeding 12 months, regardless of the estimated value of the project.
- 8.2.6 Contractual Obligations

Forms of contract where CPAP may apply include the following:

- JBCC: for building & related projects, such as refurbishments, upgrades, infrastructure and service projects
- GCC: for engineering and construction projects
- Any other forms of contracts which the Employer may prescribe.

## 8.2.7 Feasibility Studies

The Professional Consultant shall prepare a financial feasibility study of the project during the feasibility study and planning stage of the project. The estimated escalation cost based on the planned base date of the tender shall be indicated separately to the cost of works and considered for budgetary provision. This is for the purpose of capturing an estimate, for both the value of works and CPAP, on the WCS system by PBA at this stage of the project cycle.

## 8.2.8 Escalation

### 8.2.8.1 Preparation of Pre-tender Estimates

The Professional Consultant employed on a project must prepare pre-tender estimates on the basis of an elemental cost analysis. This estimate must include pre-tender escalation as well as post-tender escalation.

### 8.2.8.2 Post-tender Escalation

The Professional Consultant employed on a project must calculate or verify the post-tender escalation based on the recommended tender amount as informed by priced Bills of Quantities, the contractor's construction programme, and projected cash-flow values.

### 8.2.8.3 Verification of Post-tender Escalation

The calculation of the Post-tender escalation is done by an external Professional Consultant, the departmental Professional Engineers or Professional Quantity Surveyors must verify it, in line with the department's consultancy manual.

### 8.2.8.4 Initial Authorised CPAP Commitment

The verified/calculated post tender escalation as calculated by the Professional Quantity Surveyor forms the CPAP Commitment and should be captured on the WCS by PBA.

### 8.2.8.5 Quarterly recalculation of CPAP

The Professional Quantity Surveyor shall submit quarterly CPAP recalculations using the latest available indices during the Construction Stage up to Practical Completion date:

<b>Quarter</b>	<b>Period</b>	<b>Submission Date</b>
One	April, May, June	15 July
Two	July, August, September	15 October
Three	October, November, December	15 January
Four	January, February, March	15 March (WCS to be updated before end of March)